



ACRE

Agribusiness Center for
Research & Entrepreneurship

SOUTH CAROLINA DEPARTMENT OF AGRICULTURE

MATCHING FUNDS GUIDE

Many grants and funding programs will require matching funds, or simply, the money you or someone else contributes in addition to the grant funds requested. Matching funds serve multiple purposes, including helping grant funds go further and demonstrating your commitment as an applicant. This document will help provide additional information on the different types of matching funds and how you can show your proof of match.

WHAT ARE MATCHING FUNDS?

Matching funds are your contribution as the applicant in addition to the grant funds you are requesting. Typically, matching funds can be provided as a monetary or non-monetary (in-kind) contribution that shows you have "skin in the game." While a match may not be required for all programs, it may help increase your score or help your application stand out.

As further described below, matching funds are typically divided into two types: Cash and In-Kind. Cash is exactly as it sounds—money that is currently available in an account and will be spent toward eligible grant activities. In-kind is a non-monetary contribution, such as volunteered time, products, equipment, or services. Essentially, transactions, where money does not exchange hands, can be considered in-kind. Remember, both cash and in-kind contributions must still fit within the eligibility criteria of the grant program.

Also, matching funds can be provided by you as the applicant or a third-party (someone other than you). Third-party contributors can include other organizations or individuals assisting with the project, helpful family members, or even community members.

HOW MUCH MATCHING FUNDS DO I HAVE TO SHOW?

The amount of match required will vary by program and will also have different restrictions based on eligible costs for the program. Matching funds cannot be used for purposes that are not eligible under the specific program to which you are applying. Some programs may also award points based on the amount of match you provide.

Always double-check the program requirements for how to calculate match, as some may require match based on the Total Project Cost or just the requested grant amount. The Total Project Cost is the total of the grant funds requested plus the match requested. The following example demonstrates how to calculate match in each scenario. Note that the match amount is lower under the calculations based on just the Requested Grant Amount. This is important to ensure that you are providing the right amount to be eligible for the program.

CALCULATING MATCH ON TOTAL PROJECT COST VS. REQUESTED GRANT AMOUNT

The following examples assume a grant request of \$100,000 and a match requirement of 20%

Matching on Total Project Cost

Total Project Cost = Grant + Match

To find the Total Project Cost, subtract the match percentage from 1, then divide the grant by that amount: $\$100,000 / .80 = \$125,000$

Then, subtract the grant amount from the Total Project Cost to find your match requirement: $\$125,000 - \$100,000 = \$25,000$

Under this scenario, the required match amount is \$25,000. To check your percentage, divide the match by the Total Project Cost and multiply by 100. $\$25,000 / \$125,000 = .20 \times 100 = 20\%$

Matching on Requested Grant Amount

To find the match total, convert the match percentage to a decimal by dividing by 100: $20 / 100 = .20$

Then, multiple that number by the grant amount: $\$100,000 \times .20 = \$20,000$

Under this scenario, the required match amount is \$20,000. To check your percentage, divide the match by the requested grant amount and multiply by 100: $\$20,000 / \$100,000 = .20 \times 100 = 20\%$

WHAT TYPES OF MATCHING FUNDS CAN I USE?

Matching funds come in two varieties:

1. CASH MATCHING FUNDS

Cash matching funds are actual cash contributions or direct payments toward project expenses. Cash match can come from a variety of accounts, including savings accounts, checking accounts, retirement accounts, lines of credit, and other cash sources available. Tracking cash match during your award period is typically straightforward. You typically must spend your cash match at the required match rate along with grant funds.

Matching funds from the applicant that are used for salaries, operating expenses, or other direct cash payments are to be considered cash matches, and the funds must be available and committed at the time of application. Funds that you use to pay for space or materials for the project, may also be considered cash, depending on the program's allowable expenses. Note that only paid salaries/ wages are cash match; volunteered (unpaid) time would be considered in-kind.

You cannot use funds from another federal program as match toward another federal grant. So, if you have money from another grant, you cannot use that as match to a new one, unless those funds are from non-federal sources and are allowable under the specific grant programs.

One of the benefits of cash matching funds is how straightforward it is since it is a specified amount of money dedicated to being spent on a specific project. However, given this dedication of funds, it may be difficult to reserve or show evidence of funds at the time of application based on your current cash flow.

2. IN-KIND MATCHING FUNDS

In-kind match is a non-cash contribution that is donated or provided for use toward eligible project activities during the project period. This includes any volunteer time, donated products, or donated services. Any transaction where funds do not change hands may be considered an in-kind contribution.

