

SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY

Policy Manual

SUBJECT: Cost-Sharing for Research and Other Sponsored Activity

NUMBER: Policy 9-3 (formerly Policy IX-04)

Revised Date: August 2024

POLICY

Cost Sharing, also referred to as “match” or “in-kind” funding, represents costs of a project not borne by the sponsor. Cost-sharing may be mandatory (required as a condition of an award) or voluntary (voluntarily pledged, whether or not it is a binding requirement of an award).

Cost sharing on sponsored projects should be minimized. Generally, cost-sharing is provided only when it is required by the agency and explicitly stated in the Request for Proposals/Funding Opportunity Announcement (RFP/FOA). Voluntary commitments, however, may be considered for some prestigious awards (e.g., NSF CAREER, NSF ERC, etc.) and must be approved by the Vice President for Research (VPR).

Sources of cost sharing include: (1) Department or Center (including PI or co-PI salary), (2) Research Affairs, (3) institutional resources, constituting unrecovered finance and administrative (F&A) costs, and (3) external sources. All cost share must meet the criteria provided in OMB Uniform Guidance (2CFR200).

The following procedure describes mechanisms to plan for, request, and receive approval for cost-sharing for externally sponsored projects.

PROCEDURE

1. If cost sharing is required by the sponsor, the PI needs to provide reference to the applicable section of the RFP/FOA in the Intent to Propose process.
2. In general, cost share is covered by the research team (PI, co-PIs, etc.) through salary cost-share, which is negotiated with the Department Head(s) or Center Director(s). The amount of salary available for cost share depends on an individual’s distribution of workload and source of salary support.
3. Other Department, Center, or Research Affairs cost share is documented by email from the department head, center director, and/or VPR, as appropriate, that includes the amount of funding for cost share and its source(s).

4. Research Affairs will voluntarily commit 50% match of stipend and tuition/fees at the graduate assistant base rate for one student for five years in NSF CAREER proposals. This commitment should be included in the Department Head's Letter of Commitment.
5. Cost sharing provided by an off-campus source requires a commitment letter signed by an authorized representative. If the cost share includes third-party in-kind contributions, the fair market value of goods and services must be documented. If volunteer services are used, rates must be consistent with those paid for similar work at the University, or a rate consistent for similar work in the labor market, including benefits.
6. If proposal guidelines specifically state the overhead rate is lower than the federally approved overhead rate, reference to the sponsor's RFP/FOA (stating the overhead requirement) must be provided. The difference between the approved federal rate and the sponsor's rate may be used as cost share, if allowed by the agency.
7. If the sponsor does not have a required F&A rate, the institution's federally approved rate will be applied.

Source: Office of Research Affairs

Revision History: Established, date unknown. Revised February 1997 to attach form for preparing proposals for research and other sponsored activities. Revised May 2003 to update titles and format changes on cost-sharing approval form. Revised September 2004, July 2010, May 2021; Revised August 2024 to remove form and expand guidelines.

BOR Policy or Committee: