

## Explanation of Third Party Contributions

**Third-party contributions** are contributions given to a specific grant or contract by an individual or group from outside both the College and the sponsoring agency. These contributions do not include Facilities and Administrative (indirect) costs unless the contribution is associated with subcontract work performed for the benefiting budget. There are two types of third-party contributions:

- **Cash-matching** third-party contributions are funds (**cash**) from a source other than the College or the sponsoring agency. (Cash-matching third-party contributions are very rare.)
- **In-kind** third-party contributions include any **non-cash** contribution to a grant/contract from a source other than the College or the sponsoring agency.

Third party contributions are a source of cost sharing.

### PI/Staff Procedure: Proposing Third-Party Cost Share Contributions

When proposing third-party cost share contributions, the following must be included with the proposal when submitted:

- A letter from the proposed contributor, on the contributor's letterhead, that includes:
  - the date written,
  - the identity of the benefiting project, such as the name of the Principal Investigator and the name of the grant/contract,
  - a statement indicating how the individual benefited the project,
  - a description and dollar value of the proposed contribution. If the third-party is a subcontractor, the subcontractor must specify how much of the contribution will be in **direct cost** and how much in **Facilities and Administrative (F&A) costs**.
  - signature and title of an authorized official.

### PI/Staff Procedure: Documenting Third-Party Cost Share Contributions

To document third-party cost share contributions, supply:

- A letter from the contributor, on the contributor's letterhead, that includes:
  - the date written
  - the identity of the benefiting project, such as the name of the grant and/or budget number
  - a description and dollar value of the contribution. If the third-party is a subcontractor, the subcontractor must specify how much of the contribution is a direct cost and how much is a F&A cost.
  - If the third-party contributor donates salary, support documentation must include:
    - the name of the employee contributing effort,
    - the employee's title,
    - rate of pay,
    - total value of their effort including applicable benefits,
    - a statement indicating how the individual benefited the project,

- time period of the contribution (must be within the budget period), and
  - signature and title of an authorized official.
- If a third-party contribution is a cash match instead of in-kind, you must also attach:
  - a copy of the check to document your receipt of the funds and
  - documentation showing how the funds were disbursed (if required by sponsor).