



## College of Engineering

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### MEMORANDUM

**TO: College of Engineering Faculty**

**FROM: Phillip De Leon, Associate Dean of Research**

A handwritten signature in black ink that reads 'Phillip De Leon'.

**DATE: 2 January 2019**

**SUBJECT: Updated Cost Sharing Policy for the Office of Engineering Research**

This memo serves to update the prior cost share policy for the College of Engineering released on July 1, 1988 (attached). As of January 1, 2019 the policy on cost sharing on new contracts will be as follows. First, OER strongly discourages voluntary cost sharing even if additional “points” are awarded to a proposal during evaluation. Second, if cost sharing is mandatory, OER will charge the full overhead rate to the proposal budget and build the required cost share budget with (in priority order)

1. The PI’s portion of overhead returned. In addition, PI funds in their PI overhead account.
2. The department’s portion of overhead returned.
3. If mandatory cost share cannot be covered by above, the Associate Dean of Research will discuss other options and possibilities at that time.

In order to be competitive and attract new contracts, we realize that negotiations on cost sharing and overhead may be necessary. If there should be other items used in cost sharing, e.g. state funded faculty/staff time and effort, they will be looked at on an individual basis and should not be assumed as the “norm” for future proposals.

For more general information on cost sharing, we recommend examining Arizona State University’s research administration website

<https://researchadmin.asu.edu/cost-sharing>

July 1, 1988 Overhead  
Cost Share Policy for ERC

As of July 1, 1988 the policy on cost sharing on new contracts will be as follows:

1. Before negotiations of cost sharing begin we shall have the full overhead rate charged to all proposals' budgets.
2. The first step in negotiations of cost sharing will be the PI's portion of overhead.
3. The second step in negotiations of cost sharing will be the departments' portion of overhead.
4. If further negotiations are necessary the Director of the Engineering Research Center will discuss other options and possibilities at that time.

In order to be competitive and attract new contracts, we realize that negotiations on cost sharing and overhead will be necessary. If there should be other areas of cost sharing necessary, i.e. salaries fringe benefits, supplies and services, they will be looked at on an individual basis and should not be assumed as the "norm" for future proposals.

As an example of contracts that have set precedences in these areas we have a contract which generates no overhead for anyone until all cost sharing has been recovered by the Research Center. The other type of example is contracts which will split the Dept overhead with a Center 50/50 and the PI receives their 10% as usual.