It can be tough to figure out what to include in an in-kind match, but one approach to thinking about it is to figure out what brings considerable value to a project without

requiring a monetary commitment. Examples of in-kind match may include any volunteer labor that you employ, including hours volunteered outside of an employee's normal work schedule. A building or meeting space you are allowed to use cost-free may also be considered in-kind. Additionally, products or equipment that you are allowed to use for free would also be considered in-kind. Any donated space and donated materials are considered in-kind.

Regardless of the source of the in-kind match, you must provide proof or documentation for the valuation of that match. For example, you would value volunteer labor at normal market rates, which can be supported by data from the job market or sources such as O*Net Online from the Department of Labor. Quotes or third-party valuations may also be used to support the value of donated equipment or supplies. For example, the current market rate for renting a facility that was provided at no cost would support the value of the in-kind match. Remember, the valuation for any in-kind source must be reasonable, in line with the current standard market rates, and must be supported by documentation.

The advantage of in-kind matching is that it eliminates the need to reserve or provide verification of funds from bank records. Another benefit of in-kind matching is that it allows you to utilize grant monies more quickly than if you had to wait for cash flow. It also reduces the amount of money you must pay out of pocket for the entire project. Nevertheless, the time-consuming nature and limited scope of qualifying in-kind requirements may make this alternative more challenging.



Keep in mind, matching funds do not necessarily need to come from only one source.

You may use a combination of sources to show your full match amount, such as a bank account and line of credit. Depending on the program, you may also use a combination of both in-kind and cash match to meet the full match requirement.

TIPS FOR TRACKING IN-KIND MATCH:

- Use volunteer sign in/ time tracking sheets
- Develop a spreadsheet showing time provided, value, and activities
- Write and track receipts for all products donated, including the donor and when it was provided

SOURCES FOR VALUING IN-KIND CONTRIBUTIONS:

- O*Net Online (salaries/ hourly wages)
- USDA AMS Market News (donated fresh foods or commodities)
- Local property tax assessments for facilities

HOW CAN I DOCUMENT MY MATCH?

MATCH SOURCES	
Cash	In-Kind
Retirement Accounts	Donated Materials
Checking, Savings, Money Market Accounts	Volunteer Labor
Paid Operating Expenses	Equipment Donations
Salaries	Donated Salaries

Providing documentation for each match would depend largely on the types of match sources used.

CASH MATCH DOCUMENTATION

Acceptable sources of cash match documentation generally include bank statements or account summaries verifying the available cash amount. Examples of cash match documentation can include the following

- Bank statements for a checking or savings account
- Account summary for a retirement account
- Bank loan with no contingencies
- Line of credit or available credit on credit cards
- Money markets or investment accounts
- Letter from the bank stating cash accounts

Keep in mind, that you can use paper copies or online account summaries (provided as a screenshot) to document your match. Just be sure that it shows who owns the account, the current date, and the active amount. Examples of similar statements are provided in the appendix.



It's important to remember that program income or expected future income cannot be used as a match. The funds must be committed and in place at the time of application, with matching documentation to support it. However, you are typically not required to spend the money from those accounts during the grant period (only used for verification).

IN-KIND MATCH DOCUMENTATION

In-kind match may be a little more difficult to document since, as previously stated, it is a non-monetary contribution. Generally, you want to ensure that the match documentation can be verified and in line with industry standards. Examples of in-kind match documentation include, but are not limited to the following:

- Volunteer sign-in and time tracking sheets
- A spreadsheet detailing in-kind time and activities
- Donation forms or receipts completed by an individual or

organization with a detailed description with a valuation of an item(s) or service(s)

- Receipts for supplies or services donated by an individual or organization with a detailed description of the item(s) or services(s)

Examples of in-kind match documentation have been provided in the appendix.



Remember, when documenting your in-kind match, to keep in mind the following:

- **Who is the source?** – You must show that the contribution came from a legitimate donor who does not have a conflict of interest with the program or project.
- **What was donated?** – You must be able to demonstrate that the goods or service being used to fulfill match/cost-sharing requirements is eligible as match for that program.
- **When will it be provided?** – The products or services must be provided within the grant period, not before or during the application period.
- **How was the value determined?** – The value of the product or services must be supported with third-party data, such as current labor rates, receipts, or verifiable market values.
- **Who verified the information?** – Who from the recipient's organization certified that the data is accurate? Is there a responsible party willing to sign a document stating that the material is accurate and true?

