



Fiscal Policies

Federal Grant Match & Leverage Policy

POLICY #:	<i>F-2012, Rev. 2</i>
EFFECTIVE:	<i>February 27, 2025</i>
SUPERSEDES:	<i>Match and Leverage Policy, Rev. 1, effective January 19, 2023</i>

PURPOSE:

This policy communicates WorkForce Central's requirements for reporting match and leveraged costs utilized to accomplish federally funded projects and program objectives.

This policy was revised to:

- Update the policy title to align with the intent of the policy.
- Align with the updated Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- Non-substantial edits for clarity.

BACKGROUND:

WorkForce Central's federal match and leverage reporting requirements are codified in 2 CFR Part 200, Section 200.306 – Cost Sharing or Matching of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and 29 CFR 97.24 and 29 CFR 95.23.

POLICY:

For all federal awards, the federal agency or pass-through entity must accept any cost sharing funds (including cash and third-party in-kind contributions and funds committed by the recipient, subrecipient, or third parties) as part of the recipient's or subrecipient's contributions to the program. WorkForce Central's federal grant match and leverage costs must:

- Be reasonable and allowable under 2 CFR 200 Subpart E – Cost Principles and necessary for accomplishment of the project or program objectives.
- Be verifiable from WorkForce Central's records.
- Not included as contributions for any other federal awards.
- 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 another federal program.

- Be provided for in the approved budget when required by the federal awarding agency.
- Be included in required funder reports.
- Conform to other provisions, as applicable.

Value of Contributions

Values for recipient and subrecipient contributions of services and property must be established in accordance with the cost principles in 2 CFR 200 Subpart E – Cost Principles.

Third party in-kind contributions for goods and services must be of fair market value, be documented, and to the extent feasible, supported by the same methods used by WorkForce Central.

Volunteer services furnished by third-party professional and technical personnel, consultants, and other labor may be counted as cost sharing or matching if the service is necessary for the program. Rates for third-party volunteer services must be consistent with those paid for similar work by WorkForce Central or those paid for similar work in the local labor market. Paid fringe benefits that are reasonable, necessary, allocable and otherwise allowable may be included in the valuation.

When a third-party organization furnishes the services of an employee, these services must be valued at the employee's regular rate of pay plus an amount of fringe benefits that is reasonable, necessary, allocable, and otherwise allowable, and indirect costs at either the third-party organization's approved federally negotiated indirect cost rate or a rate in accordance with 200.414(d) provided these services employ the same skills for which the employee is normally paid. Where donated services are treated as indirect costs, indirect cost rates will separate the value of the donated services so that reimbursement for the donated services will not be made.

Donated property from third parties may include such items as equipment, office supplies, laboratory supplies, or workshop and classroom supplies. The assessed value of donated property included as cost sharing must not exceed the property's fair market value at the time of the donation.

The method used for determining the value of donated equipment, buildings and land for which title passes to the recipient or subrecipient may differ according to the following:

- If the purpose of the federal award is to assist the recipient or subrecipient in the acquisition of equipment, buildings or land, the aggregate value of the donate property may be claimed as cost sharing or matching.

- If the purpose of the federal award is to support activities that require the use of equipment, buildings or land, only depreciation charges for equipment and buildings may be made. However, the fair market value of equipment or other capital assets and fair rental charges for land may be allowed if provided in the terms and conditions of the federal award.

The value of donated property must be determined in accordance with the usual accounting policies of recipient or subrecipient with the following qualifications:

- The value of donated land and buildings must not exceed its fair market value at the time of donation as established by an independent appraiser (e.g., certified real property appraiser or General Services Administration representative) and certified by authorized WorkForce Central staff.
- The value of donated equipment must not exceed the fair market value at the time of donation.
- The value of donated space must not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately owned building in the same locality.
- The value of loaned equipment must not exceed its fair rental value.

When a federal agency or pass-through entity authorizes the recipient or subrecipient to donate buildings or land for construction/facilities acquisition projects or long-term use, the value of the donated property for cost sharing must be the lesser of:

- The value of the remaining life of the property recorded in the recipient's or subrecipient's accounting records at the time of donation.
- The current fair market value. However, when there is sufficient justification, the federal agency or pass-through entity may approve using the current fair market value of the donated property, even if it exceeds the value described in the above paragraph at the time of donation.

Unrecovered indirect costs, including indirect costs on sharing or matching may be included as part of cost sharing or matching only with prior approval of the federal awarding agency. Unrecovered indirect cost means the difference between the amount charged to the federal award and the amount which could have been charged to the federal award under WorkForce Central's approved negotiated indirect cost rate.



REFERENCES:

- 2 CFR 200.306 – Cost Sharing or Matching
- 2 CFR 200.420 – Considerations for selected items of cost
- 29 CFR 97.24
- 29 CFR 95.23

WorkForce Central is an equal opportunity employer/program. Auxiliary aids and services are available upon request for individuals with disabilities. Washington Relay Service – 711.