Montana Trail Stewardship Grant Program

FAQS ABOUT MATCH, FINANCIAL TRACKING, AND REQUIRED FORMS

What is Match?

Match contributions are project costs that are *not* paid by subaward or award funds. Rather, they are paid by you (the recipient) or a third party (a project partner or beneficiary). Match is also known as "cost share" because you are sharing in the government's costs for your project.

There are two types of match:

Cash match is a contribution of actual cash to the project or a project-related expense that can be verified. It can range from cash donations, to funds from a grant or loan program, to state or local appropriations, to corporate contributions. It can also include the costs of employee salaries and benefits, the supplies you buy, or the cost of hiring a contractor — whether paid by you, your project partners, or beneficiaries.

In-kind match is a non-cash contribution. Donations may take the form of supplies, facilities, services, equipment, travel, indirect costs on a per-program basis, or volunteer labor.

Whether cash or in-kind, every match contribution must clearly support your project.

What can NOT be considered as match in the Outdoor Recreation Programs?

- ▶ For any Outdoor Recreation grant program, match provided via another Outdoor Recreation grant award must be clearly noted at the time of application.
- ▶ For any Outdoor Recreation grant program, match must be confirmed at the time of application. This means that proposing match from a non-confirmed, non-awarded grant is not allowable.
- ▶ For any Outdoor Recreation grant program, if the recipient is internal (a state park, Montana WILD, a regional office, etc.), all match needs to be verified by the Financial Assistance and Compliance Bureau prior to submitting a grant application. No match can be drawn from cost pools funded through federal indirect cost shares (FWP Design and Construction, for example).
- ▶ All match must be approved at the time of award by being incorporated into the award agreement to be used as match for the project. Budgets, including matching expenses, may be adjusted post-award, but expenses must be approved by the program manager before being incurred.

How do I assign value to cash match?

When it comes to cash match, there is either actual cash or a verifiable expense for the item, so the process of determining the value of match contribution is usually straightforward.
Personnel costs: if you (or a project partner) contribute an employee's time to help on the project, the contribution should be valued at the employer's actual cost of the salaries/wages/benefits. That is, it should include both compensations paid to the employee and the employer's payroll costs (taxes, workers comp, and insurance) per employee. The value can be stated as an hourly or daily cost.

How do I determine a value for in-kind match?

In-kind contributions usually do not have a known dollar cost, but an estimate of value can be arrived at based on market rates or the cost of similar items. A rule of thumb is to consider what a reasonable and prudent person would pay for the item.

General Expenses are generally valued at fair market value at the time of donation. Sometimes this means the price you would pay if you were to purchase the item. Other times, it's more appropriate to consider the cost of renting or using the item for a short period of time. Examples of expenses include supplies or materials; the use of office space, a conference room, or other facility; the use of equipment; and donated services.

Overhead, facilities and administration rate, or indirect costs represent the expenses of doing business that are not readily identified with a particular grant, contract, or project function. Examples include rent and utilities, accounting department costs and personnel department costs, executive salaries, etc.

- ▶ **For Montana Trail Stewardship Grant Program (MTSGP):** administrative costs can be reimbursed as up to 7% of the grant request. They cannot be used as match.

Travel expenses have set values. Meal and lodging costs are determined by the State of Montana and are updated on a regular basis. Mileage expenses are reimbursed at the federal rate set by the IRS.

Volunteer labor cost estimates are used when a person is not being paid for their time by your organization or other project partners. There are two types of volunteer labor:

- ▶ Skilled volunteer labor is when a volunteer provides labor in a specialized field that they are qualified to provide. For instance, if an attorney spent 5 hours volunteering legal services, those hours would be valued at the regular legal fee rate. That legal fee rate would need to be supported. If that same attorney spent 5 hours providing trail maintenance, those hours would be considered general volunteer labor instead of skilled.
- ▶ **General volunteer labor** is when a person provides labor for standard, general work that they are not an expert in. FWP uses a set rate for this labor. Currently, that rate is $25 per hour for calendar year 2022.

What to record when keeping track of match and expenses to be reimbursed?

- ▶ **Who:** Who did it, provided it, or paid for it, and on whose behalf?
- ▶ **What:** What was done, purchased, or donated?
- ▶ **Why:** Why is it being included? How did it benefit the project?
- ▶ **When:** When did the activity occur? When was the expense incurred and paid?
- ▶ **How Much?** What is the dollar value of the match and how did you arrive at the number?

How do I document match and expenses?

Match and reimbursed expenses require the same documentation. Examples of documentation, by category, are as follows:

- ▶ **Salary/Wages/Benefits:** Timesheets, pay stubs, cancelled checks, payroll records, or combined spending records. Costs for the project must be highlighted, identified, or tracked if an entire

timesheet, paystub, or payroll record does not directly tie to the funded project. If match and reimbursed expenses are split on any record (for instance, if one employee's total timesheet was for the total project, and 90% was requested for reimbursement and 10% was provided as match), this split must be clearly identified.

▶ **General Expenses:** Invoices, receipts, check stubs, and financial reports.

▶ **Overhead, Facilities and Administration, Administrative, or Indirect Costs:** For non-federal awards (MTSGP), no supporting documentation is required.

▶ **Payments to Contractors:** Documentation that procurement processes have been followed. Invoices, receipts, contracts, check stubs, and financial reports.

▶ **Volunteer Time:** The Outdoor Recreation programs require specific logs to be completed by volunteers to track general volunteer labor. These logs may also be used to track skilled volunteer labor. Documentation to support the skilled volunteer labor rate will be required as well. These logs are available on the Outdoor Recreation programs webpages.

▶ **Donated Goods and Services:** Documentation of how you arrived at fair market value. Generally, this is in the form of a $0 invoice from the donor of the good or service showing the value of the good or service.

▶ **Grooming:** Grooming match and reimbursed expenses must be captured through grooming logs. These grooming logs are available on our Outdoor Recreation program webpages.

- **Note:** Grooming logs capture the activity of running the machines. The cost of running the machine is the grooming rate. If volunteers are running the groomers, their hours to do so may also be captured via the standard volunteer rate. Hybridized logs, where grooming and volunteer hours can be captured simultaneously, may be requested of, and approved by the program manager.

- **Note:** Grooming logs and rates may *only* be used when the groomer machines are actively performing work. They may not be used when the groomer is being transported to a location, when work is being done on the groomer, etc. However, if a volunteer is transporting the groomer or conducting maintenance work, the volunteer's labor may be counted via the volunteer logs.

As you assemble your match and reimbursed expenses documentation, consider whether an independent person, such as an auditor or program manager, could look at your records and reconstruct what happened. Narratives *explaining* what happened and summarizing expenses and match are encouraged.