

**MATCH REQUIREMENT FOR GRANTS LESS THAN \$100,000**  
***(Grants requiring a closeout report)***

DCED Grant recipients must provide documentation of all matching funds, 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 provide documentation of the cash transaction. Just providing a statement about the services covered by cash matching funds is not adequate documentation of cash matching funds; some sort of financial documentation that verifies the matching fund expenditures is needed. Examples of acceptable documentation are:

- For labor costs that are a cash match, recipients must provide the employee's name, employee number or last four digits of the employee's social security number, the actual hours of the employee spent on the project in the billing time period, the salary and wage rate, and the total labor costs. While recipients are not required to submit project time sheets, they should be kept with the project accounting files as DCED reserves the right to request time sheets for closeout purposes, if necessary.
- For direct costs, such as contracted services, supplies, equipment, materials, communications, etc., grant recipients should supply a paid vendor invoice/receipt or an invoice for the services along with a front and back copy of the canceled check.

**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 to file a Grant Closeout Report appropriately.

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 you 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.