CONTINUUM OF CARE (COC)

PROGRAM MATCH

Regulations and Sample Documents

This guide includes the regulatory requirement contained in 2 CFR part 200 and 24 CFR Part 578 regarding Match or Program Cost Sharing for CoC-funded projects; sample documents are

included.

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MOU Template for In-Kind Third-Party Donor MOU Template for Mutual Benefit

Letter of Grantee In-Kind Match Commitment

**CoC MATCH REQUIREMENTS**

**Overarching Federal Regulations – All federal grants 2 CFR part 200**

**Section 306**

Sec. 200.306 Cost sharing or matching.

1. Under Federal research proposals, voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity. Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity. Furthermore, only mandatory cost sharing or cost sharing specifically committed in the project budget must be included in the organized research base for computing the indirect (F&A) cost rate or reflected in any allocation of indirect costs. See also Secs. 200.414 Indirect (F&A) costs, 200.203 Notices of funding opportunities, and Appendix I to Part 200--Full Text of Notice of Funding Opportunity.
2. *For all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:*
	1. Are verifiable from the non-Federal entity's records;
	2. are not included as contributions for any other Federal award;
	3. Are necessary and reasonable for accomplishment of project or program objectives;
	4. Are allowable under Subpart E--Cost Principles of this part;
	5. Are not paid by the Federal government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs\*;
	6. Are provided for in the approved budget when required by the Federal awarding agency;
	7. Conform to other provisions of this part, as applicable.

Note: The CoC competitive funds are authorized to use funds from other federal departments, unless the other department restricts their use. For example, Veterans’ Affairs does not have an over-arching restriction for using Supportive Services for Veteran Family (SSVF) funds as match, however, a restriction may be included in the contract agreement with the recipient organization. CoC projects may also use state and local pass-through funds as match, unless prohibited by the funding or granting source.

1. Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been to the Federal award under the non-Federal entity's approved negotiated indirect cost rate.
2. Values for non-Federal entity contributions of services and property must be established in accordance with Sec. 200.434 Contributions and donations. If a Federal awarding agency authorizes the non-Federal entity to donate buildings or land for construction/facilities acquisition projects or long-term use, the value of the donated property for cost sharing or matching must be the lesser of paragraphs (1) or (2) of this section.
	1. The value of the remaining life of the property recorded in the non-Federal entity's accounting records at the time of donation.
	2. The current fair market value. However, when there is sufficient justification, the Federal awarding agency may approve the use of the current fair market value of the donated property, even if it exceeds the value described in (1) above at the time of donation.
3. Volunteer services furnished by third-party professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for third- party volunteer services must be consistent with those paid for similar work by the non-Federal entity. In those instances in which the required skills are not found in the non-Federal entity, rates must be consistent with those paid for similar work in the labor market in which the non- Federal entity competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, necessary, allocable, and otherwise allowable may be included in the valuation.
4. When a third-party organization furnishes the services of an employee, these services must be valued at the employee's regular rate of pay plus an amount of fringe benefits that is reasonable, necessary, allocable, and otherwise allowable, and indirect costs at either the third-party organization's approved federally negotiated indirect cost rate or, a rate in accordance with Sec. 200.414 Indirect (F&A) costs, paragraph (d), provided these services employ the same skill(s) for which the employee is normally paid. Where donated services are treated as indirect costs, indirect cost rates will separate the value of the donated services so that reimbursement for the donated services will not be made.
5. Donated property from third parties may include such items as equipment, office supplies, laboratory supplies, or workshop and classroom supplies. Value assessed to donated property included in the cost sharing or matching share must not exceed the fair market value of

the property at the time of the donation.

1. The method used for determining cost sharing or matching for third-party-donated equipment, buildings and land for which title passes to the non-Federal entity may differ according to the purpose of the Federal award, if paragraph (h)(1) or (2) of this section applies.
	1. If the purpose of the Federal award is to assist the non-Federal entity in the acquisition of equipment, buildings or land, the aggregate value of the donated property may be claimed as cost sharing or matching.
	2. If the purpose of the Federal award is to support activities

that require the use of equipment, buildings or land, normally only depreciation charges for equipment and buildings may be made. However,

the fair market value of equipment or other capital assets and fair rental charges for land may be allowed, provided that the Federal awarding agency has approved the charges. See also Sec. 200.420 Considerations for selected items of cost.

1. The value of donated property must be determined in accordance with the usual accounting policies of the non-Federal entity, with the following qualifications:
	1. The value of donated land and buildings must not exceed its fair market value at the time of donation to the non-Federal entity as established by an independent appraiser (e.g., certified real property appraiser or General Services Administration representative) and certified by a responsible official of the non-Federal entity as required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601-4655)

(Uniform Act) except as provided in the implementing regulations at 49 CFR part 24.

