



United States  
Department of  
Agriculture

National Institute  
of Food  
and Agriculture

# **NATIONAL INSTITUTE OF FOOD AND AGRICULTURE**

# **AWARD INFORMATION FOR COMMUNITY FOODS COMPETITIVE GRANTS PROGRAM**

**Thursday, February 19, 2015**



United States  
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# 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**
- **Community Food Program Specifics**
- **Matching Regulations**
- **Definitions**
- **Matching Do's and Don'ts**
- **What is or isn't Acceptable Matching**



# Agenda

- **Common Project and Matching Costs and Required Information**
- **Valuing Donations**
- **Matching Commitment Documentation**
- **Pledge Agreements**
- **Summary**
- **Contact Information**



# 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**
  - **No Rate?**
    - **You may request a NIFA negotiated rate.**
    - **For information on the process, refer to:**  
[http://nifa.usda.gov/business/indirect\\_cost\\_process.html](http://nifa.usda.gov/business/indirect_cost_process.html)



# Program Specifics

- **Indirect Costs (Cont'd):**
  - **No Rate? DeMinimis 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**
  - **2 CFR Part 200 (Formerly OMB Circular A-110)**
  - **Sub-part D: Post Federal Award Requirements**
  - **Paragraph 200.306. Cost Sharing or matching**
  - **<http://www.ecfr.gov/cgi-bin/textidx?node=2:1.1.2.2.1#sp2.1.200.c>**



# 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

- **In-Kind Contributions**: 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.**



# 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 – 2 CFR Part 215**



# 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 are normally allowable under the Uniform Administrative Requirements (2 CFR 200) 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 deemed excessive may need to be justified.



# 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

- **Office Rent** - 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.
  - Provide monthly rental cost, square footage, 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.**



# 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.



# 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 and year of purchase and details on the 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.
  - 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 of donated land should not exceed the fair rental value of comparable land as established by an independent appraisal of similar land in the area.
  - Amount should not be based on the for-sale appraisal value.
  - Documentation on how land usage was valued is required.



# Common Matching Costs and Required Information

- **Land Donation** – 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.



# Matching Commitment Documentation

- **Recipient Matching Documentation:**
  - **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**
    - **Must include the dollar amount of the commitment and the dates of involvement (project period)**



# Matching Commitment Documentation

- **Third Party Cash Contributions:**
  - **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 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 total dollar amount or good faith estimate of the donation or contribution**
  - **A statement the donation will be made during the grant period of (dates) and the yearly amount(s) 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 secured.**
- **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 award administration, please contact:**
  - **Awards Management Division – 202-401-4986**
  - **Susan Bowman – 202-401-4324 or [sbowman@nifa.usda.gov](mailto:sbowman@nifa.usda.gov)**
  - **Adriene Woodin – 202-401-4320 or [awoodin@nifa.usda.gov](mailto:awoodin@nifa.usda.gov)**