

## Cost Share Register

### Cash Register

The cash register is to record any cash that is contributed to the match for the grant to meet the cost share. In addition to the purchase order or check number from State/County Fiscal Department, the document authorizing the match such as a County Resolution, State Legislature Act, etc., should accompany the proof of payment of the match. A copy of all cash supporting documents must be retained by the sub grantee.

### In-Kind Personnel

In-kind cost sharing using personnel time is probably the most used cost sharing tool but also one that can lead to serious abuse. Document, document, document.

The information in the matrix must be completed and records must be retained to show the activity, contribution/association to the grant, justification to show worthiness to the program and how much time was associated with the cost share to the program. It is important to identify volunteers in the correct status. The 2 CFR Part 225 and 44 CFR Part 13 provides good examples for reference.

### In-Kind Other

In-kind support other than personnel must be documented to show the value, its contribution and relationship to the grant the cost sharing is being associated with. The four areas that must be answered by the provider include: is the cost share in-kind reasonable. Is the share allowable and is the percent allowable. Is the cost share allocable. If using the cost share the required box should be check.

The funding source of the item sharing is important in that another federal program can not support the Homeland Security Program as a match. The contribution must show a relationship to the investment/project be allowable.

If space is being used as a match, the full value of the space must be identified and then what portion of the space is being attributed to the / for the grant.

Specific details are required and all supporting documentation/computations must be retained with the sub grantee.

### Consolidated Register for Port Security Grant

At this time an appropriation is being sought to support the match requirements. The information will be submitted under the CASH table. If other cost share strategies are determined necessary, appropriate tables will be provide.

### Consolidated Register for the Regional Catastrophic Preparedness Grant

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A special consolidated register is provided to capture on a quarterly basis the in-kind personnel match for the Regional Catastrophic Preparedness Grant. All documentation collected and consolidated are maintained in the RCPG Supporting Documentation binder (in match tool kit "tool kit" are "templates" and "guidances" to help capture in-kind) which will be submitted to State Department of Defense and available with the City and County of Honolulu Program Manager.

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The register can be used for the life of the grant. You do not need to restart a register every\_time a new cost share is submitted. One thing to remember, normally the the cost share payment is in equal relationship to the federal funds expended.

Reference: 2 CFR Section 225 and 44 CFR Part 13.

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## Match Guidance

**Introduction:** Determining match for the purposes of submitting grant applications to any Federal Agency should be a coordinated process at the State and local level. It is highly recommended that programmatic staff at the State and local level consult with their SAA prior to submitting any grant applications especially those that identify cash or in-kind match.

### Types of Match:

**1. Cash Match (hard)** includes non-Federal cash spent for project-related costs, according to the program guidance. Allowable cash match must only include those costs which are in compliance with **2 CFR Part 225, Cost Principles for State, Local, and Indian Tribal Governments** (OMB CIRCULAR A-87) and **44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments** something received or provided that does not have a cost associated with it. For example, if in-kind match (other than cash payments) is permitted, then the value of donated services could be used to comply with the match requirement. Also, third party in-kind contributions may count toward satisfying match requirements provided the grantee receiving the contributions expends them as allowable costs in compliance with **2 CFR Part 225, Cost Principles for State, Local, and Indian Tribal Governments** (OMB CIRCULAR A-87) and **44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments**.

### Definitions:

Federally assisted project or program not borne by the Federal Government. All cost-sharing or matching funds claimed against a FEMA grant by State, local or Tribal governments must meet the requirements of the program guidance and/or program regulations, 44 CFR § 13, and 2 CFR § 225.

**Cash Match (hard)** includes cash spent for project-related costs under a grant agreement. Allowable cash match must include only those costs which are allowable with Federal funds in compliance with the program guidance and/or program regulations, 44 CFR § 13, and 2 CFR § 225

benefit a federally assisted project or program. This type of match may only be used if not restricted or prohibited by program statute, regulation or guidance and must be supported with source documentation. Only property or services that are in compliance with program guidance and/or program regulations, 44 CFR § 13, and 2 CFR § 225 are allowable.

### Basic Guidelines:

1. For costs to be eligible to meet matching requirements, the costs must first be allowable under the grant program.
2. The costs must also be in compliance with all Federal requirements and regulations (i.e., 44 CFR Part 13, and 2 CFR Part 225); the costs must be reasonable, allowable, allocable, and necessary grant funds.

