

Cost Sharing/Match

How are Grant Costs Covered?

The diagram illustrates the formula for Total Grant Funds. It shows a hand holding a dollar sign (Grant funds from Federal government) plus a building icon (Cash and in-kind contributions from non-Federal sources) equals a money bag icon (Total Grant Funds).

Grant funds from Federal government

Cash and in-kind contributions from non-Federal sources

Total Grant Funds

Match Requirements

Match may be required by:

Statute

Funding Opportunity Announcement (FOA)

Grant Agreement

Seven Basic Criteria for Match

2 CFR 200.306(b)

Verifiable

Not supporting another Federally funded program

Necessary and Reasonable

Allowable

Not paid with Federal funds

In the budget & allowable

Conforms to other provisions

DOL Exception



2 CFR 2900.8

NEW CHANGE!

Non-Federal entities must account for funds used for cost sharing or match when they are expended.

Must spend the contributions on grant activities before it can be counted towards match

Match Expenditures

Cash **In-kind**

Expenditures must be for activities that would be allowable under the grant.

Cash Match


  

Staff **Equipment & Supplies** **Indirect Costs**

Donated Space **Other Resources**

Match Exclusions



It's NOT Match if...

- ☒ Paid with Federal funds*
- ☒ Used as match in another Federal program
- ☒ Used for purchase or construction of facilities to house grant activities
- ☒ Expenditure of program income


** Unless authorized by program statute*

Use of ETA Funds for Matching

2 CFR 200.306(b)(5):

- At this time, **none** of the Federal statutes for the current programs being administered by ETA **specifically** allow the use of its funds as match for another Federal program.
- For example, this means that because there is no specific allowance in the YouthBuild authorizing statute, YouthBuild funds may not be used as match in another Federal program.

Unmet Matching



- ✓ Compliance with the match request is measured at the **END** of the grant.
- ✓ Applicants must reimburse ETA for the amount of unmet match when the grant is closed.
- ✓ Match contributions must be listed on SF-424, Application for Federal Assistance and SF-424A, Budget Information Form.

YouthBuild Requirements

Calculate match as a percent of the Federal award

- ✓ Cost sharing/matching is a condition of the application
- ✓ Applicants must provide “new cash” or in-kind resources = 25% of the award amount as “matching funds”
- ✓ Additional cost sharing above 25% may be committed as “leveraged funds”
- ✓ Prior investments and Federal resources **DO NOT COUNT**

SCSEP Requirements

Calculate match as a percent of the Federal award PLUS the amount of match

- ✓ Cost sharing/matching is a condition of the application
- ✓ Applicants must provide additional “new cash” or in-kind resources of at a minimum of 10% of the total Federal share of costs.
- ✓ Additional cost sharing above 10% may be committed as “leveraged funds”
- ✓ Prior investments and Federal resources **DO NOT COUNT**

Calculating Match – Using 20% Match as Example

YouthBuild -
Calculate match as a percent of the Federal award

SCSEP -
Calculate match as a percent of the Federal award **PLUS** the amount of match

EXAMPLE ONLY:
Federal amount = \$100,000
Percent of award = 20%

CALCULATIONS

$100,000 \times .20 = \$20,000 \text{ match}$

$\$100,000 / .80 = \$125,000$
 $\$125,000 - \$100,000 = \$25,000 \text{ match}$

SECTION 2: Valuing In-kind Contributions

In-kind Contribution Examples

2 CFR 200.306 and 200.434

Equipment Supplies



Equipment and supplies donated for grant use

Space



Space donated for grant use

Valuation of In-kind Personnel Services


When providing the **same services the individual provides for an employer:**



VALUE =
individual's pay rate
+ fringe benefits
+ other allocable costs


EXAMPLE:
A lawyer performing legal services for a grant program is valued his/her pay rate (+ fringe, etc) in that capacity

Valuation of In-kind Donations




Supplies	<ul style="list-style-type: none"> • Current fair market value at time of donation
Loaned Equipment	<ul style="list-style-type: none"> • Current fair rental value
Equipment	<ul style="list-style-type: none"> • Current fair market value at time of donation • Depreciation

Valuation of In-kind Donations




Donated Space	<ul style="list-style-type: none"> • Current fair rental value of comparable space established by an independent appraisal in the same locality
Valued Donated Buildings & Land	<ul style="list-style-type: none"> • Applicable % of depreciation • Current fair market value established by an independent appraiser • Based on value of the remaining life of the property recorded at time of donation

Valuing Donated Services



2 CFR 200.306 and 200.434



- Services must be integral and necessary to the project or program.
- Donated services must be valued at rates consistent to those paid to a non-Federal entity for similar work.
- Documentation requirements are the same as regular personnel services.

