

2015-17 Consolidated Grant Guidance on In-kind Match

WSDOT accepts in-kind match to fulfill required local share for operating projects. Not all states allow in-kind match, but we understand the value of a community's commitment to public transportation projects and want to provide some relief for agencies that cannot come up with all the cash match necessary for a consolidated grant. We are held accountable for sound financial practices (both our own and our subrecipients) by the State auditor and by the FTA, so we are providing this primer on in-kind valuation and record keeping for the benefit of our grantees.

In-kind contributions are non-cash contributions **provided by third parties** to an organization. In-kind contributions may be in the form of real property, equipment, supplies, and services, and should directly benefit and be specifically identifiable to the project or program. WSDOT does not accept in-kind contributions toward the local share of capital project costs, only for operating assistance projects. Both services and assets are eligible donations toward an operating project's match obligation.

In the event that an applicant intends to use in-kind contributions as a matching source, they must submit a request to WSDOT for pre-approval. The request must include a description of the in-kind contribution they intend to use as match and how the value was determined. A member of the grant processing team shall review the plan prior to the execution of the grant agreement.

In order to be eligible to be used as in-kind match, the cost must be otherwise allowable under the project. In-kind contributions must be verifiable from the grantee's records, necessary and reasonable, and allowable under the applicable cost principles (OMB circulars A-122 and A-110.23).

Professional services performed by volunteers that contribute to organizational functions are allowable in-kind contributions (services that would otherwise be paid for by the organization—technical assistance, administrative, training, marketing, driving). Volunteer services shall be documented using the same methods a recipient uses for its own employees such as timesheets documenting their volunteer hours and L&I payments.

To determine the value of donated goods or services, use fair market price; consider what it would cost to obtain similar goods or services. Leased space and rented equipment contributed by a third party should be valued at the actual rental cost or fair rental value. Donated real estate should be valued at fair market value according to an independent appraisal. An individual's time should be valued at the regular rate of pay for the same type of service and may include fringe benefits in the calculation of an hourly rate. Appraise the value the service, not the provider. For example, if an attorney provides dial-a-ride dispatch in his free time, it is valued as a dispatcher, not as an attorney.

If lower rates are negotiated for goods or services, the difference between the lower rate and the fair market value can be claimed as an in-kind contribution if the contributor agrees to this identification.

Unacceptable match contributions include equipment or space already owned by the grantee; costs already included in direct or indirect costs; time spent while a person is on the clock for another agency; volunteer hours by a staff member already on the agency payroll, even if from a different division of the agency; contributions already used as match for another publicly funded project; and contributions from programs funded by the Federal Transit Administration.

If volunteer consultants (such as board members or policy council) are paid a stipend, their time cannot be counted as an in-kind contribution. If attendees at board meetings or planning meetings are participating as part of their job (representing the county, city, community action program, transportation provider), then their time cannot be counted as an in-kind contribution.

The following hourly rates apply to non-CDL volunteer drivers and are based on Employment Security Department's 2013 occupational-employment wage data (inflated by 4.3% for the 2015-17 biennium). If your agency provides benefits to equivalent part-time employees, add 40 percent.

Longview, Clark, Skamania \$15.05
Other SW Washington \$12.95
Bremerton, Clallam, Jefferson, San Juan, Bellingham \$15.35
Skagit, Spokane \$14.90
E Washington North of i90 \$13.65
SE Washington \$12.70
Yakima \$15.10
Tricities \$12.95
King, Snohomish, Pierce \$16.70
Thurston \$15.75

Q&A:

Our third-party transportation service provider supplies some trips to our customers that are not charged to our service contract. Do those trips count as in-kind match since extra service is being provided that we are not paying for?

Yes. IF the trips are eligible and part of your scope. The trips that are carrying your customers but not charged to your agency by your provider is a situation similar to the discounted service mentioned above. To calculate the value of the donated service, subtracting what you would have paid for all trips if your provider charged for all, from what you do actually pay that provider.

September 2014

Contact: Linda Howell
howell@wsdot.wa.gov

We are a non-profit transportation provider with office space but no parking for our vehicles. The city allows us to park vans for free in their paid parking lot. How do I determine the value?

Get a letter from the city indicating their market valuation of the rental space(s), including a term for that value (e.g., 2013 and 2014).

The port commissioner, county engineer, and city councilman attend our one-hour monthly meetings as part of a planning council to help steer the regional transportation program. Do I count that as 3 hours per month in-kind contribution?

No. Membership to such regional boards to represent their own constituents is part of their job unless their employer verifies to the contrary—that they only spend personal (off-the-clock) time to attend as a community representative rather than an agency delegate.

The community service organization that runs our transportation program sometimes sends their meals-on-wheels coordinator over to help with scheduling our dial-a-ride. Can those hours be counted as volunteer/in-kind?

No. Anyone who works for your organization, even from a separate division, cannot be considered a third-party provider and therefore it is not eligible as in-kind contribution of time. It may be considered an allocated administrative expense, but you must have an approved indirect plan on file with WSDOT.

We realized half-way through the biennium that our expected in-kind services were not going to happen. Can our agency submit a new in-kind plan for different services?

It depends. Your application was evaluated and scored in part due to the stated community support, including specific in-kind contributions. Substitute in-kind would have to provide equivalent support as was stated in your application. Alternatively, your project total and grant amount may be adjusted down to reflect lower local match.

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An example In-kind Valuation Plan is attached.

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<<example>>

**Colville Transit
In-kind Match Valuation Proposal
2015-17 grant period**

Colville Transit has received the pledge of one professional planner at no cost, one volunteer demand-response van driver, and has received a donation of two new PCs. The following eligible match items were calculated by Lynn Murphy in September 2014.

Donor: James Smith
Position: Transportation Planner II
Work performed: Producing reports and studies to support transportation planning committee
Number of hours: 100
Per-hour value: \$35.00 in 2015-17 based on same-county compensation
Total value: \$3,500

Donor: Patty Jones
Position: Volunteer driver
Work performed: Demand-response service in an ADA van
Number of hours: 500
Per-hour value: \$15.66 (\$13.65 wage + part time benefits)
Total value: \$7,780

Donor: Tektronix
Item: Two (2) new Dell PCs
Fair market value of one new Dell PC at the time of donation: \$500
Total value: \$1000

TOTAL MATCH AMOUNT: \$12,280