## Match Guidance

donation; Rates for staffing, equipment or usage, supplies, etc.; Amounts of donation; and Deposit slips for cash contributions. According to 44 CFR § 13.24, this documentation is to be held at the Applicant and/or subapplicant level.

another Federal grant.

5. The source of the match funds must be identified in the grant application.
6. Every item must be verifiable, i.e., tracked and documented.
7. Any claimed cost share expense can only be counted once.

**Examples:** (for additional examples of match, please contact your State finance office):

he/she provides 60% effort in the Federal grant program that only pays 50% salary. The additional 10% of effort/time toward the Federal grant program can be claimed as soft match. All record keeping requirements to prove the 60% time allocation apply.

time of donation. For example, only the fair market price for the use of the facility for the period of the exercise can be claimed as match.

third party sources must be in compliance with 44 CFR § 13.24, Matching or Cost Sharing. These types of contributions include voluntary contributions such as emergency personnel, lawyers, etc., who donate their time to a Federal grant program. The normal per hour rate for these professionals (acting in their professional capacity) can be used to meet the matching requirement. The value of the services provided is taken into consideration when determining the value of the contribution - not who is providing the service. For example, if a lawyer is volunteering his services to assist flood victims in filing legal paper work, the lawyer's normal hourly rate is allowable. If the lawyer is volunteering his services and is working in a soup kitchen, the lawyer's hourly rate would not be applicable; it would be the hourly rate for a soup kitchen worker.

### **Governing Provisions:**

**44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments**

○ **Reference 44 CFR § 13.24, Matching or cost sharing**

**2 CFR Part 225, Cost Principles for State, Local, and Indian Tribal Governments (OMB CIRCULAR A-87) Program Guidance and/or Program Regulations**

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### 44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

#### 44 CFR § 13.24 Matching or Cost Sharing.

**(a) Basic rule:** Costs and contributions acceptable. With the qualifications and exceptions listed in paragraph (b) of this section, a matching or cost sharing requirement may be satisfied by either or both of the following:

(1) Allowable costs incurred by the grantee, subgrantee or a cost-type contractor under the assistance agreement. This includes allowable costs borne by non-Federal grants or by others cash donations from non-Federal third parties. requirements applies.

**(b) Qualifications and exceptions:**

(1) Costs borne by other Federal grant agreements. Except as provided by Federal statute, a cost sharing or matching requirement may not be met by costs borne by another Federal grant. This prohibition does not apply to income earned by a grantee or subgrantee from a contract awarded under another Federal grant.

(2) General revenue sharing. For the purpose of this section, general revenue sharing funds distributed under 31 U.S.C. 6702 are not considered Federal grant funds.

(3) Cost or contributions counted towards other Federal costs-sharing requirements. Neither costs nor the values of third party in-kind contributions may count towards satisfying a cost sharing or matching requirement of a grant agreement if they have been or will be counted towards satisfying a cost sharing or matching requirement of another Federal grant agreement, a Federal procurement contract, or any other award of Federal funds.

(4) Costs financed by program income. Costs financed by program income, as defined in § 13.25, shall not count towards satisfying a cost sharing or matching requirement unless they are expressly permitted in the terms of the assistance agreement (This use of general program income is described in § 13.25 (g)

the activities carried out under the contract in addition to the amounts earned from the party awarding the contract. No costs of services or property supported by this income may count toward satisfying a cost sharing or matching requirement unless other provisions of the grant agreement expressly permit this kind of income to be used to meet the requirement

requirement must be verifiable from the records of grantees and subgrantees or cost-type contractors. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs.

(7) Special standards for third party in kind contributions.

(i) Third party in kind contributions count towards satisfying a cost sharing or matching requirement only where, if the party receiving the contributions were to pay for them, the payments would be allowable costs.

(ii) Some third party in-kind contributions are goods and services that, if the grantee, subgrantee, or contractor receiving the contribution had to pay for them, the payments would have been an indirect costs. Costs sharing or matching credit for such contributions shall be given only if the grantee, subgrantee, or contractor has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of the contributions.

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(iii) A third party in-kind contribution to a fixed-price contract may count towards satisfying a cost sharing or matching requirement only if it results in (subgrantee) or

(B) A cost savings to the grantee or subgrantee.

(iv) The values placed on third party in kind contributions for cost sharing or matching purposes will conform to the rules in the succeeding sections of this part. If a third party in-kind contribution is a type not treated in those sections, the value placed upon it shall be fair and reasonable.

**(c) Valuation of donated services:**

consistent with those ordinarily paid for similar work in the grantee's or subgrantee's organization. If the grantee or subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.