CAN SOMEONE ELSE PROVIDE MATCHING FUNDS EVEN IF THEY AREN'T THE APPLICANT?

Yes, most programs allow you to use Third Party matching sources, which is any non-federal party who commits to providing either cash or in-kind contributions to the project. Examples of third parties who may contribute match include contractors or sub-awardees for the project, universities and their personnel, other individuals, and businesses.

Keep in mind that any entity or individual contributing match cannot be a beneficiary of the project work. For example, a farmer receiving assistance from the applicant, cannot also provide match. This would be considered a conflict of interest.

Third-party monetary donations to the applicant are a type of cash match; both restricted (gifts given particularly in support of a project) and unrestricted (gifts given at the recipient's discretion) gifts are eligible to be used as match. The donors must commit to providing these funds to the applicant during the project period, either through a letter of commitment, or other documentation as required by the grant program. These funds must be used to support budgeted project costs during the grant period.

Third-party in-kind contributions include donated labor, services, materials, equipment, and space. Anything that another business or individual provides to the project that did not include a transaction may be considered in-kind match. To count costs and third-party in-kind contributions toward meeting a cost-sharing or matching requirement, you must provide proof from your records. These documents should show how the value of in-kind contributions from third parties was determined.

Requesting match from third parties involved in the project is one way to ensure “buy-in” from groups outside of the main applicant. Having multiple parties invested in your project, the motivation to collaborate increases.

CASH VS. IN-KIND MATCH: BENEFITS AND DRAWBACKS

As previously mentioned, there are different advantages and disadvantages to using cash vs. in-kind. Choosing between the two would be primarily determined by the specific grant program and how you run your business and finances. However, there are other factors to consider while weighing the advantages and disadvantages of each option.

CASH MATCHING BENEFITS	CASH MATCHING DRAWBACKS
Some programs award more points on applications showing all cash match.	It can be expensive (i.e., the interest that you earn in the initial stages of your project may be low).
Easily tracked through receipts and invoices showing the amount paid during the project period. The cash expenses may already be accounted for in your cash flow.	It may become difficult to show match to receive grant funds during times of slow or low cash flow for the business.
IN-KIND BENEFITS	IN-KIND DRAWBACKS
The out-of-pocket burden is reduced.	Some programs may reduce the points awarded if using partial or all in-kind match.
You do not have to rely on business cash flow or available funds to show your match proof- you may be able to request reimbursement from grants faster.	Requires more recordkeeping and documentation. May require more admin time especially if third parties are involved.

GRANT REIMBURSEMENT WITH CASH VS. IN-KIND MATCH

The following examples assume you spent \$1,000 to purchase eligible supplies and are required to show 20% of the Total Cost as match to be reimbursed.

Cash Match Reimbursement

If you spend \$1,000 on supplies, you will be reimbursed for 80% of that total expense, assuming no other expenses are included in the reimbursement request.

You will submit a total invoice of \$1,000 and will receive \$800 back from the grant. The other \$200 will not be reimbursed as your cash match.

Under this scenario, you are out of pocket \$200.

In-Kind Match Reimbursement

If you spend \$1,000 on supplies, you must show the required match from in-kind sources. Remember, if match is 20% of the Total Cost, you must first find the Total Cost: $\$.1,000 / .80 = \$1,250$

Then determine the match amount:

$\$1,250 - \$1,000 = \$250$ (your match)

Your volunteer labor has worked 10 hours at a documented value of \$25/ hour, which provides \$250 of in-kind match.

Now you can submit a total invoice for \$1,250 with proof of your in-kind match. You will receive \$1,000 back from the grant and the remaining \$250 is not reimbursed.

Under this scenario, you are not out-of-pocket for any cash.

