

## 2.5 Background for Match and Leveraged Resources

Use: to aid the reviewer in understanding the definitions, similarities, and differences between match expenditures and leveraged resources.

**Match or cost-sharing** is defined in Subpart A of the Uniform Guidance applicable to ETA grants at 2 CFR 200.29. Match is defined as *the portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute). See also 2 CFR 200.306.* All matching funds must be spent on allowable grant activities and in accordance with the cost principles. The grantee cannot claim both an allowable cost (to be reimbursed from grant revenue) and a match expenditure.

There are two types of match expenditures: cash and in-kind contributions. *Cash* match reflects additional funds or services (allowable costs) provided and paid for by the grantee from non-Federal funds that are in support of grant objectives and outcomes. The value of the cash match is the actual costs incurred as reflected in the grantee's accounting system. *In-kind contributions* are allowable costs and services that are not paid by the grantee, but rather a third-party organization. Again, these costs and services must support allowable grant activity and outcomes. The rules that apply to determining the value of such services are found in the regulations at 2 CFR 200.306(d) – (k). Examples of in-kind contributions would be personal services provided by volunteers or paid non-grantee staff, equipment and supplies, or space provided by another organization at no cost to the grant.

In order to qualify as match, the costs cannot have been paid from federal funds, been charged to program income or used to match another federal match requirements nor have been for costs that are unallowable under grant regulations. Records must be maintained that support the cash match costs within the grantees accounting system and be available for audit and review. For third-party contributions, the support for the value must be verifiable from subgrantee records or be maintained by the grantee, including the methods used to determine the value.

DOL exceptions at 2 CFR 2900.8, non-Federal entities accounts for funds used for cost sharing or match within their accounting systems as the funds are expended, not just received.

For ETA programs, match may be required by statute or as a condition of funding (reflected in the grant agreement). If match is required, it will be reflected on the SF-424A Budget and reported on the ETA-9130 Financial Status Report.

**Leveraged Resources** are not defined in regulation or any related administrative requirements. However, most Federal agencies use

the term leveraged resources and for ETA programs, the term has been defined to mean *all resources used by the grantee to support grant activity and outcomes, whether those resources meet the standards applied to match or not.* So for ETA programs, leveraged resources means both allowable match and other costs that do not rise to the requirements of the regulations, but which support the outcomes of grant activity. All leveraged resources must be expended on costs that are allowable under the Uniform Guidance and are used to further grant activity and outcomes. Non-federal leveraged resources expended on grant activities would be reported on the ETA-9130 and the quarterly narrative report. Examples of costs that would be considered as leveraged resources are services provided to grant participants funded by another Federal program such as WIOA, the purchase of a building to house grant activity by the organization using non-Federal resources, or employer release time paid to participants while in training. Federal leveraged resources are reported to ETA on the grant performance reports and on ETA-9130 form (on Other Federal Funds Expended line item).



