

Determination of F&A Rates Applied to Sponsored Funds and Third Party Cash Cost Share OSPA Guidelines RM 4/10/19

Definitions:

Cost Share – The portion of ISU sponsored project costs not paid by the Sponsor.

Third Party Cash Cost Share – Cash committed as cost share by an external third party (not the Sponsor and not ISU) to support an ISU sponsored project. Cost share commitments from a third party must be documented in writing prior to submission of a proposal. A separate GoldSheet is needed for third party cash cost share when the Sponsor funds the ISU project.

Unrecovered F&A Costs – Can be included as part of cost share with the prior approval of the Sponsor. Unrecovered F&A costs means the difference between the amount of F&A charged to the Sponsor and the amount of F&A which could have been charged to the project using ISU's approved negotiated F&A cost rate. This includes both unrecovered F&A costs on sponsored funding and unrecovered F&A costs on third party cash cost share.

F&A Rate Determination Guidelines:

1. **F&A Rate Determination for Sponsor** – Determine if F&A costs are limited on the project funding to be provided by the Sponsor.
 - a. **No limitation by Sponsor.** There will be no unrecovered F&A costs on sponsored funding that uses ISU's approved negotiated F&A cost rate.
 - b. **Yes, limitation exists.** This must be a published rate restriction or an approved waiver.
 - i. **Unrecovered F&A Costs Allowed as Cost Share by Sponsor** – Determine if Sponsor will allow unrecovered F&A costs to be used as cost share.
 1. **Not allowed.** Unrecovered F&A costs on sponsored funding are not budgeted as cost share (e.g. NIFA per 7 CFR 3430.52(b)).
 2. **Allowed.** Unrecovered F&A costs on sponsored funding should be budgeted as cost share.
2. **F&A Rate Determination for Third Party Cash Cost Share** – Determine if F&A costs are limited on the project funding to be provided by the Sponsor.
 - a. **No limitation by Sponsor.** There will be no unrecovered F&A costs on third party cash cost share funding that uses ISU's approved negotiated F&A cost rate.
 - b. **Yes, limitation exists.** The Third Party Cash Cost Share funding will use the same F&A rate as used by ISU on the sponsored funding.
 - i. **Unrecovered F&A Costs Allowed as Cost Share by Sponsor** – Determine if Sponsor will allow unrecovered F&A costs to be used as cost share.
 1. **Not allowed.** Unrecovered F&A costs on third party cash cost share funding are not budgeted as cost share (e.g. NIFA per 7 CFR 3430.52(b)).
 2. **Allowed.** Unrecovered F&A costs on third party cash cost share funding should be budgeted as cost share.

As in the past, a GoldSheet is not needed for the third party cash cost share funding until the award stage of the sponsored funding.