

Strategic Research Groups Program Industry Cost Share Guidelines

Science Foundation Arizona (SFAz) will invest in Strategic Research Groups (SRG) to facilitate the collaboration of outstanding researchers at Arizona's Research Performing Institutions (RPIs) with industry and investors. The goal is to cultivate strong partnerships that will inform and enhance the State's existing research programs, help attract and retain new industry research to Arizona, and create both research and economic advantages for the partners and consequently, for Arizona.

Investment Goals

- Create a competitive advantage in Arizona by providing incentives to develop new or expand existing R&D activities by industry with the goal of producing competitive products;
- Promote linkages within and among RPIs and industry, other research bodies such as private-sector research laboratories and national and/ or federal laboratories;
- Create centers of excellence formed by nationally competitive researchers from RPI and Industry in Arizona;
- Exploit opportunities in science, engineering and technology where the complexity of the research agenda requires the advantages of scope, scale, dynamism, synergy, duration, equipment and facilities.
- Bridge the transition between pre-college and post-graduate through programs tied to workforce-focused technology and manufacturing through involvement of Arizona community colleges.

Industry Cost Share

Industry Partner(s) Eligibility: Partners must include industry (for-profit company that has adequate annual income to invest in R&D, i.e. not a grant-funded company) **but may** also include smaller for-profit companies, utilities, national and/ or DOD laboratories and private organizations that invest funds or essential intellectual capital in the Research Partnership. Proposals that involve industrial participants from outside Arizona will need to make a strategic case in the proposal for their involvement to demonstrate the potential benefit to Arizona and, preferably, indicate that the company is actively considering a future R&D investment in Arizona.

Amount of the match: Cost sharing must include at least a 1:1 match for each dollar granted by SFAz.

Nature of the match:

1. Cash to the Research Performing Institution.
2. Auditable Cash Equivalent Contributions ("in-kind"). Auditable means the industry partner keeps a record of its in-kind contributions (employee hours provided to Program, supplies provided, equipment, etc.) so that a periodic report can be provided to SFAz documenting industry in-kind matches to the Program.

Allowable costs for purpose of 'in kind' contributions are as follows:

- Remuneration, pension, and other benefits of personnel employed by the industry partner at the customary rate in the Industry.
- Equipment (permanent donation, temporary donation, or use) – In the case of permanent donation to the RPI, certified value of the remaining cost of the remaining life of the property recorded in the recipient's accounting records at the time of the donation. In the case of use/access, customary and reasonable usage charges.
- Reasonable and vouched travel and other expenses directly related to collaboration on the Program
- The actual costs of materials and consumables, including software licenses, permits, land or building improvements necessary for Program activities.
- Reasonable and customary overhead (administrative) costs, directly related to the Program

Specific Exclusions: State funds (as grants or contracts) may not be used as matching funds, either by the Research Performing Institution or by an industry partner.