

LOCATING HELP

To locate your assigned ORSPA and department research advancement staff:

- Click on the “Help Center” link, and then on the “Who can help me?” link on the Research Administration webpage to visit:
<https://pride2.asu.edu/orspacontacts>
- Log in
- Type in your department name
- The page will display the name(s) of your assigned ORSPA and department research advancement staff

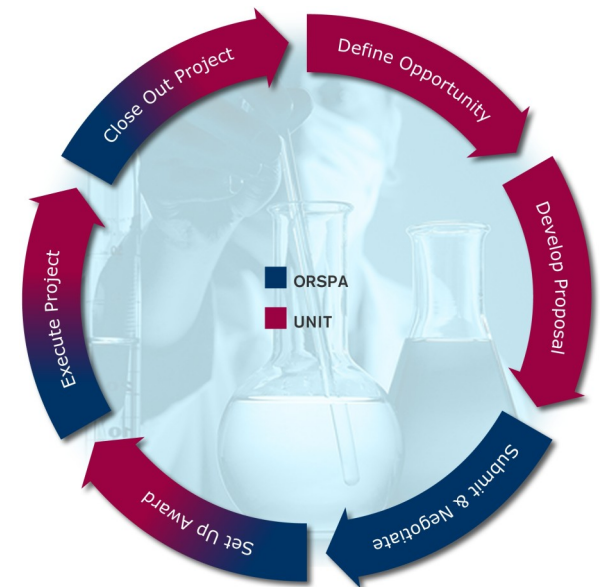
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COST SHARING

USING UNIVERSITY FUNDS
IN SUPPORT OF SPONSORED PROJECTS



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What is cost sharing?

Cost sharing is the portion of project costs not paid by the sponsor. By definition, cost sharing is restricted to direct cost items within the budget. Direct costs must be identified exclusively with a particular sponsored project. Examples include:

- compensation of employees for performance of work under the sponsored agreement, including related fringe benefits costs
- the costs of materials consumed or expended in the performance of the work

Cost sharing does not include facilities and administrative cost items, like institutional commitments for equipment or facility renovations that serve multiple projects or activities. Commitments of this type are called infrastructure support.

Facilities and administrative costs (F&A), also referred to as indirect costs, overhead, overhead costs, or administrative costs are actual costs incurred to conduct the normal business activities of an organization that cannot be exclusively identified with or directly charged to a specific project or activity.

When should I cost share?

Cost sharing should be included in a proposal only when the sponsor requires it as a condition of funding. If cost sharing is included in a proposal, the Cost Sharing Requirements Approval Form (ORSPA 305) must be included in the proposal package. Forms can be found by following the link "Forms" on the ORSPA website.

Why shouldn't I cost share unless required?

Shortfalls in meeting cost share commitments result in a loss of sponsor funding or payment of cost sharing from the department's unrestricted funding.

Policy and Procedures

The cost sharing policy, RSP 506-03, can be found in the Research and Sponsored Projects Manual at:

<http://www.asu.edu/aad/manuals/rsp>

For more information on managing cost sharing obligations, please view the Cost Sharing video at:

<http://researchadmin.asu.edu/training/online-videos>

The Cost Sharing video discusses: (1) the three types of cost sharing; (2) the difference between cost sharing and infrastructure; (3) cost sharing's impact on the F&A rate; (4) sources of cost sharing; (5) cost sharing responsibilities during proposal development as well as its documentation during the life of the award; and (6) when a separate, companion (cost sharing) account is set up.

What is the difference between cost sharing and infrastructure support?

Cost sharing is a legally binding condition for accepting a sponsor's funding for a specific project. In contrast, infrastructure support represents an institutional investment in resources needed to conduct research at ASU.

Cost sharing

- requires extensive documentation
- may require additional reporting to the sponsor
- is a key component in all external audits of the university
- if cost sharing cannot be met as required, it results in a loss of sponsor funding
- adverse impact on F&A recovery

Infrastructure support

- is not reported to the sponsor
- does not place sponsor funding at risk
- generally is not audited

How can I make sure that the sponsor does not confuse infrastructure support with cost sharing contributions?

To avoid turning infrastructure support into cost sharing that requires more stringent reporting requirements, do not include contributions for infrastructure support in proposal budgets and budget justifications.

Another way to avoid unnecessary cost share monitoring is to only include cost sharing contributions in proposal budgets and budget justifications when a sponsor's charter or program description explicitly states that cost sharing is expected and will be a proposal review criterion.