USDA — United States Department of Agriculture — National Institute of Food and Agriculture

Food Insecurity Nutrition Incentive Grant Program

Award Information Webinar
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Awards Management Division

Office of Grants and Financial Management

Presented by:

- **Susan Bowman**

  Branch Chief
  Awards Management Division
  Office of Grants and Financial Management

- **Adriene Woodin**

  Branch Chief
  Awards Management Division
  Office of Grants and Financial Management

Agenda

- **Pre-Award Requirements**
- **Program Specifics**
- **Matching Regulations**
- **Definitions**
- **Matching Do's and Don'ts**
- **Incentives**

Agenda

- **Acceptable/Unacceptable Matching**
- **Common Project and Matching Costs and Required Information**
- **Matching Commitment Documentation**
- **Pledge Agreements**
- **Summary**
- **Contact Information**

Pre-Award Requirements

- **<u>Organizational information is required</u>:**
  - **Two years of audited financial reports or certified year-end balance sheets and income statements**
  - **Details of your cost accounting system**
  - **Policy on how salary compensation rates are determined (based on what data?)**
  - **Statement of purposes and powers (by-laws, etc.)**

Program Specifics

- **Program eligibility requirements:**
  - **Organization must be a government agency or non-profit, see RFA for further details**
    - **IRS non-profit tax-exempt letter required for documentation of status**

- **Requires 100% matching**
  - **Cash, in-kind, or third-party**

Program Specifics

- **Statutory Time limitation**
  - **Project period may not exceed five (5) years**

- **Allows for full recovery of indirect costs**
  - **Based on approved negotiated rate**
  - **No Rate? You may:**
    - **Request a NIFA negotiated rate, or**
    - **Request the 10% DeMinimus Rate**
- **For information on the process, refer to:**
  http://nifa.usda.gov/business/indirect_cost_process.html

Matching Regulations

Governing regulations are:

- **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)**

  - **Sub-part D: Post Federal Award Requirements Paragraph 200.306 Cost Sharing or matching**

  - **Subpart E: Cost Principles**

  - **http://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1**

Definitions

- **Cash Matching: The recipient's cash outlay, including the outlay of money contributed to the recipient by non-Federal third-parties.**
  - **Examples: The recipient's cost to purchase an item of equipment for use on the project; Salaries for staff time committed to project; purchase of supplies; travel expenses for project staff.**

Definitions

- **<u>In-Kind Contributions</u>: The value of non-cash contributions of property or services. Includes use of facilities, use or donation of equipment, supplies, and other non-expendable property.**

Definitions

- **Third Party Matching:** **Any contribution to the project by an organization other than the recipient.**

  - **Can include cash or in-kind contributions. (Salaries from For Profit Organizations are not allowed for in-kind match)**

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Definitions

- **Incentive:** A financial or non-financial inducement that would increase the purchase and consumption of eligible fruits and vegetables

Matching Do's and Don'ts

- **Entire amount of required matching must be secured at time of award**

- **Matching must be for costs incurred specifically for project during project period**

- **No "contingencies" allowed (i.e. pending approval, submission, or earning)**

Matching Do's and Don'ts

- **Summarize the sources and amounts of all matching in the budget justification as a separate narrative.**
  - **Do not combine with the Federal funds narrative.**

Matching Do's and Don'ts

- **Funds used as matching :**
  - **Cannot be used as matching for another Federally-assisted project or program**
  - **May not be provided by another Federal agency**
  - **Must be for costs that are normally allowable under the Program and the Cost Principles**

Incentives

- **Allowable Financial Incentives:**
  - **Vouchers redeemable for eligible fruits and vegetables;**
    - **Generic gift cards (i.e. VISA/Master Card) would be unallowable. Could be used for non-program specific items.**
  - **Other SNAP-eligible items received for having purchased fruits and vegetables;**
  - **Direct point-of-sale discounts on eligible fruits and vegetables**

Incentives

- **Allowable Non-Financial Incentives:**
    - **Giveaways of eligible fruits and vegetables**
    - **Nutrition education**
- **Non-Financial incentives must be clearly explained on how it contributes to the overall objectives of program**
    - **Any non-financial incentives are expected to supplement a strong financial-based incentive**

Unallowable Incentives

- **Giveaways of alcohol, tobacco, firearms and lottery tickets**
- **Items unallowable under Federal funds (entertainment, t-shirts, tote bags, water bottles, etc.)**

What's Not Acceptable Matching?

