

The letters S, M, A, R, and T are stacked vertically. Each letter is inside a circle. The circles are connected by a dashed line that forms a path from the top of the 'S' circle, around the 'M' and 'A' circles, down the 'R' circle, and around the 'T' circle, ending in a small arrowhead pointing downwards. The background of the slide features a pattern of overlapping circles in light blue and orange.

**S**  
**M**  
**A**  
**R**  
**T**

**Strategies**

**Monitoring**

**Accountability**

**Risk Mitigation**

**Transparency**

# Match and Leveraged Resources

## SMART 4.0

Hosted by the Office of Grants Management  
Division of Compliance Assistance and Policy  
Employment and Training Administration  
U.S. Department of Labor.

# SMART 4.0 Training Series

- The training modules are focused on: **S**trategies for sound grant management that includes **M**onitoring, **A**ccountability, **R**isk mitigation and **T**ransparency.
- **4.0 focuses on Risks Identification and SMART Practices!**

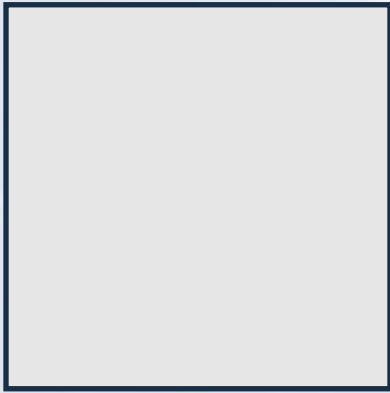


# Disclaimer

*SMART 4.0 is part of the catalog of SMART grant management tools. This conference and its materials should be viewed primarily as a support resource. It is not intended to be comprehensive but rather to provide an understanding of 2 CFR 200, 2 CFR 2900, and the management of ETA grants. The use of these SMART 4.0 modules does not ensure compliance. Any omission of an applicable Federal requirement does not waive a grant recipient or subrecipient's responsibility to comply with that requirement.*

*If, in any instance, there appears to be a conflict with the program statute, Federal regulations, or OMB guidance, such conflict must be resolved in favor of the statute, Federal regulations, or OMB guidance. All the information in the SMART 4.0 modules may not be reproduced or distributed for a fee or profit.*

