Match and Leveraged Resources
Uniform Guidance vs. OMB Circulars

- Prior to the Uniform Guidance, requirements governing cost principles, administrative requirements and single audit requirements were found in eight separate OMB Circulars.

- In addition to the Uniform Guidance, recipients and subrecipients of a DOL award must adhere to 2 CFR 2900 found at www.ecfr.gov.

- Adopted on December 19, 2014, includes a limited number of exceptions approved by OMB to ensure consistency with existing policy and procedures.

- Expanded at 2 CFR 2900.2, the exceptions definition of non-Federal entity includes for-profit or commercial and foreign entities.

- Grant recipients and subrecipients of DOL funds that are commercial or for-profit entities or foreign entities must adhere to 2 CFR 200 and 2 CFR 2900.
This course is designed to provide you with information and requirements on match and leveraged resources.

- Explain the challenges in meeting a matching requirement
- Explain what is needed to track and report on financial and programmatic reports
- Identify requirements and where to find them
- Dispel common misconceptions
- Outline proper document resources
SECTION 1: Match

SECTION 2: In-kind Contributions and their Valuation

SECTION 3: Leveraged Resources

SECTION 4: Documentation

SECTION 5: Reporting

SECTION 6: Things to Consider
Course Objectives

At the end of this course, you will be able to:

• Define match and distinguish between cash and in-kind match.
• Properly value and document match expenditures.
• Accurately report match expenditures and leveraged resources, and recognize consequences for failing to meet documentation requirements.
• Identify common errors and their consequences.
SECTION 1: Match
What is Match?

2 CFR 200.29

**Match/Cost Sharing:**

Additional **non-Federal** funds expended to support grant objectives when required either by statute or in the FOA as a condition of funding.
How are Project Costs Covered?

Grant funds from Federal Government + Cash and in-kind contributions from non-Federal sources = TOTAL PROJECT FUNDS
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**
DON’T WAIT!

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

Contributions made towards match must be expended on program activities in order to count.
Match Expenditures

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

- Staff
- Equipment & Supplies
- Indirect Costs
- Donated Space
- Other Resources
Match Requirements

Match may be required by:

- Statute
- Funding Opportunity Announcement (FOA)
- Grant Agreement
### Calculating Match

**OPTION 1**
Calculate match as a percent of the Federal award

Federal awards such as H-1B

**OPTION 2**
Calculate match as a percent of the Federal award PLUS the amount of match

SCSEP (Senior Community Service Employment Program)

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

**CALCULATIONS**

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000 \times .20</td>
<td>$20,000 match</td>
</tr>
<tr>
<td>$100,000/.80</td>
<td>$125,000</td>
</tr>
<tr>
<td>$125,000 - $100,000</td>
<td>$25,000</td>
</tr>
</tbody>
</table>
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
• Established **new standards** for charging depreciation.

• Once property has exceeded its depreciable life, it cannot be charged to Federal funds or used as match.

• **Use allowance** has been **eliminated**.
Contributions from Employers

Considered the largest provider of cash or in-kind match contributions.

- Paid work experience for participants
- Sharing employees as in-kind resources
- Career awareness presentations
- Mentors
Grant Award = $2 million; 25% Match Requirement = $500,000

YEAR 1: 10% of $2,000,000 = $50,000
YEAR 2: 20% of $2,000,000 = $100,000
YEAR 3: 30% of $2,000,000 = $150,000
YEAR 4: 40% of $2,000,000 = $200,000
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.
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.
YouthBuild Requirements

- 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
Required Cost and Match: SCSEP Example

SAMPLE MATCH REQUIREMENTS

✓ DOL will pay no more than 90% of the total cost for SCSEP grant activities.

✓ Costs incurred by the recipient are subject to the same requirements applicable to the use of Federal funds.

✓ Recipients cannot claim a cost as both an allowable cost AND a match expense!
When matching funds are not required, other resources contributed to the project are considered “leveraged funds” and do not constitute cost sharing or matching funds.
Knowledge Check

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

- A) True
- B) False
The answer is True.

