COMMUNITY FOOD COMPETITIVE GRANTS PROGRAM

Award Information Webinar
Monday, October 16, 2017

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

• Common Project and Matching Costs and Required Information
• Valuing Donations
• Matching Commitment Documentation
• Administrative Reviews
• 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 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

• **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
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

• **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

• **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.
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

• **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.
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 secured.

• 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 award administration, 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