

## Quick Tips on Cost Share

First, costs shown as cost share must be allowable as a direct cost on the grant. For example, if the guidelines disallow office supplies to be directly charged to the grant, then they cannot be treated as cost share either.

For cost share, the following costs are recommended:

- Unrecovered Facilities and Administrative (F&A) Costs – these are the easiest costs to show since they do not require approval to include them and they do not need to be tracked
- Salaries & Benefits – these can be captured on the EASE form and therefore are fairly easy to track
- Equipment Purchase – this can provide a large part of cost share with only 1 receipt to track!
- F&A Costs on the Cost Shared Amount (as appropriate) – Whatever F&A rate the sponsor allows can also be applied to ISU funded cost share. For example, if a PI cost shares \$5,000 of his salary and benefits, \$2,975 of F&A costs should be shown as cost share as well (assuming full F&A rate of 47%).

NOTE: Some costs such as Materials & Supplies and Other Direct costs may also be cost shared, but PIs should be aware that tracking these costs may become a large administrative burden to the department.

### How to Calculate Unrecovered F&A Costs

When a sponsor limits the F&A rate they will pay, they sometimes will allow us to show the difference between our full F&A rate and the F&A rate they allow as part of the cost share requirement. For example, Sponsor A will only allow 10% F&A on Total Direct Costs (TDC), however they will allow unrecovered indirect as cost share. Therefore, to determine the unrecovered cost share, you would calculate what the total F&A we could have received using our full F&A rate on Total Modified Direct Costs (MTDC) and then subtract the actual F&A that we did receive. Here's an example:

Grad Student salary and benefits	\$15,000		
Tuition	<u>\$ 3,000</u>		
Total Direct Costs	\$18,000	Modified Total Direct Costs	\$15,000
F&A @ 10%	<u>\$ 1,800</u>	F&A @ 47%	\$ 7,050
Total Costs	\$19,800	Less recovered F&A	<u>\$ 1,800</u>
		Unrecovered F&A	\$ 5,250

## *Suggestions for Voluntary Uncommitted Cost Share for proposal narratives*

General statements in the narrative or budget justification of the proposal can indicate the PI's intention to participate significantly in the research without creating a contractual and auditable quantified commitment of effort:

### **GOOD EXAMPLES** (no cost sharing commitment):

- Professor X will be providing expert advice and consultation to the project, as needed.
  - The University demonstrates support to the project through the availability and expertise of the Project Director (or Principal Investigator).
  - Professor X is Principal Investigator and requests 25% salary support for this project. She will provide additional support to the project, as needed.
  - Professor X will direct all research activities associated with the project [specify...]
  - Professor X will oversee [all aspects of] the project.
  - Dr. Y will participate in the project at every stage [specify...]
  - Professor X will provide scientific direction and supervision for the project [including...]
  - Professor X will have significant involvement throughout the project. She will be providing expert advice and consultation on all aspects of the research.
  - Dr. Y is Principal Investigator and requests 30% salary support to the project. He will provide additional support as needed.
  - Professor X's laboratory is 800 square feet. She also has access to the departmental [equipment name] that is beneficial to the research.
  - The University demonstrates support to the multistage project throughout the availability and expertise of the project director.
  - The PI will have access to additional resources, such as [equipment name], to ensure the successful execution of this scope of work
  - No salary support is being requested for Professor X; however she will provide intellectual direction for the project, will have direct and significant involvement throughout the project, and will co-author publications
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### **BAD EXAMPLES** (cost sharing commitment - do not use these examples!)

- As a faculty member at a state-supported institution of higher education, Dr. Y's salary is paid by the State of California; she will devote 25% effort toward this project.
- Iowa State University is highly supportive of this project and agrees to be responsible for the salary of the PI for its duration.
- Effort equivalent to \$xx,xxx in salary and benefits will be provided by the Professor X.
- An annual stipend of \$xx,xxx is requested for one full-time Graduate Student Researcher. In addition, ISU will cost-share the graduate student's tuition at an amount approximately totaling \$xx,xxx per year.
- Professor X will devote 20% of her time to the project at no cost to the sponsor.
- Dr. Y is Principal Investigator and will devote 40% effort (30% salary support requested) to the project.
- The department will purchase a [equipment name] (cost \$xx,xxx) for exclusive use in support of Professor X's project.
- The University demonstrates support and will contribute to the multistage project through partial salary for the project director.
- Dr. Y will contribute a week of field work and the time required for data analysis and report writing, and he will supply all equipment.
- Professor X will provide intellectual direction of the project and co-author publications. Her time (5% effort) will be contributed by the College.