

NDSP High Hazard Potential Dams Grant Cost Share Resource

Overview

The Rehabilitation of High Hazard Potential Dams Grant Program (HHPD) makes available federal funds to eligible states to non-Federal governmental organizations for the rehabilitation of dams that fail to meet minimum dam safety standards and pose unacceptable risk to life and property. Rehabilitation means the repair, replacement, reconstruction, or removal of a dam that is carried out to meet applicable state dam safety and security standards. Funding priorities include technical analysis, planning, design, pre-construction, and construction activities related to the repair, removal, or rehabilitation of eligible high hazard dams.

HHPD Cost Share or Match Requirement

Title 33 U.S. Code § 467f-2 (g)(1)(A) and the Rehabilitation of High Hazard Potential Dams Grant Program Guidance Section 3.1 states that assistance provided under the HHPD grant is subject to a non-Federal cost-sharing requirement of not less than 35 percent. Federal funding is available for up to 65 percent of the eligible activity costs. The remaining 35 percent of eligible activity costs must be derived from non-federal sources, which may be in-kind. Requirements for cash and third-party in-kind contributions can be found in 2 C.F.R. § 200.306 and is described below. The non-Federal cost share contribution is not limited to 35 percent.

The non-federal cost share contribution is calculated based on the total cost of the proposed activity. For example, if the total project/activity cost is \$400,000 and the non-Federal cost share is 35 percent, then the non-federal contribution is \$140,000: 35 percent of \$400,000 is \$140,000. The federal share cannot exceed \$260,000 (\$400,000 x 65%).

For Federal awards that require shared costs or matching funds must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria: (2 CFR § 200.306)

1. Are verifiable from the non-Federal entity's records;
2. Are not included as contributions for any other Federal award;
3. Are necessary and reasonable for accomplishment of project or program objectives;
4. Are allowable under subpart E of this part;
5. Are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;



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6. Are provided for in the approved budget when required by the Federal awarding agency; and
7. Conform to other provisions of this part, as applicable.

Frequently Asked Questions:

What are third-party contributions?

Cost-sharing that is provided by an entity other than the grantee or sub-grantee, such as a partner organization. This type of cost-share is usually provided only when required by the grantee or subgrantee. Third-party in-kind contributions means the value of non-cash contributions (i.e., Equipment, supplies, property or services, workshop and classroom supplies) that;

1. Benefit a federally-assisted project or program; and
2. Are contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award (2 CFR 200.306, and 2 CFR Part 225); the costs must be reasonable, allowable, allocable, and necessary. Records for all expenditures relating to cost sharing or matching must be kept in the same manner as those for the grant funds. a. The following documentation is required for third party cash and in-kind contributions: Record of donor; Dates of donation; Rates for staffing, equipment or usage, supplies, etc.; Amounts of donation; and Deposit slips for cash contributions.

Should I include cost-share in my grant application budget?

Yes: This must be clearly defined in the budget line items and narrative

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.

If a Federal match or cost share is requested, indicate the amount of non-Federal funds that will support the project.

If my project is funded, do I need to track the cost-sharing?

Yes. The grantee is responsible for tracking all records and supporting documentation that will be presented for the required match that was defined in the approved budget narrative.

How do I account for cost-sharing after award acceptance?

If a grant applicant accepts the conditions of the award, the grantee must maintain accurate records to verify cost-share requirement have been met to meet the project's objectives. The grantee should also be aware of the appropriate supporting documentation to support the record for cost share.

The cost-share pledged to FEMA and approved in an award notice now becomes auditable. The grantee/ Authorized state agency (SAA) are required to keep detailed records on the amount of cost-sharing on their award.

Cost sharing should follow these guidelines:

- Salaries and their associated fringe benefits and F&A costs should be verifiable in accordance with the guidelines provided for the SAA Personnel Activity Reporting (PAR) System.
- Third-party in-kind contributions, non-salary items such as supplies, and equipment must be identified through an appropriate account or reflected in other documentation as costs to the project. Before any Third-party in-kind contributions Third-party in-kind contributions or non-salary items are used for cost sharing or matching, the SAA must be consulted to determine proper documentation.
- When a State allocate specific hard dollars for a project, a system must be established, or other means identified to track and account for the cost-shared expenses.