# Today's Speakers



**First Last**

*Occupation/Title*  
Company Name

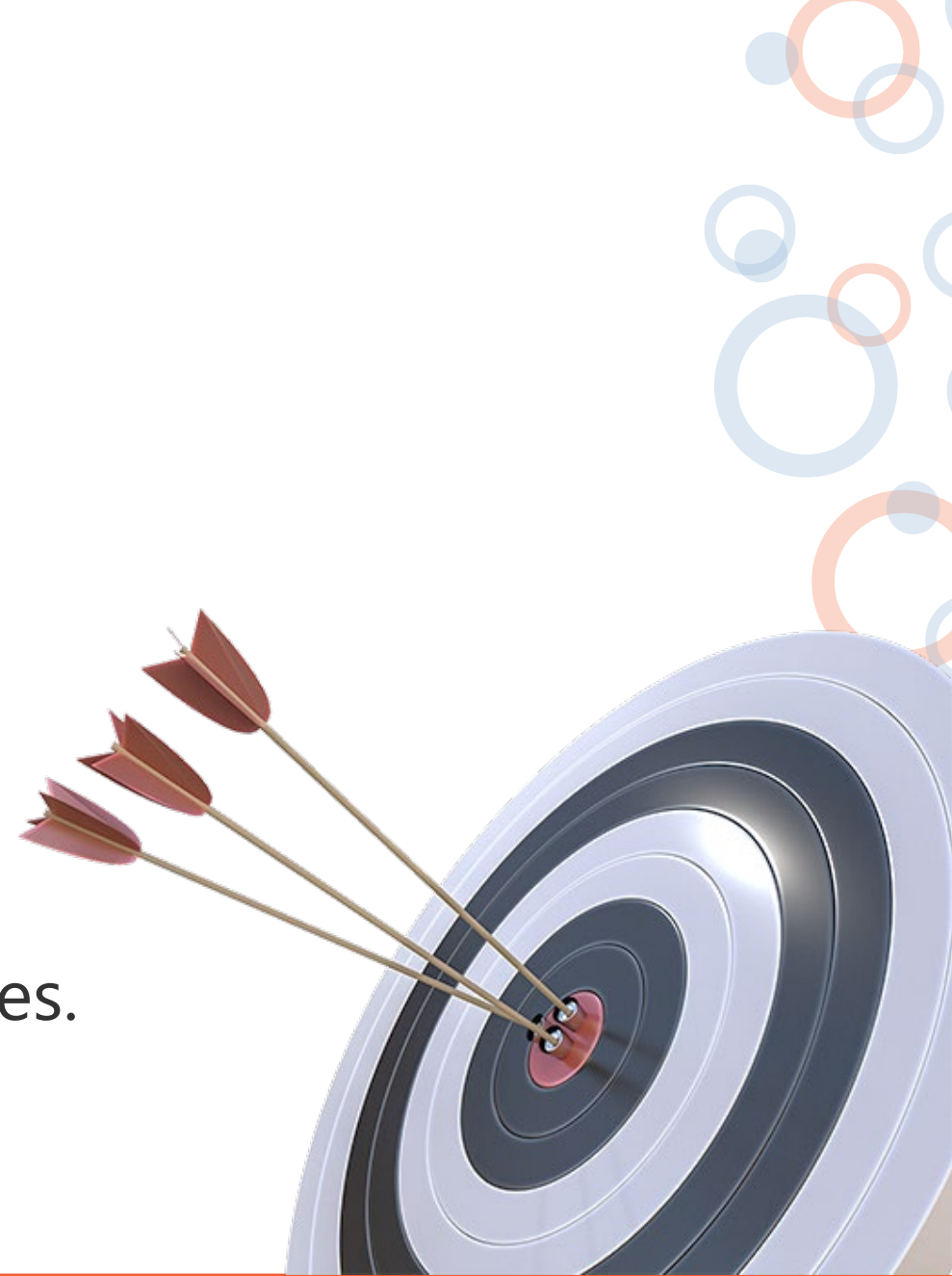


**First Last**

*Occupation/Title*  
Company Name

# Module Overview

- Match.
  - Definitions and DOL Exception.
  - Types.
  - Valuation and Documentation.
  - Program Specific Provisions.
- Leveraged Resources.
- Reporting Match and Leveraged Resources.
- Risk and SMART Practices.



**S**  
**M**  
**A**  
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**Match**

# Definitions and DOL Exception

# Match Definition

Cost sharing or matching [2 CFR 200.1](#) , [2 CFR 200.306](#) and [2 CFR 2900.8](#).

- The portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute).
- Additional non-Federal funds expended to support grant objectives.
- DOL approved exception at 2 CFR 2900.8 requires recipients to **expend** the matching funds to be counted towards the matching requirement.

