



Policy: Cost Sharing and Matching	Category: Pre-Award, Planning and Budgeting	Number: GP0300
	<input type="checkbox"/> Complete Revision <input checked="" type="checkbox"/> Partial Revision <input type="checkbox"/> New	Supersedes: 7/1/2018

Policy Statement

The School District of Philadelphia may be required to provide cost sharing or matching funds as a condition for the receipt and maintenance of a grant or award. The District will comply with and properly document all cost sharing or matching funds requirements, as determined by the grantor and applicable regulations.

Reason for Policy

The specific requirements for cost sharing/matching are found in the laws, regulations, and provisions of contracts or grant agreements pertaining to the program, along with 2 CFR Part 200.306 which provides criteria for acceptable costs and contributions for cost-sharing/matching on all federal grants. In accordance with these requirements, the District is responsible for ensuring grant programs that have a cost sharing/matching component follow federal (and/or grantor) requirements, and to set forth consistent criteria for costs to qualify as cost sharing on grant programs. The District must also ensure that supporting documentation for those grant programs which have a cost sharing/matching component is maintained. Failure to comply with cost sharing and match requirements can have adverse consequences including loss of future funding.

Policy Requirements

The District should make cost sharing commitments only when required by the grantor. All required cost sharing or matching funds will be shown as part of the total approved grant budget submitted with the proposal/application, which then becomes an award requirement. The Grant Program Manager (GPM) shall identify any matching fund requirements during the planning phase of the grant and track the match through the life of the grant to ensure requirements will be met.

A matching or cost sharing requirement may be satisfied by either or both of the following:

1. Allowable costs incurred by the District or subgrantee under the grant, including allowable costs paid by non-federal grants or by cash donations from non-federal third parties.
2. The value of third party in-kind contributions applicable to the period to which the cost sharing or matching requirement applies.

Acceptance of donations or contributions from third parties must be in line with [SRC policy 702, Gifts, Grants and Donations](#).

The expenses the District incurs in fulfilling its cost sharing/matching requirement are subject to the same requirements of that grant, including the cost principles and related documentation requirements applicable to the use of federal funds. See the District's Policy [GP0800 Allowable Uses of Funds and Adherence to Uniform Grant Guidance](#) policy for guidance on the District's cost policies.

In addition, cost shared expenses **MUST NOT** be:

- a. Expenses that are already included under another grant-funded program as cost sharing/matching; or
- b. Paid by any federal agency, if used to fulfill a federal match, unless authorized by the grantor in writing.

Third party donated services used towards a match requirement will be valued in accordance with 34 CFR Part 80.24(c) - (e), which specifies requirements for valuation of donated services, employees of other organizations, third party donated supplies, loaned equipment or space, third party donated equipment, buildings, and land, or real property.

If the grant terms do not specify a certain method of recognizing cost-sharing expenditures then cost-sharing commitments may be met and recorded at any point during the grant. All cost-sharing commitments must be met during the life of the project.

Responsibilities

GPM, or Principals managing programs that have a cost sharing/matching component, are responsible for ensuring that their program budgets address all grantor cost sharing/matching requirements; that all proposed or budgeted match amounts are in compliance with grant and statutory guidelines; and that all cost sharing documentation is properly maintained. The GPM is also responsible for updating the Grants Tracking Database to reflect any changed information on the amount and source of any cost sharing or match, including reference to the respective accounting codes. GPMs are responsible for communicating any changes in cost sharing/matching information to the grantor.

GPMs will develop grant budgets that address all grantor cost sharing or matching requirements including verifying and authorizing any cost sharing or matching valuation calculations prepared by the Grant Fiscal Services (GFS) Grants Budget Analyst (GBA) and ensuring that all cost sharing documentation is properly maintained. Upon approval of a grant budget or any grant budget amendments, GPMs will update the Grants Tracking Sheet (Google) to reflect current information. GPMs will report to the grantor as needed, and notify the Grants Compliance Office (GCO) if it is anticipated that at any point of the project the cost share commitment will not be met.

As part of the reconciliation process, GPMs will work with the GBA to assess whether their actual personnel match costs are significantly different from their budgeted match costs. If match levels are outside of the tolerance threshold defined during the reconciliation procedure, the GPM and the GBA will work together to determine how best to resolve the discrepancy. Significant deviations from budgeted matching may require submitting a budget amendment to the grantor (see [GP0200.5](#)).

GBAs will calculate the value of any cost sharing or match and prepare the documentation necessary to support the calculation. The GPM must approve any match or cost-sharing valuation before the GBA includes it in the budget. The GBA will identify match requirements by ABC code in order to track compliance during the life of the grant.

GCO Grants Compliance Monitors (GCMs) are responsible for periodically testing whether cost sharing is properly documented and accounted.

Procedures

- *GP300.1 Identifying, Valuation, and Tracking of Cost Sharing and Matching*

Forms

Definitions

Cost share (sometimes referred to as matching) is a portion of total grant award costs provided by an entity other than the grantor.

Direct costs are costs paid by the District that directly benefit, and are specifically associated with, a grant program.

Mandatory cost share – is a firm requirement for cost sharing identified by the grantor in the program guidelines or other written communication from the grantor. This requirement is a condition of obtaining the award and remaining in compliance with the award requirements. Note: Grantor “encouraged” cost share that is not documented as a condition of receiving an award is not a mandatory cost share.

Third party cost share – is a contribution to a grant award provided by a party other than the District or grantor. Third party cost share may be in the form of cash, real property, equipment, supplies and other expendable material, salaries, or goods and services directly benefiting and specifically designated for the grant program.

Voluntary cost sharing – is neither a grantor requirement nor a District commitment but represents additional costs incurred by the District beyond the levels in the proposal and/or award documents. Voluntary cost sharing is not specifically quantified in the proposal submitted to the grantor.

Approved budget – is the financial expenditure plan for a grant-supported project, program, or activity, including revisions approved by the grantor and permissible revisions made by the District. The approved budget consists of grant award funds and, if required by the terms and conditions of the award, non- grantor participation in the form of matching or cost sharing. Expenditures under an approved budget that consists of both grantor and non-grantor shares are deemed to be borne by the District in the same proportion as the percentage of grantor/non-grantor participation in the overall budget.

Match – are resources the District must provide for the grant program in some proportion to the amount being externally funded.

Local cost share – is generally a contribution to a grant award from a source other than the federal funds.

Contacts

- [Grant Compliance Office](#)
- [Grant Fiscal Services](#)

Frequently Asked Questions

Related Information

- [OMB Uniform Guidance: Cost Principals, Audit and administrative Requirements for Federal Awards](#)
- [District SRC policy 702 Gifts, Grants and Donations: <http://www.phila.k12.pa.us/offices/administration/policies/702.pdf>](#)
- [District GDC policy Allowable Uses of Funds and Adherence to Cost Circulars: <http://webgui.phila.k12.pa.us/uploads/l-/bE/l-bE9r8c0xBAGg81YxmFbA/GP0800-Allowable-Use-of-Funds-and-Adherence-to-Cost-Circulars.pdf>](#)
- [2 CFR 200.306: <http://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-sec200-306.pdf>](#)

History

Amended:

- Amended on 5/4/2015 for reference updates to the Uniform Grant Guidance and technical adjustments.
- Amended on 6/15/2018 for technical adjustments.
- Amended December 2022 to be consistent with current practice.

Issue Date: July 1, 2018	Effective Date: January 1, 2023	Approved by: Deputy Chief, Grant Compliance and Fiscal Services
------------------------------------	---	---