

# Matching Requirement Guidelines

## Table of Contents

Background .....	2
Definitions .....	3
Match Funds .....	4
Source of Funds for Match Share .....	4
What is Allowable as A Match Share? .....	5
Documenting Matching Funds & Required Information .....	6
Matching Requirements FAQs .....	7
Consequences For Non-Compliance.....	11

# Background

FFAR was established by Section 7601 of the [Agricultural Act of 2014](#), Pub. L. 113-79 to

- a. advance the research mission of the United States Department of Agriculture by supporting agricultural research activities focused on addressing key problems of national and international significance, including:
  - i. plant health, production, and plant products;
  - ii. animal health, production, and products;
  - iii. food safety, nutrition, and health;
  - iv. renewable energy, natural resources, and the environment;
  - v. agricultural and food security;
  - vi. agriculture systems and technology; and
  - vii. agriculture economics and rural communities;
- b. foster collaboration with agricultural researchers from the Federal Government, State (as defined in Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) governments, institutions of higher education (as defined in Section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001), industry, and nonprofit organizations and is incorporated as a 501 (c)(3) non-profit corporation.

Under Section 3. Expenditure of Federal Funds Authorized in Section 7601 of the Agricultural Act of 2014, Pub. L. 113-79, FFAR shall be responsible for ensuring all federal funds transferred to FFAR under the Agricultural Act are used in accordance with the requirements of the Act. Specifically, FFAR can use these funds to carry out the purposes of the Foundation and must secure at least an equal amount of non-Federal matching funds for every federal dollar allocated.

Therefore, for every dollar FFAR awards, the grantee or a third-party institution must contribute a newly dedicated, non-federal dollar towards the project costs. For example, if a proposal requests two hundred thousand dollars (\$200,000) of FFAR funds, the applicant or a third-party must be able to come up with an additional two hundred thousand dollars (\$200,000) to match the request, for a grand total project budget of four hundred thousand dollars (\$400,000). The matching requirement allows FFAR to amplify federal funds to support innovative research.

This document serves as a guideline for applicants to meet FFAR's requirements for proposing, spending, documenting and reporting the matching requirement.

## Definitions

1. **Cost Sharing** – is the portion of the total project costs paid for a non-federal third-party organization. All shared costs must be explicitly identified in the full proposal budget narrative.
2. **Types of Cost Sharing**
  - a. **Mandatory Cost Sharing** – is cost sharing that is required by the sponsor, in this case FFAR. Unless stated in the funding opportunity announcement, FFAR requires one-to-one cost sharing as a binding condition of obtaining a FFAR award. The one-to-one match requirement is an example of mandatory cost sharing.
  - b. **Voluntary Committed Cost Sharing** – is additional cost sharing, above the one-to-one requirement that is not required by FFAR as a condition of a FFAR award but is specifically included in the proposed budget. If included in the project budget at the time of an award, it becomes binding and must be monitored and reported appropriately. Voluntary cost share will not be used as an evaluation criterion by the review committee.
  - c. **Voluntary Uncommitted Cost Sharing** – Is a type of cost share that is not required and not included in the approved project budget. In other words, this is cost share that is over and above what is specifically committed in the proposal. For example, if a Principal Investigator (PI) budgeted 35% effort on the proposed project but spends 40% effort on the project, he/she is not required to document or record this extra effort.
3. **Matching** – is a type of mandatory cost sharing where FFAR requires a one-to-one FFAR to awardee cost share. The match share contribution can be cash or in-kind match. The cash match must be at least 50%, and in-kind match must not exceed 50% of the total match share. The match must come from non-federal sources.
  - a. **Cash Match** – is a cash contribution from the awardee's cash outlay (cash, check, electronic funds transfer, credit card, payroll deduction), including outlay from non-federal third-party organizations. To meet FFAR's matching requirements, at least 50% of the total match must be cash contributions. Examples of a cash match include cost to purchase new equipment, salaries for project personnel effort on the proposed project, tuition remission, related project travel costs, cost for supplies directly associated with, and necessary for the proposed project. These costs must be reasonable and necessary to achieve the objectives of the proposed project, and well documented.