# ETA Grant Funds and Match

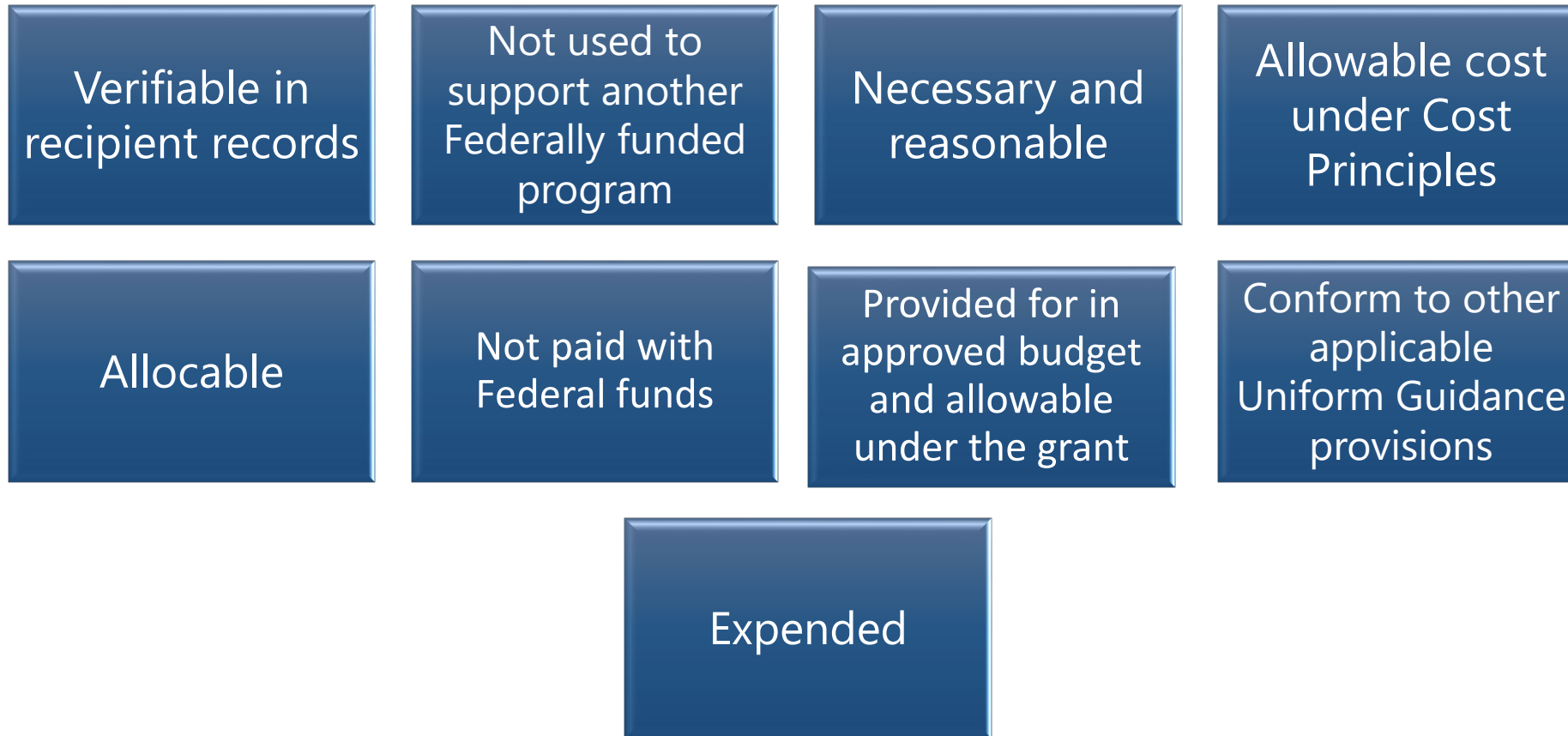
- At this time, there is no DOL/ETA program that allows its funds to be used to meet a match requirement.
- [2 CFR 200.306\(b\)](#) states for all Federal awards, all matching funds must be accepted as part of the award recipient's matching funds when the funds meet all criteria listed at ([2 CFR 200.306\(b\)\(1-7\)](#)).
- Matching funds cannot be funds paid by the Federal government under another Federal award, except for where the Federal statute authorizing the program "specifically provides" that the program's funds can be applied to matching requirements of other Federal programs.

# Other Grant Funds and Match

- Recipients must consult with that awarding agency or identify allowability from that program and maintain documentation.
- YouthBuild's regulation, does not provide for YB funds to be applied to matching requirements of other Federal programs. [20 CFR 688.530\(d\)](#).
  - *If using CNCS or Americorps as match for YB – documentation must be maintained from that organization or awarding agency approving the use of their funds as match.*
- For more information, see [TEGL 5-10, Change 1](#).

# Criteria for Match

2 CFR 200.306(b) & 2 CFR 2900.8



# Match Cost Limitation

Match expenditures are governed by the same cost limitations that apply to the award for which match is required (e.g., administrative cost limitation).

- Administrative cost limitations are specified in the grant agreement or program regulations.

## **Example:**

- For a grant with a match requirement of \$100,000 and an administrative cost limit of 10 percent, the allowable amount of administrative costs that qualifies as match is limited to 10 percent of \$100,000, or \$10,000.

# DOL Exception

## 2 CFR 2900.8

- The grant recipient accounts for funds used for cost sharing or match within their accounting systems as the funds **are expended**.
- Cash – contributions towards the grant activity must be expended on allowable grant activity to be counted as match.
- Non-Cash Contributions – must be used towards allowable grant activities to be counted as match.
  - Includes:
    - › Donated goods.
    - › Donated services.
  - Simply listing donated goods and/or funds on the budget or accepting them does **not** constitute them as match.

