






INDIANA  
**WORKFORCE**  
DEVELOPMENT  
AND ITS **WorkOne** CENTERS

**TO:** Indiana's Workforce Investment System  
North Central Indiana WIRED Director  
Southwest Indiana WIRED Director  
All Other Applicable Sub-Grantees

**FROM:** Teresa L. Voors   
Commissioner, Indiana Department of Workforce Development

**THROUGH:** Scott Sanders  
Chief Financial Officer 

**THROUGH:** Dustin Stohler   
Deputy Commissioner, Legal Affairs and Administration

**DATE:** October 23, 2008

**SUBJECT:** DWD Policy 2008-10  
Federal Guidelines for Match and Leveraging Funds for  
Indiana Department of Workforce Development Grantees

**Purpose**

To define and address the requirements for match and/or leveraging funds for all Indiana Department of Workforce Development (IDWD) grantees

**Rescission**

None

**Contents**

**Definition of Match Funds**

Match is defined in the Uniform Administrative Requirements applicable to Employment and Training Administration (ETA) grants at 29 CFR 97.24 and 29 CFR 95.23. Match is defined as additional non-Federal resources expended to further the grant objectives, if required either by statute or within the grant agreement as a condition of funding. All matching funds must be spent on allowable grant activities and in accordance with the cost principles. The grantee cannot claim both an allowable cost (to be reimbursed from grant revenue) and a match expenditure.

In order to qualify as match, the costs cannot have been paid from Federal funds, been charged to program income or used to match other Federal match requirements, nor have been for costs that are unallowable under grant regulations. Records must be maintained that support the cash match costs within the grantee's accounting system and be available for audit and review. For third party contributions, the support for the value must be verifiable from subgrantee records or be maintained by the grantee, including the methods used to determine the value.

Match may be required by statute or as a condition of funding (reflected in the grant agreement). If match is required, it will be reflected on the SF-424A budget report between the Indiana Department of Workforce Development and the Federal funding source and reported on the Federal Financial Report by the Department. Indiana Department of Workforce Development grantees will include the match in their budget and report it to the Indiana Department of Workforce Development in the manner designated by the Department, not less than quarterly. In the event that required match is not met, reimbursement for grant expenses will be reduced on a dollar for dollar basis.

There are two types of match expenditures: cash and in-kind contributions. Cash match reflects additional funds or services (allowable costs) provided and paid for by the grantee from non-Federal funds that are in support of grant objectives and outcomes. The value of the cash match is the actual costs incurred as reflected in the grantee's accounting system. In-kind contributions are allowable costs and services that are not paid by the grantee, but rather a third party organization. Again, these costs and services must support allowable grant activity and outcomes. The rules that apply to determining the value of such services are found in the Federal Regulations at 29 CFR 97.24(b)(7) and 95.23(c-h). Examples of in-kind contributions would be personal services provided by volunteers or paid non-grantee staff, equipment and supplies, or space provided by another organization at no cost to the grant.

Match funds that are reported in excess of required match funds, and have been audited, may be used to substitute for any questioned or disallowed costs.

#### **Definition of Leveraged Resources**

Leveraged resources are not defined in regulation or any related administrative requirements. However, the Indiana Department of Workforce Development has adopted the United States Department of Labor Employment and Training Administration's definition. Leveraged resources mean "all resources used by the grantee to support grant activity and outcomes, whether or not those resources meet the standards required for match." (ETA Fiscal Training Paper entitled "A Discussion of Match and Leveraging Resources")

Leveraged resources mean both allowable match and other costs that do not rise to the requirements of the match regulations, but which support the outcomes of grant activity. All leveraged resources must be expended on costs that are allowable under the OMB Circulars and used to further grant activity and outcomes. The costs of leveraged resources may be paid for with either Federal or non-Federal funds.

Leveraged resources that are submitted in a proposal or grant must be reported to the Indiana Department of Workforce Development in the manner designated by the Department, not less than quarterly. Leveraged resources that are not required by proposal or grant should be reported in the same manner so that the Indiana Department of Workforce Development can utilize the total support for the program to calculate the actual cost of a project.

Both match funds and leveraging funds must be on the general ledger of the agency where the match or leveraging funds are initiated. They do not have to be on the general ledger of the grantor. For example, if a service provider supplies match, they would report it to the Regional Operator, and then to the Indiana Department of Workforce Development. The match need only be on the service provider general ledger.

**Review Date**

October 1, 2010

**Ownership**

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**Effective Date**

Immediately

**Action**

All Indiana Department of Workforce Development grantees should be cognizant of these required guidelines regarding match and leveraging with their grants. Questions regarding this policy should be addressed to the IDWD Director of Analysis and Reconciliation.