- b. **In-Kind Match** – is the value of non-cash contributions of goods and services to a proposed project. In-kind match must not be more than 50% in a proposed FFAR project. Contributions offered as in-kind match must have a cash equivalent value, be reasonable and necessary, and directly benefit the proposed project. Examples of in-kind match include donation of equipment, supplies, non-expendable property, volunteered professional time or service, donated use of facilities by a third party.
- 4. **Third Party** – is an individual or organization that is not FFAR, or the awardee. For the purposes of this document, sub-awardees or contractors are considered third parties. Third parties can offer cash or in-kind contributions toward the project match share. Third parties must adhere to the same award requirements as the award-receiving institution.
- 5. **Tuition** – is the fee charged by, typically a university or educational institution, for instruction and training. Tuition cannot be charged as a direct cost on FFAR awards. Therefore, tuition cannot be offered as a match share. Please refer to the Electronic Code of Federal Regulations’ (e-CFR) Uniform Guidance [2 CFR PART 200](#).<sup>1</sup>
- 6. **Tuition Remission** – is a portion of the total payment package for graduate students with at least one-third of their duties as a research assistant, project assistant or teaching assistant at an educational institution. Tuition remission is allowed as cash match offer for effort directly associated with the proposed project.
- 7. **[Fair Market Value](#)** –as defined by the Internal Revenue Service (IRS), is the price an item would sell for in the open market.

## Match Funds

### Source of Funds for Match Share

The award recipient is responsible for securing the match share for the proposed project. The full match must be secured and at hand at the time of the award. FFAR will not consider contingencies – funds pending approval, submission or earnings – in lieu of the entire match

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<sup>1</sup> As stipulated in the 2014 Farm Bill, FFAR is not an agency or instrumentality of the United States Government. FFAR is an independent 501 (c)(3) non-profit organization. Therefore, most federal rules do not apply to our award funds. However, FFAR is subjected to a GAO Audit, and thus, the rules on managing federal award funds are best practices to follow in managing a FFAR award.

at hand. Funds offered as a FFAR match must not come from any federal source. Match contributions can only come from the award recipient or a third-party organization. Once a match share is committed to a proposed FFAR project, the same funds must not be offered as a match on another award. Matching funds must be for specific project costs incurred during the project performance period. The match source, amount – cash and in-kind, project period and whether the match is restricted or unrestricted must be summarized in the budget justification.

## What is Allowable as A Match Share?

For cost sharing contributions to be accepted by FFAR, they must meet the following criteria:

- a. Be verifiable from the award recipient's records.
- b. Be used as a match contribution only once. Funds already committed as a match or dedicated to another project cannot be offered as a match.
- c. Be reasonable and necessary to accomplish the goals and objectives of the approved project.
- d. At least 50% of the match must be cash. When applicable, please refer to the Request for Application, as some opportunities only allow cash match or do not require applicants to provide a match.
- e. Not have been paid to the award recipient or third party from a federal source.
- f. Be included in the approved budget and budget justification narrative.
- g. Must be allowable ([2 CFR 200.403](#)), allocable ([2 CFR 200.405](#)), and reasonable ([2 CFR 200.404](#)) under applicable accounting cost principles.
  - i. Except for unrecovered indirect costs. FFAR allows indirect costs up to 15% of the total direct cost requested from FFFAR, and up to 15% of the required one-to-one institution match. This is an indirect cost rate applied to total direct costs from the award to be used for indirect costs by the institution. For match over the one-to-one requirement, the applicant is only required to fulfill the indirect cost allotment for the mandatory match. Unrecovered indirect cost, defined as the difference between an award recipient's federally negotiated indirect cost rate and FFAR's 15% indirect cost allotment, cannot be offered as a match contribution.
- h. The cost share must not supplant or duplicate existing costs included in the award recipient's facilities and administrative costs. Therefore, general administrative salaries, or facilities costs cannot be offered as a cost share.

- i. The cost must be specifically identifiable and benefit the proposed project during the performance period of the award.

## Documenting Matching Funds & Required Information

It is important that all matching funds documentation show how the pledged cash and in-kind matches are reasonable and necessary to execute the goals of the proposed research. Cost sharing commitments should be recorded prior to starting the proposed work; FFAR will not disburse award payments until all secured matching funds have been certified and approved. Below are some examples of what an applicant needs to document and retain in their records for some matching costs.

1. Salary – salaries charged to a proposed FFAR project must be recorded with the following documents:
  - a. Signed timesheets – showing time spent on the project
  - b. Payroll register and returns – showing project personnel hourly rate
  - c. Role on the project
2. Volunteer Time – time volunteered to the project is considered as in-kind match and should be supported by:
  - a. Signed timesheets – showing hours worked, role on the project, position description
  - b. Method for calculating the value of the volunteer effort – value must be reasonable and comparable to the fair market value
  - c. Personnel files, if applicable
3. Travel
  - a. Authorization/reimbursement requests
  - b. [Per diem rates](#)
  - c. [Mileage calculations](#)
  - d. Justification for the travel; it must be necessary to accomplish the project goals
4. Supplies
  - a. Purchase orders
  - b. Packing slips

- c. Paid receipts and invoices – must show the date, type of supply, and method of payment
- d. Statement on why the supply is necessary for the project

## Matching Requirements FAQs

1. Must the award recipient have the full required match secured prior to FFAR issuing an award?

Yes. All matching requirements must be met prior before FFAR will issue an award. The award recipient must show verification to FFAR that the match has been secured. Please note that upon an administrative review of the grant, some matching may be deemed unallowable and therefore additional matching resources may be required. In addition, matching certification from each matching partner will be required prior to issuing an Agreement.

2. If we anticipate receiving funds from another source in the future, can I count the anticipated funds toward the FFAR match?

No. The award recipient must have all match secured to be considered as a match share. No contingencies – unsecured, anticipated funds – will be considered. However, if additional match is obtained once the project is underway, FFAR will work with the Grantee to revise the project budget to include additional funds.

3. Can federal funds be offered as a match on FFAR proposed awards?

No. All FFAR matching contributions must come from non-federal sources.

4. Can funds provided from another sponsor for a similar project be offered as a match for a FFAR proposed project?

No. Funding already dedicated for a different sponsored activity cannot be offered and will not be accepted as a match. However, FFAR accepts rededicated match if sponsors can certify in writing that said funds will be designated as match for the FFAR proposal.

5. What are cash contributions?

A cash match is when the award recipient has an outlay of cash for the proposed grant activity – grant related travel, salaries, materials and supplies paid by the

award organization. Examples of cash match are salary and fringe benefits of project personnel in proportion to their efforts in the project and cost to purchase new equipment necessary for and directly used on the project.

6. What are in-kind contributions?

In-kind contributions are the value of non-cash contributions of services, volunteer time or third-party property directly benefiting and specifically identifiable to the project. The cost of the property or facilities space used by the award recipient cannot be offered of an in-kind match since this is included in the 15% indirect cost allotment. General administrative supplies and salaries are treated as facilities and administrative (F&A) expenses and are included in the 15% indirect cost allotment.

7. If an item is unallowable for federal awards, may we offer it as a match share?

No. If it is unallowable for federal funds, it would be unallowable as a match share. Although FFAR is not a federal agency, it is subjected to a Government Accountability office Audit, and thus, the rules on managing federal award funds are best practices to follow in managing FFAR award funds.

8. Can equipment be offered as a cash or in-kind match?

It depends. Existing equipment already owned by the award recipient or grantee institution cannot be offered as a match share. New equipment purchased specifically to accomplish the goals of a proposed FFAR project can be a cash match. Equipment donated to support the proposed FFAR award by a third-party may be offered as an in-kind match. For equipment donated by third parties, only the depreciated or project use charges may be offered as match. If the applicant would have otherwise paid for the use of the equipment, it will qualify as cash match; if the equipment is just donated, it will qualify as in-kind contribution. Also, if the equipment is loaned to the award recipient to support specific FFAR proposed award activities, then the depreciation or use charges may be offered as an in-kind match.

9. Can supplies be offered as match share?

It depends. Supplies are generally considered expendable equipment below the \$5,000 capitalization requirement. General office, laboratory, classroom or workshop supplies must not be offered as a match share because they are treated as an F&A expense. However, when the supplies are purchased specifically and directly to support a FFAR sponsored project, said supplies can be offered as a cash match. If



said supplies are donated, they will count as in-kind match. Examples of supplies are laboratory or computation notebooks, specialty tape for lab set up or sample labeling, chemicals, glassware, etc.

10. Can staff time be offered as a match?

Yes. Project personnel effort/salary can be offered as a cash match. The award recipient must provide documentation of each personnel's hourly rate, total hours on the project and role/task to be completed on the proposed project. Charging salaries over the [National Institute of Health \(NIH\) salary cap](#) is unallowable by the [e-CFR](#). Therefore, a project's personnel salary over the NIH cap cannot be offered as a match.

11. Can unpaid summer months for faculty and staff with a nine-month faculty appointment be a match contribution?

No, this is unallowable under the [e-CFR](#). A university staff's 100% effort is comprised of activities they are paid for by the institution. Unpaid summer months are not within the staff's 100% effort and therefore cannot be offered as a match share.

12. Can unpaid professional personnel effort be offered as a match?

It depends. Effort by professional unpaid personnel can be offered as a third-party's in-kind match. The value of their professional services, hours spent on the project and role on the project must be necessary to accomplish the goals of the project and adequately documented. Professional services are services that require specialized training, such as legal, medical, accounting or engineering services. Unpaid personnel services that do not require specialized skills cannot be offered as a match. Rates paid for such services should be comparable to the fair market value for similar services in the labor market. These employees must be crucial to achieving the goals of the proposed project.

13. Can travel expenses be offered as match?

Travel expenses can be offered as a cash match only if the travel is reasonable and necessary to accomplish the goals and objectives of the proposed FFAR award.

14. Can the cost of space used by the award recipient be offered as a match?

No. This cost is already included in the 10% F&A allotment.

15. Can unrecovered indirect cost be used as a match contribution?

No. The difference between FFAR's 15% indirect cost allotment and the awardee's federally negotiated indirect cost rate cannot be offered as a match.

16. Can tuition be offered as a match?

Tuition is unallowable as match. Any costs that are unallowable under the federal budget cannot be offered as a matching contribution. Please refer to the [e-CFR Uniform Guidance 2 CFR 200 Subpart E](#), for detailed information on the various costs.

17. Can tuition remission for graduate students directly working on the FFAR project be offered as a match?

Yes. Since tuition remission for graduate students serving at least one-third of their time as project assistant, research assistant or teaching assistant is a portion of their total compensation package, it can be offered as a cash match. Note that FFAR will only reimburse tuition remission in the proportion of effort spent on the FFAR award by the graduate student.

18. Can a sub-awardee offer match contribution?

Yes. Match contributions committed by sub-awardees must be included in the sub-award budget. Sub-award recipients must also track and document and fulfill their match commitment. The prime award recipient is responsible for ensuring that sub-awardees fulfill their match commitments.

19. Can space donated by a third-party be an in-kind match contribution?

The fair market value of space donated by a third-party that is reasonable and specifically benefits the proposed project can be offered as an in-kind contribution. The value must be comparable to similar private rental properties in the same area.

20. What information should be included in the Matching Details Form (Attachment C)?<sup>2</sup>

The following information must be available in every certificate of matching funds:

- Project Title

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<sup>2</sup> If applicable, please refer to the Request for Application for details on required information for documenting match.

- b. Period of Performance
- c. PI's Full Name
- d. Name of the recipient's Authorized Signing Official
- e. Signature and date
- f. Donor Name
- g. Donor address and telephone number
- h. Dollar amount of cash match contribution
- i. Dollar amount of in-kind match contribution
- j. A statement from the donor on whether the recipient/applicant is restricted or unrestricted in how they use the match contribution. If restricted, the donor should specify the restriction
- k. A statement from the donor that their match contribution will be made during the grant period of performance
- l. Name of the Donor Authorized Signing Official
- m. Signature and date

Areas in the document that are not applicable should be marked N/A. The applicant must provide a Matching Details Form (Attachment C) for each matching funds donor.

**21. Where can I find the Matching Certification Forms (Attachments B & C) for the project?**

All forms regarding match verification and certification can be found on [FFAR's website](#).

## Consequences For Non-Compliance

Award recipients who fail to comply with the cost sharing requirements relating to allowability, allocability, reasonableness, valuation and documentation of cost sharing contributions may face the following actions from FFAR, including but not limited to:

- a. Request reimbursement of FFAR funds already expended;
- b. Withholding current and future award payments pending compliance with the matching requirements;
- c. Disallowing all or part of the cost associated with the noncompliant expenditure, including denying use of FFAR funds and associated cost share;
- d. Suspending or terminating the award; and/or
- e. Other legal actions, as necessary.