

The Guide to Non-Federal Share for Head Start Agencies

By Learning Genie



Cost Sharing or Matching

When the federal government provides financial assistance, it may fund the entire cost of the activity, or it may require the grantee to provide additional assistance. Thus, a program statute may provide for full funding or financing by a mix of federal and non-federal funds.

Matching requirements are often intended to assure local interest and stimulate increased activity on the part of the recipient. Once the award is accepted, the grantee is committed to provide the non- federal share.

Failure to do so could result in the disallowance of some or all otherwise allowable federal costs, as well as a loss of the award.





Cost Sharing or Matching

Both Head Start and Early Head Start require a non-federal contribution of 20 percent of the total project costs. The 20 percent equates to 25 percent of the federal funds expended.

Any combination of cash expended, or in-kind contributions may be used to meet the matching requirement. The matching requirement is for the budget period or program year. The cash match is counted when spent on allowable program costs, not when received.

In-kind match is counted when the services are provided or when the donated goods are used.

All matching contributions need to be documented by the grantee. Contributions used to match other federal funds cannot be used to match Head Start funds.

The contributions must be necessary and reasonable for operations and allowable under the applicable cost principles.

In other words, if the grantee could not pay the cost with Head Start funds, the cost cannot be used to meet the matching requirement.

There are exceptions to this rule. One exception would be the time spent by board and policy council members.

Members are not normally reimbursed for their time. However, the time may be valued to meet the matching requirement.



Value of In-Kind and Donated Services



Value of In-Kind and Donated Services

The value of in-kind contributions should be based on what the grantee would have paid had it purchased the allowable goods or services. For example, if volunteers paint a classroom, the value should be based on what the grantee would have paid to have the room painted.

The value of donated services must be based on the nature of the service provided. An example is a dentist's donated services to a Head Start program. The value would be based on his/her regular fees, assuming he/she is providing dental services to the children. If the dentist volunteers to do something else, the value of his/her time should be based on the rate of that service.

If the dentist volunteers as a classroom aide, the value would be the same as the amount an aide is paid, including fringe benefits.



Value of In-Kind and Donated Services



Volunteer services are services not paid for by the grantee. Professional and technical personnel, consultants, and other skilled and unskilled persons normally furnish volunteer services. Fringe benefits may be included when determining the value of volunteer services.

For volunteer services to be counted as in-kind, the services would have to be otherwise purchased or provided by salaried personnel. Also, the duties of the volunteer must be controlled by the organization, and the value of the service performed must be measurable and beneficial to the Head Start program.



Value of In-Kind and Donated Services

Rates for volunteers should be determined using the rates paid for similar work by the organization. If the kinds of skills involved are not found in the organization, the rate should be consistent with those paid for similar work in the community. If someone donates the services of an employee, the value would be the employee's regular rate of pay, provided the service is the same skill for which the employee is normally paid. If the services are not the same skill, the value should be computed the same as for volunteers.

If a volunteer's time is being paid for under another federal grant, it may not be used for match, nor may volunteer's time be used to match more than one grant. Grantees are required to maintain records that support in-kind contributions. Reviewers must be able to verify the amounts claimed as the non-federal share from the records.

Also, these records must show the basis for the value placed on the in-kind contribution.

Volunteer services should be documented, to the extent feasible, by the same method used for the grantee's employees, including time records.

The documentation should include the signature of the volunteer, the day of service, hours, and service performed.

The following illustrates (1) the most common errors Head Start programs make in using non-federal share resources, (2) critical points to remember in using non-federal share, and (3) examples of non-federal share contributions.

