

GEAR UP IN-KIND MATCH GUIDE

Documentation

All funds and in-kind services used as match must be accurately documented using the GEAR UP In-Kind/Matching Funds Form and signed by the person or organization making the donation. Only funds or services directly benefiting GEAR UP students will be counted as match. **All matching contributions must be documented and verifiable.**

To avoid a potential audit penalty, the kind of funds used as match (school district general funds, private funds, or in-kind match) should be noted in the supporting documentation. Expenditure reports from the school's accounting system, invoices, time and effort logs, timesheets, and activity sign-in sheets/logs that document the date and activity/purpose are the types of documents that need to be sent with the school's final report.

Please include the In-Kind/Match at the bottom of your invoice for each billing period. Keep all related documentation in for your records.

Dollar-for-dollar match definition

Section 404(b) of the Higher Education Act requires that at least 50 percent of the total cost of a GEAR UP project is paid with State, local, institutional, or private funds. That is, for each dollar of Federal funds received, at least one dollar of State or non-Federal funds must be contributed. Matching contributions can be in the form of *cash* or *documented in-kind contributions*. This match requirement relates to actual funds spent, not on the total funds granted.

Although GEAR UP schools are not required to provide dollar-for-dollar match, GEAR UP asks that each GEAR UP school provide as much documentable match as possible. This will assist the state in reaching the match required to continue receiving federal funds.

Overall match

Contributions are matched "overall" as opposed to category-for-category.

Source of matching contributions

Matching contributions may be made from any non-Federal source, including non-Federal grants. Matching or cost-sharing requirements may be satisfied by (1) any necessary and reasonable costs paid by the grantee and verifiable in the accounting records; or (2) the value of third party in-kind contributions.

Exception to the rule

If a school is located on an Indian Reservation and the school receives federal funds "in lieu of taxes," those federal funds may be used as matching contributions. A good question to ask when trying to determine if a specific item or activity qualifies as allowable match is:

"Does the GEAR UP program benefit in any way from this activity or expense and how can I document it?"

Matching contributions can be counted only one time

A matching contribution may be counted as cost-sharing towards only one Federal project. If a grantee has multiple Federal grants, the same contributions cannot be counted as cost-sharing for two or more Federal grants.

Matching contributions must be incurred solely to advance the GEAR UP project

If matching contributions benefit both a GEAR UP project and another project or entity, the matching contribution must be credited in the proportion that it benefits the GEAR UP project. For example, if a GEAR UP school hires a tutor to work with both GEAR UP students and students that are not in the GEAR UP program, only the time spent with the GEAR UP students may be counted as match.

Matching contributions cannot be shifted from one project to another

Schools that have more than one Federal grant must document match separately for each grant. Matching contributions cannot be shifted from one project to another.

Matching contributions must occur during the grant period

Reported matching contributions must occur during the same year as the grant.

Teacher time can ONLY be used when time is strictly related to GEAR UP outside the contract day.

Valuation of in-kind contributions

“In-kind” refers to contributions that occur which are valuable to the program but for which NO CASH exchanges hands and no expenditures are recorded in the school’s accounting records. In most cases, in-kind matching contributions are made by third parties for services, supplies, travel expenses, or facility usage for GEAR UP-related activities. All in-kind matching contributions must be supported by documentation that shows how the value of the contribution was derived.

- If the in-kind match relates to volunteer services, a description of the activity as well as type of duties performed, date of the activity, name and signature of the volunteer, and the number of hours worked must be noted.
- Volunteer services furnished by professionals, technical personnel, consultants, and other skilled workers may be counted as match if the service is a necessary part of the program. For example, professionals (doctors, lawyers, etc.) volunteering at a career fair or in a job-shadowing program may be matched at their professional salary. Rates for professional volunteer services must be consistent with those paid for similar work in the local labor market.
- Reasonable, allowable, and allocable fringe benefits may be added to the valuation of the match.
- During the planning process of events, be thinking about match. Gather as much information or supporting documentation prior to the event as possible.
- When an employer furnishes the services of an employee, these services shall be valued at that employee’s regular rate of pay.
- Equipment usage is an allowable matching expenditure. The valuation of equipment usage is based on usage hours and fair market value.

School's Approved Indirect Cost Rate Used as Match

An indirect cost (IDC) is a cost incurred for a common or joint purpose benefiting more than one cost objective but not readily assignable to the specific programs benefited. IDCs are pooled and charged by allocation to various programs.