- **Funds provided by another organization for use on another, similar project.**
  - **Funds can not be used twice.**
- **Income expected to be earned during the project period.**
  - **All matching must be in place at time of award. The income will not have been earned by then.**

What's Not Acceptable Matching?

- **The value of equipment previously purchased by, or donated to the recipient.**
  - **The purchase or donation must be specifically for the project.**
- **Office furniture – purchase, rental or usage**
- **Loan Programs**

What's Not Acceptable Matching?

- **Indirect costs if an approved negotiated rate has not been established (also pertains to sub-awards).**
  - **Total indirect costs claimed for matching and Federal funds cannot exceed the total amount allowed (based on the Federal funds).**

- **Contingency costs set aside for "unexpected expenses" or future usage**

What Are Allowable Matching Costs?

- **Any costs which would normally be allowable under the Cost Principles for Federal funds would be allowable as matching**

- **Costs that are specifically identifiable and directly benefiting the project.**

Common Project Costs and Required Information

- **Federal and Matching funds may be used for the following expenses:**

  - **Note: The same level of detail required for justifying Federal funds is also required for justifying matching funds.**

Common Project Costs and Required Information

- **<u>Salaries/wages</u> for project personnel**
  - **Provide the annual or hourly rate of pay, time commitment (number of hours, percentage of effort) and the task to be completed.**
  - **Salary rates should be the normal rate of pay for that employee or job category**
  - **Note: Salaries for For-Profit Companies may not be used as matching**

Common Project Costs and Required Information

- **Materials or Supplies** :
  - **Provide a list of materials or supplies expected to be purchased and an estimated cost for the item(s).**

- **Travel Costs** :
  - **Provide the purpose and destination (if known), number of trips, number of travelers, and the cost per trip.**

Common Project Costs and Required Information

- **<u>Office Rent</u> - when there is a need for an office away from the main facility, office rent may be charged as a direct cost to the award. Provide:**

  - **An explanation of the need for office rental;**
  - **The monthly rental cost and usage information;**

Common Project Costs and Required Information

- ## Office Rent (cont'd):

  - ### Facility must not be owned by the recipient organization and rent cannot be included as a part of the indirect cost pool.

  - ### Rent must be pro-rated to the project if space is shared or will not be used full time for project.

    - #### Provide information on how the cost is prorated to project.

Common Project Costs and Required Information

- ## Meeting Space Rental:

  - ### The cost of renting a meeting room at a community center, hotel, or other facility

    - Provide information on the location of the facility and the cost.

      - If the facility does not normally charge for usage, the costs of space rental for that location would be unallowable.

        - Must be normal and customary practice to charge space rental.

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Common Project Costs and Required Information

- **<u>Equipment Purchases:</u>**
  - **Provide details of the type of equipment and how it will be used.**
  - **Include the purchase price.**
  - **General purpose equipment for the direct benefit of the project are allowable.**
    - **Provide an explanation of use.**

Common Matching Costs and Required Information

These items may be used to satisfy the matching requirements of the program:

- **Equipment:**
  - **Donated new equipment –full purchase value of newly purchased equipment if acquired specifically for the project.**
    - **Identify the type of equipment and how it will be used on project.**
    - **Provide documentation of cost**

Common Matching Costs and Required Information

Equipment (Cont'd):

- **Donated used equipment:**
  - Identify the type of equipment and how it will be used on project
  - Provide details on the amount of time it will be used for the project.
  - Only the depreciated value of the equipment at the time of donation may be used as matching.
    - Provide details on how the value was determined
    - Must show the original cost, year of purchase and depreciation method.