* 1. The value of donated equipment must not exceed the fair market value of equipment of the same age and condition at the time of donation.
	2. The value of donated space must not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality.
	3. The value of loaned equipment must not exceed its fair rental value.
1. For third-party in-kind contributions, the fair market value of goods and services must be documented and to the extent feasible supported by the same methods used internally by the non-Federal entity.

*Note: the value of real property acquisition – value of building or land – can only be used for match to the extent of its ‘one-time’ value (ie – you cannot count the full value of the property year after year.*

**HUD CoC Guide Derived from 24 CFR part 578**

**Section 578.73 Matching requirements.**

1. ***In general.*** The recipient or subrecipient must match all grant funds, except for leasing funds, with no less than 25 percent of funds or in-kind contributions from other sources. For Continuum of Care geographic areas in which there is more than one grant agreement, the 25 percent match must be provided on a grant-by-grant basis. Recipients that are UFAs or are the sole recipient for their Continuum, may provide match on a Continuum-wide basis. Cash match must be used for the costs of activities that are eligible under subpart D of this part, except that High Performing Communities (HPC)

may use such match for the costs of activities are eligible under 24 CFR part 578.71.

1. ***Cash sources.*** Notwithstanding 2 CFR 200.306(b)(5), a recipient or subrecipient may use funds from any source, including any other federal sources (excluding Continuum of Care program funds), as well as State, local, and private sources, provided that funds from the source are not statutorily prohibited to be used as a match. The recipient must ensure that any funds used to satisfy the matching requirements of this section are eligible under the laws governing the funds in order to be used as matching funds for a grant awarded under this program. If a cash match is provided, the grantee confirms this information with a notice to the HUD field office. Fiscal records will be used to verify provision of the cash match

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1. ***In-kind contributions.***
	1. The recipient or subrecipient may use the value of any real property, equipment, goods, or services contributed to the project as match, provided that if

the recipient or subrecipient had to pay for them with grant funds, the costs would have been eligible under Subpart D, or, in the case of HPCs, eligible under § 578.71.

* 1. The requirements of 2 CFR 200.306 apply with the exception of § 200.306(b)(5).
	2. In-kind contributions can be made from the recipient or a third party. If provided by the direct grantee (recipient), not a subrecipient, the documentation should include the items listed below:
		1. Grantee and Project Name / Project Number
		2. Grant and fiscal year to which the match will be contributed
		3. Value of donated goods to be provided to the recipient for the project
		4. Specific date the goods will be made available
		5. Time period during which the donation will be available
		6. Allowable activities to be supported/provided by the donation
		7. Statement that the value of commitments of land, buildings, and equipment with acknowledgement that these are one-time only and are not being claimed by more than one project or by the same project in another year
		8. A statement of commitment to providing these resources
		9. Signature of person with authority to commit the organization’s resources
	3. Before grant execution, services to be provided by a third party must be documented by a memorandum of understanding (MOU) between the recipient or subrecipient and the third party that will provide the services. Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the recipient’s or subrecipient's organization. If the recipient or subrecipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.

# Implementation of Regulations

* + 1. Recipients/subrecipients using in-kind contributions may use the value of any real property, equipment, goods, or services contributed to the project as match, provided that if the recipients/subrecipients would have to pay for them with grant funds, the costs would be eligible.

Unless specifically otherwise noted in the funding opportunity, match is applicable at the project level. This means that the minimum match does not have to be provided at each activity level. For example, a match commitment for child care is allowable as long as that service is identified in the grant, even if HUD has not awarded funds for that activity. In this example, all resources for child care may be provided by a match agreement. The value of the services are applicable match in the supportive services category and is applied toward the minimum match requirement.

* + 1. During the term of the grant, the recipients/subrecipients must maintain and make available for inspection records documenting the value of real property, equipment, goods, or services contributed to the project as match.
		2. Recipients/subrecipients must adhere to the requirements of 2 CFR 200.306**.**
		3. The HUD field office must confirm all sources of match, both in-kind and cash, prior to executing CoC grant agreements
		4. Match differs from leverage, Match requires commitment of resources to the specific project. Leverage represents mutual benefit to more than one activity, project, or client but is not exclusively committed to the HUD-funded project.

# Specific Documentation Requirements

## Written Commitment

All cost sharing / matching contributions will be documented in writing prior to grant execution, as identified below.

* 1. ***Real Property:*** Value of contribution real property, tangible items. The value must be specified in letter committing use to the grant program. The value is based on typical costs of goods sold; verified purchase price; formal appraisal, or donor evaluation.
	2. ***Services:*** Recipients/subrecipients must execute a Memorandum of Understanding (MOU) with any third party that will provide services before grant execution per 24 CFR 578.73(c)(3).

The MOU must identify the project/grant, services needed by the project, the third party to provide the services, the specific service to be provided, the profession of the persons providing the service, and the hourly cost of the service to be provided.