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APPENDIX A – FINANCIAL STATEMENT

Howard Bank

Statement Ending 09/11/2018

RETURN SERVICE REQUESTED

John Doe
123 Main Street
Baltimore, MD 21224

Summary of Accounts

Account Type	Account Number	Ending Balance
HOWARD RELATIONSHIP CHECKING	XXXXXXXX4101	\$5,684.22

HOWARD RELATIONSHIP CHECKING – XXXXXXXX4101

Primary Checking

Account Summary

Date	Description	Amount
09/01/2018	Beginning Balance	\$18,805.47
	3 Credit(s) This Period	\$4,293.20
	20 Debit(s) This Period	\$17,414.45
09/21/2018	Ending Balance	\$5,684.22

Account Activity

Post Date	Description	Debits	Credits	Balance
09/01/2018	Beginning Balance			\$18,805.47
09/04/2018	Signature POS Debit 09/02 MD BALTIMORE GIANT FOOD INC SEQ# 071582	\$57.48		\$18,747.99
09/04/2018	Nationstar dba Mr Cooper XXXXXX6179	\$1,989.60		\$16,758.39
09/05/2018	HMS WARRANTY 8002473680 5829389	\$42.99		\$16,715.40
09/05/2018	SAMS CLUB MC ONLINE PMT CKF426104254POS	\$4,671.42		\$12,043.98
09/05/2018	DISCOVER BANK ETRANSFER	\$8,212.00		\$3,831.98
09/06/2018	BLTMORE GAS ELEC ONLINE PMT	\$160.75		\$3,671.23
09/06/2018	AMAZON	\$170.00		\$3,501.23
09/06/2018	DEVONSHIRE II CO CONS CP BC5198	\$195.00		\$3,306.23
09/07/2018	DEPOSIT		\$653.25	\$3,959.48
09/07/2018	TARGET ONLINE PMT	\$88.59		\$3,870.89
09/10/2018	ATM Withdrawal 09/07 MD BALTIMORE 10101 PHILDELPHIA RD SEQ# 008838	\$180.00		\$3,690.89
09/10/2018	Signature POS Debit 09/08 MD BALTIMORE GIANT FOOD I	\$70.11		\$3,620.78
09/10/2018	LA FITNESS	\$12.98		\$3,607.80
09/11/2018	AT&T MOBILITY ONLINE PMT	\$116.22		\$3,491.58
09/14/2018	DEPOSIT		\$606.62	\$4,098.20
09/14/2018	DIRECT DEP		\$3,033.33	\$7,131.53
09/14/2018	Signature POS Debit 09/13 MD BALTIMORE GIANT	\$19.86		\$7,111.67
09/17/2018	ATM Withdrawal 09/15 WV INWOOD MARTINSBURG-INWOOD	\$400.00		\$6,711.67
09/17/2018	Signature POS Debit 09/16 MD BALTIMORE GIANT	\$14.06		\$6,697.61

APPENDIX B – INVOICE/RECEIPT

INVOICE

647-444-1234
your@email.com
yourwebsite.com

1 Your Address
City, State, Country
ZIP Code

Billed To	Invoice Number	Invoice Total
Client Name	000000	\$4520.00
1 Client Address	Date of Issue	
City, State Country	10/07/14	
Zip Code		

Description	Unit Cost	Qty / Hr Rate	Amount
Your Item Name Item description goes here	\$1000	1	1000
Your Item Name Item description goes here	\$1000	1	1000
Your Item Name Item description goes here	\$1000	1	1000
Your Item Name Item description goes here	\$1000	1	1000
		Subtotal	\$4000.00
		Tax	\$520.00

APPENDIX C – EMPLOYEE TIMESHEET

EMPLOYEE TIME RECORD SHEET

Instructions: The Employee Time Record Sheet is required to be completed by all employees who are subject (non-exempt) to the minimum wage and/ or overtime pay requirements of the South Carolina Personnel Rules. Record time “IN” and “OUT” in exact minutes, record each daily total of regular compensable time to nearest .25 hour, and record each period of unscheduled emergency time to the next highest .25 hour. Compensable time worked in excess of 40 hours a week, or unscheduled emergency time, must be approved in advance by the appropriate Vice-President or Executive Officer. The department must retain this time record sheet for at least three fiscal years.

