



Implementation of the 2nd NSB Cost Sharing Report: NSF Revised Cost Sharing Policy Statement

Overarching Policies on Cost Sharing

1. As mandated by the America COMPETES Act (P.L. 110-69), and, in response to the NSB Report entitled, *“Investing in the Future: NSF Cost Sharing Policies for a Robust Federal Research Enterprise”* (NSB 09-20) issued August 3, 2009, NSF has implemented mandatory cost sharing for the following programs:
 - a. Major Research Instrumentation Program
 - b. Robert Noyce Scholarship Program
 - c. Engineering Research Centers
 - d. Industry/University Cooperative Research Centers
 - e. Experimental Program to Stimulate Competitive Research

Cost sharing is required for proposals submitted, and awards made, in response to these programs. The amount of cost sharing will be identified on Line M of the approved budget. Such cost sharing meets the definition of cost sharing as specified in 2 CFR 215 (formerly OMB Circular A-110) and will be auditable should an award be made.

2. Mandatory programmatic cost sharing will rarely be approved for an NSF program. Any program that would like to request consideration of mandatory programmatic cost sharing requirement in an NSF solicitation must develop a compelling justification regarding why non-Federal financial support and commitment is considered foundational to programmatic success. Such requests to require cost sharing must be explicitly approved by the NSF Director.
3. NSF program officers may not impose or encourage programmatic cost sharing requirements unless such requirements are explicitly included in the program solicitation.
4. Unless specified in the applicable program solicitation, NSF will prohibit the inclusion of voluntary *committed* cost sharing in solicited and unsolicited proposals. Awardee organizations may, at their own discretion, continue to contribute any amount of voluntary uncommitted cost sharing to NSF-sponsored projects. These resources are not auditable by NSF and are not to be included in the proposal budget or budget justification.

5. Any statutory, NSB recommended, or NSF-required cost sharing will be considered an eligibility rather than a review criterion. Language will be specific so that eligible institutions will understand the parameters for which cost sharing is expected. Requirements for cost sharing may take into account the type of institution, institution size, level of other research support, population served, etc.
6. 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 may discuss the “bottom line” award amount with principal investigators, 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.

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.

7. Cost sharing commitments contained in current active awards remain unchanged.