

Match Requirement

1. Recipients awarded funds must match the total grant, including administration costs, with no less than **25 percent** cash and/or in-kind contributions from other sources. The only exception to the match requirement is leasing costs, which does not require match. All recipients must adhere to 24 CFR 578.73 of the CoC Program interim rule and 24 CFR 84.23 (nonprofits) or 24 CFR 85.24 (States). **Match can only be used for the costs of eligible activities.** The recipient must provide match documentation, as indicated below, *before* the grant agreement can be signed:

2. Copies of the cash match or in-kind memorandum of understanding (MOU) that documents a firm financial commitment, signed by a person with authority, on the letter head of the organization, conditioned only upon HUD approval of the grant, and have a current date, no more than 60 days from the date of the award announcement.

3. The documentation must include the amount of match being provided.

4. For in-kind match, there must also be a description of the in-kind match that clearly demonstrates that it will be used for the conditionally-awarded project.

a. Cash Match

(1) Recipients or subrecipients may use funds from any source, including any other federal, state, local, and private sources, but excluding CoC Program funds, provided that the funds are not statutorily prohibited to be used as match.

(2) The recipient must demonstrate that any funds used to satisfy the matching requirements are eligible under the laws governing the funds in order to be used as matching funds for a grant awarded under this program. **Cash match can only be used for the costs of eligible activities.**

b. In-kind Contributions:

(1) Recipients and subrecipients using in-kind contributions may use the value of any real property, equipment, goods, or services contributed to the project as match, provided that if the recipient or subrecipients had to pay for them with grant funds, the costs would have been eligible.

(2) During the term of the grant, the recipient and subrecipients must keep and make available for inspection, records documenting the value of real property, equipment, goods, or services.

(3) Recipients and subrecipients must adhere to the requirements of 24 CFR 84.23 and 85.24. **Before** grant execution, services to be provided by a third party must be documented in a MOU between the recipient or subrecipients and the third party that will provide the services. See 24 CFR 578.73(c)(3).d. Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the recipient's or subrecipient's organization. If the recipient or subrecipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market. It is the responsibility of the grant recipient to provide evidence of cost reasonableness.

(4) The MOU must establish the unconditional commitment, except for selection to receive a grant, by the third party for the following:

- to provide the services;
- the specific service to be provided;
- the profession of the persons providing the service; and
- the hourly cost of the service to be provided.

It should be noted that during the term of the grant, the recipient or subrecipient must keep and make available, for inspection, records documenting the service hours provided.