

Iowa State University (ISU) can engage 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 (mandatory cost share) or projects where cost share is strongly encouraged by the sponsor to increase the competitiveness of the proposal and promises to create new opportunities for research at ISU (voluntary committed cost share).

I. Procedure when OVPR institutional cost share support is requested

1. Upon deciding to pursue a proposal with mandatory or voluntary committed cost share, the principal investigator (PI) develops a preliminary budget with pre-award support staff. The PI, in conjunction with their respective associate dean for research or center director, develops a cost share plan and proposal using the [Cost Share Support Request Form](#). Cost share for federal projects is calculated on either the total sponsored (federal) funds requested or the total project costs as outlined in the broad agency announcement, funding opportunity announcement or program guidelines. Attention is needed to apply the correct calculation for determining the amount of cost share required as outlined in the below examples:

Example 1 - Percentage of Total Sponsored Funds Requested

Sponsored Funds Requested	Cost Share Amount	Total Project Cost
\$100,000	\$20,000	\$120,000

Sponsored Funds Requested: \$100,000
 Required Cost Share Percentage: 20%
 Cost Share Required: \$20,000
 Total Project Costs: \$120,000
 Cost Share Calculation: (Sponsored Funds Requested)*(Cost Share Percentage)
 Cost Share Calculation: \$100,000 * .20

Example 2 – Percentage of Total Project Costs

Sponsored Funds Requested	Cost Share Amount	Total Project Cost
\$100,000	\$25,000	\$125,000

Sponsored Funds Requested: \$100,000
 Required Cost Share Percentage: 20%
 Cost Share Required: \$25,000
 Total Project Costs: \$125,000
 Cost Share Calculation: (Total Project Costs)*(Required Cost Share Percentage) -OR-
 ((Sponsored Funds Requested)/(1 – Cost Share Percentage)) less (Sponsored Funds Requested)
 Cost Share Calculation: \$125,000 * .20 -OR- (\$100,000 / (1-.20)) less \$100,000

The completed Cost Share Support Request Form and associated documentation (see list below) is emailed to the Office of Sponsored Programs Administration (OSPA; Becky Musselman, rjmusse@iastate.edu and Andrea Rich, arich@iastate.edu) for evaluation and consideration. OSPA will approve the request form for the Office of the Vice President for Research. Cost Share Support Request Forms should be submitted through the Lead Unit (RRC); in most cases this will be through the associate dean for research of the administering college.

2. Upon OSPA approval or denial of the requested cost share support, the Director of OSPA or Assistant Director of OSPA will notify all contributing parties and the Associate Vice President for Research.
3. The approved Cost Share Support Request Form with documentation of OSPA approval must be attached and routed with the GoldSheet.
4. If an award is funded at an amount that differs from what was originally proposed, the cost share contributions will be reviewed by the respective colleges involved and OSPA and may be revised accordingly.

Associated documentation materials to be included and sent to OSPA with the Cost Share Support Request Form:

- (1) Proposed total project costs, sponsor costs, and cost share for each budget period and a cumulative total
- (2) Facilities and Administrative (F&A) percentage rate proposed on sponsor costs and if an F&A Waiver will be requested
- (3) Proposed F&A costs to be charged to the sponsor for each budget period and a cumulative F&A total for sponsored funds requested
- (4) The required amount of mandatory cost share, with an indication of any 'cash' requirements or 'in-kind' limitations
- (5) The names of the ISU PI and Co-PIs
- (6) The salary home(s) of the ISU 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)
- (7) A copy of the solicitation (RFP, RFQ, BAA, proposal guidelines)

II. Procedures for cost share without OVPR institutional cost share support

1. Upon deciding to pursue a proposal with mandatory or voluntary committed cost share, the principal investigator (PI) develops a preliminary budget with pre-award support staff. The PI, in conjunction with their respective associate dean for research or center director, develops a cost share plan and proposal using the [Cost Share Support Request Form](#).
2. Upon approval of the Cost Share Support Request Form by the associate dean for research or center director, the associate dean for research of the administering college or the center director of the lead unit will notify all contributing parties, and the Office of Sponsored Programs Administration Pre-Award Team (ospa-proposals@iastate.edu).