The FOA contains specific information about match requirements for a grant.
Grant-related services paid for by the recipient with non-Federal funds qualify as allowable match.

- A) True
- B) False
The answer is True.

Assuming the service is allowed, a grant-related service paid for by the recipient qualifies as cash match.
Letters of intent and undocumented assurances are considered adequate sources of documentation for match or cost sharing.

A) True
B) False
The answer is False.

Letters of intent and undocumented assurances are NOT adequate sources of documentation for match or cost sharing. Be sure to maintain the same level of documentation for match expenditures as you do for any other grant expenditure.
Compliance with match requirements is measured annually.

A) True

B) False
The answer is False.

Compliance with match is measured at the END of the grant. This allows recipients to use progressive matching plans that allow the amount of match contributions to vary over the life of the grant. It is important to note that recipients are responsible for paying back all unmet match funds at the end of a grant.
SECTION 2: In-kind Contributions and their Valuation
In-kind Contributions

2 CFR 200.306 and 200.434

OLD REGS

29 CFR Part 97.24(b)(7)
Governments

29 CFR Part 95.23(c-h)
Non-profits

NEW REGS

2 CFR 200.306 and 200.434
In-kind Contribution Examples

2 CFR 200.306 and 200.434

Equipment Supplies | Space
--- | ---
Equipment and supplies donated for grant use | Space donated for grant use
Valuation of In-kind Personnel Services

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

\[
\text{VALUE} = \text{individual’s pay rate} + \text{fringe benefits} + \text{other allocable costs}
\]

**EXAMPLE:**
An accountant performing accounting services for a grant program is valued at actual salary plus benefits.
Valuation of In-kind Donations

Supplies
- Current fair market value at time of donation

Loaned Equipment
- Current fair rental value

Equipment
- Current fair market value at time of donation
- Depreciation
Valuation of In-kind Donations

Donated Space

- Current fair rental value of comparable space established by an independent appraisal in the same locality

Valued Donated Buildings & Land

- 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

• 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.

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
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**.
Knowledge Check
A local company that loans equipment to a grant recipient to support a project is an example of cash match.

A) True
B) False
The answer is False.

Loaning of equipment, personnel or space are examples of in-kind contributions. Cash match requires the expenditure of non-Federal funds.
Philanthropists and charitable trusts are generally the largest providers of cash or in-kind contributions.

A) True  
B) False
The answer is False.

While philanthropists and charitable trusts are, indeed, sources of cash and in-kind contributions, employers are actually thought to be the largest providers.
SECTION 3: Leveraged Resources
Leveraged Resources:
Funds used in coordination with the grant to support the grant’s outcomes.

ETA Definition:
All resources used by the recipient to support grant activity and outcomes, whether or not those resources meet the standards required for match.
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.
Examples of Leveraged Resources

- Services provided to grant participants that are funded by another Federal grant
- Non-Federal funds used to build or purchase a structure to house grant activity
- Employer-paid release time (as appropriate)
- Training curriculum donated by recipient to train program participants
Applicants are encouraged to leverage additional resources to supplement grant activities.

Leveraged resources should be applied towards allowable costs.
Sources of Leveraged Resources

Where do matching funds and leveraged resources come from?

- Public Sector
- Non-profits
- Private Sector
- Investors
- Philanthropists
Leveraged funds are:

- A welcome alternative source of funds to support the program objectives
- Relevant to both formula and discretionary grants
SECTION 4: 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.
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.
Documenting Unexpended/Unrecorded 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

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i.</td>
<td>Unobligated Balance of Federal Funds (line d minus e)</td>
</tr>
<tr>
<td><strong>Recipient Share:</strong></td>
<td></td>
</tr>
<tr>
<td>j.</td>
<td>Total Recipient Share Required</td>
</tr>
<tr>
<td>k.</td>
<td>Recipient Share of Expenditures</td>
</tr>
<tr>
<td>l.</td>
<td>Remaining Recipient Share to be Provided (line j minus k)</td>
</tr>
<tr>
<td><strong>Program Income:</strong></td>
<td></td>
</tr>
</tbody>
</table>

**MUST be reported within the same time period as expended.**

Use the ETA-9130 Form to report match and leveraged resources.
**Line 10j:** Enter the total amount of matching funds required for the grant.

