**MATCHING FUNDS GUIDE**

**WHAT ARE MATCHING FUNDS?**

Matching funds are your contribution as the applicant in addition to the grant funds you are requesting. Typically, matching funds can be provided as a monetary or non-monetary (in-kind) contribution that shows you have "skin in the game.”

As further described below, matching funds are typically divided into two types: Cash and In-Kind. Cash is exactly as it sounds—money that is currently available in an account and will be spent toward eligible grant activities. In-kind is a non-monetary contribution, such as volunteered time, products, equipment, or services. Essentially, transactions, where money does not exchange hands, can be considered in-kind. Remember, both cash and in-kind contributions must still ﬁt within the eligibility criteria of the grant program.

Also, matching funds can be provided by you as the applicant or a third-party (someone other than you). Third-party contributors can include other organizations or individuals assisting with the project, helpful family members, or even community members.

**HOW MUCH MATCHING FUNDS DO I HAVE TO SHOW?**

Infrastructure Grants require a match. The program requires cost sharing or matching of 50% of the project cost as a match to federal funding. For underserved farmers and ranchers, a reduced match contribution is required at 25% of the project costs.

Qualifying applicants for the Infrastructure Grant projects will self-certify their eligibility for the 25% reduced match to 25%. For historically underserved farmers and ranchers, or for other businesses that qualify under SBA categories of Small disadvantaged business, women-owned small business, or veteran-owned small business, the required match funding Resilient Food Systems Infrastructure Grant (RFSI) contribution or cost share is reduced to 25% of the project cost. States must require that applicants self-certify in their RFSI Infrastructure Grant Proposal Template applications that they are eligible for this reduced match.

**WHAT T YPES OF MATCHING FUNDS CAN I USE?**

1. CASH MATCHING FUNDS

Cash matching funds are actual cash contributions or direct payments toward project expenses. Cash match can come from a variety of accounts, including savings accounts, checking accounts, retirement accounts, lines of credit, and other cash sources available. Tracking cash match during your award period is typically straightforward. You typically must spend your cash match at the required match rate along with grant funds.

Matching funds from the applicant that are used for salaries, operating expenses, or other direct cash payments are to be considered cash matches, and the funds must be available and committed at the time of application. Note that only paid salaries/ wages are cash match; volunteered (unpaid) time would be considered in-kind.

You cannot use funds from another federal program as match toward another federal grant. So, if you have money from another grant, you cannot use that as match to a new one, unless those funds are from non-federal sources and are allowable under the speciﬁc grant programs.

One of the beneﬁts of cash matching funds is how straightforward it is since it is a speciﬁed amount of money dedicated to being spent on a speciﬁc project. However, given this dedication of funds, it may be difficult to reserve or show evidence of funds at the time of application based on your current cash ﬂow.

2. IN-KIND MATCHING FUNDS

In-kind match is a non-cash contribution that is donated or provided for use toward eligible project activities during the project period. This includes any volunteer time, donated products, or donated services. Any transaction where funds do not change hands may be considered an in-kind contribution.

It can be tough to ﬁgure out what to include in an in-kind match, but one approach to thinking about it is to ﬁgure out what brings considerable value to a project without requiring a monetary commitment.

Examples of in-kind match may include any volunteer labor that you employ, including hours volunteered outside of an employee’s normal work schedule. A building or meeting space you are allowed to use cost-free may also be considered in-kind. Additionally, products or equipment that you are allowed to use for free would also be considered in-kind. Any donated space and donated materials are considered in-kind.

Regardless of the source of the in-kind match, you must provide proof or documentation for the valuation of that match. For example, you would value volunteer labor at normal market rates, which can be supported by data from the job market or sources such as O\*Net Online from the Department of Labor. Quotes or third-party valuations may also be used to support the value of donated equipment or supplies. For example, the current market rate for renting a facility that was provided at no cost would support the value of the in-kind match. Remember, the valuation for any in-kind source must be reasonable, in line with the current standard market rates, and must be supported by documentation.

The advantage of in-kind matching is that it eliminates the need to reserve or provide veriﬁcation of funds from bank records. Another beneﬁt of in-kind matching is that it allows you to utilize grant monies more quickly than if you had to wait for cash ﬂow. It also reduces the amount of money you must pay out of pocket for the entire project. Nevertheless, the time-consuming nature and limited scope of qualifying in-kind requirements may make this alternative more challenging.

**CASH MATCH DOCUMENTATION**

Acceptable sources of cash match documentation generally include bank statements or account summaries verifying the available cash amount. Examples of cash match documentation can include the following:

• Bank statements for a checking or savings account

• Account summary for a retirement account

• Bank loan with no contingencies

• Line of credit or available credit on credit cards

• Money markets or investment accounts

• Letter from the bank stating cash accounts

It's important to remember that program income or expected future income cannot be used as a match. The funds must be committed and in place at the time of application, with matching documentation to support it.

**IN-KIND MATCH DOCUMENTATION**

In-kind match may be a little more difficult to document since, as previously stated, it is a non-monetary contribution. Generally, you want to ensure that the match documentation can be veriﬁed and in line with industry standards. Examples of in-kind match documentation include, but are not limited to the following:

• Volunteer sign-in and time tracking sheets

• A spreadsheet detailing in-kind time and activities

• Donation forms or receipts completed by an individual or organization with a detailed description with a valuation of an item(s) or service(s)

#### Can donated rental space or land be considered in-kind match? For example, a city donates land to an applicant to build a processing/aggregation cold storage facility.

Yes and No. Acquired real property, including land, is an unallowable cost and therefore cannot be used to meet the match requirement.

Rental costs are an allowable cost and may be used to meet match requirements.

#### Can entities and organizations self-identify as underserved for the graduated match?

Yes. A non-profit can also be considered for underserved if their board of directors and/or owners/operators meet at least 51% underserved status.

#### Can unrecovered indirect cost be used as part of the cost sharing or matching?

Yes, it is allowable to use unrecovered indirect costs as part of cost sharing or matching. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount that could have been charged to the Federal award under the potential recipients approved negotiated indirect cost rate.

**More Match Details:**

Time/Labor: YesValue of Equipment as long as it is related to the proposed project and necessary to conduct grant project activities: YesLand: No