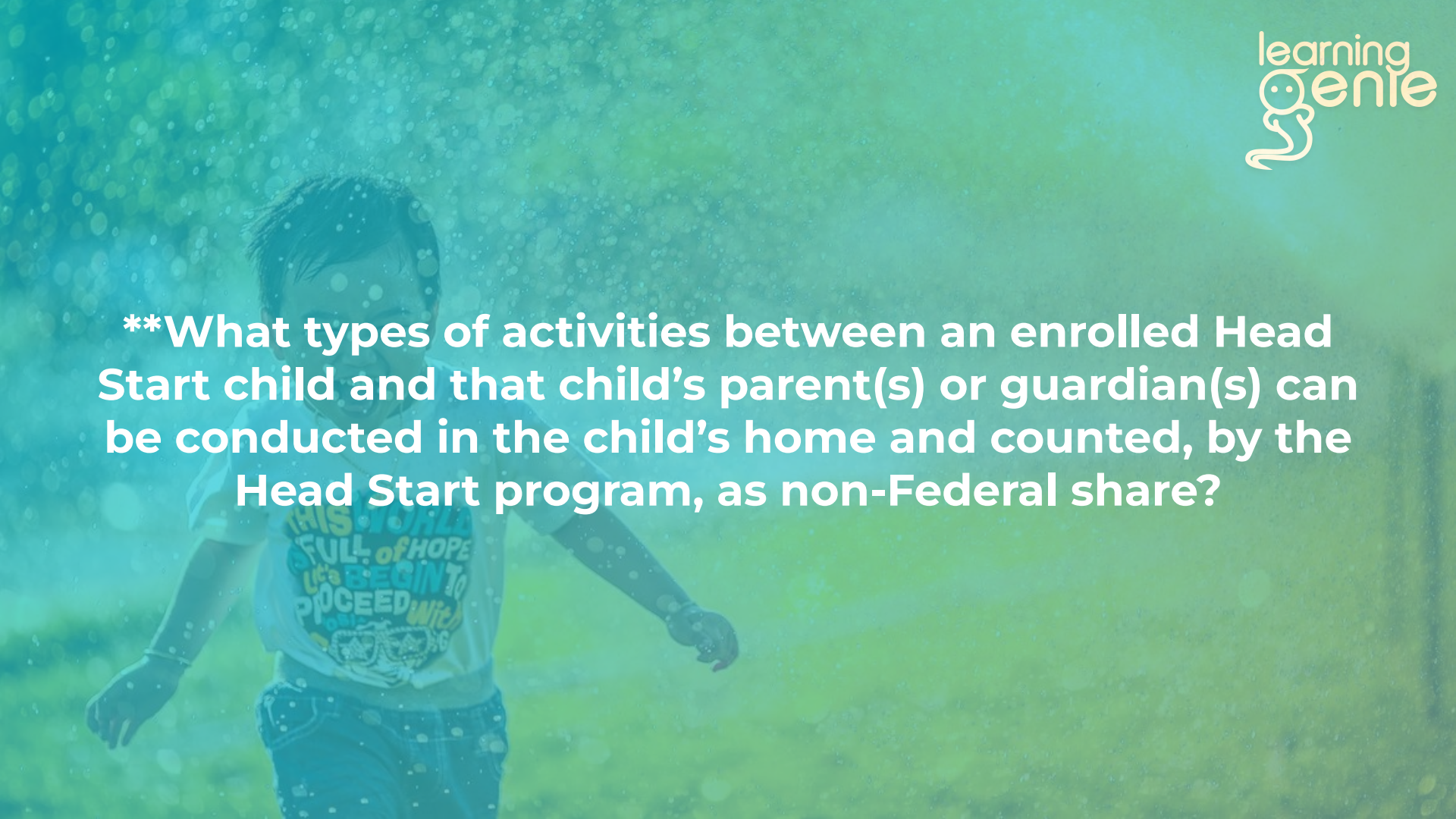
The background of the slide is a teal-tinted photograph of a woman sitting at a desk. She is looking down at a laptop, with her hand resting on her forehead in a gesture of stress or frustration. A computer mouse is visible on the desk in the foreground. The overall mood is one of professional exhaustion or confusion.

10 Common Errors Regarding Non-Federal Share



Value of In-Kind and Donated Services

1. Inadequate or no documentation
2. Overvaluing the donation of goods or services
3. Including items that would not be allowable costs
4. Matching one grant fund with funds from another
5. Using match funds for more than one grant
6. Valuing donations that were purchased with federal funds
7. Counting items that are furnished for personal use such as food and clothing
8. Including transportation by parents for personal convenience or transportation of employee's children by the employee
9. Not obtaining an independent valuation of donated land or space
10. Including time spent by parents on activities in the home not related to activities assigned by the teacher.

A young boy with dark hair is running towards the camera in a grassy field. He is wearing a white t-shirt with a colorful graphic that says 'THIS WORLD IS FULL OF HOPE let's BEGIN to PROCEED with DREAMS' and blue jeans. The background is a soft-focus green field under a bright sky. The entire image has a semi-transparent teal overlay.