If matching funds are not required, enter 0.
**ETA-9130 Form**

<table>
<thead>
<tr>
<th>Line 10k: Enter the amount of other non-Federal funds expended by the recipient organization and subrecipients.</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Only include allowable expenses</td>
</tr>
<tr>
<td>• Include both match and other non-Federal leveraged resources.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>i. Unobligated Balance of Federal Funds (line d minus h)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recipient Share:</strong></td>
</tr>
<tr>
<td>j. Total Recipient Share Required</td>
</tr>
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</tr>
<tr>
<td>l. Remaining Recipient Share to be Provided (line i minus k)</td>
</tr>
</tbody>
</table>

**Program Income:**
### ETA-9130 FORM

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Unobligated Balance of Federal Funds (line d minus h)</td>
<td></td>
</tr>
<tr>
<td><strong>Recipient Share:</strong></td>
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<td></td>
</tr>
</tbody>
</table>

**Line 10l:** Automatic calculation. Remaining recipient share = line j – line k.
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
Common Errors

**ERRORS**

- Leveraged resources that are not reported on ETA-9130 Form.
- Incorrect valuation of cash and in-kind contributions.
- Inadequate documentation of leveraged resources.

**REQUIREMENTS**

- Match and leveraged resources must be on the ETA-9130 Form to count towards the grant.
- Consult the Uniform Guidance if you’re not sure how to value a resource.
- Keep documentation of equal quality and level of detail for all grant-related expenditures.
Common Errors

ERRORS

Not reporting Match concurrently as it is being expended.

No back up plan when a proposed match source doesn’t materialize.

Recipients owe for unmet match at the end of the grant period.

REQUIREMENTS

Always report match and leveraged resources as they are earned or expended.

Always keep an eye out for new sources of leveraged resources.

Use a progressive match plan to stagger the amount of match used throughout the life of the grant.
**Do’s and Don’ts**

**DO**

- Review the grant announcement carefully

**DON’T**

- Promise to provide match for grants that do not have match requirements

**DO**

- Report all allowable match and leveraged resource expenditures in a timely fashion

**DON’T**

- Include leveraged resources on the SF-42A submitted with your grant application
If match requirements are not met based on statute or regulation:

- Federal share is proportionally reduced
- Shortfall **may** affect future award potential
- When match is **not** required, there are more options for settling shortfalls.

When leveraged resources are not met:

- No formal penalty.
- May affect future funding.

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.
The ETA-9130 Form includes a narrative section for recipients to provide extra information about their use of leveraged resources.

- A) True
- B) False
The answer is False.

The ETA-9130 Form does not include a narrative section for recipients to provide extra information about their use of leveraged resources. However, the Quarterly Narrative Progress report provides a venue for recipients to provide information in a narrative format.
Recipients do report cash expenditures of Federal funds on line 10k on the ETA-9130 Form.

A) True  
B) False
The answer is True.

Recipients do report cash expenditures of non-Federal funds on line 10k of the ETA-9130 Form.
Recipients of grants that DO NOT require match should leave line 10j of the ETA-9130 Form blank.

- A) True
- B) False
The answer is False.

Recipients of grants that DO NOT require match should enter 0 on line 10j of the ETA-9130 Form.
Section 1: Match
- Match/Cost Sharing
- Match Expenditures
- Cash Match
- Match Requirements and Exclusions
- Progressive and 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

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

- Common Errors
- Closeout
This presentation is complete.