

## **BEN Financials – New Object Codes to Record Cost Sharing**

The Office of Research Services along with the Office of Research Support Services worked with the University's Comptroller's Office to establish several new object codes to be used with 5-ledger accounts to differentiate committed and uncommitted cost share (overruns). Until now, object code 4822 (cost share) was being used for multiple purposes: most commonly to record voluntary committed and mandatory cost sharing, charge-back of involuntary uncommitted cost sharing (overruns), unallowable costs, and write-off of disallowed costs.

New object codes have been established to record revenue transfers for unallowable and disallowed costs and cost sharing due to general cost overruns. The use of separate object codes for these entries will enable the University to properly classify cost sharing revenue, allocate overhead through an automatic process, and provide better accountability and reporting of cost sharing for the institution. This will also enable schools, departments, and centers to identify and monitor cost sharing due to cost overruns and disallowances.

Benefits of the changes:

1. Eliminates the need for ORS to do manual F&A adjustments
2. Revenue recognition and F&A burdening will be controlled within the Oracle Grants Management System
3. Provides better accountability to schools and departments to understand cost overruns and disallowances
4. Provides better accounting of true cost sharing by the institution

New Object Code Descriptions:

4822 Cost Share-Mandatory or Voluntary Committed

4827 Cost Share Overrun- Uncommitted

5215 Unallowable Expense

5247 Disallowance of Expense (no F&A)

5248 Disallowance of Expense (with F&A)

These changes went into effect beginning in January 2014. Any questions can be directed to Keith Dixon at [kdixon@upenn.edu](mailto:kdixon@upenn.edu) or Kim Garrison at [kimmg@upenn.edu](mailto:kimmg@upenn.edu).