Third-party Services

NON-PROFITS: If the value of donated services is material and supported by indirect costs, donated services must receive allocable share of indirect costs.

In-kind Contribution Examples

2 CFR 200.306 and 200.434

Personnel Services



**Volunteers
or paid non-
recipient staff**

Third Party Services



**Services NOT
provided
by recipients**

Non-Cash Contributions

- In PY 2018, a SCSEP grant's matching requirement is \$150,000.
- The grant recipient does not have sufficient cash or other resources to cover its match and finds a local partner who can donate gently used surplus office furniture. The furniture was purchased using non-Federal funds in 2017 for \$18,500.
- The furniture has a current fair market value of \$11,000 and a depreciated value of \$12,400.
- In accordance with the requirements of 2 CFR 200.306 (d), the value of the contribution is the lesser of the two amounts.
- The grant recipient would be able to use the \$11,000 value as its one-time contribution and would need to find additional resources for the remaining \$139,000 in required match.

EXAMPLE


Third-Party In-Kind Contributions

EXAMPLE

- A local social services agency allows the YouthBuild grant recipient to use its office space to train its participants at no charge.
- The valuation of donated space by a third-party must adhere to the Uniform Guidance at 2 CFR 200.306(i)(3).
- The annual fair rental value of comparable space in the same locality, as established by an independent appraisal is \$17,000.
- The valuation of the donated space must be assessed again each subsequent year.
- The YB grant recipient must confirm that the space is not currently being paid for with other Federal funds. Proof of a value must be included in the grant recipient files.

ATTENTION

- In-kind contributions must be **valued consistent with 2 CFR 200.306** and **reconciled on a regular basis** to ensure they are fairly evaluated and meet the **proportionate share** attributable to the grant.
- It is the **grant recipient's responsibility** to obtain and retain documentation that identifies valuation process and amounts.



Three Important Rules

- 1** You must have **sufficient documentation** to support the computed valuation
- 2** Contributions **must benefit the grant**
- 3** The costs **must be allowable**

**SECTION 3:
Leveraged Resources**

What are Leveraged Resources?

Leveraged Resources:

- Are not defined in the Uniform Guidance or any related administrative requirements.
- Funds used in coordination with the grant to support the grant's outcomes.

ETA Requirement:

- All resources used by the recipient to support grant activity and outcomes, whether or not those resources meet the standards required for match.
- They may be provided by the recipient itself or by a third-party.
- Leveraged resources may be paid from Federal and non-Federal funds.

ETA and Leveraged Resources

Grant Resources
come from the Federal government

Leveraged Resources
come from the recipient and other outside sources


NOTE: While match is a type of leveraged resource, **NOT** all leveraged resources qualify as match.

Leveraging Additional Resources

- Applicants are encouraged to **leverage additional resources** to supplement grant activities.
- Leveraged resources should be applied towards **allowable costs**.

SECTION 4: Documentation

Source Documentation



Source Documentation

Must include:

- ✓ Record of actual costs
- ✓ Funding source


Book of accounts:

- ✓ All costs recorded
- ✓ Automatically included in audits
- ✓ Available for oversight monitoring review

Quality/Support

- ✓ Same **supporting documentation** for all costs charged to the grant.

Documenting Third-Party Contributions



Third-Party Contributions

Must include:

- ✓ Records for all contributions
- ✓ Records showing how contributions were valued

Maintaining Records:

- ✓ Documentation kept by the recipient or sub-recipient that received the contribution.
- ✓ If the sub-recipient relationship ends, the recipient maintains documentation.

