



Office of Research

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Date: April 17, 2015
From: Scott Brandt, Vice Chancellor for Research
To: Deans, Directors, Department Chairs, Faculty, Administrative Officers
Re: New Procedures for Campus Research Seed and Cost Sharing Funds

Dear Colleagues:

In order to facilitate the allocation of limited central funds for seeding new initiatives and cost sharing in grant applications, Executive Vice Chancellor Galloway and I have formalized the policies and procedures for handling these requests.

Cost sharing is any portion of project or program costs not borne by the program or project sponsor(s)¹. It is in sponsors' best interests to encourage cost sharing in order to fund more projects and institutions. We similarly want to support as many projects and proposals as possible, but our resources are not unlimited. For this reason we can generally consider providing central campus matching funds for cost sharing only for proposals with mandatory cost sharing requirements. Similarly, seed funding for new initiatives will be considered only in cases where there is significant benefit to the institution relative to the amount of funds requested.

While we cannot provide central funding for voluntary, unsolicited cost sharing beyond published minimums, there are many other opportunities to demonstrate cost sharing in addition to cash contributions, including:

- Contributed effort and the fringe benefits associated with that effort (e.g., faculty time supervising a project);
- Services provided by university shops and cost centers at less than actual cost (e.g. departmental machine shops, animal care, etc.);
- Third party contributions, such as equipment or effort donated by the third party (other than federal), including non-federal or non-state grants or gifts raised for the purpose of cost sharing projects;
- Any unrestricted gift funds applied to the project;
- University general funds used to pay for any part of the project, such as travel specifically for project needs;
- Indirect costs not recovered for cost shared contributions; and
- Waived indirect costs.

These forms of cost sharing should be utilized to contribute to required/mandatory cost sharing along with cash contributions, and may also be used for voluntary contributions. No federal funds may be counted for cost sharing unless specifically approved by the federal agency contributing to the cost sharing.

The Vice Chancellor for Research and the Executive Vice Chancellor will consider providing a cash commitment toward a project or proposal if the Principal Investigator's Department Chair or ORU Director and cognizant Dean have a) guaranteed that adequate space and infrastructure are available to conduct the

¹ Indirect cost (IDC) waivers are a form of cost sharing. See below for UCSC policy on IDC waivers.

project, and b) pledged a significant portion—typically no less than half—of the required total. The competitiveness of the request will depend on how well the application meets at least some of the following criteria:

- The proposed project is significant in scope and vital to the campus mission;
- The proposed project is pioneering in nature and is expected to lead the campus into desired new fields of research endeavor;
- The proposed project includes principal investigators from more than one department or ORU;
- The proposed project is from a department or unit on campus that has limited access to extramural funding by nature of the research discipline;
- The proposed project has been selected to represent the campus in a limited submission competition;
- The request is for seed money and has the potential of fostering new research initiatives on campus and/or opening up new avenues of enhanced future funding; and/or
- The PI has not previously received seed/cost sharing funds or has performed well relative to these criteria with previous funding.

Indirect Cost (IDC) Waivers

At times, the development of campus research, training or public service programs or infrastructure may best be served by accepting a sponsored award at less than the indirect cost rate normally paid by the sponsor.

These situations may include, but are not limited to:

- Small seed grants which may attract future larger awards;
- Cases of hardship for a new investigator;
- Awards which include contributions of equipment or building renovation funds;
- Awards for a community relations interest vital to the campus;
- Supplements for a student services activity which the campus must provide;
- Other types of supplemental funding for an established campus program such as for library holdings, performances, or exhibits.

Such interests must be viewed as vital to a campus to the extent that funding the proposed project at a loss is more important to the campus than recovering the full indirect costs.

If granted a vital interest waiver, the amount of the reduction may be used as cost sharing. However, no vital interest waiver will be approved for the sole purpose of meeting cost sharing requirements.

The campus also grants waivers or reductions of indirect costs for individual agencies and foundations that have formal policies dictating an indirect cost rate different from the federally negotiated rates; these waivers are handled by the Office of Sponsored Projects (OSP). Waivers will generally not be granted for industry-sponsored research.

Requests for Campus Research Funds

The Vice Chancellor for Research and the Executive Vice Chancellor have the authority to commit campus funds to seed new research and for cost sharing on sponsored projects. Requests must include the following information, which is to be provided on or with the Request for Central Campus Research Funding (available on the OSP website):

- A one-page summary of the proposed research and budget;
- A statement describing how the proposed research meets the criteria for seed funding and cost sharing;
- The amount of mandatory cost sharing (if any) required by the program as a percentage of total costs and the amount required in dollars;
- A summary of all other contributions, including non-cash forms of cost sharing and cash contributions from Departments, Deans, or Directors, including copies of signed letters of commitment;

- The dollar amount requested from central campus funds; and
- A statement of how the requested campus funds will be spent.

Requests for Indirect Cost Waivers

The Vice Chancellor for Research has the authority to ask UCOP for a waiver of some or all of the indirect costs associated with a contract or grant. All waiver requests must include the following information, which is to be provided on or with the [Request for Indirect Cost Waiver form](#) (available from OSP):

- A one-page summary of the proposed project and budget;
- A statement describing how the project meets the criteria for indirect cost waivers;
- The proposed indirect rate and the dollar amount of the lost indirects due to the rate change.

Both types of requests must be submitted by the PI in writing to the Vice Chancellor for Research (vcr@ucsc.edu) at least two weeks prior to OSP's final budget deadline.

The Vice Chancellor for Research and the Executive Vice Chancellor will review requests and make decisions on the allocation of funds and/or the indirect costs. The Vice Chancellor for Research will notify units of the decision and maintain a database to track fund commitments and allocations.

If University funds are committed, units will be asked to prepare and provide a draft letter of commitment from the Vice Chancellor for Research to the granting agency in support of the research project.

PIs receiving seed or cost sharing funds must provide the Vice Chancellor for Research with a concise one-page final report at the end of the project describing how the funds were expended in support of the campus goals outlined above.

Yours,



Scott A. Brandt
Vice Chancellor for Research