

MATCH and LEVERAGING

HUD requires a 25% match (minus leasing) for this funding. Match commitments need to be based on current commitments at the time of project application, covering the requested grant operating period/term, and NOT based on projections. Projects without sufficient match and/or leveraging may be determined ineligible. **All NEW project applications must submit written commitments of match and leverage within each application package submitted for review.** For additional guidance on match, please refer to the project guides, as well as the FAQs on the HUD Exchange website at: <https://www.hudexchange.info/e-snaps/faqs/> and search for “match.” Information on Match requirements can be found in the CoC Interim Rule at 24 CFR 578.73 (<https://www.hudexchange.info/resource/2035/coc-program-interim-rule-formatted-version/>).

Match (Cash or In-Kind Resources)

All eligible CoC program costs, except Leasing, must be matched with at least **25 percent cash or in-kind contribution**. **No match is required for Leasing.** The match requirement applies to Project Administration funds, along with the traditional program expenses—Operations, Rental Assistance, Supportive Services, and HMIS. Please note, cash and in-kind match must qualify as eligible program expenses under the CoC Interim Rule.

Match resources for new projects must have a written commitment in-hand at time of application, and copies of these commitment documents must be submitted with this Review Application. A written commitment may include signed letters, memoranda of agreement, or other documented evidence of a commitment. All written commitments must be signed and dated by an authorized representative, and should include the name of the contributing organization, the type of contribution (cash, childcare, case management, etc.), the value of the contribution, and the date that the contribution will be available. The written commitment must include the project name and be addressed to the project applicant or non-profit.

Using Cash Match: A recipient or sub-recipient may use funds from most sources, including other federal sources, as well as state, local, or private sources. However, the following sources **cannot** be used for cash match:

- Other CoC Program funds
- Sources that are statutorily prohibited from being used as match

Using In-Kind Match: A recipient or sub-recipient may also use in-kind resources to meet the match requirement, including the **annual cost** of the value of property, equipment, goods, or services contributed to the project.

To count as match, both cash funds and in-kind resources must be used for costs that would be eligible if CoC Program funds were used.

Leveraging (Cash or In-Kind Resources)

The CoC goal for all leveraged resources (above and beyond match) is an additional 75% of the grant amount (match and leveraging should total 100%). For the leveraging section, please only report leveraged resources outside of the match resources listed above to ensure no duplication.

Documenting Cash and In-Kind Match (HUD 5.2021)

The CoC Program interim rule states that a 25 percent match requirement must be provided for all grant components, except leasing. In accordance with Section 578.73 of the CoC Program interim rule, match funds can be cash or in-kind contributions from other non-program sources. Recipients are responsible for determining if non-program sources are eligible to match with CoC Program funds.

Matching funds must be used for eligible costs under the CoC Program, but do not have to be used on costs approved in the project budget. Therefore, for example, the recipient does not necessarily have to match rental assistance with rental assistance. Match may not, however, be used for restricted costs, so it may be used for operating costs as long as the grant is not funding rental assistance. Additional information is provided on the [Importance of Documenting Match Under the CoC Program](https://www.hudexchange.info/resource/3113/importance-of-documenting-match-under-the-coc-program)

(<https://www.hudexchange.info/resource/3113/importance-of-documenting-match-under-the-coc-program>) podcast.

According to 578.21(c), recipients must provide proof of match to HUD before a grant will be executed. Therefore, prior to grant execution all recipients are required to document the amount and sources of its match requirements both cash and in-kind. Program income can be counted as match for CoC Program grants.

If the source of match is **cash**, written 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:

- Amount of cash to be provided to the recipient for the project
- Specific date the cash will be made available
- The actual grant and fiscal year to which the cash match will be contributed
- Time period during which funding will be available
- Allowable activities to be funded by the cash match

When the source match is **in-kind**, written documentation should at a minimum, meet the standards described below.

1. **In-kind Contributions**

- a. Recipients/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 recipients/subrecipients would have to pay for them with grant funds, the costs would be eligible.

- b. During the term of the grant, the recipients/subrecipients must maintain and make available for inspection records documenting the value of real property, equipment, goods, or services contributed to the project as match.
- c. Recipients/subrecipients must adhere to the requirements of 2 CFR 200.306. recipients/subrecipients must execute a Memorandum of Understanding (MOU) with any third party that will provide services before grant execution in accordance with 24 CFR 578.73(c)(3). Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the recipient's/subrecipient's organization. If the recipient/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 recipient to provide evidence of cost reasonableness.
- d. For supportive services provided, an MOU must establish unconditional commitment, except for selection to receive a grant, by the third party to provide the services, including the following:
 - i. the specific service to be provided;
 - ii. the profession of the persons providing the service;
 - iii. the hourly cost of the service to be provided; and
 - iv. the total hours of service to be contributed to the project during the grant term.
- e. During the term of the grant, the recipient/subrecipient must maintain and make available for inspection records documenting the service hours provided.