Financial Records for Match Claims

IMPORTANT


You must have **the same type and extent of financial records** to support your **match claims** as you have for your regular grant expenditures.

This includes:

- Accounting entries
- Source documentation
- Records to support the valuation of the match contribution

Financial Records

Documenting Unexpended/Unrecorded Funds




Unexpended Funds

Funds that were not expended or do not appear in the financial records **DO NOT QUALIFY** as match.

SECTION 5: Reporting Match And Leveraged Resources

Reporting Match and Leveraged Resources




ETA-9130 Form

i. Unobligated Balance of Federal Funds (line d minus h)	
Recipient Share:	
j. Total Recipient Share Required	
k. Recipient Share of Expenditures	
l. Remaining Recipient Share to be Provided (line j minus k)	
Program Income:	


Use the ETA-9130 Form to report match and leveraged resources.

MUST be reported within the same time period as expended.


Quarterly Narrative Progress Report



A narrative summary of grant activities funded by your program.



- Must be submitted quarterly to the Federal Project Officer (FPO) by discretionary grantees.
- An opportunity to report other leveraged resources that could not be reported on the ETA-9130 Form.



SECTION 6: Things to Consider

Guidance – ETA Programs

- In accordance with 2 CFR 200.306(b)(5), unless specified by Federal statute, cost-sharing or match cannot be “paid by the Federal government under another Federal award.”
- At this time, Federal statutes for the current programs being administered by ETA do **NOT** allow the use of its funds as match for another Federal program.

Guidance – Non-ETA Programs

- Certain Federal programs allow their funds as ‘specified by Federal statute’ to be used as match towards other programs.
- ETA is **UNABLE** to provide guidance or technical assistance on other Federal agencies’ programs or the use of their funds.

Common Errors

ERRORS	REQUIREMENTS
Leveraged resources that are not reported on ETA-9130 Form.	Match and leveraged resources must be on the ETA-9130 Form to count towards the grant.
Incorrect valuation of cash and in-kind contributions.	Consult the Uniform Guidance if you're not sure how to value a resource.
Inadequate documentation of leveraged resources.	Keep documentation of equal quality and level of detail for all grant-related expenditures.

Common Errors

ERRORS	REQUIREMENTS
Not reporting match concurrently as it is being expended.	Always report match and leveraged resources as they are earned or expended.
No back up plan when a proposed match source doesn't materialize.	Always keep an eye out for new sources of leveraged resources.

Closeout

MATCH	LEVERAGE
<p>If match requirements are not met based on statute or regulation:</p> <ul style="list-style-type: none"> Federal share is proportionally reduced Shortfall may affect future award potential When match is not required, there are more options for settling shortfalls. 	
<p>When leveraged resources are not met:</p> <ul style="list-style-type: none"> No formal penalty. May affect future funding. 	
<p>Total match (recipient share) required must be reported on the ETA-9130 Form under line 10j. All match and leverage resources expended are reported on line 10k.</p>	

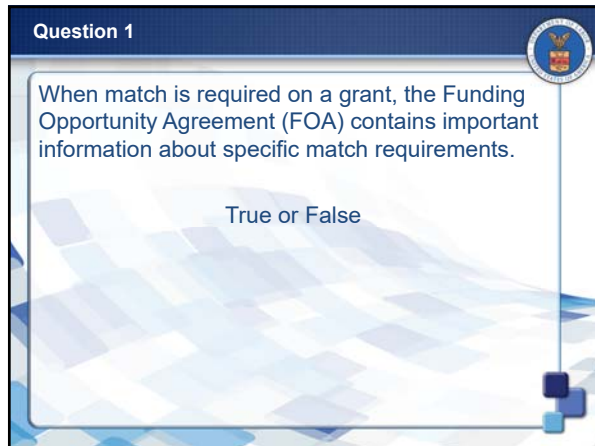
Knowledge Check



Question 1

When match is required on a grant, the Funding Opportunity Agreement (FOA) contains important information about specific match requirements.

