**PROCEDURE**

CR2074

**UNIVERSITY “MATCHING” FUNDS**

Original - dated 06/27/94

<table>
<thead>
<tr>
<th>APPROVALS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Donn Frazier signed on 06-29-94</strong></td>
</tr>
<tr>
<td>Deputy Controller</td>
</tr>
<tr>
<td>Date</td>
</tr>
<tr>
<td><strong>Kenneth Babe signed on 06-30-94</strong></td>
</tr>
<tr>
<td>Corporate Controller</td>
</tr>
<tr>
<td>Date</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS

GENERAL ........................................................................................................... 1

Definition - Level of Cost Sharing Match ....................................................... 1

If cost-sharing requirements are identified in the award documents .......... 1

If cost-sharing requirements are identified in the agency’s guidelines and reflected in the proposal (but not identified in the award document) .......... 1

If agency guidelines request / suggest / encourage cost sharing and this is reflected in the proposal but not in the award document .......... 2

If voluntary contributions are referenced in the proposal or during contract negotiations, and a specific dollar amount or a specific ratio of cost sharing is quoted .......... 2
GENERAL:

When a Penn State area contributes effort, facilities, services or dollars as part of a sponsored grant or contract (Government or otherwise) "matching" documentation may be required by the sponsor. In order to accurately account for these matching situations, the identification of matching funds in the contract or proposal documents will determine the types/level of required documentation to support the contract terms. Also, the specifications outlined in Office of Management and Budget (OMB) Circulars A-21, A-110 and A-133 (available from Financial Reporting) must be complied with.

The following definitions clarify the level of matching costs documentation required based upon the terminology found in the grant or contract.

Definition - Level of Cost Sharing Match

A. If cost sharing requirements are identified in the award documents, then:

1. University cost sharing from a General Account (10010) must have the same budget function (e.g., research, instruction, or continuing education) as the award budget, and also reference the sponsored agreement fund number being matched in the "Project" field of the General Account expense forms.

   (Accumulation of all matching salaries, wages, and expenses under one general budget by using the Auxiliary Accounting sub-budgeting [later, Financial Accounting Numbering System <FANS>] is acceptable.)

2. As the original grant/budget is established on the IBIS Adding a University Restricted Account form ("AURA"), all accounts to be used for the matching elements (for example, General, State, Foundation, etc.) must be identified in the University Accounting records by specifying the matched, sponsored-agreement fund number on the AURA.

   NOTE: Equipment purchased as part of a matching requirement on Federal or Federal flow-through projects must show an "M" code in the fund number field on the procurement document. The "M" code must be used for equipment matches on federal projects.

B. If cost-sharing requirements are identified in the agency's guidelines and reflected in the proposal (but not identified in the award document), then:

1. The same account identifications and method of accumulating matching costs as outlined in level A must take place.
C. If Agency guidelines request / suggest / encourage cost sharing, and this is reflected in the proposal but not in the award document, then:

1. No specific matching cost accumulations are required;

2. However, if the proposal and/or budget is identified/referenced in the award document, then

   a. the same account identification and method of accumulating matching costs as outlined in level A must take place.

D. If Voluntary contributions are referenced in the proposal or during contract negotiations, and a specific dollar amount or a specific ratio of cost sharing is quoted, then:

1. No specific matching cost accumulations are required;

2. However, if the proposal and/or budget is identified or referenced in the award documents, then

   a. the same account identification and method of accumulating matching costs as outlined in level A must take place.

E. Other levels of matching costs or college support of sponsored projects should be documented at the discretion of the individual college or Intercollege Research Programs (IRP) Unit or campus.

Retention - See Appendix 21 in the General Forms Usage Guide for appropriate retention schedules for matching documentation.