# Types

# Two Types of Match

## Cash

- Can be cash funds provided by the grant recipient or from a third-party and expended on allowable grant activity.
- Valued at the amount expended (not received).

## In-Kind Contributions

- Can be goods or services purchased and expended by the grant recipient or contributed from **a third-party.**
- Used by the grant recipient on allowable grant activities and valued based on guidance.

# Match Exclusions

It's NOT Match if ...

Paid for with  
Federal funds

Used as match  
in another  
Federal  
program

Costs are  
unallowable

Expenditure of  
program income

Not expended

# **Valuation and Documentation**

# Valuation Standards for Match

[2 CFR 200.306](#) and [2 CFR 200.434](#)

- To qualify as matching funds, the value of those contributions must comply with the valuation standards in the Uniform Guidance.
- Donated real and personal property, supplies, etc.
  - Fair market value at time of donation.
  - Appraisal required for donated buildings and space use.
- Donated services.
  - Integral and necessary part of the project.
  - Rates consistent with those paid for similar work.
  - Same documentation as regular personnel services.

# Valuation of In-Kind – Personnel Services (1)

## Personnel Services

- Volunteer services may be counted as cost sharing or matching if the service is an **integral** and **necessary** part of the grant program.
- Valuation of personnel services depends upon the function and role of the individual on the grant program:
  - Volunteer's current fair market rate of pay + allocable amount of fringe benefits + any indirect costs.
  - Example: Architect earning \$300 an hour but serving as a GED tutor would count her time at the rate of a GED tutor not as an architect

# Valuation of In-Kind – Personnel Services (2)

- Individual performing other volunteer services.
  - Valued at rates that are consistent with those paid for similar work by the grant recipient.
  - Or rates of pay for similar work in the local area if the position doesn't exist at the grant recipient.
    - › Include reasonable amount for fringe benefits.
- Time of valuation:
  - Donation of personal services valued at the time of donation.

# Valuation of In-Kind-Equipment, Supplies, and Space (1)

- Loaned Equipment.
  - Value must not exceed its fair rental value.
- Donated Supplies.
  - Valued at their fair market value at the time of donation.
- Donated Equipment.
  - Valued at the fair market value at the time of donation.
  - However, when a donated item has long-term value and use after grant end, the fair market value at the time of donation is to be depreciated over its remaining useful life.
    - › The depreciation for the period of use during the grant is counted as in-kind match.

# Valuation of In-Kind – Equipment, Supplies, and Space (2)

## ■ Donated Use of Space.

- Use of space (not the building itself).
- Value for use of donated space must not exceed the fair rental value of comparable space.
  - › As established by an independent fair market appraisal of comparable space and facilities in a privately-owned building in the same locality.
  - › Not acceptable to value the space the organization would normally charge to rent that space.

## ■ Donated Real Property.

- Value should be established through an independent fair market appraisal.
  - › The amount of allowable building depreciation (excluding the land) attributable to the period for which the building is used for the grant program.
- Exception for fully depreciated property.

# Evaluating Match items

| Cash or In-Kind Item                 | Estimated Value                                 | Value of Match Claimed as of 02/15/2023 | Description of Costs Valued Description                      | Key Dates                                                                                        |
|--------------------------------------|-------------------------------------------------|-----------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Personnel                            | \$60,000 annual salary + fringe benefits        | \$9,000 (salary & fringe benefits)      | Salary of Finance Manager                                    | Worked on the YB grant (15%) from 01/24/2022 to 01/24/2023                                       |
| Van – on loan from vocational school | \$700/ month for rental comparable local rental | \$1400 (\$700* 2 months)                | 2023 Ford E-150 XL Club Wagon 6.8L V10 Passenger Van         | Transport of YB participants while van is being repaired from 01/30/2023, returned on 05/31/2023 |
| Classroom space at community college | \$500                                           | \$1,500 (\$500 * 3 months)              | Class space at a local community college to provide training | Use of temporary training facility for YB participants on 2/01/2023 -5/01/2023                   |

# Documentation

- Source documentation [2 CFR 200.306\(b\)](#) and [2 CFR 2900.8](#).
  - Recorded in grant recipient's book of accounts.
  - Included in audit scope and review.
- Support for third-party contributions.
  - Verifiable from subrecipient records or;
  - Maintained by recipient;
  - Methods used to value in-kind.
- If not expended and not in the financial records, it does not qualify as match.
  - The documentation standards for allowable grant expenditures is the same for match expenditures.