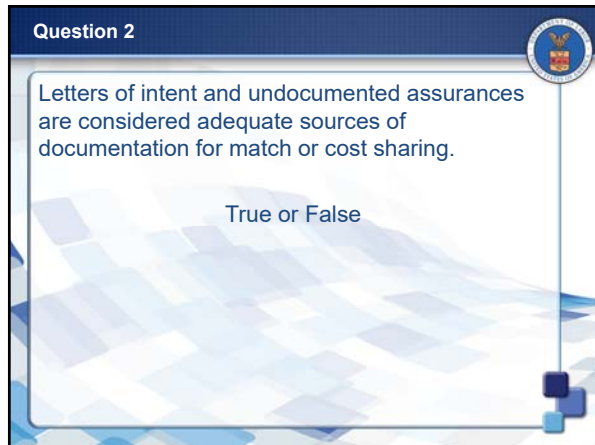
True or False



Question 2

Letters of intent and undocumented assurances are considered adequate sources of documentation for match or cost sharing.

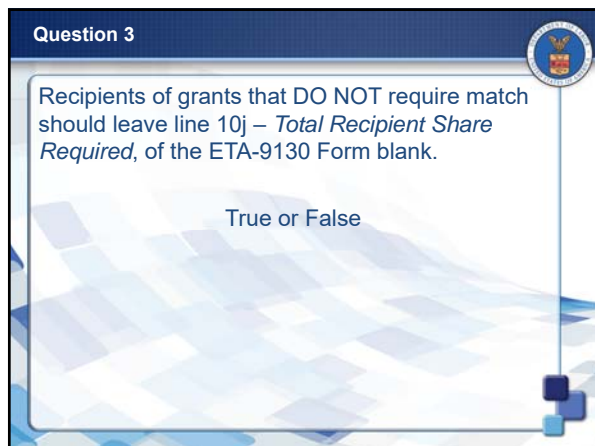
True or False



Question 3

Recipients of grants that DO NOT require match should leave line 10j – *Total Recipient Share Required*, of the ETA-9130 Form blank.

True or False



Key Takeaways – Match & Leveraged Resources

Section 1: Match

- ✓ Match/Cost Sharing
- ✓ Match Expenditures
- ✓ Cash Match
- ✓ Match Requirements and Exclusions
- ✓ Unmet Matching

Section 2: In-kind Contributions and its Evaluation

- ✓ In-kind Contribution Examples
- ✓ Valuation of in-kind Personnel Services and Donated Space

Section 3: Leveraged Resources

- ✓ Leveraged Resources vs. Match
- ✓ Leveraged Resources Examples and Sources

Key Takeaways – Match & Leveraged Resources

Section 4: Documentation

- ✓ Source Documentation
- ✓ Third-party Contributions
- ✓ Unexpended/Unrecorded Funds

Section 5: Reporting Match and Leveraged Resources

- ✓ ETA-9130 Form
- ✓ Quarterly Narrative Progress Report

Section 6: Things to Consider


- ✓ Guidance for ETA and non-ETA Programs
- ✓ Common Errors
- ✓ Closeout

Program Income

SECTION 1: Program Income Basics

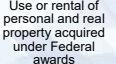





What is Program Income?

Program Income
Gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance.



Sources of Program Income

Program income includes, but is not limited to, income from:

 Fees for services performed	 Use or rental of personal and real property acquired under Federal awards	 The sale of commodities or items fabricated under Federal award	 License fees and royalties on patents and copyrights
 Honoraria received for speaking engagements	 Receipts from goods and services including conferences	 Funds in excess of the costs of services provided	 Interest income earned on funds received under WIOA

User Fees

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graph TD
    A[When assets acquired with the Federal award are used for other purposes, user fees must be charged.] --> B[If user fees are charged, these fees are program income.]
    B --> C[Program income must be tracked, reported, and spent prior to the use of grant funds, during the life of the grant.]
    C --> D[User fees charged for use of property must be no less than the fees private companies charge for equivalent services.]
  
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SECTION 2: Using Program Income

Allowable Costs

Costs that can be charged to program income:

Reasonable, allowable and allocable costs for the respective funding sources

Costs prohibited in Federal, State and/or local statutes, regulations, and other requirements, must not be charged to program income generated by the non-Federal entity.