(2) Employees of other organizations. When an employer other than a grantee, subgrantee, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. If the services are in a different line of work, paragraph(c)(1) of this section applies.

**(d) Valuation of third party donated supplies and loaned equipment or space:**

donation.

(2) If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space

buildings, or land, and title passes to a grantee or subgrantee, the treatment of the donated property will depend upon the purpose of the grant or subgrant, as follows:

acquisition of property, the market value of that property at the time of donation may be counted as cost sharing or matching,

(2) Other awards. If assisting in the acquisition of property is not the purpose of the grant or subgrant, paragraphs (e)(2) (i) and (ii) of this section apply:

(i) If approval is obtained from the awarding agency, the market value at the time of donation of the donated equipment or buildings and the fair rental rate of the donated land may be counted as cost sharing or matching. In the case of a subgrant, the terms of the grant agreement may require that the approval be obtained from the Federal agency as well as the grantee. In all cases, the approval may be given only if a purchase of the equipment or rental of the land would be approved as an allowable direct cost. If any part of the donated property was acquired with Federal funds, only the non- Federal share of the property may be counted as cost sharing or matching.

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and only depreciation or use allowances may be counted for donated equipment and buildings. The depreciation or use allowances for this property are not treated as third party in-kind contributions. Instead, they are treated as costs incurred by the grantee or subgrantee. They are computed and allocated (usually as indirect costs) in accordance with the cost principles specified in § 13.22, in the same way as depreciation or use allowances for purchased equipment and buildings. The amount of depreciation or use allowances for donated equipment and buildings is based on the property's market value at the time it was donated.

**(f) Valuation of grantee or subgrantee donated real property** for construction/ acquisition. If a grantee or subgrantee donates real property for a construction or facilities acquisition project, the current market value of that property may be counted as cost sharing or matching. If any part of the donated property was acquired with Federal funds, only the non-Federal share of the property may be counted as cost sharing or matching.

**(g) Appraisal of real property.** In some cases under paragraphs (d), (e) and (f) of this section, it will be necessary to establish the market value of land or a building or the fair rental rate of land or of space in a building. In these cases, the Federal agency may require the market value or fair rental value be set by an independent appraiser, and that the value or rate be certified by the grantee. This requirement will also be imposed by the grantee on subgrantees.

## 2 CFR Part 225, Cost Principles for State, Local, and Indian Tribal Governments (OMB CIRCULAR A-87)

### *Basic Guidelines*

general criteria:

- a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
- b. Be allocable to Federal awards under the provisions of 2 CFR part 225.
- c. Be authorized or not prohibited under State or local laws or regulations.
- d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
- f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

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accounting principles.

h. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.

i. Be the net of all applicable credits.

j. Be adequately documented.

**2. Reasonable costs.** A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when governmental units or components are predominately federally-funded. In determining reasonableness of a given cost, consideration shall be given to:

a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the Federal award.

b. The restraints or requirements imposed by such factors as: Sound business practices; arm's-length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the Federal award.

c. Market prices for comparable goods or services.

d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.

Federal award's cost.

### 3. Allocable costs.

a. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.

b. All activities which benefit from the governmental unit's indirect cost, including unallowable activities and services donated to the governmental unit by third parties, will receive an appropriate allocation of indirect costs.

c. Any cost allocable to a particular Federal award or cost objective under the principles provided for in 2 CFR part 225 may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons.

d. Where an accumulation of indirect costs will ultimately result in charges to a Federal award, a cost allocation plan will be required as described in Appendices C, D, and E to this part.

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### 4. Applicable credits.

items allocable to Federal awards as direct or indirect costs. Examples of such transactions are: Purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the governmental unit relate to allowable costs, they shall be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

b. In some instances, the amounts received from the Federal Government to finance activities or service operations of the governmental unit should be treated as applicable credits. Specifically, the concept of netting such credit items (including any amounts used to meet cost sharing or matching requirements) should be recognized in determining the rates or amounts to be charged to Federal awards. (See Appendix B to this part, item 11, "Depreciation and use allowances," for areas of potential application in the matter of Federal financing of activities.)





Port Security Grant Program

Grant Reporting Period (5th working day following end of Quarter - January, April, July, September)	Amount Reporting for Federal Financial Report SF 425 Report(s)	Date Submitted for Reporting	Program Alignment		Notes / Comments
			PSGP 2008-GB-T8-K069	PSGP 2009-PU-T9-K035	