

# Senior Corps Virtual Conference 2014

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**Session:** Managing Non-Federal Funds: Match and In-Kind

**Speakers:**

- Sarah Forgey, State Program Specialist
- Ben Stoltenberg, Grants Management Specialist



**This session will begin shortly.**

# Managing Non-Federal Funds: Match and In-Kind



# Objectives

- Describe types of Match contributions
- Review the primary issues and compliance findings
- Identify preventive actions to successfully avoid Match errors

# Live Session Features

Respond in real-time: polling feature

- All polling questions are multiple choice

Have your questions answered: chat feature

- Throughout this live session, chat in your questions as they arise

Follow up opportunities for engagement

- Questions not addressed during this live session will be posted to the Financial Management message board in the FFMC booth
- The FFMC will host a live chat in the FFMC booth

# Agenda

Activity	Duration
Types of Match	10 minutes
Common Errors in Match	20 minutes
Questions and Wrap Up	10 minutes

# Acceptable Match

Cash and in-kind contributions must meet the following criteria to be accepted as Match:

- Are verifiable from the grantee's records
- Are necessary and reasonable for proper and efficient accomplishment of project or program objectives
- Are allowable under the applicable OMB Cost Principles
- Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching
- Are provided for in the approved budget
- Conform to other grant provisions or OMB Circulars

# Examples of Acceptable Match

- Cash Donations
- Leases
- Sale of goods and services
- State appropriations
- Foundation grants
- Corporate contributions
- Real property
- Equipment
- Supplies
- Services
- Labor
- Space
- Training
- Vehicles

# Types of Match

## Cash Match

Cash donations

Lease, sale of goods or services

Donations or grants from local governments

State appropriations

Foundation grants or corporate contributions

## In-Kind Match

Value of donated services and/or donated goods: labor, space, vehicles, training, supplies, equipment or services

Services: accounting, legal, training of staff or members that are elements of the grantee's cost allocation plan

# Common Errors in Match

- Amounts not supported by adequate documentation or not verifiable from grantee's records
- Other federal funds are used as match for programs without authority
- Match claimed is unallowable under applicable OMB Cost Principles
- Match claimed is not necessary to operate the grant
- Match amounts are unreasonable or excessive
- Match is inadequately supported to determine if it was allowable and allocable
- Claimed match was not related to a cost in the approved budget
- Match covered expenses incurred outside of the grant award period

# Consequences of Compliance Findings

**Undocumented, unmet or unacceptable match costs could lead to the disallowance of costs and placement on a corrective action plan.**

**If there are additional financial problems, undocumented, unmet or unacceptable match can reduce some or all of the allowable costs paid with federal funds by the amount of required match not met for the program.**

# Inadequate Documentation for Cash and In-Kind Amounts – Preventive Actions

- Maintain adequate documentation to support amounts claimed as match
- Maintain same documentation for both CNCS Federal share and for grantee's share
- Ensure documentation meet same standards as other expenditures within organization
- Record in-kind or other match until the documentation is sufficient
- Record all claimed match in the accounting system as required by financial accounting standards (FASB 116)
- Enter amounts into the General Ledger as income and expenditure

# Recording In-Kind Contributions Scenario

**Situation** - A local paint store donates a professional paint sprayer with a fair market value of \$550.00

What should we enter?

In-Kind Income Account	<b>\$550.00</b>
In-Kind Expense Account	<b>\$550.00</b>

# Other Federal Funds Used Without Authority - Preventive Actions

Do not record the same costs on two separate National Service programs either as match or direct expenses or the combination thereof

Determine the source of all grantee share funds

Include a checkbox on donor forms to indicate that the donation is not from federal funds

Obtain authorization from the other Federal source if Federal funds may be used for cost sharing or matching

# Unallowable Costs

Remember what is unallowable to meet Grantee Share

- The value of direct community services performed by Senior Corps volunteers
- Contributions from Senior Corps volunteers for volunteer expenses
- Alcoholic Beverages served at a recognition or fund raiser

# Questions?

## Scenario Summary

### **Situation**

To purchase program supplies, the Gateway City Center staff hosted a bake sale. They generated \$2,500. The volunteers used the kitchen of a local church to bake all of the food, and received donations for all of the food ingredients.

### **Question**

Is this an allowable match?

# Match is Unnecessary to Grant Operation – Preventive Actions

- Follow standards in Statement of Financial Accounting Standards #116
- Document contributed services in financial statements if the services received



## Scenario Summary

### Situation

Mound City Repair & Service provided coupons for a free oil change to all 5 Gateway City Center employees. The value of each oil change is \$30.