When to Use Program Income

Use First!

Program Income

Cash Payments of Federal Funds

Program income *must* be used *before* requesting cash.

Use of Program Income

2 CFR 200.307(e)(1)

Deduction Method

- Default method used.
- Program income deducted from total allowable costs.
- Must be used for current costs unless otherwise authorized.

2 CFR 200.307(e)(2)

Addition Method

- Program income added to Federal award.
- Must be treated the same as other Federal funds.
- Used for Federal award purposes.
- Most commonly used for ETA grants.

SECTION 3: Reporting, Tracking and Documenting

Reporting Program Income

- ETA financial reports are cumulative
- Must be reported quarterly on the ETA-9130 form
- **SPEND** before requesting new grant funds!

Reporting Program Income

Program income is reported on lines 10m through 10o of the ETA-9130 Form

Program Income:

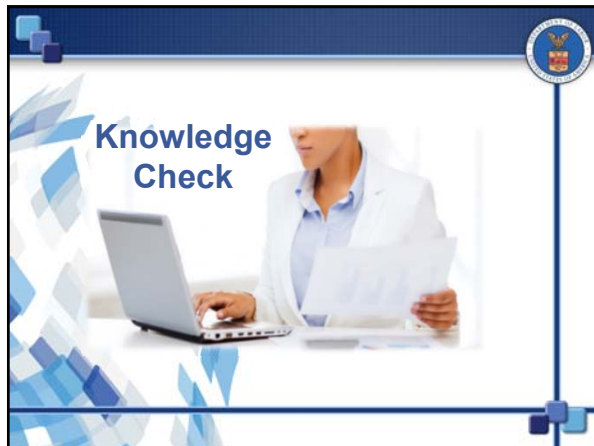
- 10m - Total Federal program income earned
- 10n - Program income expended in accordance with the addition method
- 10o - Unexpended program income (line m minus line n)

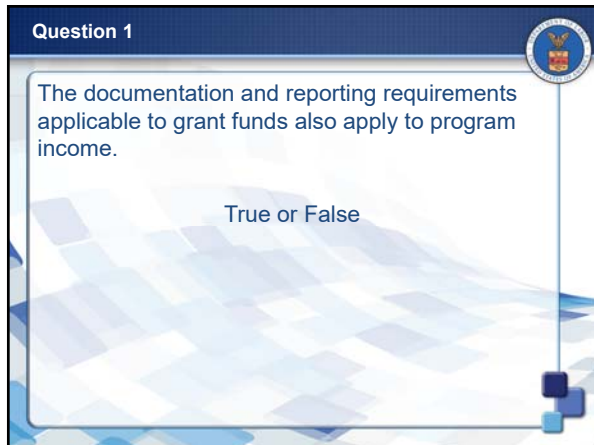
Written Procedures

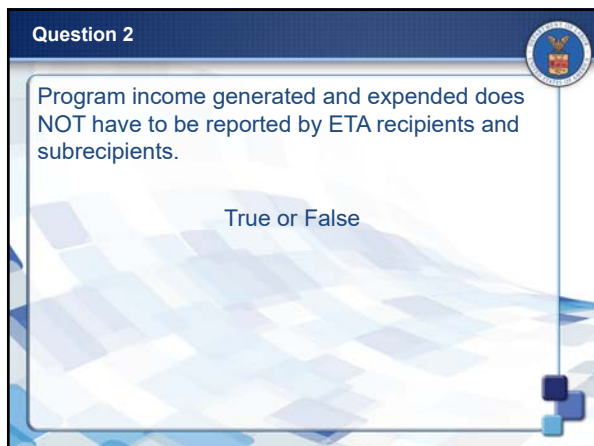
Written procedures should be developed to outline the procedures for handling receipts from user fees.

Procedures should include:

- Determining amounts
- Invoicing
- Collecting amounts due
- Safeguarding receipts
- Depositing receipts
- Ensuring receipts are credited to the proper funding source







Question 3

Program income must be returned to DOL if it is earned after the period of availability for allotted funds and after the period of performance for awards.

True or False

Questions?
