

# Research and Sponsored Projects Manual (RSP)

## RSP 506–03: Cost Sharing Documentation for Sponsored Projects

Effective: 8/2/1978

Revised: 11/1/2024

### Purpose

To authorize, identify and document university [cost sharing](#) contributions.

### Source

Article 9, Section 7 of the Arizona Constitution

Knowledge Enterprise (KE)

Office for Research and Sponsored Projects Administration (ORSPA)

### Policy

#### Permissible cost sharing

ASU requires sponsored project costs to be funded, at the maximum extent possible, by external resources. The university's decision to authorize the use of internal resources to supplement funding of a sponsored project is based on the availability of funds and the relative importance of the project in furthering the mission of Arizona State University.

Cost sharing may be required on a sponsored project if one of the following conditions is met:

1. cost sharing is required by statute
2. the sponsor's program announcement, solicitation, by-laws, or other mechanism that invites proposals requires cost sharing as a condition of funding
3. the sponsor explicitly cites in its charter or program description that cost sharing is expected and will be a proposal review criterion
4. specific budget line items are capped in accordance with sponsoring agency guidelines, e.g. NIH salary limitations.

In general, the university does not approve cost sharing on contracts except under extraordinary circumstances.

#### Obtaining cost sharing commitments

All committed cost sharing must be confirmed by individuals authorized to commit university resources.

Cost sharing in the form of facilities & administrative (F&A) cost waivers is allowable if not prohibited by the sponsor and if approved by the Research Operations director.

University-funded cost sharing on for-profit sponsored projects is restricted by Arizona statute to Technology and Research Initiative Fund (TRIF) funding.

## Tracking and reporting cost sharing

The university's cost sharing accounts, or other records supported by transaction reports from the university's systems will be used to track authorized internal cost sharing commitments. Expenditures for cost sharing must be:

1. Allowable under federal authoritative guidance (see [RSP 101](#), "General Research Policy" and 2 CFR 200.306) and sponsor guidelines
2. Quantified in the sponsored project proposal budget and/or budget justification, and thus incorporated in the award notice
3. Incurred during the authorized period of performance.

Cost sharing accounts must be used to track cost sharing funds from state appropriations and unrestricted (local) sources. The cost sharing accounts may not be used to account for items not meeting the definition of cost sharing.

## Cost sharing documentation

Cost sharing documentation includes, but is not limited to the following:

1. Workday reports and expense receipts for
  - a. Payments on a cost sharing grant account
  - b. Payments from a program account, either local or general operating
  - c. Principal investigator (PI) effort on a sponsored project – the cost sharing account record is the documentation for the cost sharing of the PI's time.
2. Letter stating value of in-kind cost sharing based on applicable cost principles
  - a. Third-party provision of in-kind cost sharing

## Responsibility for Cost Sharing

The PI is responsible for managing all cost sharing commitments specifically related to their sponsored project. This includes securing signatures from officials authorized to commit university resources, documenting allowable cost sharing, and ensuring all cost sharing obligations are fulfilled.

Failure to fulfill cost sharing obligations may result in loss or reduction of sponsor funding and may adversely affect the university's ability to obtain future funding from that sponsor.

For more information on how RSP policies are implemented during each phase of a project, see the ORSPA [website](#).

## Procedure(s)

See [researchadmin.asu.edu > cost-sharing](https://researchadmin.asu.edu/cost-sharing) for procedures for identifying, securing and managing commitments, as well as documenting expenses.

## Additional Information

See Article 9, Section 7 of the Arizona Constitution at <https://www.azleg.gov/viewDocument/?docName=http://www.azleg.gov/const/9/7.htm>.

For definitions of underlined terms, see the [ORPSA Acronyms and glossary](#) webpage.

## Cross-References

- [RSP 101](#), "General Research Policy."
- [RSP 303](#), "Proposal Budget Preparation."
- [RSP 508-01](#), "Charging Direct and Facilities & Administrative Costs to Sponsored Projects."