



Memorandum

TO: Virginia Growth and Opportunity Board Members

FROM: Erik Johnston, DHCD Director

RE: Match Guidelines

DATE: October 9, 2018

Program Requirements: All GO Virginia Per Capita and Competitive grants must be matched \$1:1 by non-state resources such as federal, private, non-profit, and local entities. Those matching funds should include a local contribution of no less than 20% of the required \$1:1 match, or \$50,000 whichever is greater. Application budgets should reflect adequate funding through committed match and the requested funds to cover the full cost of the proposed project.

Types of Match

In-Kind Match: In-kind match include any non-cash contribution of value provided to the project including equipment, facilities, personnel/expertise, services, training, travel, waived fees, etc., that are necessary to the completion of the project, and reasonable, as not exceed what a prudent person would do/use. GO Virginia does not restrict the portion of match (local or otherwise) that can come from in-kind contributions. However, as a best practice, applicants should ensure that the project has adequate cash investment to support project expenses for at least 90 days, to cover all contingencies that may arise, and to ensure that the project can demonstrate \$1:1 match for all remittances.

Local Match: The goal of the local contribution is to ensure localities are truly invested in the collaborative nature of the GO Virginia process as well as to ensure that proposed grant requests are of a substantial nature and meet the highest priorities identified in the regional growth and diversification plans. The local contribution may come from any combination of the participating localities (cities, counties, towns) and political subdivisions thereof (school systems, EDA, IDA, RIFA, etc.). The local contribution may take the form of cash, revenue sharing, dedication of locally-owned or controlled assets to the proposed regional project, reallocation of existing funds, or in-kind contributions.



Pass-through Local Match: The local contribution may be provided by a third party organization that receives local contributions and can reprogram those funds for the proposed project. In order to document funds as part of local match, a commitment letter from the organization should include: a list of localities that contributed to the local match, the total \$ amount received from localities, and an indication of whether the locality(s) authorized the local match through representation on the organization's Board, or through additional documentation attached.

Additional Leverage: Contributions of state resources shall not be included as match, but can be demonstrated for additional consideration by the Board in allocating grants. For competitive applications, projects demonstrating significant leverage shall receive priority in the competitive application review process. Unsecured funding will not be considered as match, but can be included as additional leverage if noted as such.

Documentation of Match

Application Documentation: Applications must demonstrate commitments for all in-kind and cash match, including commitments for the required local match. For projects proposing in-kind match, the *In-Kind Contribution Form* must be submitted from each source of in-kind match, and the value should be estimated using the fair market value for the goods or services being donated. For competitive applications, applications with greater local participation and match, both in size and the number of participating localities, shall receive priority in the competitive application review process.

Remittance Documentation: During project implementation, the grantee will need to demonstrate expenses for which reimbursement is requested. For every dollar requested for reimbursement, the grantee will need to demonstrate an additional dollar in expenses covered by cash match, OR demonstrate the value of an in-kind contribution made to the project. Documentation for match typically includes payroll, purchase orders, packing slips, receipts, invoices, AIA Reports, in-kind valuations, cancelled checks or bank ledgers, etc.

Local Match Monitoring: The local match requirement is articulated in each project's funding agreement. While the grantee must maintain \$1:1 match at each remittance, the 20% local match requirement must be met by project closeout. At the completion of the project, DHCD will conduct a financial monitoring to confirm that no less than 20% of the request, or \$50,000, whichever is greater was matched by local cash and in-kind contributions.



Waivers:

\$1:1 Match Waiver: The Board may waive up to 50% of the \$1:1 match upon a finding of fiscal distress or an extraordinary economic opportunity in the collaborating localities. Should a project meeting these requirements not have the required match, a written waiver request must be submitted to the Board Chairman with the application submitted to DHCD. The waiver request should outline the region's fiscal stress OR the extraordinary opportunity, how the applicant has attempted to solicit matching funds, and why the applicant has been unable to secure adequate match. A waiver request should be considered a last resort, and will not be appropriate for all projects. For competitive applications, a waiver request may negatively impact the application's score relative to other projects.

Local Match Waiver: The Board may waive the local match requirement for projects designed to address issues which impact more than 50% of the population of the region(s). All projects are encouraged to meet this minimum local contribution but should a project meeting this requirement not have the required local match, a written waiver request must be submitted to the Board Chairman with the application submitted to DHCD. The waiver request should outline how the project will impact at least 50% of the region(s) population, how the applicant has attempted to solicit the local contribution, and why the participating localities have been unable to provide the local contribution. A waiver request should be considered a last resort, and will not be appropriate for all projects. For competitive applications, a waiver request may negatively impact the application's score relative to other projects.