

## Purdue University and Office of Research Research Proposal Cost Sharing Guidance

The provision of cost sharing or matching funds can be an important component in many proposals for extramural funding. Typically, cost sharing falls into one of four categories:

- **Mandatory cost sharing** includes institutional support that is required in writing by the granting agency, and the amount is specified in a granting agency's written solicitation.
- **Voluntary committed cost sharing** includes institutional support committed to the project solely at the discretion of the institution. These resources are pledged formally in a proposal and thereby become binding commitments that the granting agency may audit.
- **Institutional support/leverage** includes institutional resources not specified as mandatory or committed specifically yet discussed in the proposal narrative or supplementary documents as organizational resources or infrastructure necessary for, and available to enable, a project. Such resources can be described quantitatively but they are not allocated to a specific project. Institutional support/leverage is communicated to demonstrate Purdue's capacity or capability.
- **Voluntary uncommitted cost sharing** includes institutional support provided by Purdue but not pledged formally in the proposal usually because of agency restrictions against cost sharing. Such cost sharing is subsequently made available to the project upon receipt of the award and is not binding or auditable. Such resources can be internally quantitated and solely support a specific project, but they are not normally shared with the sponsor prior to award.

This document describes the University cost sharing guidelines and processes and identifies when the processes begin and who should be involved—from the department level to the Office of Research (OR). Similar guidance for departmental cost sharing processes is available at the following web site:

<http://www.purdue.edu/research/funding-and-grant-writing/cost-sharing.php>

### University Cost Sharing: General Guidelines

The University is required by the federal government to handle cost-sharing consistently and in accordance with the Uniform Guidance ([2 CFR 200.306](#)), which states that:

“Under Federal research proposals, voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity. Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity.”

To know whether a federal agency requires cost sharing, you should read the funding opportunity guidelines, check the agency website for policies, or contact a SPS Pre-Award Specialist. Grants from federal agencies will only have a cost sharing requirement when allowed under the awarding agency's regulations and specified in a funding opportunity announcement. Contracts, which are used when the federal agency is seeking a specified service or product from the University, typically do not require cost sharing.

For all proposals, careful initial budgeting should first establish the total project cost – what is needed to perform the proposed project irrespective of the funding contributions. Understanding the total project needs is the only way to adequately assess whether and/or how cost sharing should be part of the project budget.

Mandatory and voluntary committed cost-sharing offered by any person, unit, or office of the University in support of a sponsored project must be treated in the same manner as the direct costs covered by the sponsor of the project. This means cost sharing commitments must be allowed costs, expended during the award period, quantifiable, and auditable, and they cannot be allocated to more than one sponsored project.

### **University Cost Sharing Process**

You should not include any mandatory or voluntary committed cost sharing in your proposal budget until the cost sharing plan has been approved by the appropriate Purdue official(s). Do not consider any form of central support to be pre-approved or relied upon as a standing or automatic contribution to any program. Each letter-of-intent, new or renewal submission stands on its own, and cost sharing is typically re-evaluated for a resubmission with a significant change to the scope and/or budget. Start your requests for cost sharing with a discussion that involves the investigator(s), their department head(s), and associate dean(s) for research early in the proposal development process, but no later than three weeks before the due date (large or complicated requests will take longer than three weeks so start as early as possible). Tentative cost sharing plans developed and approved within the originating department and college should then be communicated to the Pre-Award Office for their awareness and inclusion in the proposal budget. If central cost sharing support is being requested from the OR, these requests should follow the documented process listed below. All cost sharing commitments must be fully documented within PERA, with which your Pre-Award Specialist will assist with preparation.

Many proposals, including letters of intent, with cost sharing require coordination among departments, schools, and colleges. Multi-college proposals require a great deal of coordinated effort. The associate deans for research of all colleges involved must be included in all communications involving inter-college/school cost sharing early in the process.

### ***OR Cost Sharing: General Guidelines***

The Office of Research has funds available for the partial support of sponsored program cost sharing. OR staff facilitates the process of developing and obtaining approval on cost sharing requests during the proposal development process. OR staff also assists with the post-award

administration of cost sharing commitments. Central oversight of cost sharing helps to ensure that such commitments are targeted to Purdue's strategic research goals.

Central OR cost sharing funds are intended to supplement, not supplant, cost sharing funds provided by colleges, schools, departments, and other units. Cost sharing commitments on the part of colleges, schools, departments, and other units are necessary to show the units' support of the proposed work and to prioritize requests within the units.