3. The approved Cost Share Request Form with documentation of college or center approval must be attached to the GoldSheet prior to submission of the proposal.
4. If an award is funded at an amount that is lower than what was originally proposed, the cost share contributions will be reviewed and may be revised accordingly.

Associated documentation materials to be included in requests to the college or center for cost share:

- (1) Same as listed above on page 2 when OVPR institutional cost share support is requested.

III. Guidelines for Budgeting of Cost Share

When cost share budgets are prepared, colleges and centers are encouraged to use the following cost share sources to meet their cost share requirement. These sources are listed in order of the least to most in cash outlays to the institution.

- 1) Third Party
 - a. Subcontractors/subrecipients should contribute cost share at the same percentage as ISU or higher if possible, unless they are prohibited from doing so (e.g. National Federal Labs).
 - b. Industry partners can contribute 1) cash, which ISU will spend within our allowable budget categories, or 2) in-kind which could include their own personnel costs, waived fees for service, and/or fair market value of donated equipment.
 - c. Do not calculate ISU F&A costs on in-kind cost share from subcontracts or other external sources.
- 2) Unrecovered F&A Costs
 - a. When the sponsor limits F&A costs, the unrecovered F&A costs should be included as cost share if allowed by the sponsor.
- 3) Faculty Salary, Benefits & F&A Costs
 - a. When the sponsor allows it, faculty and staff salaries should be included as cost share at a level equal to the funded salary request for all PIs and co-PIs, for example, approximately one month per person, per year, per proposal. Approval by all department chair(s) is required on the Cost Share Support Request Form.
 - b. Occasionally a higher level of effort commitment exceeding 10% may be used in cases where the mandatory cost share requirement is high. These requests must be approved by both the department chair and respective associate dean for research or center director.
 - c. Please note that over-commitment of a person's effort for cost share at the time of proposal is permitted. However, upon acceptance of an award, any employee's time cannot be overcommitted to all institutional activities beyond 100%. In cases where this issue arises, the college/center director will find a solution, e.g. release of the potentially over-committed person's time from other activities.
- 4) Existing PI Incentive or other PI Discretionary Funds– PI Incentive or other discretionary funds can be used to cover expenses such as materials and supplies, travel, publication costs, salary and benefits for post docs, students, etc.

- 5) Colleges may provide support for graduate assistants' salary, benefits and tuition as needed and approved.
- 6) In extreme cases, the college or center may offer a portion of the RRC's F&A revenue that will be generated by *this* project to support a portion of the cost share requirement.

IV. Guidelines for Cost Share

- Contributions to mandatory and voluntary committed cost share may come from the PI, department, center, institute, college/unit, the Office of the Vice President for Research (OVPR) and external third parties.
- Requests for institutional cost share support from the OVPR that are in addition to PI, department, center, institute, college and/or unit cost share, must be submitted to OSPA using the guidelines enumerated above.
- The Cost Share Support Request Form for institutional cost share should be submitted through the Lead Unit (RRC); in most cases this will be through the associate dean for research of the administering college.
- All cost share 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 federal sponsored project, unless the sponsor specifically grants the right to use.
- Cost share provided by external third parties must be documented in writing prior to submission of a proposal.
- Voluntary committed cost share can only be included in a project budget when there is a very clear indication from the sponsor that it will increase the competitiveness of the proposal. Documentation must be attached to the request to verify the sponsor's request for voluntary committed cost share (e-mail communication is not sufficient documentation). Voluntary committed cost share cannot be included in the budget for industry sponsored research.
- Voluntary committed cost share cannot be included in the budget when not allowed by the sponsor.
- 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 will exist during the award period. Examples of 'in-kind contributions' include volunteer services, donated equipment, donated supplies, and third-party non-cash contributions.

- Documenting cost share 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 share of faculty and staff effort must be documented in Workday or prior to FY20, on an EASE (Employee Activity Summary of Effort) form.
 - Cost share of non-salaried expenditures is documented in Workday or prior to FY20, 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 share must be incurred during the award period.

V. Definitions:

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 share 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's budget. Usually, when a sponsor requires cost share, 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 share 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 share is considered to be voluntary committed cost share.

If you have questions, please send an email to Becky Musselman, Director of OSPA at rjmusse@iastate.edu. If you are not contacted within one working day, please call 294-5225.