

Match Budget Training

Essential Requirements for Compliance and Success – A comprehensive training on match requirements, eligible sources, documentation standards, and reporting expectations

Purpose & Agenda

01. Training Purpose

Overview of match requirements, eligible sources, documentation standards, and reporting expectations.

02. Objectives and Outcomes

Critical competencies and practical skills you will gain to ensure grant compliance and audit readiness throughout the project.

03. Match Types and Requirements

Comprehensive coverage of eligible in-kind and cash match by budget category with workplan alignment and documentation standards.

04. Common Pitfalls and Case Studies

Ineligible match examples, real-world case studies, valuation standards, and reporting expectations to avoid compliance issues and audit findings.

Training Objectives: Five Critical Competencies You Will Gain Today



Understand Match Requirements

Definition of match, allowable sources, and rules governing non-federal share to ensure proposals meet grant terms.



Differentiate Eligible vs Ineligible Match

Differentiate between eligible and ineligible match by examining cash and in-kind contributions with concrete examples.



Apply Match to Project Budgets

Apply match requirements to project budgets to ensure match is properly integrated, tracked, and aligned with the approved scope of work and budget lines.



Identify Documentation Standards

Identify documentation standards required for both cash and in-kind match, outlining the records and evidence needed to support compliance monitoring and audit readiness.



Recognize Compliance Risks and Consultation Triggers

Recognize common match compliance risks and understand when and how to consult with grant management before incurring or reporting match costs to avoid disallowances.

Training Outcomes: Practical Skills You Will Apply Immediately After This Session



Classify Match Contributions

Accurately classify match contributions as allowable or unallowable, enabling correct eligibility determinations for project costs.



Develop and Manage Match Budgets

Develop and manage match budgets that meet grant requirements and align with approved project activities to ensure fiscal compliance.



Maintain Supporting Documentation

Maintain appropriate documentation to support reported match, including timekeeping valuation and financial records, to substantiate match claims.



Report Match Correctly

Report match to correctly and consistently as part of required progress and financial reporting, following prescribed formats and timelines.



Reduce Risk of Disallowance

Reduce the risk of match disallowance, delayed reimbursement, or compliance findings by applying approved best practices throughout project implementation.

Part 1: Match Definition and Requirements

Understanding the foundation of your non-federal share obligations

What Is Match? Your Non-Federal Share Is Part of Your Total Project Cost

Match is the non-federal share of total project costs contributed by the recipient or partners provided as cash or in-kind support and documented in accordance with RAE grant requirements.



In-Kind Match

Donated goods, services, equipment, volunteer hours, or facilities valued at a specific rate.



Cash Match

Direct money from the grantee, other grants, or third-party donors.



Why Match Matters

Match is held to the same standards as federal funding. Most match issues stem from documentation timing and alignment with the approved scope, not intent.

Core Match Requirements: Five Non-Negotiable Rules Every Grantee Must Follow



Rule 1

Must be non-federal unless explicitly approved.



Rule 2

Must be necessary, reasonable, and allocable to the project.



Rule 3

Must be incurred during the approved project period.



Rule 4

Cannot be double-counted or used for another federal award.



Rule 5

Must be eligible by type, budget category, and workplan task.

Priority Budget Categories

Personnel plus fringe; Contractual services; Supplies or equipment; Volunteer labor well-documented.

Part 2: Eligible In-Kind Match by Category

Converting community support and professional contributions into documented value

Eligible In-Kind Match: Volunteer Labor - Converting Community Support Into Documented Value

Budget Category: Other

This section provides guidance on documenting volunteer labor as eligible in-kind match. Volunteer activities must align with the approved workplan and be properly tracked to convert community support into verifiable value for the project.

1
Planting native
vegetation

WP Task 3.2

2
Removing invasive
species

WP Task 3.2

3
Assisting with water
quality or habitat
monitoring

WP Task 5.1

4
Supporting outreach
events

WP Task 2.2

Documentation Required

- **Volunteer sign-in sheets with dates and hours**
- **Description of activities performed**
- **Valuation based on a reasonable documented rate such as regional volunteer labor rate**

Critical Rule – Volunteer hours must be recorded as they happen and must be for activities that are part of the approved workplan.

Eligible In-Kind Match: Donated Services and Equipment - Professional Contributions That Strengthen Your Project

Budget Category: Contractual - Donated Services

Pro bono engineering services for restoration design or permitting support (WP Task 3.1); Donated surveying or GIS services to support project planning (WP Task 2.1).

Budget Category: Equipment - Donated Equipment

Donated use of excavation or planting equipment during restoration (WP Task 3.2). Note: Equipment is generally defined as durable property costing more than five thousand dollars per unit and must be used for the approved project purpose.

Documentation Required for Both

- **Description of the donated service or equipment**
- **Dates and duration of services or use**
- **Valuation based on fair market rates**
- **Provider acknowledgment or letter**

Eligible In-Kind Match: Office Space - When Donated Workspace Qualifies as Allowable Match

Budget Category: Indirect Cost

Donated office space may be considered allowable in limited cases.