Common Matching Costs and Required Information

Equipment (Cont'd):

- ### Loaned equipment:

  - Provide information on the type of equipment and how it will be used on the project.

  - Provide documentation on the how the rental value was determined.

    - The matching cost amount may not exceed the fair rental or market value.

Common Matching Costs and Required Information

Equipment (Cont'd):

- **Donations or loans of new or used equipment made prior to the project period cannot be considered.**

  - **Donations must be made specifically for use on project.**

- **Donated, loaned, or purchased equipment must be used specifically for the project or pro-rated accordingly.**

Common Matching Costs and Required Information

- **Volunteer staff time** – same information as for salaries. *(not allowed from for-profit organizations)*

  - Rate of volunteer labor should be consistent with that paid for similar work within the recipient's organization or with that paid for similar work in the labor market.

    - Rate of pay is based on work to be performed on the project, not on the volunteer's rate of pay in his/her place of employment.

Matching Commitment Documentation

- **<u>Recipient Matching Documentation</u>:**
  - **Matching funds provided by recipient should be documented on budget and budget narrative**
  - **Letter of Commitment signed by the Authorized Representative (AR) may be required if matching information was not included in, or has changed from the original proposal**

Matching Commitment Documentation

- **<u>Third Party Cash Contributions</u>:**

  - **Project costs to be incurred either by the recipient organization with funds provided by the third-party, or by the Third Party itself.**

    - **Cost sharing commitments by a Third-Party must include Pledge Agreement from the contributing organization's AR.**

Matching Commitment Documentation

- ## Third Party Contributions (Cont'd):

  - **Recipient organization should show third-party contributions in "Other Direct Cost" section of the budget and budget narrative**

  - **If recipient organization is using the third-party cash match to pay for own expenses (i.e. salaries, travel, etc.) details on how funds are being spent must be included in the matching cost budget narrative**

Pledge Agreements

- **Separate pledge agreements are required from each donor:**
  - **Must be submitted on donor organization letterhead with the name, address and telephone of organization.**
  - **Signature and title of AR of donor organization required.**
    - **Person signing must be an authorized official of the organization**
    - **Typed "signatures" not acceptable**

Pledge Agreements

- **Pledge agreements must include:**
  - **Title of project for which the donation is being made;**
  - **The <u>total dollar amount</u> or good faith estimate of the donation or contribution;**
  - **A statement the donation will be made during the grant period of <u>(dates)</u> and the <u>yearly amount(s)</u> of the donation**
  - **Include a statement whether the donation will be cash or in-kind and provide cost details**

Summary

- **Some matching may be deemed unallowable during the review process requiring additional matching resources**

- **An award with required matching cannot be issued until all matching has been verified as allowable, reasonable and <u>secured</u>.**

- **Projects unable to meet the matching requirements will not be funded or the funding may be reduced**

Summary

- **It is important that all matching is documented with letters of commitment and/or cost justifications for both recipient and Third-party donors**

- **Pledge amounts listed on letter should be consistent with amounts stated on the budget**

SUMMARY

- **The sources and amounts of all matching should be summarized as part of the budget justification as a separate narrative**

- **A separate budget justification should be included with the required detailed information on matching costs**
  - **How are matching funds being spent?**

- **The same level of detail required for justifying Federal funds is required for justifying matching funds.**

SUMMARY

- **If an expense is unallowable on the Federal budget, it is unallowable as matching (and vice-versa)**

- **Charging for use of equipment, space or land would not be allowable if organization does not normally charge for usage**

Questions?

- **For questions regarding <u>award administration</u>, please contact:**

➢ **Awards Management Division – 202-401-4986**

➢ **Susan Bowman – 202-401-4324 or**
  sbowman@nifa.usda.gov

➢ **Adriene Woodin – 202-401-4320 or**
  awoodin@nifa.usda.gov