# **Program Specific Provisions**

# Program Specific – YouthBuild

## [20 CFR 688.530\(a\)](#)

- The cost-sharing or matching requirements applicable to a **YouthBuild** grant will be addressed in the grant agreement.

### **Per the Funding Opportunity Announcement (FOA):**

- Must provide new cash or in-kind resources as match during the grant period equivalent to exactly 25 percent of the grant award.
- DOL encourages additional cost sharing above 25 percent to be committed as leveraged resources.
  - May use to cover costs or materials not otherwise allowable as a charge to grant funds.
  - Must count, document, and report.
- From a variety of sources: public sector, non-profits, private sector, investors, and philanthropic communities.

# Program Specific – H-1B

## Per the Funding Opportunity Announcement (FOA):

- Required match of 25 percent of grant award. Must be included on SF-424 and 424A.
- Encouraged (not mandatory) to propose progressive match that increases with each year of the grant. Grant funds pay most of early implementation costs and other funds cover progressively larger share over life of grant.
- DOL expects most match will come from employers.
- Compliance measured at end of grant. If not met, must reimburse ETA for unmet match.

# Program Specific – SCSEP

## [20 CFR 641.809](#)

- Dollar amount of match specified in Notice of Award not FOA.
- DOL-ETA provides 90% of award and grant recipient provides 10% of award.
  - **Total award amount = Grant Funds + Match Expenditures.**

# Check Your Knowledge in 60 Seconds

## Provide the Correct Answer or True or False:

1. The Uniform Guidance at [2 CFR 200.306\(d\)](#) states that valuation for in-kind contributions for goods or services must be established in accordance with which subpart of the Uniform Guidance:
  - a) Subpart A - Acronyms and Definitions
  - b) Subpart B – General Provisions
  - c) Subpart C – Pre-Federal Award Requirements.
  - d) Subpart D – Post Federal Award Requirements
  - e) Subpart E – Cost Principles
2. True or False? All match contributions, regardless if from the grant recipient or a third-party, must have documentation to support the valuation of the good or service.



# Check Your Knowledge in 60 Seconds

Provide the Correct Answer:

3. A key and important change related to match is at DOL's exception at 2 CFR 2900.8. It states that in addition to the guidance set forth in 2 CFR 200.306(b), for Federal awards from DOL, the grant recipient accounts for funds used for match within its accounting system as the funds are:
- a) Committed
  - b) Obligated
  - c) Expended
  - d) Received



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# Leveraged Resources

# Leveraged Resources (1)

**Leveraged Resources** is not defined in statute, regulation, Uniform Guidance or other administrative requirements.

- **ETA use of term as “all resources used to support the grant activity”.**
  - Must be costs allowable under OMB Uniform Guidance.
  - Also includes allowable match.
  - May have the same requirement as match.
  - Recipient does not get penalized for not meeting leverage resources but does so for match.
- Encouraged for all grant programs.

# Leveraged Resources (2)

- Other funds or in-kind contributions to support program objectives are always welcome.
- Some circumstances will not qualify leveraged resources as match.
- Leveraged funds are relevant to formula-funded grant activities as well as competitive grants.

# Examples of Leveraged Resources

- Rental payments of a building using non-Federal funds that house grant activities.
- Job readiness activities or services provided to grant participants that is funded by another Federal grant.
- Donated supplies and equipment by a private donor.

# Leveraged Resources – Valuation and Documentation

- Recipients should use the same documentation and valuation standards as match for best practices when accounting for leveraged resources.
- Source documentation [2 CFR 200.306\(b\)](#) and [2 CFR 2900.8](#).
  - Recorded in grant recipient's book of accounts.
  - Included in audit scope and review.
- Support for third-party contributions.
  - Verifiable from subrecipient records, or
  - Maintained by recipient;
  - Methods used to value in-kind.