Can I include costs incurred outside of the period of performance as cost-sharing?

No. Just as award expenses must be incurred during the project start and end dates, so does cost-sharing. Do not include expenses that will be incurred outside of these dates as cost-share. **The cost sharing must occur during the period of performance.** To be “counted” as cost sharing, contributed effort and resources must be expended not just obligated **within the approved project period.**

If a cost is an unallowable expense for this grant, could it then be used for cost-share purposes?

No. If a cost is unallowable for the grant, it cannot be counted towards cost-share commitments either. Ineligible activities are noted in Section 2.3.2 of the Rehabilitation of High Hazard Potential Dams Grant Program Guidance. Note also grant recipient or subgrantee cannot use cost-share funds to cover ineligible cost in order to meet cost-share requirements.

May I associate costs as match that do not directly support the grant funded project?

No. **The costs must be allocable to the project.** This means that any direct costs contributed as cost sharing must clearly **benefit the funded project** and not some other activity. For example, department administrator effort (e.g., secretaries, clerks) and office administrative expenses (e.g., telephone, supplies) are typically distributed across all the activities and objectives of a department and are not easily apportioned to any particular activity. It therefore would be difficult to document and use these costs for cost sharing purposes. It also would not be advisable to use all of the expenses associated with a large ongoing activity as cost share for one part of the activity.

What happens if I cannot meet my cost sharing commitment as originally expected/proposed?

If the project includes a requirement for cost sharing, it is important that the account is monitored closely to ensure that the SAA meets those requirements. If there is a concern that the SAA will be unable to meet the committed amount, it is essential that the FEMA is contacted as soon as possible to request approval for a budget modification or an amendment to the award. Your PO contact should be involved in this communication. If the SAA has not met the cost sharing requirements, and award will be reduced by the percentage the shortfall represents. Not meeting the cost-sharing requirement puts the project at risk of being deemed non-compliant by FEMA. Every effort should be made to meet the obligated amount using startup/discretionary funds, unrestricted monies, and/or any appropriate non-federal grants.

Is it required that sub-recipients meet the 35% match?

The grantee is obligated to demonstrate and provide proof of cost share to the Federal Awarding Agency as part of their grant funding request. The sub-recipient responsibility will be based on their contracting or award agreement with the grantee.

What are the requirements in submitting the 35% cost-share in the project budget and budget detail?

Completion of the Budget Summary Worksheet:

- Transfer the totals for each category to the spaces in the Budget Summary Worksheet
- Compute the total direct costs and the total project costs.
- Indicate the amount of Federal funds requested, and if a Federal match or cost share is requested, indicate the amount of non-Federal funds that will support the project.

NOTE:

- All costs charged to a FEMA award or applied to the cost share must be reasonable in nature and amount and allocable to the particular FEMA award.
- Grant recipients and subrecipients may only use federal funds or funds applied to a cost share for the purposes set forth in this NOFO and the terms and conditions of the award, and those costs must be consistent with the statutory authority for the award.
- **Indirect Facilities & Administrative (F&A) Costs** Indirect costs are allowable under this program as described in 2 C.F.R. Part 200, including 2C.F.R. § 200.414. Applicants with a current negotiated indirect cost rate agreement that desire to charge indirect costs to an award must provide a copy of their negotiated indirect cost rate agreement at the time of application. Not all applicants are required to have a current negotiated indirect cost rate agreement. (Refer to NOFO for more detail and guidance.)