* + 1. Value of Services provided (must be valued at rates consistent with those ordinarily paid for similar work in the recipient’s/subrecipient’s organization.
		2. Value is based on personnel performing similar work or area market rates for the profession or (HUD standard rate for general volunteer services). If the recipient/subrecipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.
		3. It is the responsibility of the recipient to provide evidence of cost reasonableness.

## Memorandum of Understanding

1. Supportive services requires an MOU that establishes unconditional commitment, except for selection to receive a grant, by the third party to provide the services, including the following:
	1. the specific service to be provided;
	2. the profession of the persons providing the service;
	3. the hourly cost of the service to be provided;
	4. the value of tangible items if any are contributed as part of the service;
	5. the total hours of service and total value to be contributed to the project during the grant term.
	6. the MOU must specify the period that the services will be available and must include at least a portion of the grant operating term.

***Retention of Records***

During the term of the grant, the recipient/subrecipient must maintain and make available inspection records documenting the service hours provided and documents supporting the estimation of value.

# Attachments: Sample Documents

ORGANIZATION LETTER HEAD

Memorandum of Understanding between

(GRANTEE) and (DONOR}

PROJECT ID (Name and Number - CA+ 4 number of the project)

Purpose: This Memorandum of Understanding or MOU is made and entered into by the (Grantee) and (Donor) to outline theirongoing partnership and formal commitment to provide services to eligible clients served by (Program or Project Name) funded through the U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC) Program supported by federal and local partners. In this project, the agency serves the (describe population).

This MOU represents the commitment of (donor/ donor organization name] to provide support to the (Agency *I* Project Name). The *donor agrees to provide (identify what is being contributed)*

The *donor agrees to provide (identify what will be provided by (person/ agency) for support of homeless, based on eligibility.*

Services will beprovided by(identify personnel/role and qualifications) valued at per hour, number of hours, total value. This value is based on (fill in appropriate detail, such as local market rate, established value of professional services offered by the provider to other clients).

The duration of this Agreement is the effective term of the grant which include (the dates must align with or at least overlap with the grant operating period.

Statement of Authority: The undersigned is authorized to obligate the agency/project resources as identifies and agrees to the terms of this MOU.

Date \_\_\_\_\_\_\_\_\_

Executive **Name:**

value of,contribution ($)

Title:

**Donor** Organization

ORGANIZATION LETTER HEAD

Memorandum of Understanding between

(GRANTEE) and (IN-KIND DONOR}

Mutual Benefit Agreement

 PROJECT ID (Name and Number - CA+ 4 number of the project)

Purpose: This Memorandum on Understanding is entered into by (Grantee Organization) and (In-kind donor name) to outline the ongoing partnership, including mutual commitments to the (project name) and the clients served in the project.

The, Program, supported by the U.S. Department of Housing and Urban Development (HUD) and local partners serve [Describe clients or services).

This MOU represents the commitment of (donor/ donor organization name] to provide support to the (Agency *I* Project Name). The *donor agrees to provide (identify what is being contributed)*

The donor agrees to provide (identify what will be provided by (person/ agency) for support of homeless, based on eligibility.

The project Grantee agrees to provide (describe who will besserved (55 individuals / families with

(describe services or other resources).

The contributions result in mutual benefit to the parties in this agreement.

The active term of the agreement is: (date to date)*.*

Statement of Authority: The undersigned is authorized to enter into the mutual benefit agreement ad to obligate the agency/project resources as identifies and agrees to the terms of this MOU.

Date \_\_\_\_\_\_\_\_\_

Executive **Name:**

value of,contribution ($)

Title:

**Donor** Organization

AGENCY LETTERHEAD

Grantee Letter of Match Commitment

This letter confirm the (Organization's Name} commitment of match resources for the (Project Name and Grant#) which is supported by the U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC) funds.

1. The undersigned organization {Grantee name) will provide the resources listed below to (Project Name and Number) as identified below for Fiscal Year (dates) as match to the I-IUD COC funds awarded.

The resources are allowable under the grant rules as match and Include:

(Describe items in Chart)

,

|  |  |  |  |
| --- | --- | --- | --- |
| Item committed |  Quantity and Unit Value  |  | Total Value |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

*Duration*

The resources listed will be available beginning {specific date) and remain available through (date).

Restriction

The identified resources are not concurrently committed to other grants but may represent an allocated portion of more extensive resources. Allocation to this match commitment to the (project name} represents (identify % or other allocation) of the total value of the available resource.

It is recognized that the full value of commitments of land, buildings and equipment are one-time only and are not being claimed by more than one project or by the same project in another year.

*Certification*

I certify that I am authorized to commit the (0rganization Name) resources as identified for use in the CoC-funded (Project **Name).**

Date: \_

Signature of person

Typed name and Title