

Matching funds ("match") are cash or in-kind goods and services that an applicant commits to contribute to the project. More information on matching funds requirements may be found at 24 CFR 578.73.

Match Requirements for CoC Program Funding:

- 25% match is required for all project budget components except leasing
- Match can be cash or in-kind
- Match must be spent on program activities that would be eligible for CoC Program funding

Documenting match correctly will reduce delay in receiving your grant agreement from HUD, so pay careful attention to documentation requirements.

Types of match

- **Cash:** any funds that come from private or public resources (as long as they are not statutorily prohibited from being used as match)
- **In-kind:** services (counseling, legal advocacy, etc.), physical goods/equipment (food, furniture, clothing, etc.), and real property (donated land or buildings)

What can be used as match?

- Program income may be used as match. Project Applicants that intend to use program income as match must provide an estimate of how much program income will be used for match, and the source of the program income. CoC-generated program income includes occupancy charges paid to the recipient or sub-recipient.
- Contributions of cash, in-kind goods/equipment, and in-kind property that can be documented by letter and which cover costs that are eligible activities under the CoC Interim Rule.
- Contributions of in-kind services which cover costs that are eligible activities under the CoC Interim Rule. Must be documented by a memorandum of understanding (MOU) that is in place by the time of grant execution (i.e., when the grant term begins). For the purposes of the BoS application, **applicants may submit a letter to THN instead of an MOU**, provided the MOU will be in place by the time of grant execution. The letter or MOU must be dated between May 1, 2019 and August 23, 2019.
- Commitments of land, buildings, and equipment are **one-time only** and cannot be claimed in more than one competition. For example, donated land claimed in the 2019 competition cannot be claimed as match by that project or any other project in subsequent competitions.

What cannot be used as match?

- To be counted as match, the funds, goods, or services need to come directly from the contributing source to the organization. Items provided directly to and for individuals/program participants are not eligible as match. For example:
 - Mainstream benefits provided directly to program participants (e.g., SSI/SSDI disability benefits) cannot be used as match.
 - Funds from mainstream resources provided directly to an organization for use in a CoC project (e.g., Medicaid) can be used as match/leverage.

Documenting Match

- In general, match documentation must:
 1. Clearly document a firm financial commitment;
 2. Be signed by a person with authority, on the letterhead of the organization;
 3. Be conditioned only upon HUD approval of the grant;
 4. Be dated between May 1, 2019 and August 23, 2019.
 5. Include the amount being provided, and specifies that the amount is being used for matching funds.
- Cash match documentation should be provided on the source Agency's letterhead, signed and dated by an authorized representative, and, at a minimum, should include the following:
 1. Amount of cash to be provided to the recipient for the project;
 2. Specific date the cash will be made available;
 3. The actual grant and fiscal year to which the cash match will be contributed;
 4. Time period during which funding will be available; and
 5. Allowable activities to be funded by the cash match.
- In-Kind match specifications:
 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 has to pay for them with grant funds, the costs would be 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
 4. 24 CFR 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 or subrecipient 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.
- **Letters** must meet the following criteria, in addition to the above requirements for cash match/leverage:
 1. Be on letterhead stationery from the organization providing the contribution
 2. Be signed and dated by an authorized official of the organization dated between May 1, 2019 and September 18, 2019
 - Please note that letters from prior years may not be used. If a document appears to be re-used from a previous year (ex: date changes with white-out) it will not be accepted by TX BoS CoC
 3. Contain the amount of the cash contribution OR the dollar value of the in-kind contribution (and must specify if such amounts are to be used for match or leverage)
 4. Contain the specific date the contribution will be made available AND the time period during which the contribution will be available

5. Contain the name of the applicant Agency to which the contribution is being given
 6. Contain the specific grant name/number and the fiscal year of the grant to which the contribution is being given
 7. Contain a description of the goods/services that will be provided (for in-kind contributions) OR a description of what the funds will be spent on (for cash contributions)
- **MOUs** must contain the following information:
 1. Agency Information:
 - Applicant Agency's identifying information with point(s) of contact
 - Service provider's identifying information with point(s) of contact
 2. Be signed and dated by an authorized official of the organization dated between May 1, 2019 and September 18, 2019.
 - Please note that MOUs from prior years may not be used. If a document appears to be re-used from a previous year (ex: date changes with white-out) it will not be accepted by TX BoS CoC
 3. Unconditional commitment (except for selection to receive a grant) of third-party provider to provide the services
 4. Description of specific services to be provided
 5. Scope of services to be provided and by whom
 - Specific contract to be matched
 - Length of time services provided/term of contract
 - Point-in-time number of clients receiving service
 - Total clients receiving service over grant term
 - Qualification/profession of persons providing services
 - Estimated value of services provided (such as hourly rate)
 6. Documentation of services match
 - Documentation requirements and responsibilities of service provider and applicant Agency
 - Timeliness standards of service provider and applicant Agency for providing services to individuals

Documentation of match must be provided to HUD prior to grant agreement execution.