1 The space is specifically used for project staff working on NEP Watersheds Grant activities	2 The space is used during the approved project period	3 The value is reasonable and based on fair market rates	4 Use of the space is documented and verifiable
5 The space supports approved project tasks not general operations		6 Example	
<p>Dedicated office space for project staff coordinating field restoration and monitoring activities tied directly to the approved workplan.</p>			

Documentation Required

- **Description of the donated space**
- **Dates and duration of use**
- **Valuation based on fair market rates**
- **Provider acknowledgment or letter**

Part 3: Eligible Cash Match by Category

Leveraging partner funding and direct financial contributions for project implementation

Eligible Cash Match: Personnel and Supplies - Direct Financial Contributions That Support Core Activities

Budget Category: Personnel

State coastal program staff time with examples linked to workplan tasks:

- **Monitoring Specialist conducting site visits to oversee restoration activities (WP Task 2.2)**
- **Technical Lead reviewing restoration designs or monitoring plans (WP Task 3.2)**
- **Outreach and Technology Transfer Coordinator working with local partners (WP Task 1.3)**
- **Project Manager participating in project-related meetings (WP Task 1.3)**

Documentation Required:

- **Signed timesheets showing hours worked**
- **Description linking staff time to approved workplan tasks**
- **Rate consistent with agency payroll practices**

Budget Category: Supplies

Local government contributions used for project supplies:

- **County funds used to purchase native plants for restoration (WP Task 3.3)**

Documentation Required:

- **Funding agreement or award letter**
- **Invoices or receipts showing expenditures**
- **Financial statements demonstrating funds were spent on approved project costs**

Eligible Cash Match: Contractual Services - Leveraging Partner Funding for Project Implementation

Budget Category: Contractual

Brief introduction: This category covers third-party contractual services and partner-provided funds used to implement approved project activities, including site preparation, monitoring, and outreach tied to specific workplan tasks.



Municipal Funds

Municipal funds covering contractor costs for site preparation (WP Task 2.2). These funds pay contracted vendors for preparatory works directly related to approved project deliverables.



Private Foundation Grant

Private foundation grant funds supporting monitoring or outreach activities (WP Task 5.1). Grants used to fund specific project activities are allowable when tied to the workplan.

Documentation Required

- 1** • Funding agreement or award letter demonstrating the source, amount, and permitted use of funds.
- 2** • Invoices or receipts showing expenditures paid by the partner or contractor for the approved activities.
- 3** • Financial statements (general ledger entries) demonstrating funds were spent on approved project costs and reconciled to invoices.

Key Principle

All cash match must be tied to approved workplan tasks and supported by verifiable financial documentation.

Part 4: Ineligible Match and Common Pitfalls

Learning from real-world case studies to avoid disallowance and audit findings

Ineligible Match: Common Pitfalls That Lead to Disallowance and Audit Findings



EPA funds used without approval

Use of EPA funds for activities or purchases that lacked prior EPA approval, resulting in questioned costs and potential disallowance.



Pre-award costs

Costs incurred before the official award start date that were not authorized, making them ineligible for match or reimbursement.



Unsupported estimates

Use of estimated or modeled amounts without adequate supporting documentation or methodology to substantiate the claimed match.



Activities outside approved workplan

Reported match activities that fall outside the scope or locations specified in the approved workplan and therefore are not creditable.

Case Study One: Undocumented Volunteer Time

What Happened

A grantee reported volunteer hours as in-kind match for restoration activities but did not maintain signed volunteer sign-in sheets or time records.

Review Outcome and Impact

The volunteer hours could not be verified and were not accepted as match. Match total fell below the required amount and federal reimbursement was reduced to maintain the required match ratio.

Key Lesson

If match is not documented it cannot be counted even if the work occurred.

Ineligible Match Case Study: Why Activities Outside Approved Workplan Are Never Allowable

What Happened

A grantee counted outreach activities not included in the approved workplan as in-kind match.

Review Outcome

The activities were determined to be outside the approved scope and therefore not allowable as match.

Impact

Match was disallowed and budget and reports required revision.

Key Lesson

Match must directly support approved project tasks. If it is not in the scope of work it is not match no matter how valuable the activity is.

Indirect Cost Calculation: Understanding How to Apply Your Rate Correctly to Maximize Allowable Match

Note that indirect cost can be used as match but it is not recommended.

Step 1 - Determine Direct Cost or Modified Total Direct Costs (MTDC)

Total Direct Cost equals total federal cost without any excluding.

MTDC equals total federal cost excluding the following categories:

- **Equipment**
- **Capital expenditures**
- **Charges for patient care**
- **Rental costs (lab space)**
- **Tuition remission**
- **Participant support costs**
- **Subawards more than twenty-five thousand dollars**

Step 2 - Determine the rate to use

Choose between the following options to determine the indirect cost rate to apply to MTDC:

- **Option A - Negotiated Indirect Cost Rate Agreement (NICRA):** An agreement that specifies how much extra money an organization can add to a grant to cover shared costs.

Example: NICRA rate is twenty percent and we applied ten percent to federal MTDC. Indirect cost match amount equals ten percent of MTDC.

- **Option B - De minimis indirect cost rate:** Refer to the RFP to determine the allowable de minimis rate. The RFP allows a de minimis rate of ten percent.

Example: De minimis rate of five percent was applied to federal MTDC. Indirect cost match amount equals five percent of MTDC.

Valuation Standards and Documentation Requirements: Ensuring Your Match Is Audit-Ready and Defensible

Section 1 - Valuation Standards

- Professional services are valued at fair market rates not inflated billable rates
- Volunteer labor is valued using an accepted national rate such as Independent Sector
- Donated goods and materials are valued at fair market replacement cost

Section 2 - Documentation Requirements Summary

- All match must be supported by verifiable documentation including timesheets invoices receipts funding agreements provider acknowledgment letters and financial statements
- Match must be tracked separately and reported consistently as part of required progress and financial reporting to RAE
- Maintain documentation throughout the project period and retain for audit purposes according to federal retention requirements

Thank You - Questions and Discussion

Let's address your match compliance challenges together. We have fifteen minutes reserved for Q and A. Contact RAE before incurring or reporting match costs if you have questions.