

The background of the page is a stylized illustration of waves. The waves are rendered in various shades of blue and white, with thick, curved lines that create a sense of movement and depth. The waves are layered, with some in the foreground and others receding into the background. The overall effect is a dynamic and textured background.

APPENDICES



NATIONAL SCIENCE FOUNDATION POLICY STATEMENT ON COST SHARING

This policy statement supersedes and replaces that adopted by the National Science Board in November 2002 (NSB-02-188).

DEFINITION

Cost sharing is defined in OMB Circular A-110 (2 CFR § 215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations). For National Science Foundation (NSF) purposes, and consistent with Circular A-110, the definition also includes and is synonymous with the term “matching”. The term “cost sharing” is used with reference only to quantifiable and auditable contributions from non-NSF (and non-Federal) sources to NSF-supported activities. In the case of in-kind and/or third-party contributions, a quantifiable and auditable value must be established.

Mandatory cost sharing is defined as institutional contributions required by NSF for specific sponsored projects, usually with different requirements for different programs and solicitations.

Voluntary cost sharing is defined as institutional resources made available to a specific sponsored project solely at the discretion of the grantee institution. Voluntary committed cost sharing refers to those voluntary cost sharing resources that are included in the grant proposal, referenced in the award, and required to be provided in accordance with award terms and conditions. Voluntary uncommitted cost sharing refers to those voluntary cost sharing resources that are not presented in the proposal or referenced in the award, but are provided by the grantee institution even though there is no requirement to do so.

NSF has a variety of additional ways in which it partners and leverages resources from other sources. While necessary and important in many programs, these do not constitute “cost sharing” unless quantifiable and auditable contributions are sought.

POLICY

NSF can require mandatory cost sharing in individual programs where deemed appropriate according to established principles and specifically approved by the NSF Director. Factors that may justify the inclusion of programmatic mandatory cost sharing requirements include, but are not limited to, capacity-building, linkages with industry, procurement or support for facilities or permanent equipment, and long-term sustainability.

NSF will not require cost sharing for unsolicited proposals.

As mandated by the America COMPETES Act (P.L. 110-69), cost sharing is required for Ph.D.-granting institutions in the Major Research Instrumentation Program and the Robert Noyce Teacher Scholarship Program.

Historically, in accordance with prior Congressional requirements, NSF required that each grantee share in the cost of NSF research projects resulting from unsolicited proposals. The appropriations providing funds to NSF and other independent agencies contained the following language: “None of the funds provided in this Act may be used for payment, through grants and contracts, to recipients that do not share in the cost of conducting research resulting from proposals for projects not specifically solicited by the Government: Provided, that the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research” (last appeared in P.L. 109-108). The statutory cost sharing requirement is eliminated effective with awards made on or after June 1, 2007.

Inclusion of voluntary committed cost sharing is prohibited in all solicited and unsolicited proposals. Grantee institutions may continue, at their own discretion, to contribute any amount of voluntary uncommitted cost sharing to NSF-sponsored projects.

PRINCIPLES

Mandatory Cost Sharing

In cases where an NSF program imposes a cost sharing requirement, the requirement will be clearly stated in the applicable program solicitation, so that eligible institutions will understand the parameters within which cost sharing is expected. Individual programs may exercise discretion in setting different mandatory cost sharing requirements for different broad categories of institutions as best fit program goals and expected outcomes. Within individual programs, requirements for cost sharing may take into account the type of institution, institution size, level of other research support, population served, etc. However, NSF will not impose NSF-wide special exemptions from cost sharing, or tiered cost sharing requirements, applicable to all programs for specific types of institutions.

In cases where an NSF program imposes a cost sharing requirement, mandatory cost sharing is considered an eligibility, rather than a review, criterion.

Voluntary Cost Sharing

Voluntary committed cost sharing is prohibited at NSF. This policy has been established in response to views in the research community that there is unequal competitiveness among grantee institutions based on their ability and willingness to contribute voluntary committed cost sharing resources to NSF-sponsored projects, and that inclusion of voluntary committed cost sharing will improve proposal competitiveness. This policy is also expected to reduce the impact of voluntary committed cost sharing on indirect cost reimbursement and the administrative burden of tracking and reporting voluntary committed cost sharing.

In order to ensure that reviewers, NSF program officers, and grantee officials have sufficient information regarding principal investigator(s) capabilities and institutional resources to make informed funding decisions, proposers are required to provide a comprehensive description of all resources necessary for and

available to a project, without reference to cost, date of acquisition, and whether the resources are currently available or will be provided upon receipt of the grant. Such information should be provided in the Facilities, Equipments, and Other Resources section of proposals. Information so provided is not auditable and shall not be considered cost sharing in determining the total project cost.

Grantee institutions may continue, at their own discretion, to contribute any amount of voluntary uncommitted cost sharing to NSF-sponsored projects. These resources are not auditable by NSF.

Budget Negotiations

For all proposals, NSF program officers must follow the current Grant Proposal Guide (GPG) guidance regarding budget negotiations (Section III.D.), which states that they must discuss with principal investigators the “bottom line” award amount, but may not renegotiate or impose cost sharing or other organizational commitments. In budget negotiations, any reduction of 10 percent or more from the amount proposed must be accompanied by a corresponding reduction in the scope of the project.

In “bottom line” budget determinations, only those resources specifically included either as direct or facilities/administrative costs in the budget, or formally proposed as cost sharing (in programs with mandatory cost sharing requirements) are assumed to be available for the project. They must be adequate to support the project. Any revisions to the level or amount of mandatory cost sharing will occur either prior to the review process to establish the project’s eligibility for consideration, or after merit review has been completed to adjust cost sharing to the agreed-upon amount of the award.