****What types of activities between an enrolled Head Start child and that child's parent(s) or guardian(s) can be conducted in the child's home and counted, by the Head Start program, as non-Federal share?**



Value of In-Kind and Donated Services

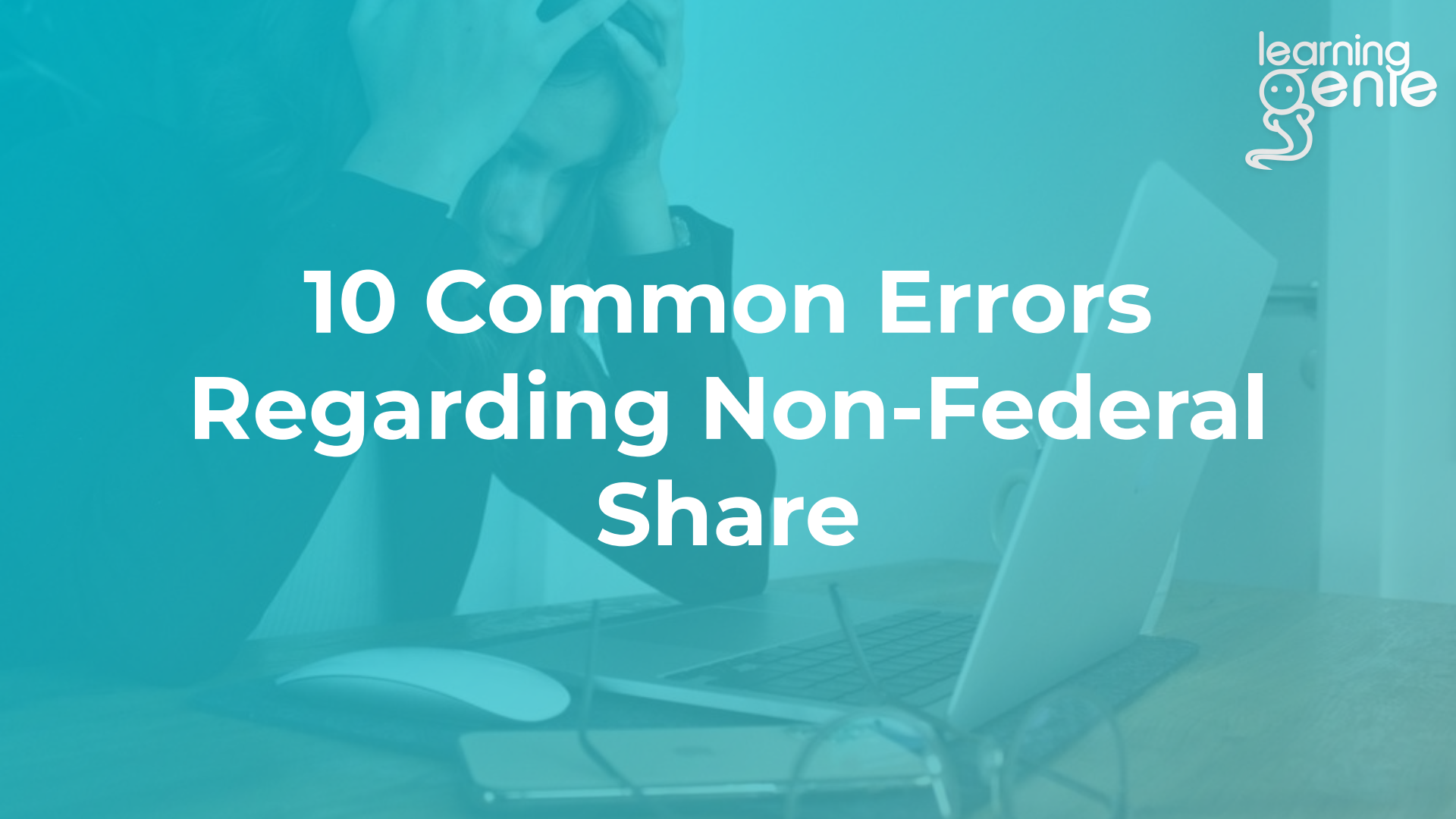
If a Head Start child's teacher (or home visitor) provides the child's parents with written plans or guidance as to the types of activities that need to be done with the child at home in order to support the child's Head Start experience these activities may, when fairly valued, be counted as Non-Federal share.

The "countability" of the parent's efforts hinge on doing things with the enrolled child that support the child's Head Start experience, that are articulated by the teacher (or home visitor) and that support the curriculum used by the program. General parenting duties do not constitute activities that can be counted as non-Federal share, unless these activities meet the requirements noted above.

