Match & Leveraged Resources

What is the difference?
Why is it important?
Learning Objectives

• Describe the difference between match and leveraged resources

• Determine how cash and in-kind match and leveraged resources are valued

• Describe the proper reporting of all leveraged resources

• Identify some of the common challenges faced by grantees in valuing, tracking and reporting match and leveraged resources
Why is this workshop important?

- Distinction poses challenges for grantees.
- Dispel common misconceptions about reporting match and leveraged resources.
- Failure to meet requirements can lead to grant reduction or disallowed costs.
- Stand-in costs.
What is match?

- Additional non-Federal funds expended to support grant objectives
- If required by statute as a condition of funding.
- Must be spent on allowable grant activities
Does my grant have a match requirement?

- Legislation
- Regulation
- SGA - Solicitation for Grant Application
Two Types of Match Expenditures

- **Cash expenditures**
  - Funds or services provided and paid for by grantee or subrecipient from non-Federal funds
  - Allowable services under grant
  - 3rd party cash contribution to grantee spent by the grantee on allowable costs

- **In-kind contributions**
  - Products, space or services provided by a third party organization and not paid for by grantee or subgrantee
Cash Match Examples

- Personnel services
  - Grantee/subrecipient staff
- Services
- Equipment & supplies
- Space
- Costs are paid for by grantee/subrecipient but not charged to grant funding source
  - Must be documented
In-Kind Contribution Examples

- Personnel services
  - Volunteers or paid non-grantee staff
- Services
- Equipment & supplies
- Space
- Valuation requirements
  - 2 CFR 200.306
  - Must be documented
In-Kind Valuation

- **Personnel Services**
  - Individual performing regular job activity
    - Regular rate of pay + allocable fringes
  - Individual performing other volunteer services
    - Rates consistent with recipient pay for like work or
    - Rates of other local area pay for similar work
    - Include reasonable amount for fringe benefits
In-Kind Valuation (cont.)

- Loaned equipment
  - Fair rental value

- Donated equipment or supplies
  - Fair market value at time of donation or
  - Depreciation or use allowance [when item has long term value]

- Donated space use
  - Fair rental value of comparable space
  - Depreciation or use allowance

- Donated buildings and land
  - Depreciation or use allowance
Match Exclusions

- Costs
  - Paid for with Federal funds
  - Used as match for other Federal program
  - Construction/purchase of facilities (WIA)
  - Charged to program income

- Difference between earnings and costs
Knowledge Check

- How would I know if there is a match requirement for my grant?

- Cash or in-kind? - Grant-related services paid for by the grantee.

- Cash or in-kind? - A third party donates the use of training equipment at their shop for program participants to support the project.
Records

• Source documentation
  - Books of account
    - Available for audit & review

• Support for 3rd party contributions
  - Verifiable from subgrantee records or
  - Maintained by grantee
  - Methods used to value in-kind
Additional Match Considerations

• Can’t be BOTH match and allowable grant cost

• No administrative cost limitation
Valuing In-Kind Personnel Services

- If privacy rules make it difficult to obtain a volunteer’s compensation information, can the grantee use local Labor Market Information wage data to determine those costs?
What are Leveraged Resources?
What are Leveraged Resources?

- Not defined in statute, regulation or administrative requirements
  - All resources used by grantee to support grant activity

- Must be on costs allowable under OMB Cost Principles
  - 2 CFR Subpart E

- Sum of both allowable match and non-match resources
What are Leveraged Resources? (cont.)

• Allowable match
  - Non-Federal funds used for grant purposes
  - Cash and in-kind

• Non-match
  - Funds available for the project that don’t meet criteria for allowable match
    • Other Federal resources provided by grantee or subrecipient
    • Allowable under OMB Cost Principles but not grant program
Examples of Leveraged Resources

- Not qualify as match
- Services provided to grant participants funded by another Federal grant
- Purchase or construction of a structure that would house grant activity using non-Federal funds
- Employer release time
- Training curriculum donated for use by grantee
Reporting Match and Leveraged Resources
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Non-Match
• Portion reported on financial document
• Reported on the narrative progress report

Allowable Match
• Reported as recipient share on financial document
• Also reported on narrative progress report
Things to Consider
Grantee Challenges

- Grant application and performance narrative include leveraged resources
- Determining the value of cash and in-kind contributions
- Reporting stand-in costs
  - When no match is required
- Documentation
Some Do’s and Don’ts

DO:
- Read carefully to determine whether there is a match requirement for your grant
- Report all match expenditures
  - Including excess of requirements

DO NOT:
- Promise to provide more matching funds than required
- Include leveraged resources on the application budget
Budgets

- Only required match is shown on the budget form page
- Do not include leveraged resources on the budget form page
- Amounts shown on application budget
  - Considered as match
  - If not met, may lead to disallowance or grant reduction
Closeout

- If required Match is not met:
  - Like amount of grant dollars will be unallowable
  - Reduce allowable grant expenditure by short amount

- When Leveraged Resources not met:
  - Grant Officer will determine penalty
  - Less likely to be unallowable costs
  - May impact future funding opportunities