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To: IT&E Faculty
From: Stephen Nash, Associate Dean
Subject: IT&E Policy on Cost Sharing for Grant Proposals
Date: April 9, 2003

Cost sharing on grant or contract proposals will only be provided when required by the funding agency. The purpose of this memo is to clarify the policies that relate to cost sharing on grant proposals.

The policies described here apply when funds for cost sharing are requested from the Dean's office. In some cases (e.g., cost sharing in the form of a percentage of academic year time), cost sharing is billed to a department-level account and the Dean's office does not contribute. In such cases, the request for cost sharing should be submitted to the department chair following the procedures listed in points 1 and 2 below.

Cost sharing is an investment that is made in the expectation there will be a future return to the School. Funds for cost sharing will be provided by the Dean's office once it has been determined that the projected benefit justifies the cost. All beneficiaries of the proposed research funding will be expected to contribute to the cost sharing, in proportion to their share of overhead return. The formula for overhead return will be used to determine the distribution of cost sharing.

The processes and procedures for obtaining agreement for cost sharing are as follows:

1. Cost sharing on grant proposals must be negotiated and agreed-upon before the circulation of the signature-approval pages by the Office of Sponsored Programs.
2. Requests for cost sharing by the Dean's office should be submitted to the Associate Dean for Graduate Programs and Research. The request should include (at a minimum) a written description of the cost-sharing request and a copy of the budget for the grant proposal. In some cases, it may be appropriate to include a memo describing the benefits associated with the grant, and any requirements for cost sharing imposed by the funding agency.
3. The Dean's office will assume, unless otherwise requested in writing, that the cost sharing will be apportioned according to the formula in place for sharing of overhead return. (In particular, it is typically expected that the PI, department, and, if relevant, center have agreed to contribute to the cost sharing.) The Dean's office will take responsibility for contacting the Provost's office to get approval for their portion of the

cost sharing. Copies of the request for cost sharing should be sent to the department chair and /or center director if they are being asked to contribute to the cost sharing.

Proposals submitted to the National Science Foundation are subject to limitations on cost sharing, based on the following guidelines from the Provost's Office (dated January 27, 2003):

Last Friday, the NSF issued new guidance on the role of cost sharing in its awards to universities. The essence of this guidance is that cost sharing on NSF awards is to be sharply limited to well-defined cases involving significant potential benefits to the grantee institution. Program officers will no longer have discretion or authority to press informally for cost sharing contributions. Most important, proposals submitted under the standard "NSF Grant Proposal Guide" will not be permitted to include more than the statutory regular cost sharing requirement of 1% for all NSF awards. Additional provisions in the new guidance make it clear that it is the intent of the NSB and NSF not to use cost sharing as a factor in proposal review.

The new guidance can be found on the web at:

<http://www.nsf.gov/bfa/dga/policy/docs/in128.pdf>

A set of "FAQ"s on the new guidance is at:

<http://www.nsf.gov/bfa/dga/policy/docs/csfaqs03.pdf>

As a result of this new guidance, OSP will typically not budget for cost sharing requested by PIs outside the scope of the new NSF guidelines.