***The valuation of the parent's time should, unless a program can demonstrate otherwise, be valued at the rate of a teacher's assistant.

May HS agencies claim Non-Federal match for the value of the volunteer services of governing body and policy council members?

Head Start agencies may claim non-federal match for the value of the volunteer services of policy council members, however, they may not count services of the governing board.

The background of the slide is a photograph of a person sitting at a desk, looking down at a laptop. The person's hands are near their face, possibly resting their head. The entire image is overlaid with a semi-transparent teal color. In the center of the image, the title '10 Common Errors Regarding Non-Federal Share' is written in a large, bold, white sans-serif font.

10 Common Errors Regarding Non-Federal Share



5 Critical Points to Remember

Non-federal share must:

1. Be something that could be charged to Head Start (allowable cost)
2. Not used as a match for other grants
3. Be adequately documented
4. Value should be based on what it would have cost if purchased
5. Base the value of volunteer services on the nature of the service provided

The background of the slide is a photograph of two hands cupped together, holding a small pile of coins. The hands are positioned in the center of the frame. The entire image is overlaid with a semi-transparent teal filter. The text 'Examples of Non-Federal Share Contributions' is written in white, bold, sans-serif font across the middle of the image, partially obscuring the hands and coins.

Examples of Non-Federal Share Contributions



Contribution	Restrictions & Suggested Value
Donated land, buildings, and equipment where the title passes to the grantee	<ul style="list-style-type: none">• The treatment depends on if the grantee is a public or non-profit entity.• If a public entity, the value of land may, with ACF approval, be claimed on a one-time basis.• Depreciation or use allowance must be used unless prior approval is received to treat otherwise.• For non-profits, the value of equipment shall not exceed the fair market value considering age and condition.• Donated space shall not exceed fair rental value as established by an independent appraisal of comparable space in a privately owned building.• In lieu of rental value, the grantee may claim on a one-time basis the fair market value of donated land and buildings at the time of donation.• The fair market value must be established by an independent appraiser and certified by a responsible grantee official.
Time donated by board members on management activities	Executive salary plus fringe— considered an administrative match.
Time donated by Policy Council members on management activities	Head Start Director hourly salary plus fringe—considered an administrative match.
Discounts or reduced rates for Head Start programs that are not normal business practices (i.e., early payment or volume purchases)	The difference between the reduced rate or cost and the standard rate or cost.



Contribution	Restrictions & Suggested Value
Time donated by employees	<ul style="list-style-type: none">Reasonable value for service performed if the service and time donated is not part of the employees' regular duties.Should only be accepted when the intent to freely donate time is supported by a documented statement.
Time spent by parents in a Home-Based program	Hourly value plus fringe of a classroom aide unless parent's credentials are equal to teachers.
Use of parents' home in a Home-Based program	Hourly amount for rent or mortgage, utilities and insurance times the documented hours. To obtain the hourly portion divide by 720.
Time spent by parents at a center	Reasonable value for service performed (i.e. classroom-aide, etc.). Time spent enrolling one's child is not allowed.
Time spent by parents at home in a Center-Based program	Same as at center. Activities should assist grantee in meeting the performance standards and must be part of a written curriculum.
Home visits for a Center-Based program	The parents' time is allowed if the activity is required by the performance standards. Value as a classroom aide.
Transportation costs	Allowable if the program cannot regularly provide transportation. Transportation provided by parents at their option or for their convenience is not allowed. The value should be based on reasonable costs to the grantee (e.g., salaries, bus depreciation, maintenance, insurance, etc.).



Contribution	Restrictions & Suggested Value
Funds raised by parents	<ul style="list-style-type: none">● The funds used to support the program are allowable. The time that parents spend on fund raising activities is not allowable.
Equipment or space loaned by a third party	If a third party donates the use of equipment or space, the value is the fair market rate. If the third party also pays utilities, upkeep, insurance, etc., these amounts can be included.
Equipment or space loaned by the grantee	The value is based on depreciation or use allowance, taxes, insurance, etc. The computation must exclude the cost of land.
Donated supplies	The contribution is valued at the fair market value determined by the donor.
Donated clothing	Clothing used for educational experiences or retained at the center is allowable. Clothing furnished for personal use is unallowable. Value is the fair market value determined by the donor.
Donated food	Food must be used in the program and not sent home. Value is the fair market value determined by the donor.