Date: April 27, 2012

From: URC Subcommittee on Research Administration Innovation

To: University Research Council (URC)
    Administrative Committee on Research (ACOR)

Re: Policies regarding matching funds and cost sharing

Based on a number of recent questions, this memo has been drafted to provide faculty with an easy reference to existing Penn State policies and guidelines regarding matching funds and cost sharing for externally sponsored research proposals. We are asking URC members to share this memo with faculty members who may be considering a request for matching funds or cost-sharing on a proposal.

1. Cost sharing may be required for a proposal by the sponsoring agency as an eligibility criterion, but in most cases it is not required. In cases where cost sharing is not required, Penn State does not normally offer cost sharing. In truly exceptional cases, where the proposal has broad strategic implications for Penn State’s research enterprise and the cost-sharing will significantly enhance the possibility of a sponsored award, non-required cost sharing may be considered in close consultation with the relevant department heads and deans’ offices.

2. Guidelines exist for the provision of Central Administration funds for cost-sharing on equipment and graduate student support when cost sharing is required by the sponsor. These guidelines are posted at http://guru.psu.edu/policies/RAG02.html and http://guru.psu.edu/policies/RAG03.html. Note that these guidelines do not guarantee a contribution from Central funds. Rather, they explain the process for the possible provision of Central funds after other units have committed to cost sharing, and the likely proportion of cost-sharing funds that Central sources would provide.

3. For proposals where cost share is likely to be requested by the faculty investigators, the investigators are expected to inform their department heads and deans’ offices early in the proposal process to facilitate budgeting. All co-investigators and senior personnel should make their unit administrators aware of the nature of the proposed research, the strategic importance of the research, and the likely nature of the cost-sharing request. Department heads and research deans should expect to be informed at the earliest opportunity and at least several weeks before a proposal is due.

4. When cost sharing is expected for proposals that involve many investigators from different units, Penn State has a guideline for how to coordinate the multiple contributions to the cost share. This guideline is posted at http://guru.psu.edu/policies/rag21.html, and it is designed to facilitate transparent communication among the units involved. Following the guideline also assumes that all of the investigators on a proposal will have communicated with their unit administrators as explained above.

Any questions regarding the above guidelines can be directed to Ruth Weber at rim100@psu.edu.