COMMUNITY FOOD COMPETITIVE GRANTS 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**
- **What is or isn't Acceptable Matching**

Agenda

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Pre-Award Requirements

- ## Organizational information is required:

  - ### 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 non-profit**
        - **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 for Federal funds only**
  - **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**

Program Specifics

- **Indirect Costs (Cont'd):**
  - **DeMinimus Indirect Cost Rate of 10% Modified Total Direct Cost**
    - **May be used with NIFA approval**
    - **Refer to Paragraph 200.414(f) of the Uniform Administrative Requirements 2 CFR 200**

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**
  - **Sub-part 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.**

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Definitions

- **<u>Third Party Matching:</u> Any contribution to the project by an organization other than the recipient.**
  - **Can include cash or in-kind contributions.**

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 applicable cost principles**

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 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**
- **Market vouchers and other "Incentives"**

What Is Allowable As Matching?

- **Any costs which would normally be allowable under the Cost Principles for Federal funds would be allowable as matching**
  - **See Paragraphs 200.420 through 200.475 for selected items of costs**
- **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

- ## Salaries/wages 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
  - ### Salary rates deemed excessive may need to be justified.

Common Project Costs and Required Information

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

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

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.**

Common Project Costs and Required Information

- **Equipment Purchases:**
  - **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 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 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.**

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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.
  - **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.**

Common Matching Costs and Required Information

- **Land Rent** – **Rental of land for garden plots or other project activities.**
  - **Value for use of land should not exceed the fair rental value of comparable land as established by an independent appraisal of similar land in the area.**
  - **Amount is not based on the for-sale appraisal value.**
  - **Documentation on how land usage was valued is required.**

Common Matching Costs and Required Information

- <u>Land Donation</u> – when land for use on the project is donated with transfer of property ownership.
  - Value of donated property should be based on fair market value at time of donation.
  - Value should be established by an independent appraisal and documentation provided.

Valuing Donations

- **The basis for determining the value of donations must be verifiable from the records of the recipient, sub-recipient, or contractor.**

- **Methods used to determine the value should be included in the records.**

- **Volunteer services should be supported by the same level of documentation used by the recipient for its own employees (Time records).**

Matching Commitment Documentation

- **Good News!**
- **NIFA has streamlined the review process for matching documentation.**
- **Individual matching support letters no longer required.**
  - **Increases efficiency**
  - **Relieves burden**

Matching Commitment Documentation

- **Documentation standards for grantees in meeting matching requirements is not reduced in any way.**

- **Responsibility to secure and expend matching funds during the life of the award rests with grantee.**

Matching Commitment Documentation

- **Required documentation for matching:**
  - **Budget showing how matching funds will be spent.**
  - **Budget narrative explaining those costs.**
  - **List of matching sources which includes:**
    - **Identification of each entity providing match.**
      - **All matching listed must be secured by proposal submission**
    - **Total dollar amount each entity is providing.**

Matching Commitment Documentation

- **Award document will require a counter-signature signifying grantee's acceptance in adhering to regulations.**

- **Funds will be withheld from payment pending receipt of the signed document.**

Administrative Reviews

- **To ensure compliance with matching requirements after award**
  - **NIFA Awards Management staff will perform random desk audits or site reviews.**
  - **Matching documentation and expenditure reports will be reviewed.**

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 grantee has supporting documentation for matching and Federal funds and/or cost justifications for both recipient and Third-party donors commitments maintained in their records.**

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**