

**MATCH REQUIREMENTS FOR GRANTS GREATER THAN \$100K**  
*(Grants requiring an audit)*

DCED Grant recipients must audit any required match commitment reflected in the contract (and/or legislation), both cash and in-kind. Cash and in-kind matching funds are identified separately. The following guidance provides additional information on the distinction between cash and in-kind matching funds and on what is considered to be adequate documentation of each type of matching fund.

A. Cash Match

**Definition:** Cash contributions are project-specific contributions provided by an individual or organization for which documentation of a cash transaction can be provided.

**Documentation:** For cash matches, grant recipients are required to maintain the same audit trail of matching funds as they would for grant funds (i.e. documentation of the cash transactions, etc).

B. In-Kind Match

**Definition:** In-kind contributions are project-specific contributions of a service or a product provided by an individual or organization where the cost cannot be tracked back to a cash transaction. In-kind expenses generally involve donated labor or equipment.

**Documentation:** Grant recipients will be responsible for maintaining the needed backup documentation to verify their estimates of in-kind costs in order for an audit to be conducted of those services.

Labor costs contributed as in-kind are valued at their actual, regular rate of pay, provided the work they are contributing is similar to their normal line of work. Inclusion of fringe benefits in calculating the value of an individual's time is appropriate, and is calculated as a percentage of the hourly rate.

Equipment contributed as in-kind are valued at the actual rental cost or fair rental value for the geographic location. A common guideline is to consider how much your organization would reasonably expect to pay if it were renting the item.

Original supporting documentation for all in-kind contributions must be retained by the partner organization, maintaining a clear audit trail to accounting records. Examples of supporting documentation include payroll records, timesheets, sales receipts, rental agreements, etc.

**NOTE:** Grantees are permitted to use excess cash matching funds in lieu of in kind contributions to fulfill their reporting obligations to DCED regarding matching funds.