GEAR UP federal requirements state that a GEAR UP grantee may charge as match indirect costs of eight percent (8%) or the grantee's negotiated indirect cost rate – **whichever is less** – of allowable GEAR UP federal funds expended. The grantee must have an approved indirect cost rate agreement in order to use this as qualifying match, and a copy of this approved rate must be included in the match documentation submitted with the school's final fiscal closeout report.

- Examples: A school spent a total of \$18,546 in actual expenditures from its GEARUP grant. The school's approved indirect cost rate is 12 percent, so it can only use eight percent in this calculation as eight percent is the lesser.
- *School's total GEAR UP actual expenditures: \$18,546.00 Eight percent indirect cost rate: X 0.08 Allowable indirect match: \$ 1,483.68*
- However, if the school's approved indirect cost rate is only 2.5 percent, it can only use this 2.5% rate, as it is the lesser.
- *School's total GEAR UP actual expenditures: \$18,546.00 School's approved indirect cost rate: X 0.025 Allowable indirect match: \$ 463.65*

All other services provided by the school must be **specifically identified** to be used as match. For example, the School Clerk's time spent preparing GEAR UP mid-year and final fiscal closeout reports could be counted for additional match because the actual time can be identified. In contrast, an Information Technician would probably be part of the indirect costs unless that person specifically worked on computers or software that meets the GEAR UP goals and objectives (i.e., PLATO, JASON, MCIS, etc.).

Facility Usage

Only areas of the school that can be identified as regular/daily use in the GEAR UP program can be captured as match using the annual depreciation expense for the building times the percentage of total square footage occupied – which is the square footage of the room used divided by the total square footage of the building. The depreciation expense can be found in the school's annual trustee financial summary report. Please identify each area individually showing the details of the calculation and a short description on why it qualifies as match.

- **Site Coordinator office space always qualifies as match.** The school signed a Partnership Agreement stating that the school will provide office space for the GEAR UP Site Coordinator. Therefore, this space automatically qualifies as match, whether the space is an actual office or the use of a classroom after or between class offerings. The actual size of the room can be used for this calculation, or an eight foot by 12 foot space would be reasonable.

- Areas such as Computer Labs or classrooms can also be counted as match if they are used on a daily basis for GEAR UP activities.
- Once a percentage of space is determined for each area identified as regularly used for GEAR UP activities, that percentage can also be used to capture match for utility costs and custodial costs associated with the space.
 - Example: Annual utility cost associated with the liaison's office space equals total annual utility costs times percentage of space used. Annual custodial cost associated with the site coordinator's office space equals total annual custodial costs times percentage of space used.
- Facility Use donated by a third party (College Campuses) is allowed as match and can be based on a per hour rate, as long as the Third Party has signed the In-Kind Form and a copy of their rates are attached.

Bus Usage

The use of a bus and bus driver's time can be counted as match for travel outside the normal daily school delivery. However, most after-school programs would fall under normal school delivery. There are two ways this rate can be determined, but a school must choose one option and use it consistently over the total grant period. Either:

- **Daily Usage Rate** is a flat rate for the use of a bus. The company that owns the school buses can determine this rate; www.busbank.com can be visited for current rates, or a privately-operated bus company can be called to obtain a quote on Chartered Bus Services. If a school uses a flat rate, it can also include the actual gas expenses for the trip; fuel receipts would therefore be required; or
- **Mileage Rate** is a rate that is applied to the total number of miles traveled. This rate takes into account maintenance costs on the bus and the cost to operate the bus, so gasoline costs would not be counted. The company owning and operating a school's buses would establish this rate.

College Visits and Special Events

A large portion of matching contributions can come from college visits and special events. Remember to keep copies of program documents as supporting documentation such as agendas, flyers, notices of events, printed programs, invitations, etc.

Other sources of allowable match

Educational resources and supplies used by the program but paid by non-federal funds or donated by a private party.

Office equipment and specialized equipment for specific activities i.e., sound system, microphones for special assemblies.

Time spent by volunteers on tutoring, mentoring, assisting with program activities, giving motivational speeches that encourage higher academic achievement, or presenting information about college options and financial aid.

Additional professional development activities for teachers and others initiated through GEAR UP but not paid with GEAR UP funds.

- Day care services provided for GEAR UP events.
- Internships or summer jobs provided to participating students.
- Annual licenses or start-up costs for software and/or databases used to capture required student information.
- Parental involvement and award activities: Kitchen staff preparation and serving time can be counted as match, as well as janitor time for cleanup. If food for the activity is not being paid with GEAR UP funds, it can be used as match.
- Funds raised by clubs and other non-federally funded programs offered in the school which meet the goals and objectives of GEAR UP may be used as match, as can costs associated with supplies, advisor time, etc. However, federally funded programs such as Talent Search and 21st Century can not be used as match.