Budget Category	Federal Amount	Non-Federal Amount
A. Personnel	\$ _____	\$ _____
B. Fringe Benefits	\$ _____	\$ _____
C. Travel	\$ _____	\$ _____
D. Equipment	\$ _____	\$ _____
E. Supplies	\$ _____	\$ _____
F. Consultants/Contracts	\$ _____	\$ _____
G. Other	\$ _____	\$ _____
H. Indirect Costs	\$ _____	\$ _____

Total Requested Federal Amount: \$ _____

Total Requested Non-Federal Amount: \$ _____

Combined Total Project Costs: \$ _____

Who do I contact if I have questions related to cost-sharing on a proposal?

Contact your FEMA Regions Grants Program Directorate point of contact or email FEMA-NDSP-HHPD@fema.dhs.gov
 Sub-recipients should contact their SAA.

What options does the Prime Grantee/State have to meet the 35% match and what kind of funds may be used for cost sharing?

The table below provide some basic guidance for meeting cost share.

<p>Eligible Cost Share</p> <p>(Must be approved by FEMA at time of Review)</p> <p>Cost sharing must clearly benefit the funded project and not some other activity.</p>	<p>Cost-Share Examples</p> <p>(Must be documented and included in Budget at time of application)</p>	<p>“Value” of Computed Time and Effort.</p> <p>Values for non-Federal entity contributions of services and property must be established in accordance with the cost principles in Subpart E—Cost Principles.</p>	<p>Typical required documentation</p> <p>Agency Policy that supports documentation must be in writing and in place prior to award</p>
<p>Indirect Costs with prior approval from Federal Awarding Agency</p>	<p>Management Oversight, HR activities, Financial Management, Report Submission</p>	<p>Values for non-Federal entity contributions 2 CFR § 200.414</p>	<p>Agency Policy, Time Sheets</p>
<p>Contributions of Services and Property in accordance with 2 CFR § 200.434</p>	<p>Cash, State funded Contributions (Non-Federal), Equipment, Leases (land, buildings) to support project</p>	<p>The fair market value of equipment or other capital assets and fair rental charges for land may be allowed, provided that the Federal awarding agency has approved the charges. See § 200.420 Considerations for selected items of cost § 200.306</p>	<p>State funding documentation, guarantee source funds not used for other awards, Lease agreements, contracting agreements, Cost tracking,</p>
<p>Volunteer services furnished by third-party professional and technical personnel, consultants, and other skilled and unskilled labor</p>	<p>Consultation, Project Management State funded Contributions (Non-Federal) for example studies or Flood Plain Management.</p>	<p>The fair market value of goods and services must be documented and to the extent feasible supported by the same methods used internally by the non-Federal entity. § 200.307</p>	<p>Volunteer records, Rate calculations, Time tracking for consultants, SMEs or skilled labor. Explanation of rates.</p>
<p>third-party organization Services of an employee</p>	<p>Consultation, Project Management, Empanelment of SME, equipment, supplies or</p>	<p>The fair market value of goods and services must be documented and</p>	<p>Rate calculations, Time tracking for consultants, SMEs or skilled labor, fair market value for</p>

	other expendable property.	to the extent feasible supported by the same methods used internally by the non-Federal entity. § 200.307	equipment, clear documentation.
Donated property from third parties such items as equipment, or workshop and classroom supplies	Cash, Community Outreach or public briefings for Safety, project presentations, Meeting locations.	The fair market value of goods and services must be documented and to the extent feasible supported by the same methods used internally by the non-Federal entity. § 200.307	Meeting Space value, Sign in sheets, meeting agenda, volunteer time tracking, SME time tracking

Useful Links and Resources

- https://www.fema.gov/sites/default/files/2020-07/fy19_fps_costshare_calculator.pdf
- [Grantee Cost-Share Obligations | National Archives](#)
- Title 33 U.S. Code § 467f-2 (g)(1)(A)
- 2 CFR § 200 – Uniform Administrative Requirements
- Rehabilitation of High Hazard Potential Dams Grant Program Guidance
- High Hazard Potential Dam Rehabilitation Grant Program FEMA Policy 104-008-7
- Notice of Funding Opportunity Fiscal Year (FY) 2021 High Hazard Potential Dams (HHPD) Rehabilitation Grant