

Many federal, state and foundation grants require a match. Although the percent match required for each grant may vary (25, 40, 50 percent etc.), many of the rules governing what can be counted as a match are consistent. This guidance is an attempt to identify some of the basics for tracking matching funds or in-kind matches. Since these rules tend to vary by funding source it is always a good idea to check with the funding source first. Note: Match percentage is based on the total cost of the project.

There are two kinds of match, a **cash match** and **in-kind match**. A cash match is the direct project expense you or your non-federal partner provides as your contribution to the project – your cash expenditures for costs related to this specific project, such as project-related staff salaries, consultant’s fees, equipment rentals and travel costs. In-kind match are materials and services, secretarial services, space and utilities, equipment and technical assistance provided by your organization or donated by a **non-federal** third party specifically for this project.

Accounting for a cash match is straightforward, since it is a specified amount of money dedicated to being spent on a specific project. However, knowing what to include as part of in-kind match can be more complicated. The rules regarding each grant will vary, but below are some general rules for tracking in-kind time and expenses.

In-kind match and rates

All or some of the following expenses can typically be counted as in-kind match:

Salaries and wages: List all employees working on the project (include their title). Rates for employee time should be in keeping with their hourly wage. In addition to wage, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

If working with volunteers, list all volunteers and the type of work they are completing. General volunteer labor is often valued at a general volunteer rate unless the volunteer is performing a specific specialized service. Allowable wage rates may be determined by the granting agency, so check with them first. The volunteer rates below are provided by the Independent sector.

Volunteer rates		<u>Note</u> : volunteer rates vary widely based upon the resources available. Always confirm the rate with your grantee and provide your sources.
Federal (2018)	\$24.00	
West Virginia (2018)	\$20.00	

If these rates are not set by the granting agency, rates for volunteer services should be consistent with one of the followings

1. Those paid for similar work performed by paid staff;
2. The federal rate; or
3. The state rates

If no comparison is possible, rates should be consistent with those paid for similar work in the labor market. Otherwise you can seek out information on wage rates by inquiring with the Bureau of Labor Statistics (<https://www.bls.gov/>) or by consulting other non-profits in your region. Note: If someone is getting paid with grant funds it is not in-kind, “unless a business is donating the labor of one of its employees to your cause. Asking local businesses to do this can be a good way to get them, their owners, their neighbors, etc. involved in your work. Try it!”

Tracking:

1. Volunteer services shall be documented and, to the extent feasible, supported by the same methods used by the recipient for its own employees' time and attendance records.
2. Avoid allocating donated time or other resources to more than one grant – this practice is known as “double-dipping”. In other words, time or resources spent on one project should only be counted as in-kind match for a single grant.
3. Remember to document these areas when tracking in-kind contributions:
 - Who is the source – can demonstrate that the contribution is from an acceptable donor source, this is especially important for audit purposes.
 - What was donated – can demonstrate that what is being used as match is suitable for match. Be specific and show how it related to the management plan and work plan.
 - How was the value determined – the donor should generally determine the value and it should be based on standard objective sources rather than best guesses.
 - Who verified the information– who certified that the information is correct? Is there a responsible party who is prepared to sign that the information is true and correct?

Fringe benefits: Propose your rates/amounts. If rates are audit approved, include a copy of the audit agreement and/or the name of the audit agency. If more than one rate is used, list each rate and the wage or salary base.

Consultant/contracting fees: Include payments for professional and technical consultants and contractors participating in the project.

Travel and per diem: For each trip, you should indicate the number of persons traveling, the total days they will be in travel status, and the total subsistence and transportation costs for that trip. Per diem rates should not exceed maximum Federal rates.

Supplies and materials: Include consumable supplies and materials to be used in the project, listing each item and quantity individually. Include items of expendable equipment, i.e., equipment costing less than \$500 or with an estimated useful life of less than two years. Equipment costing more than that should be listed in the other costs category.

Services: This should include the cost of duplication and printing, long distance telephone calls, equipment rental, postage, and other services not previously listed. Donated services for specialized services pertinent to the execution of the funding award should be valued at a rate equivalent to that rate ordinarily paid for work in the project applicant's organization. If the project applicant does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work.

Equipment: List equipment items more than \$500 and other items not previously listed. Note that equipment items worth less than \$500 or that have a useful life of less than 2 years should be listed in the Supplies and Materials category. Frequently you are asked to reflect the depreciated value of the equipment. To do this, calculate the straight-line depreciation of the full cost of equipment over 5 years and factor down per usage on the project, e.g., A \$5,000 piece of equipment over 5 years = \$1,000 per year or \$500 for six months of use.

Indirect charges: If indirect costs will be charged to the grant, use your current approved indirect cost rate and the direct costs it will be applied to. A copy of your most recent indirect cost rate should be attached if indirect costs will be requested.

Activities that typically **do not qualify** as in-kind contribution include:

- Passive attendance on training courses, meetings, seminars, etc. (i.e., attendance with no input, as a member of the audience or group);
- Provision of pre-existing (i.e. not generated within the duration of the project) data, expertise, knowledge or tools, which are publicly available free of charge.
- Routine operations by partners who would do this work whether the coordinating entity existed.

Resources

1. Specialized Skills Donated from the Bureau of Labor Statistics: <http://www.bls.gov/bls/blswage.htm>
2. Independent sector - volunteer time: http://www.independentsector.org/volunteer_time
3. Federal Cost Principle Requirements
 - OMB Circular A-21: Cost Principles for Educational Institutions
 - OMB Circular A-87: Cost Principles for State, Local, and Indian Tribal Governments
 - OMB Circular A-122: Cost Principles for Non-Profit Organizations
4. Federal Administrative Requirements
 - OMB Circular A-102: Grants and Cooperative Agreements with State and Local Governments (CNCS: §45 CFR 2541)
 - OMB Circular A-110: Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (CNCS: §45 CFR 2543)
 - Federal Audit Requirements:
 - OMB Circular A-133: Audits of States, Local Governments, and Non-Profit Organizations
5. Tracking: <http://www.dep.wv.gov/WWE/Programs/nonptsource/Documents/Matchtracking.xls>
(An example spreadsheet that can be modified for your situation)

For more information

Contact: Teresa.M.Koon@wv.gov, Timothy.D.Craddock@wv.gov and/or your local Basin Coordinator.

http://www.dep.wv.gov/WWE/getinvolved/WSA_Support/Pages/BC.aspx