

## IN-KIND BUDGET INSTRUCTIONS FOR COMPLETION

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### INTRODUCTION

The purpose of the In-Kind Budget is to identify non-cash contributions provided by the City, other public agencies and institutions, and private organizations. In-Kind contributions may consist of cash (hard match) or the value of real property and equipment and the value of goods and services (soft match) directly benefiting the grant programs. In-Kind support must be specifically identifiable to the program. In-Kind match is counted for the period at the time the services are provided or when the donated goods are received and used.

Providers are required to have a minimum of 25% in matching funds. The development of the In-Kind budget is related to the Provider's matching and contributed costs. The information identified in this budget will assist the City in its analysis during the budget evaluation process. Furthermore, this information will be provided to the Department of Health and Human Services and the Head Start Regional Office as a supplement to the refunding application.

A standard formatted In-Kind Budget is included in this packet for use. The budget should identify the following data elements:

- **Category** – Type of Budget Cost, i.e., personal services, supplies, space, travel, contractual, equipment, etc.
- **Account Title** – Specific cost or individual description for items, i.e., staff title, space provided, utilities donated, etc.
- **Justification**
- **Program Budget Totals**
- **Annual In-Kind Budget**

For information regarding what is acceptable In-Kind, see 45 CFR 74.23, 75.306, and 92.24. Justification of cost valuation and program budget totals must be completed for each line item. If the "JUSTIFICATION" field does not provide enough space for detail, please use a separate attachment to explain the details of each line item. If a category does not exist on the standard budget provided, add the necessary line items and category totals to the budget. Appropriate documentation that supports the valuation of In-Kind costs must be submitted with this budget. Appropriate documentation is auditable information that complies with 45 CFR 74, 92, and Head Start Performance Standard 1303.

Documentation for In-Kind matching required by the federal regulations must support the following:

- Are verifiable from the recipient's records.
- Are not included as contributions for any other federally assisted project or program.
- Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
- Are allowable under the applicable cost principles.
- Are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching.
- Are provided for in the approved budget (administrative in-kind more than 15% is not acceptable).
- Conform to other federal provisions as applicable.
- Have documentation to support valuation and/or method of valuation.

In-kind documentation must include signatures of volunteers certifying the day of service, hours and rate of pay, and services performed. To the extent feasible, these records should provide documented support using the same methods the recipient provides for its employees (time records, etc.). The basis for determining the valuation of personal services, materials, equipment, buildings, and land shall be documented consistent with best business practices and federal requirements.

Please follow the steps below when completing the in-kind budget:

**Step 1:** Complete the “PERSONNEL” category. Salary for staff needs to be allocated between the program and administration. Every effort should be made to provide direct service In-Kind as administrative In-Kind is subject to the 15% administrative cost limit. Please refer to 45 CFR 1301.32 for guidance on administrative costs.

Note: In-Kind must be an allowable cost as defined in 2 CFR 200. Costs that are not allowable under these regulations should not be included in the In-Kind budget.

**Step 2:** Complete the “FRINGES” category. Fringe costs for staff need to be allocated between the program and administration. Detail should be provided for the types of fringe costs and the rate/percentage utilized for calculation.

**Step 3:** Complete the “SPACE COSTS” category. Facility costs need to be allocated between the program and administration. The allocation method used for administrative costs should be consistent with Provider allocations. (Again, every effort should be made to provide direct service In-Kind as administrative In-Kind is subject to the 15% administrative cost limit.)

**Step 4:** Complete the “SUPPLY” category.

**Step 5:** Complete the “CONTRACTUAL” category.

**Step 6:** Complete the “OTHER” category.

**Step 7:** Verify the “ANNUAL IN-KIND BUDGET” totals. Verify that each line totals the “PROGRAM BUDGET TOTALS”. Each category total will sum the line items in the “ANNUAL IN-KIND BUDGET” column. The sum of all categories will be included in the “TOTAL IN-KIND” line.

**Step 8:** **Please provide documentation of all valuations, calculations, and cost information upon proposal submission. This information will be used to verify that all costs meet program needs. In-Kind submitted without detail and documentation will be considered non-responsive and returned to the Offeror.**

**Important:** Since the In-Kind Budget is in an Excel format, it is essential that whoever is completing this document has a working knowledge of Excel. All calculations and formulas should be double-checked and verified, especially if additional categories and line items are added to the budget.