

FACT SHEET

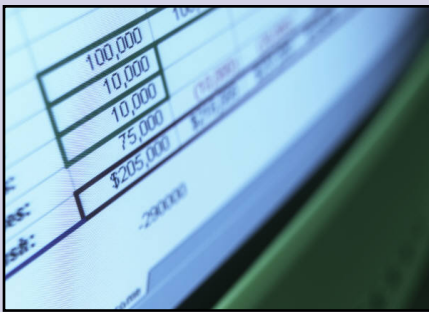
for Systems of Care
in Indian Country

Understanding Grant Match Requirements

Background of this term:

What does it mean to “match” funds?

Any funder may require that a grantee “match” some portion or all of the funds that they provide. When a federal grant requires the grantee to match funds, there are standard regulations that govern what can be counted as match and how these funds must be documented.* Additionally, grant agreements may specify what sources of matching funds can be used and the degrees to which types of matching funds are allowed. With rare exceptions, federal funds cannot be used to match a federal grant.



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Why do funders require match?

Funders have various reasons to require match. The primary reason is to share the costs of various government programs across jurisdictions or with the private sector. Funders sometimes structure match requirements to promote sustainability of projects past the life of the grant program. SAMHSA’s Comprehensive

*Public Welfare, Matching, or Cost Sharing. 45 C.F.R. § 92.24.

**SAMHSA. (2008). *Building sustainable systems change: Guide to non-federal match funding*. U. S. Department of Health and Human Services.

Children’s Mental Health Systems of Care Demonstration Grants are structured with steeply declining federal participation with the aim that by the end of the six-year grant period the local system of care is self-sustaining.

What can be counted match?

Matching funds include:

- Non-federal public or private funds
- Funds that are not used as match for any other federal program
- Unrecovered indirect costs
- Either cash or in-kind, fairly evaluated**

In other words, match can be either an actual expenditure (cash) or a virtual cost (in-kind contribution). Federal grants typically require the match to come from a non-federal source. American Indian tribes have a legislatively created exception to this rule. For most federal grant programs, tribes are allowed to use their Indian Self-Determination or Self-Governance funds (often referred to as “638 funds”) as non-federal match.

Cash Match

The most common type of match, and the easiest to track, is cash match. Cash match is either the grantee organization’s own funds (general revenue) or cash donations from non-federal third parties (i.e. partner organizations), or by non-federal grants. A cash match contribution is an actual cash contribution.

In-Kind Match

In-kind match contributions come from the grantee organization. In-kind match is typically in the form of the value of personnel, goods, and services, including direct and indirect costs. Third party in-kind match contributions come from other non-federal third parties. Third party in-kind match contributions come in the form of the value of personnel, goods, and services (including direct and indirect costs). Grantees and third parties simply need to document the contributed resource of value.

Additional Resources

Bazon Center for Mental Health Law

The Bazon Center for Mental Health Law provides information on obtaining and valuing in-kind non-federal match in their publication *Systems of care match funds: In-kind non-federal match* (2009). <http://www.bazon.org>

National Indian Child Welfare Association

The National Indian Child Welfare Association (NICWA) has developed a match toolkit that is free to SAMHSA grantees. Please contact NICWA by phone (503) 222-4044 or email info@nicwa.org to request this free resource. <http://www.nicwa.org>

The Foundation Center

The Foundation Center website is an excellent resource to identify potential matching grants offered by foundations in addition to grant writing resources. <http://www.foundationcenter.org>

The Grantsmanship Center

The Grantsmanship Center offers additional information and resources related to grant writing and fundraising, including documents on indirect costs and valuing volunteer time. <http://www.tgci.com/index.shtml>

Commentary and Professional Perspectives

Terry Cross, executive director at the National Indian Child Welfare Association (NICWA), emphasizes that “fiscal and accounting structures are necessary to properly document match.”* The first step in setting up a successful match tracking system is the development of a match budget. This projected budget lays out how much is cash (cash outlays by the grantee for purposes of the project) and how much is in-kind (the value of goods and service provided for benefit of the project by others). Creating cost

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centers to report cash match provides a straightforward tracking method. “The system of policies and procedures for valuing, documenting, recording, processing, and reporting in-kind match is similar to the process used for tracking cash, is easy to set up, and is very effective at acquiring match when staff are dedicated to the effort.”

It is important to remember that

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match used for one federal cost sharing agreement may not be used for another federal grant agreement. The Code of Federal Regulations P. L. 45 § 92.24 states, “Neither costs nor the values of third party in-kind contributions may count towards satisfying a cost sharing

or matching requirement of a grant agreement if they have been or will be counted toward satisfying a cost sharing or matching requirement of another federal grant agreement, a federal procurement contract, or any other award of federal funds.”

Tips for Acquiring Match

- 1 The best strategy to acquire cash match is to seek specific grants and donations that are designated for that purpose.** Donors and repeat funders will sometimes give a provisional designation to a gift, allocating it to be used to leverage additional funds. These donors or funders want to match grants because it leverages their own contributions. Such funders may be corporations, foundations, or local, tribal, or state governments.
- 2 Cash match might also be acquired in the form of non-federal governmental contracts** (city, county, state, or tribal). Remember that in many cases tribes can use federal funds from the Indian Self-Determination or Self-Governance programs as non-federal match. The grantee is wise to seek specific funding where those funds will be expended for the purpose of achieving the grant goals.
- 3 To acquire in-kind match, one good strategy is to select the right partners in advance of obtaining federal funding.** Potential partners that can provide in-kind match are universities, corporate or business partners, non-profit partners, other tribal or governmental departments, community partners, or even individuals.
- 4 Project related training events can be used toward obtaining in-kind match.** When volunteers from a local school or consultants from a non-profit agency lead a training event, their time, the expenses incurred traveling to and from the event, and the time and travel expenses for those attending the event may be included as match. If the training takes place in donated office or large meeting space, the market value of renting that space may also be counted.
- 5 Every item that is documented for the purpose of in-kind must have a defensible method for assigning a fair market value.** The best method to value a volunteer’s time who is contributing their professional expertise to a project is to use the published range for that position within that person’s organization, or rates consistent with those ordinarily paid by other employees for similar work in the same labor market. Fringe benefits and other costs associated with salary may be included in the valuation. Donated travel expenses such as airline tickets or bus fares should be recorded at receipt value. To estimate mileage for traveling on the road, refer to the U. S. General Services Administration’s travel resources website (www.gsa.gov) to obtain federally recommended per diem and mileage travel rates.
- 6 Remember that it is not required, nor advisable, to over match.** Going over the level of required match is easy to do with a good system for capturing in-kind, but whatever you report is subject to audit. When a grantee meets its match goal, it is fully permissible to simply stop counting.