Cost sharing can be considered for research-related proposals ranging from single investigator proposals to large, interdisciplinary proposals; proposals for the acquisition of research instrumentation and equipment; and proposals for the development of research facilities. In only very special cases, cost sharing will be considered for proposals that are not research related. The following priorities guide the allocation of central cost sharing funds to research proposals:

- Top priority will be given to mandatory cost sharing. Voluntary cost share support will be provided only in exceptional cases and primarily by the department-level unit.
- A mandatory cost sharing requirement does not ensure a university contribution as many projects are competing for limited resources. To be given high priority, a project must be high quality and aligned with strategic research areas, as determined by the strategic plans of the University, colleges, schools, and departments.
- Units must prioritize the proposed project through their contribution to the proposal cost share funding. Typically, the university-level contribution (e.g., OR) will be 1/3 of the total cost share, with the other 2/3 provided by the investigator(s), department(s), and college(s). Contributions of external contributors will be evaluated and applied on a case-by-case basis to the overall responsibility for cost sharing.
- For projects that require a high level of matching (higher than 30% of total costs), we expect the departments and external contributors to provide matching closer to 50% of the total matching requirement with the remaining requirement to be split between the college(s) and OR.
- A proposed equipment/facility project should add new capability to the infrastructure of the university and/or help to build our future competitiveness.
- A project involving major facility improvements (renovation or construction) requires 1) a determination as to the need and use of existing and/or new space, 2) a detailed estimate of the renovation/construction costs, and 3) an evaluation of institutional space and capital project priorities. PIs should be aware that such assessments are determined in consultation with Administrative Operations and can take a great deal of time to complete, especially if architectural and engineering services are needed.
- While the above guidelines indicate how requests for central OR cost sharing will be prioritized, other programs that do not satisfy these priorities may be cost shared from college, school, department, other unit resources or from outside contributions (e.g., corporate partners).

Institutional commitments for research projects on a voluntary, uncommitted basis will be considered under special circumstances considering how the project aligns with the University's strategic goals. A full justification of need relative to the goals of the project, the expectations

of the sponsor, and the budget should be provided to the OR contact listed below for further discussion.

### **Office of Research Cost Share Process**

Requests for research cost sharing funds are initiated at the OR website (<https://www.purdue.edu/research/funding-and-grant-writing/cost-sharing.php>) or by emailing the contact listed below. Sufficient lead time (no less than 3 weeks) is needed to ensure that all units can consider cost sharing requests. PIs will need to provide general information related to associated faculty, granting agency, participating units, category of cost sharing requested, and external partners. *Requests to department, school, and colleges should be in place prior to obtaining OR approvals.* The OR will assist investigators and department heads in developing a cost sharing package for each proposal. All requests for cost sharing from the OR should originate with the PI in collaboration with their department head and associate dean for research in accordance with intra-college/school/department cost sharing processes or procedures. *Contact to the department/school, college, and OR must be initiated early for the required negotiations to take place.*

There may be occasions when the University may need to cost share proposals that specifically advance the University's goals in learning or engagement, and the proposal does not have a research component. Examples of such "non-research" cost sharing might include tuition and fee scholarships for fellowship or training grant proposals; requests for additional fellowship support to match fellowships requested from a sponsor; or cost sharing related to our efforts in statewide technology, technical assistance, outreach, or extension. For such non-research proposals, the OR will facilitate communication with offices such as the Office of the Provost, dean of the Graduate School, or others to assemble cost sharing packages.

Requests for cost sharing from the OR should be made in conjunction with a sponsored program proposal whereas requests for funds for startup needs, equipment, or seed funding, for example, should be evaluated by the college, school or other unit and not the OR.

The OR will be responsible for reviewing requests for research cost sharing, tracking commitments and awards, and interfacing with involved faculty, department/school administration, and Sponsored Program Services.

### **Contacts**

OR contact: **Kristyn Jewell**, [kristynj@purdue.edu](mailto:kristynj@purdue.edu), 494-2876

Pre-Award Center contact: **Amanda Hamaker**, [ahamaker@purdue.edu](mailto:ahamaker@purdue.edu), 496-9647

OR Business Office contact: **Erica Cox**, [ericacox@purdue.edu](mailto:ericacox@purdue.edu), 496-7307

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