MEMORANDUM

FROM: Dr. A. C. Sanderson, Vice President for Research  
Dr. Bud Peterson, Provost

TO: Faculty

RE: Cost Sharing Policy Guidelines

DATE: July 23, 2001

COST SHARING GUIDELINES

Cost sharing refers to Institute resources that are provided under special circumstances to supplement research grants or contracts. There are normally two conditions that are considered in decisions to provide cost sharing from Institute resources:

1. Cost sharing is required by the agency;
2. Cost sharing will significantly enhance the probability of funding in a research area or program of high strategic priority to the Institute.

At Rensselaer, cost sharing is provided, or may be requested through the following procedures:

A. In January, 2001, we announced a policy waiving a portion of graduate tuition on all overheaded research contracts. This policy waives 1/3 of graduate student tuition for all multi-disciplinary grants and contracts, and 1/4 of graduate student tuition for all others. In each case, the waiver is prorated by the overhead rate. The description of this policy may be found in detail at <http://www.rpi.edu/dept/provost/Policy%20-%20Tuition%20Cost%20Sharing.pdf>.

The tuition waiver policy is now applied automatically to your proposals, and therefore provides a baseline of cost sharing for all proposals. You should take care
to indicate this cost sharing in the budget preparation and budget justification for your proposals.

B. You should request additional cost sharing for your proposal only if the tuition waiver does not satisfy the agency requirements, or if the additional cost sharing will significantly improve the probability of funding for an important proposal. A typical example is a Center proposal or other large interdisciplinary grant where institutional commitment is required.

In this case, you may request cost sharing through your department, school, and either the Office of Research (Institute research initiatives) or the Provost (other research areas). For this purpose Institute research initiatives, as outlined in the Rensselaer plan, include information technology, biotechnology, microelectronics and Microsystems, nanotechnology and advanced materials, and modeling and simulation.

Your cost sharing request should be routed as follows:

1. Department approval
2. School approval
3. Either: (For initiatives:) Office of Research (or)
   (For other topics:) Provost's Office

Based on the budgetary allocation of cost sharing funds for FY 2002, the expected split between these commitments will be:

30% Department and School
70% Office of Research or Provost's Office

C. You may also request in kind cost sharing through your department and school. This occurs typically as an allocation of faculty time to work on research, and must be accompanied by a reallocation of teaching and administrative duties appropriate to the commitment. In kind cost sharing requires approval by the department, school, and provost's office for all proposals.

D. Overhead is a requirement for all contracts and grants and must normally be paid at the rate set by federal regulatory agencies. For Rensselaer, in FY 2001, this rate has been 50.31%, for research proposals, and 26% for educational proposals. Some agencies, such as New York State, may require other rates, and, when required, these are used instead of the federal rate without any additional commitment from the department, school, or other offices.

Beyond the above standard rate structure, any “voluntary” variance in overhead rates will be regarded as cost sharing, and must be met by department, school, Provost's, and Office of Research funds according to the 70-30 rule described above, and requires approval of the department head, dean, and Provost or Vice President for Research. Specifically, if a department or school chooses to negotiate a reduced overhead rate with a sponsor, this net reduction will be treated as cost sharing and commitments allocated accordingly.