Laker Match Fund

The GVSU's Laker Match Fund (LMF) is an account of limited funding managed in the Center for Scholarly and Creative Excellence – Research Administration. The LMF's purpose is to assist in the provision of matching funds *when required as a condition of eligibility to apply for funding for externally-sponsored projects*. The following guidelines apply to the use of Laker Match Funds:

1. The funding opportunity (RFP, FOA, Program Announcement, etc.) <u>must specifically require</u> the commitment of matching funds as a condition of eligibility to submit a proposal (a condition also known as mandatory cost sharing)
2. When the funding opportunity allows, faculty/staff significant focus effort must be committed as matching salary funds prior to seeking matching funds from the LMF.
3. The department/college/unit of the principal investigator/project director must be willing to support the project with matching funds at an amount equal to at least 30% of the amount requested from the LMF.
4. Up to $20,000 may be requested from the LMF. In unusual circumstances, requests for funding at a higher level may be considered, provided that the department/college/unit of the project director also commits to a proportionate share of the total commitment.
5. The LMF may not be accessed for the purpose of providing matching funds when not required by the funding opportunity or for providing funding in excess of the amount required.
6. Awards are based on availability of funds. To assure full consideration, requests for Laker Matching Funds should be made early in the proposal development process. Requests should be made at least 6 weeks in advance of the sponsor's published deadline so that project budgets accurately reflect the approved level of institutional support.
7. First priority is given to competitive external grant programs with an expectation of leading to the submission of future external grant proposals. Lower priority is given to the continuation of grant programs that the LMF has supported in prior years.

To request funding from the LMF, principle investigators, their unit heads, and their college deans should work with the Vice Provost of research Administration as soon as they become aware of a funding opportunity that features a mandatory cost-sharing component. Applicants will be notified of the disposition of requests for LMF support within five business days. Any commitment made will be temporary until a fully-approved Internal Review and Approval Form is in place.

Federal Definition of Cost Sharing, Matching

The Office of Management and Budget 2 CFR 200 defines *cost sharing* or *matching funds* as a portion of the project or program costs not paid by Federal funds, and therefore covered by some other source. Although the two terms are often used interchangeably, the term *matching* is actually a specific type of cost sharing, typically used when a sponsor requires the grantee to "match" the sponsor funding according to a specified ratio.

Some sponsors require universities to reflect their commitment to a project by sharing in its costs. Most sponsors, however, do not require cost sharing, and some don't even allow it. It is not necessary or desirable to engage in cost-sharing, except when:

- Mandated by the sponsor; or
- Needed to accurately reflect the level of effort required for the project.

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Federal Requirements for Cost Sharing, Matching

Federal funding agencies define and acknowledge various types of cost sharing or matching funds, including:

- Mandatory Cost Sharing -- required by a sponsor as a condition for making an award and usually refers to an overall percentage of total projects costs to be contributed by a source other than the sponsor.
- Committed Cost Sharing -- not required by the sponsor yet reflected in the proposal budget, usually in the form of effort that will be contributed by the principal investigator or other project staff and paid from University or non-federal funds.
- Voluntary Cost Sharing -- not required by the sponsor or shown on the proposal budget, but usually reported, in addition to mandatory or committed cost sharing, as cost share through the University's effort reporting system.
- In-Kind Contribution -- the value of *non-cash* contributions provided by the University or non-federal third-party participants. Such contributions may be in the form of real property, equipment, supplies/other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the project or program.

Distinguishing Mandatory, Committed, and Voluntary Cost Sharing

Because mandatory cost sharing is established and required by the sponsor as a condition of the award, it is more rigid than committed or voluntary cost sharing. The sponsor generally indicates any mandatory cost sharing on the notice of award and permits no decrease in the amount without prior approval.

Including Cost Sharing in Proposals

If cost sharing is required, it should, whenever possible, take the form of investigator and/or other project staff effort contributions, including personnel salary and fringe benefits as well as the associated institutional F&A (Facilities & Administrative) costs. In general, GVSU faculty and staff should refrain from budgeting non-personnel-related cost sharing whenever possible, unless it can be easily documented in the accounting system. Cost sharing is expensive and administratively burdensome to document and adversely affects the University's F&A (also known as indirect-cost) rate, so should therefore be kept to a minimum.

Accounting for Cost Sharing after Award Acceptance

If an applicant includes cost sharing in a proposal and the University subsequently accepts this as a condition of the award, the University must maintain accurate records to verify these funds have been provided, as promised, to meet the project's objectives. Note that institutional cost sharing may also enter into the calculation when the University negotiates its federal F&A Cost Rates, reducing the institution's F&A cost-reimbursement rates if entered into excessively or unnecessarily. Therefore, cost sharing should follow these guidelines:

- Salaries and their associated fringe benefits and F&A costs should be verifiable.
- Non-salary items such as supplies and equipment must be identified through an appropriate account or reflected in other documentation as costs to the project.