



Title III Administration

CLARK ATLANTA UNIVERSITY

From: Title III Programs, HBCU/HBGI
Date: July 12, 2007
Subject: ***HBGI Title III Matching Guidelines & Requirements
Recommended 2006-2007 Title III Matching Appropriations***

Attached are Title III Matching Guidelines & Requirements as prescribed by federal guidelines and regulations. It was apparent, after review of Title III matching methodology used in previous years, that review of matching guidelines and requirements were prudent to ensure that we meet audit scrutiny standards. Also attached are recommended 2006-2007 Title III matching appropriations. Recommended appropriations were based on 2006-2007 grant-funded activities' scope of work and plan of operation.

Clark Atlanta University
HBGI Title III Matching Guidelines & Requirements

Period: Grant Year 5 ~ October 1, 2006 through September 30, 2007

This document outlines the applicable matching requirements for the Historically Black Graduate Institution's (HBGI) Title III Strengthening Institutions Program. This document is not intended as a replacement for the guidelines but delineates rules of the *Federal Grant Financial Guidelines*. As a grantee, designated Clark Atlanta University (CAU) personnel are responsible for reading the Federal Financial Guidelines and seeking guidance from the Department of Education on any rules that require additional clarification.

- HBGI matching requirement = 50% of every dollar over the first \$1 million dollars or **2006-07 matching requirement \$1,155,004;**
- CAU must follow federal financial guidelines, circulars and program guidelines;
- Match funds are nonfederal funds provided by CAU to cover costs of the grant program;
- CAU must have the authority to commit the match funds to the grant program;
- Match funds **are subject to the same guidelines and cost principles** as federal funds.

Cash Match

- Costs that are in addition to those already allocated for the program by the grant;
- Includes cash spent for program costs.

In-Kind Match

CAU is required to match a portion of our federal grant with nonfederal resources. Part of this match can be in the form of in-kind donations, that is, donations that do not involve cash. **As it is much easier to raise in-kind match**

than it is cash match, federal guidelines regarding in-kind are strict and require careful documentation.

OMB Circular A-110 states that in-kind contributions must meet the following criteria:

- Verifiable from grantee records;
- Necessary and reasonable;
- Allowable under cost principles (OMB Circular A-21);
- Not included as a contribution under any other federal award.

- **Examples of in-kind contributions:**
 - Office supplies, computer discs
 - Use of equipment or space
 - Office & meeting space
 - Computers, telephones, fax & copy machine use
 - An individual's professional time
 - Supervision, training, technical assistance, evaluation and/or oversight

- Costs that already exist, but that will now be used to benefit the grant program;
- Includes the value of something that does not have a cost associated with it (i.e., donated items);
- The entire match amount must be obligated by the end of the period of performance; if not, the institution risks a proportionate reduction in the amount of federal funds awarded in the future. CAU must retain records on all match costs, including donated services (if/when applicable).

Records

Just as with grant expenditures, original supporting documentation for all in-kind contributions must be retained by the institution, maintaining a clear audit trail to accounting reports and Time & Effort Reports or other documentation.

- **An individual's time** is valued at his/her actual, regular rate of pay, provided the work he/she is contributing is similar to the normal line of work. Inclusion of fringe benefits in calculating the value of an individual's time is appropriate, and is calculated as a percentage of the hourly rate;
- Examples of supporting documentation include time & effort reports, payroll records, timesheets, sales receipts, rental agreements, rent allocation, travel vouchers, telephone bills, room rental rates, training registrations;
- The same method an institution uses to record grant-funded time and effort must be used to document match personnel costs.
- If CAU does not meet the match requirement in the interagency agreement, the amount of federal funds to be disbursed will be proportionately lowered or, if already disbursed, a refund of federal funds will be required.

Cost Allowability

- As listed in the *Federal Grant Financial Guidelines*, costs must be:
 - Necessary and reasonable for the administration of the program;
 - Allocable and specific to the program;
 - In conformance with federal guidelines, laws and regulations;
 - Treated consistently with policies and procedures that apply to institutional costs and activities;
 - **Allocated to the program and no other federally funded programs;**
Net costs that reflect all discounts, rebates, returns and sales;
 - Adequately documented.
- A Receipt Voucher form completed and signed by the donor;
- A monthly calendar recording the number of hours of supervision provided, signed by the donor;
- A statement on the member time sheet verifying the number of hours of supervision provided, signed by the donor.

Accounting Standards

- The institution must use accounting practices that ensure the proper use of the grant program funds (A-133 Single Audit).
- The institution's accounting standards must use commonly accepted standards of financial responsibility or the institution risks disallowance of expenditures.
- Funds from one federal grant **program cannot be commingled** with other **funds, and funds from one grant program cannot be used to support another grant program.**
- If the institution's accounting system integrates the funds, then a system must be established to provide adequate identification of the separate grant program funds.

Accounting Procedures

- The accounting system should provide the information needed to identify *separately* the receipt of federal and matching funds
- The accounting system should have an adequate system of internal controls to safeguard the funds covered, verify the accuracy and reliability of information, promote operational efficiency, and encourage adherence to prescribed management policies
- The institution must accurately and timely record the expenditure of grant program funds
 - Supporting documentation must also be kept as evidence of the expenditure
- The institution must have procedures to ensure that the expenditure of funds is consistent with the grant program budget and expended for allowable purposes
- The elements of the accounting system must consist of an account structure, accounting records, source documents, a system for coding financial transactions, financial reports, and written procedures that prescribe the manner in which and by whom these operations are performed.

- The institution should have a separation of duties so that no single individual controls all the following accounting procedures:
 - Authorization to initiate expenses
 - Approving vouchers for payment
 - Signing checks
 - Recording transactions in account books
 - Responsibility for physical custody of expenditure documentation

Resources:

- *EDGAR – Education Department General Administrative Regulations 34 CFR Parts 74,75,77,79,80,81,82, (84), 85,86,97,98, and 99.*
- *CDFR – The Catalog of Federal Domestic Assistance.*
- *OMB Circular No. A-21 – Cost Principles – Allowable & Unallowable Costs.*
- *OMB Circular No. A-87 – Cost Principles – State, Local, and Indian Tribal Governments.*
- *OMB Circular No. A-102 – Grants & Cooperative Agreements with State & Local Governments.*
- *OMB Circular No. A-110 – Cost Sharing or Matching.*
- *OMB Circular No. A-133 – Single Audit.*
- *Executive Order 12372 - Intergovernmental review of Federal Programs.*