



## Cash & In-Kind FY23-24 Frequently Asked Questions

### **Program Match Requirement = 19%**

- Applies to your total Smart Start allocation for the fiscal year
- Change in your fiscal year allocation will increase/decrease your match requirement
- Non-state funds received by your program count towards your 19% match requirement
- State auditor makes final determination on what counts towards the match requirement

### **To report a Cash and/or In-Kind Contribution, it must meet the following criteria and you must have verifiable supporting documentation:**

- The Contract with Mecklenburg Partnership for Children lists a program match requirement in the **Responsibilities of the Contractor** section.
- Contractors must submit quarterly reports to the Mecklenburg Partnership for Children, even if there are no contributions for the quarter.
- The value of each in-kind contribution is **reasonable** and supported with **appropriate and verifiable documentation**. Examples provided in this FAQ.
- Cash and in-kind contributions are from sources other than state funds (which includes federal funds that pass through a state agency).
- Contributions earmarked for Smart Start funded programs may be counted. Donations earmarked for a non-Smart Start program and general donations to an organization may NOT be reported as a program match.
- Contributions are necessary for the proper and efficient accomplishment of the program activities.
- Contributions are allowable under federal and state law.
- Contributions are quantifiable in accordance with Generally Accepted Accounting Principles for non-profit organizations.

## Cash Contributions

- From a non-state funded source
- Directly supports the Smart Start activity
- Must be spent on behalf of the Smart Start activity in the fiscal year reported
- Appropriate documentation:
  - Copy of check
  - Copy of letter from donor stating contribution is directed to Smart Start activity
  - Copy of grant proposal detailing contribution will support Smart Start activity
  - Copy of financial report submitted to source of funds itemizing how funds were spent (if required by funder)
  - Printout of organization's general ledger that shows receipt and expenditure of funds
- Examples of allowable cash contributions:
  - Local government grants
  - Federal government grants, as long as the funds flow directly from the federal level to the local level and do NOT flow through a state agency
  - Foundation grants that support a Smart Start funded activity, but only the amount expended each fiscal year

## In-Kind Contributions

- Reminders:
  - The word **ESTIMATE** should never be used. Estimate means that you do not have documentation to validate the contribution.
  - Donors may NOT assign value to the contribution.
  - The value of a contribution is the receipt (purchase price of item) or market rate/appraisal by an independent third party, also known as Fair Market Value.
  - Must have supporting documentation that show the valuation is appropriate and verifiable.
- Examples of In-Kind contributions:
  - Office or classroom space
    - Floor plan w/ square footage
    - Market value of rent in nearby buildings (standard lease agreement, tax office, commercial real estate agency). Document sources.
    - Cannot claim office/classroom spaces funded by state sources
  - Food
    - Must substantiate cost, time, and need
      - Cost: Receipt/invoice. Cannot use ESTIMATE or quote.

- Time/Need: Why was food necessary? Was meeting during mealtime? Minutes of meeting should record beginning/end time of meeting, location, names of persons attending, purpose.
- Meeting space
  - Can only be claimed if the meeting space has a rental fee
  - Cannot claim spaces that do not routinely charge for use of space – local agency, library, school, church
- Discounts
  - Invoice itemizing the discount/donation
  - Signed statement that discount is being provided for Smart Start activity
- Used clothing and toys
  - Itemized list of donated items
  - Value using price list from Goodwill or Salvation Army
- Books
- Copying
  - Log of date, number of copies, purpose
  - Document value of copies, such as advertisement of local copy service
- Computers/Technology
  - New technology items: receipt copy from donor, manufacturer's suggested list price
  - Used technology items: fair market value
- Supplies
  - Itemized invoice/receipt of supplies purchased specifically for Smart Start activity
  - Log sheet of supplies used, along with price list
- Staff support
  - Includes portion of staff time/pay that is not funded by Smart Start and/or state funds
  - Must have time sheet/log to document hours worked on Smart Start funded activities
  - Must have payroll documentation (pay stub)
- Professional volunteer services
  - Professional hours include services of a lawyer, accountant, doctor, teacher, painter, etc.
  - Hours and services donated must relate to their professional expertise, and must be valued at the normal hourly rate charged for the service.
  - Time sheet/log with dates, hours, type of professional service by person, signed by volunteer and representative of organization.
  - May be an invoice with standard hourly rates, dates of services, cost, but noted that the organization is receiving a discount/credit. Signed by professional volunteer and representative of organization.

- Non-professional volunteer services – non-professional hours will be valued at \$30.58/hour per Smart Start
  - Time sheet/log with dates, hours, type of volunteer activity by person, signed by volunteer and representative of organization.
  - Use CIK Volunteer Tracking Hours Template from the DSP toolkit on the SSMC webpage:

## **Program Match (Cash & In-Kind) Information & Reporting Templates (Per Contract Section 19-J)**

- [CIK Summary](#)
- [CIK Documentation/General Questions](#)
- [CIK Contributions-Financial Assistance Contracts](#)
- [CIK Contributions-Purchase of Services Contracts](#)
- [Contribution Form - Cash](#)
- [Contribution Form - In-Kind](#)
- [CIK Volunteer Hours Tracking Template](#)