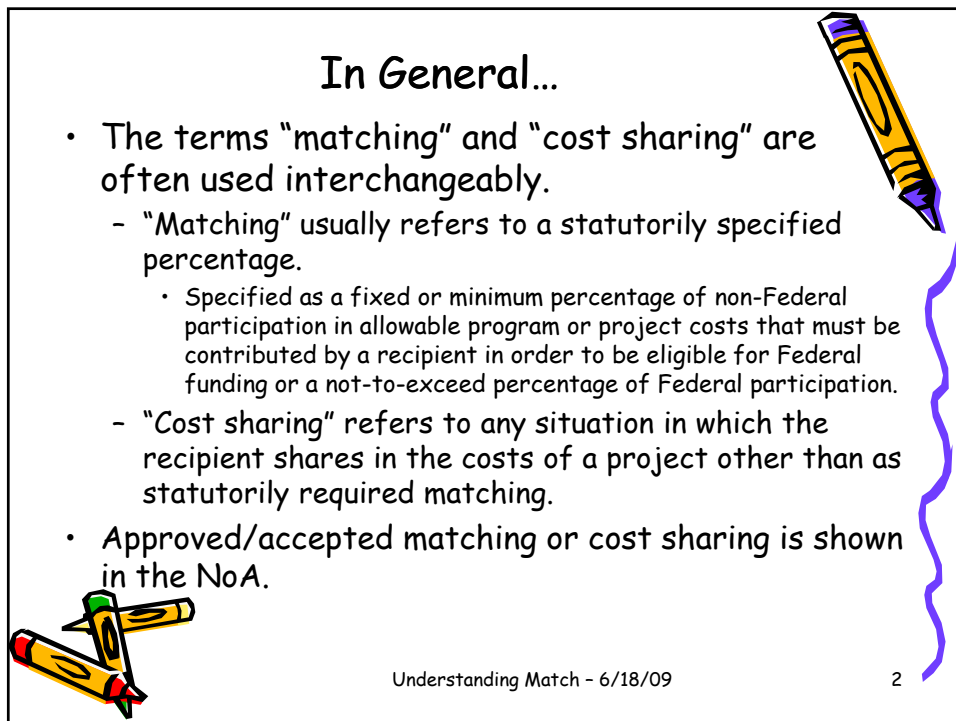


SMP Webinar
June 18, 2009

Understanding Match

In General...

- The terms "matching" and "cost sharing" are often used interchangeably.
 - "Matching" usually refers to a statutorily specified percentage.
 - Specified as a fixed or minimum percentage of non-Federal participation in allowable program or project costs that must be contributed by a recipient in order to be eligible for Federal funding or a not-to-exceed percentage of Federal participation.
 - "Cost sharing" refers to any situation in which the recipient shares in the costs of a project other than as statutorily required matching.
- Approved/accepted matching or cost sharing is shown in the NoA.



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In General (con't)

- Unless restricted by statute or regulation, matching or cost sharing may be provided as direct and/or indirect costs.
- Recipient contributions may be derived from:
 - any non-Federal source;
 - from Federal sources if received as fees, payments, or reimbursements for the provision of a specific service, such as patient care reimbursements received under Medicare or Medicaid;
 - or from other program income, if authorized by the OPDIV; otherwise,
 - unless there is specific statutory authority, Federal funds may not be used to match HHS grant funds.



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In General (con't)

- All costs and contributions used to satisfy a matching or cost-sharing requirement must be documented by the recipient and are subject to audit.
- Recipients should provide required matching or cost sharing in proportion to its expenditure of the Federal share of the total project costs.
- If a recipient fails to provide required cost sharing, the *GMO* generally will make a downward adjustment in the Federal award amount.



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Cost-sharing Requirements

- Cost-sharing requirements may **not** be met from the following sources
 - Costs paid by another Federal award or subaward.
 - However, this limitation does not apply to fee or profit earned by a recipient or subrecipient from a contract awarded under another Federal assistance award.
 - Costs or contributions used to satisfy a matching or cost-sharing requirement on another Federal grant.



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Cost-sharing Requirements (con't)

- Cost-sharing requirements may **not** be met from the following sources
 - Costs or contributions of services or property financed by program income earned by contractors under a contract from the recipient or a subrecipient (apart from any fee or profit the contractor earns as a result of the contract), unless expressly authorized by the terms and conditions of the grant award.



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In-kind Contributions

- "In-kind contributions" are the value of goods and/or services third parties donate for program or project purposes without charge to a recipient (or subrecipient or cost-type contractor under a grant).
- By definition, recipients do not provide in-kind contributions.



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In-kind Contributions (con't)

- Third party in-kind contributions may satisfy a matching or cost-sharing requirement only when payment for them would be an allowable cost if the party receiving the contributions (recipient, subrecipient, or cost-type contractor) were to pay for them.



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Volunteer Services

- Volunteer services may be furnished by professional or technical personnel, consultants, or other skilled or unskilled labor.
- Volunteer services may be counted as matching or cost sharing if they provide an integral and necessary part of an approved program or project and if payment for them would constitute an allowable cost if the recipient had to pay for them.



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Valuation of in-kind contributions

- Rates for volunteers must be consistent with established rates paid for similar work by the recipient or subrecipient.
- If the recipient or subrecipient does not have employees performing similar work, rates used must be consistent with those paid for similar work in the labor market in which the recipient competes for the kind of services involved.
- In either case, a reasonable amount for fringe benefits may be included in the valuation.



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Valuation of in-kind contributions (con't)

- When an employer other than the recipient, subrecipient, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, these services shall be valued at the employee's regular rate of pay.
- If the donated services are in a different line of work, rates used must be consistent with those paid for similar work in the labor market in which the recipient competes for the kind of services involved.



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Valuation of in-kind contributions (con't)

- If a third party donates the use of equipment or space in a building but retains title, the contribution shall be valued at the fair rental rate of the equipment or space.
 - The OPDIV may require that the market value of land or buildings or the fair rental rate of land or of space in a building be established by an independent property appraiser or by a U.S. General Services Administration representative and certified by a responsible official of the recipient. If the OPDIV requires an appraisal, the NoA (or equivalent) must specify that this requirement also must be imposed by the recipient on subrecipients and contractors.
- If a third party donates supplies, the contribution shall be valued at the market value of the supplies at the time of donation.



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QUESTIONS

Q: Discounts, refunds, or rebates used as cost sharing?

A: No, all costs charged to HHS awards are to required to be net costs.

Q: Are services from federally funded people allowable cost sharing?

A: No, federal employees or volunteers funded by a federal funding stream (AmeriCorps VISTA) can not be used to meet a cost sharing requirement.



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QUESTIONS (con't)

Q: Director, 100% funded by organization, no federal funds - can his salary be used as match?

A: Typically, NO. A director's position is to oversee an organization's entire business. Director's salaries are usually included in the negotiated F&A rate.



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QUESTIONS (con't)

Q: Can in kind F&A be used on salary/fringe cash match?

A: No, only unreimbursed F&A can be used for cost sharing.

Q: Media - newspaper insert, price of sponsorship is \$2,600 - can the value be counted?

A: Yes, the amount the newspaper would charge for the ad is allowable.



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Thanks for your time and attention!

Questions?

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