Dept. No.	Name (First, Middle, Last)				Employee ID	Pay Rate				
Week Ending: 01/06/XX (Example A)										
Day of Week	Record of “In” and “Out” Time				REGULAR COMPENSABLE TIME					Unscheduled Emergency Time
					Time Worked	Annual Leave	Sick Leave	Other Leave	Total	
MONDAY	IN	8:00	1:00		7.5				7.5	
	OUT	12:00	4:30							
TUESDAY	IN	7:00	1:00		10.0				10	
	OUT	12:00	6:00							
WEDNESDAY	IN	7:30	1:00		9.5				9.5	
	OUT	12:00	6:00							
THURSDAY	IN	8:00	1:00		7.5				7.5	
	OUT	12:00	4:30							
FRIDAY	IN	8:00	1:00		7.5				7.5	
	OUT	12:00	4:30							
SATURDAY	IN				0				0	
	OUT									
SUNDAY	IN				0				0	
	OUT									
TOTAL FOR WEEK					42				42	
Week Ending: 01/13/XX (Example B)										
Day of Week	Record of “In” and “Out” Time				REGULAR COMPENSABLE TIME					Unscheduled Emergency Time
					Time Worked	Annual Leave	Sick Leave	Other Leave	Total	
MONDAY	IN	8:00	1:00	5:30	8.5				8.5	
	OUT	12:00	4:30	6:30						
TUESDAY	IN	8:00	1:00		7.5				7.5	
	OUT	12:00	4:30							
WEDNESDAY	IN	8:00	1:00		7.5				7.5	
	OUT	12:00	4:30							
THURSDAY	IN	8:00	1:00		7.5				7.5	
	OUT	12:00	4:30							
FRIDAY	IN	6:00	1:00		12				12	
	OUT	12:00	7:00							
SATURDAY	IN				0				0	
	OUT									
SUNDAY	IN				0				0	
	OUT									
TOTAL FOR WEEK					43				43	

Timesheet templates can be found and edited on templates.office.com

APPENDIX F – EMPLOYEE TIME TRACKING

Employee Name	Semi-Monthly Total Salary	Semi-Monthly Total Fringe	% of Salary/Fringe Charged to Grant	Semi-Monthly Salary %	Semi-Monthly Fringe %	% Salary/Fringe Charged to Grant (Paid 11-1, 11-16, 12-1, & 12-16)
Employee 1	\$2,221.66	\$933.10	90%	\$1,999.49	\$839.79	\$11,357.13
Employee 2	\$2,500.00	\$1,050.00	5%	\$125.00	\$52.50	\$710.00
Employee 3	\$1,833.10	\$769.90	10%	\$183.31	\$76.99	\$1,041.20
Employee 4	\$1,791.66	\$752.50	10%	\$179.17	\$75.25	\$1,017.66
Employee 5	\$1,827.60	\$767.59	5%	\$91.38	\$38.38	\$519.04
Employee 6	\$1,937.60	\$813.79	5%	\$96.88	\$40.69	\$550.28
Total						\$15,195.31

APPENDIX G – TOTAL PROJECT BUDGET TRACKING

GRANT PROJECT BUDGET REPORT			PROJECT: Fresh Fruit and Veg Marketing Total Project Amount: \$90,000		
	Original Budget	Earned to Date	Requested this Period	Total Earned to Date	Balance to Finish
Salaries/Benefits	\$40,000.00	\$1,500.00	\$200.00	\$1,700.00	\$38,300.00
Travel	\$10,000.00	\$400.00	\$80.00	\$480.00	\$9,520.00
Supplies	\$15,000.00	\$2,200.00	\$1,200.00	\$3,400.00	\$11,600.00
Contractual	\$25,000.00	\$20,000.00	\$5,000.00	\$25,000.00	\$0.00
Total	\$90,000.00	\$24,100.00	\$6,480.00	\$30,580.00	\$59,420.00
FUNDING SOURCES					
Rural Development					
Loan					
Grant					
Salaries/Benefits	\$20,000.00	\$750.00	\$100.00	\$850.00	\$19,150.00
Travel	\$5,000.00	\$200.00	\$40.00	\$240.00	\$4,760.00
Supplies	\$7,500.00	\$1,100.00	\$600.00	\$1,700.00	\$5,800.00
Contractual	\$12,500.00	\$10,000.00	\$2,500.00	\$12,500.00	\$0.00
Sub-Total	\$45,000.00	\$12,050.00	\$3,240.00	\$15,290.00	\$29,710.00
Applicant Contribution					
Salaries/Benefits	\$20,000.00	\$750.00	\$100.00	\$850.00	\$19,150.00
Travel	\$5,000.00	\$200.00	\$40.00	\$240.00	\$4,760.00
Supplies	\$7,500.00	\$1,100.00	\$600.00	\$1,700.00	\$5,800.00
Contractual	\$12,500.00	\$10,000.00	\$2,500.00	\$12,500.00	\$0.00
Sub-Total	\$45,000.00	\$12,050.00	\$3,240.00	\$15,290.00	\$29,710.00
Total	\$90,000.00	\$24,100.00	\$6,480.00	\$30,580.00	\$59,420.00

These can be created in Microsoft Excel or similar spreadsheet program