### Question

Is this an allowable match?

# Match is Unreasonable or Excessive – Preventive Actions

## Use fair market price

- Fair market value is the price that item would sell for on the open market

## Document the basis for determining value

- Consider what it would cost to obtain similar goods or services

## Retain documentation

- Keep a copies of receipts in your files

## Scenario Summary

### Situation

The University of Missouri provides a conference room for Gateway City Center, on an as needed basis. A university official represented that when they normally rent the room, the fair market value of the room was \$150 per usage.

Gateway City Center used the room 10 times throughout the year for 8 program trainings, 1 education research forum, and 1 Gateway City Center holiday party.

**Question:** Is this contribution allowable?

## Scenario Summary

### **Situation**

A longtime volunteer has a family member who works for Geek Squad as a computer technician. The technician wants to “give back” and volunteers 2 hours every week to update the computer systems and software, and fix e-mail problems. This individual earns \$49 per hour at Geek Squad.

**Question:** Is this contribution allowable?

# Inadequate Documentation – Preventive Actions

## Ensure in-kind match documentation includes:

Name of donor

Description of contributed items or services

Receipt date

Value of contribution, how value was determined, and who determined value

Printed name & title of official representing donor

Signature of donor or representative

Signature of official accepting contribution and printed name & title

Donor restrictions, if any

## Scenario Summary

### **Situation**

Gateway City Center received a donation of 5 computers from Dell. The computers have a fair market value of \$1,500 each, which was provided in a signed and dated voucher from Dell.

### **Question:**

Is this contribution allowable?

# In-Kind Contribution Form

<i>Organization's Logo Here</i>		<b>Non-Profit Organization of My County</b> P.O. Box 1234 • Any City, TX 76001 • (713) 879-2812		
<b>In-Kind Contribution Form</b>				
<b>Contributor Information</b>				
Name of business or individual:				
Name of primary contact:				
Address:				
City:		State:	Zip Code:	
Telephone:		E-mail:		
<b>Contributed Goods or Services</b>				
Description of contributed goods or services:				
Date(s) contributed:				
Real or estimated value of contribution:		\$		
How was the value determined?:		<input type="checkbox"/> Actual Value	<input type="checkbox"/> Appraisal	
If other, please explain:				
Who made this value determination?:				
Is there a restriction on the use of this contribution?:				<input type="checkbox"/> No <input type="checkbox"/> Yes
If yes, what are the restrictions?:				
Was this contribution obtained with or supported by federal funds?:				<input type="checkbox"/> No <input type="checkbox"/> Yes
If yes, please provide the name of the federal agency and the grant or contract number:				
Signature of contributor		Date contributed		
<i>☺ Thank you for your support!! ☺</i>				
<b>Office Use Only:</b>				
Person receiving goods or services on behalf of non-profit organization of my county:				
Printed name		Position		
Signature		Date received		
<b>Accounting Use Only:</b>				
\$				
Value recorded	DR/CR account numbers	Date entered	Data entry person	JE number

How the monetary value of the goods or services was determined and who made the determination

Detailed description of the goods or services provided

Assessing for federal funds

Signed and dated by the donor

Signed by the person receiving the goods or services



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# Sample 2: In-Kind Contribution Form

In-Kind Contribution Form						
Date of Contribution	Description of Contributed Item(s) or Service	Purpose for Which Contribution Was Made	Real or Approximate Value of Contribution	How Was Value Determined? i.e., actual, appraisal, fair market value; condition- new or used; value of like services, retail comparisons, etc.	Who Made This Value Determination?	Was Contribution Obtained With or Supported By Federal Funds? (If so, indicate source)

Name of Contributing Organization/Agency/Business/Individual: \_\_\_\_\_

Address of Above Contributor: \_\_\_\_\_ Phone #: \_\_\_\_\_

Printed Name of Contributor's Authorized Signee: \_\_\_\_\_ Title: \_\_\_\_\_

Printed name & Title of Recipient Signee: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Recipient Signee: \_\_\_\_\_ Date: \_\_\_\_\_



# Match is Unrelated to Approved Budget – Preventive Action

Create budget amendments to include new line items, as necessary



# Match Funded Expenses Outside Award Period – Preventive Action

## **Situation**

A donation of \$10,000 is solicited to support the RSVP program on January 31.

The donation is not made to the program until April 30 and this particular program's grant award begins April 1.

## **Preventive Action**

Do not record in-kind or other match until it is collected and the documentation supporting it is sufficient.

# General Q&A

# Summary

- Describe types of Match contributions
- Review the primary issues and compliance findings
- Identify preventive actions to successfully avoid Match errors