

ISU Policy on Cost Share for Sponsored Programs
September 18, 2018

Iowa State University (ISU) engages in cost sharing when it is in the best overall interest of the institution. Instances of cost share include projects with a sponsor-mandated cost share requirement or projects where cost share is strongly encouraged and promises to create new opportunities for research at ISU.

Mandatory Cost Share –

Project costs that are not paid for by the sponsor and are required as a condition of the award.

Many federal and state agencies, foundations and organizations require cost sharing on some projects as a condition of eligibility for an award. Projects with **mandatory cost share** requirements must include the cost share commitment details in the proposal. Usually, when a sponsor requires cost sharing, they will specify the amount or percentage to be contributed by the university, often with the additional explanation “no more and no less” (e.g. NSF). Cost sharing by the university implies the commitment and use of institutional resources to support a specific sponsored project.

Voluntary Committed Cost Share –

Project costs that are pledged by ISU on a voluntary basis and specifically included in the proposal budget, budget justification or award.

Cost share committed beyond the required mandatory amount, if cost share is permitted at all by the sponsor, is considered **voluntary committed cost share**. Voluntary cost share is never a requirement of the sponsor. Some PIs may choose to include voluntary committed cost share in their proposals in hopes of enhancing their chance of being funded. In general, federal agencies do not use voluntary committed cost share as a factor during the merit review of applications or proposals unless it has been specified in the notice of funding opportunity. When cost share is strongly encouraged by the sponsor and pledged by ISU, such cost sharing is considered to be voluntary committed cost share.

Guidelines for Cost Share

- Contributions to mandatory cost share may come from the PI, department, center, institute, college/unit, the Office of the Vice President for Research (VPR) and external third parties. When institutional support is required, the VPR Office will coordinate the final documentation of cost share support and commitments.
- Institutional support from the Office of the Senior Vice President and Provost (SVPP) or the VPR Office will normally not be provided for voluntary committed cost share requests.
- Requests for institutional cost share support from the VPR Office, that are in addition to PI, department, center, institute, college and/or unit cost share, must be submitted to the VPR Office, see procedures below.
- When no institutional support is required, documentation of cost share support and commitments from PIs, departments, centers, institutes, colleges and/or units other than the VPR Office are the responsibility of the Lead Unit (RRC) indicated on the proposal.
- Cost share request to the VPR office should be submitted through the Lead Unit (RRC); in most cases this will be through the associate dean for research of the corresponding college.

- All cost sharing commitments from all sources must be made for allowable costs per sponsor guidelines and must meet the requirements of the proposal guidelines.
- No federal or federal-flow through funds can be used as a source of cost share on another sponsored project.
- Cost sharing provided by external third parties must be documented in writing prior to submission of a proposal.
- Documentation of cost share support must categorize each type of cost share commitment as one of the following: 'ISU cash' contribution, 'ISU in-kind' contribution, 'third-party cash' contribution, or 'third-party in-kind' contribution. 'Cash contributions' refers to cost share that is supported by an actual cash transaction that is recorded in the ISU accounting system. This includes documented cost share effort of faculty and staff time to projects. 'In-kind contributions' refers to cost share where the value of the contribution can be readily determined and verified, but where no actual ISU cash transaction exists during the award period. Examples of 'in-kind contributions' include volunteer services, donated equipment, donated supplies, and third party non-cash contributions.
- Documenting cost sharing expenditures
 - All cost share included as part of an award to the university must be documented and reported to the sponsor and is subject to audit.
 - Expenditures documented as cost share must be reasonable to accomplish the objectives of the sponsored project.
 - Cost sharing of faculty and staff effort must be documented in Section B1 on their corresponding EASE (Employee Activity Summary of Effort) form.
 - Cost sharing of non-salaried expenditures is documented by providing transaction detail of cost share expenditures to Sponsored Programs Accounting.
 - A specific expenditure transaction cannot be used or reported as cost share on more than one federal project.
 - Cost sharing must be incurred during the award period.

Procedures for VPR institutional cost share support

Requests to the VPR Office for institutional cost share should include the following information:

- (1) estimated total project budget including cost share (for each year and a cumulative total)
- (2) the IDC revenues that ISU would be expected to receive (for each year and a cumulative total)
- (3) the required amount of mandatory cost share, with an indication of any 'cash' requirements or 'in-kind' limitations
- (4) the names of the PI and Co-PIs
- (5) the salary home(s) of the PI and Co-PIs, and the percentage of the salary paid by each unit (if a PI or Co-PI is paid by multiple units)
- (6) a copy of the solicitation (RFP, RFQ, BAA, proposal guidelines).

When institutional cost sharing is required, the VPR Office will normally coordinate contributions from the PIs, departments, centers, institutes, and other colleges or units and/or VPR Office, as appropriate. The VPR Office will, in most cases, contact the PI to discuss in-kind contributions and possible contributions from other sources. The VPR Office will approve and distribute the final documentation of institutional cost share support and commitments.

- A complete set of approved final cost share documentation must be shared with all contributing parties before a proposal is submitted.
- The VPR Office will forward approved final cost share documentation to the Office of Sponsored Programs Administration.
- On the GoldSheet, the entire amount of cost share can be attributed to the Lead Unit (RRC), or the amounts and sources of cost share can be listed individually. A summary of the cost sharing agreement should be routed with the GoldSheet.
- If an award is received at a significantly lower amount than what was proposed (i.e. at 10% or greater reduction), the cost sharing contributions will be revised accordingly.

When VPR institutional support is not required, the Lead Unit (RRC) indicated on the proposal will normally be responsible for documenting contributions from the PIs, departments, centers, institutes, and/or other colleges or units other than the VPR office. Requests to the VPR Office for cost share should include Items (1) – (6) listed above.

- On the GoldSheet, the entire amount of cost share can be attributed to the Lead Unit (RRC), or the amounts and sources of cost share can be listed individually. A summary of the cost sharing agreement should be routed with the GoldSheet.
- If an award is received, the Lead Unit (RRC) will be responsible for obtaining funds or providing funds to cover all cost share commitments.
- A complete set of cost share support and commitment documentation must be distributed by the Lead Unit (RRC) to all contributing parties, OSPA and Sponsored Programs Accounting after the award is received.

Any questions regarding this Policy on Cost Share for Sponsored Programs should be directed to the Office of the Vice President for Research or the Office of Sponsored Programs Administration at 294-5225 or grants@iastate.edu.