# Reporting Match and Leveraged Resources

# Reporting Match and Leveraged Resources (1)

- Reported on the “Recipient Share” section of the ETA-9130.
- Total Recipient Share:
  - Line 10j – enter the total MATCH requirement. Listed in the grant award document and on the SF-424a.
    - › Only for grants or programs that have a match requirement.
    - › Include costs for allowable grant activities that are not paid by Federal funds.
    - › Agrees to the grant award document.
    - › If no match requirement, report zero.
- Recipient Share of Expenditures.
  - Line 10k- Any non-Federal funds expended, by recipient organization, grant purposes and activities. This includes both match and other non-Federal leveraged resources.
    - › Clarify the amount attributable to match and non-Federal leveraged resources in the quarterly program narrative.

# Reporting Match and Leveraged Resources (2)

- 11a. Other Federal Funds Expended.
  - **Include** any other Federal funds expended, at the direct grant recipient level and subrecipient level, for allowable grant activities that would have been paid out of the grant.

# Quarterly Narrative Progress Report

## For competitive grant recipients:

- Report match and non-Federal leveraged resources provided on line item 10k on the ETA-9130.
  - But also, an opportunity to report other leveraged resources used that could not be reported on the 9130.

# Match and Leveraged Resources During Closeout

## If required match is not met:

- Determination whether required by statute or regulation:
  - If required under statute or regulation, Federal share is proportionally reduced.
  - Shortfall may affect future award potential and may reduce grant award by the shortfall amount.
  - The required match must be reported on the ETA 9130 under line 10.j., Total recipient share required.

## When leveraged resources are not met:

- No corresponding reduction of funds.
- May affect future funding.

# Check Your Knowledge in 60 Seconds

Answer True or False:

1. When match is required on a grant, the Funding Opportunity Agreement (FOA) contains important information about specific match requirements.
2. The documentation and reporting requirements applicable to grant funds also apply to match and leveraged resources.





# Risks and SMART Practices

# Common Risks

## Match

- Do not promise to provide matching funds if not required.
- Not verifying third-party records to support claimed match.
- Lack of documentation to support the source and valuation of match.
- Rely on letters of intent and undocumented assurances.
- Lack of controls over the cost limitations that apply to match.
- Failure to monitor and track actual match expenditures, by the recipient or subrecipients, against the sources and amounts of match required.

# Common Risks

## Leveraged Resources

- Including leveraged resources on the SF424A.
- Grant application and performance narrative include leveraged resources but omitted from 9130 report.
- Inadequate documentation and valuation of leveraged resources.

# SMART Practices (1)

## Match

- Develop or update written policies and procedures to support match.
- Incorporate the requirement that match must be reported to DOL when expended [2 CFR 2900.8](#).
- Read carefully to determine whether there is a match requirement for your grant.
- Report all allowable match resource expenditures.

# SMART Practices (2)

## Leveraged Resources

- Ensure that leveraged resources used to support your program are allowable.
- Maintain documentation for leveraged resources.
- Establish a process or procedure manage leverage resources.
- Ensure that leveraged resources are valued accordingly.

# Any Questions?



# Testing For Compliance – Core Monitoring Guide

The purpose of ETA monitoring is to assess compliance using the Core Monitoring Guide (CMG). Here is a list of indicators that were discussed during the module's topic.

## ■ Objective 3.d: Match and Leveraged Resources

- If applicable, the grant recipient has written policies and procedures in place to record and support any required match or leveraged resources committed or identified in the award or program regulations.
  - › Indicator 3.d.1: Match Policies and Procedures.
  - › Indicator 3.d.2: Expending Match.
  - › Indicator 3.d.3: Valuation and Documentation
  - › Indicator 3.d.4: Leveraged Resources.

# Match and Leverage Resources

- **Core Monitoring Guide PDF**
- **TEGL 5-10, Change 1**
- **Department of Labor Exceptions 2 CFR Part 2900**
  - 2 CFR 2900.8
- **WIOA Provisions**
  - 20 CFR Part 683
- **Uniform Guidance Crosswalk PDF**
- **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR Part 200**
  - 2 CFR 200.1
  - 2 CFR 200.306
  - 2 CFR 200.434
  - 2 CFR 200.436

# Thank You!