



DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY

**GAINING EARLY AWARENESS AND READINESS
FOR UNDERGRADUATE PROGRAMS
(GEAR UP)**



GEAR UP Matching Requirements

**Presenter:
James Davis**

**GEAR UP Annual Conference
San Francisco, California
July 17, 2013**

What are Matching Requirements for GEAR UP?

DOLLAR-FOR-DOLLAR MATCH: for each Federal dollar received, at least \$1 of State or private funds must be contributed in the form of cash or documented in-kind contributions.

Timing of Matching Contributions:

Matching funds may be accrued over the full duration of the grant award period. A grantee must make substantial progress towards meeting the matching percentage stated in its approved application for each year of the project.

What are the Consequences for Failure to Provide Matching Dollars as Proposed in Your Application

Potential Consequences:

- ➔ Reduction of the Federal award amount
- ➔ A refund of Federal funds to the Department of Education
- ➔ Possible termination of the award

Audits: Cost-sharing commitments are subject to audit, including audit by the Inspector General's Office.

What Types of Matching Contributions Count Toward the GEAR UP Matching Requirement

Types of Matching

1. Financial assistance obligated to students
2. Waivers: the amount of tuition, fees, room, board waived or reduced for GEAR UP students
3. The amount expended on documented, targeted, long-term mentoring and counseling provided by volunteers or paid staff of non-school organizations, including businesses, religious organizations, community groups, philanthropic organizations and other organizations.
4. Other resources recognized by the Secretary including equipment and supplies, cash contributions from non-Federal sources and facility usage.

What Types of Matching Contributions Count Toward the GEAR UP Matching Requirement?

Applicable Cost Principles:

- Allocable -- necessary for project success
- Allowable -- either permitted or not specifically prohibited
- Reasonable -- cost that would be incurred by a prudent person

Indirect Costs: You may charge indirect costs up to 8% or the grantee's negotiated indirect cost rate (whichever is less) of allowable Federal direct costs and of allowable matching contributions.

- Indirect costs cannot be charged for the scholarship or equipment component of the grants
- The grantee must have an approved indirect cost rate agreement in order to charge indirect costs to its project

What are Appropriate Sources of Matching Contributions?

Any non-Federal source including non-Federal grants

Generally, teacher salaries and benefits cannot count as match, because they are not directly related to the GEAR UP grant . If, however, teachers are being paid by the school district or are volunteering their time to conduct activities outside their normal duties that are specifically related to the GEAR UP grant, the portion of their salary and benefits related to those activities may count as match.

Are There any Limitations with Respect to Matching Contributions?

Matching contributions can only be counted towards one (1) Federal project.

Matching contributions must be incurred solely to advance the GEAR UP project.

Matching contributions cannot be shifted from one project to another:
You must separately document the match for each project and match cannot be shifted between the projects.

Matching contributions must be obligated during the grant period.

How Should Grantees Document Matching Contributions?

Documentation of Match should:

1. Capture the cost sharing identified with a particular project;
2. Contain adequate source documentation for claimed cost sharing;
3. Provide clear valuation of in-kind documentation; and
4. Provide support of cost sharing by grant partners

How Should Grantees Document Matching Contributions?

Fiscal Agent: The fiscal agent of a GEAR UP project is responsible for documenting all matching contributions for the entire grant – even partner match.

Valuation of in-kind contributions: Costs and third party in-kind contributions counting toward a matching requirement must be verified from the records of the grantee and must show how the value of third-party contributions was derived. (EDGAR 34 CFR 80.24 (a)(6).)

What Documentation Should Grantees Maintain for Matching/Cost-sharing Contributions?

Cash Contributions

In general, the grantee should maintain the following kinds of records regarding cash contributions:

- Evidence of Cash Received (Documentation of sources, including copies of deposited checks, deposit slips, receipts provided to donors, etc.)
 - Evidence of Cash Expenditures or Outlays (Invoices, purchase orders, canceled checks, receiving receipts, etc.)
 - Services by personnel of the grantee (time and effort reports)
- 

What Documentation Should Grantees Maintain for Matching/Cost-sharing Contributions?

In-Kind Contributions

In general, the grantee should maintain records regarding in-kind contributions that indicate:

- The description of the item received, including the manufacturer's serial number and model number of the product, if applicable
- The name of the person or entity that donated it
- The date it was donated
- The method the grantee used to determine the value of the item or service (See EDGAR, 34 CFR 74.23 and 80.24 for information on valuing volunteer services and donated supplies, equipment, buildings and land)

When Must the Grantee Notify ED of Deviations to the Matching/Cost-sharing Budget?

Under EDGAR, 34 CFR 74.25 and the applicable OMB cost principles, the grantee must request prior approval for certain post-award changes to the Federal grant budget

Same prior approval rules apply if the grantee wants to make certain changes to the non-Federal (matching/cost-sharing) budget

Grantee should notify ED if partners contributing to the match/cost-share change during the budget period or if major sources of planned matching/cost-sharing contributions do not materialize

Grantee must also notify ED if it is having difficulty meeting required level or amount of match/cost-share specified in the Grant Award Notification

Are There Any Exceptions to the Minimum Statutory Match?

Reduced Matching Options for Partnership Applicants-- Pre Award:

The Secretary may approve a partnership applicant's request for a waiver of up to 75 percent of the matching requirement for up to two years if the applicant demonstrates in its application a significant economic hardship that stems from specific, exceptional, or uncontrollable event, such as a natural disaster.

Exceptions to the Minimum Statutory Match Cont.

The Secretary may approve a partnership applicant's request to waive up to 50 % of the matching requirement for up to two years if the applicant demonstrates in its application a pre-existing and an on-going significant economic hardship that precludes the applicant from meeting its matching requirement. Documentation of such factors include:

- Severe distress in the local economy e.g. few employers in the local area
- Local unemployment rates that are higher than the national average
- Low or decreasing revenues for State and County governments
- Significant reductions in the budgets of institutions of higher education that are participating in the grant.
- Other data that reflect a significant economic hardship for the geographical area served by the applicant

EXCEPTIONS TO THE MINIMUM STATUTORY MATCH CONT.

The Secretary may approve a partnership applicant's request in its application to match its contributions to its scholarship fund, on the basis of two non-Federal dollars for every one Federal dollar of GEAR UP funds.

The Secretary may approve a request by a partnership applicant that has three or fewer institutions of higher education as members to waive up to 70 percent of the matching requirement if the partnership applicant includes:

- A fiscal agent that is eligible to receive funds under title V, or Part B of title III or section 316 or 317 of the HEA or a LEA
- Only participating schools with a 7th grade cohort in which at least 75 percent of the students are eligible for free or reduced-price lunch
- Only LEAs in which at least 50 percent of the students enrolled are eligible for free or reduced-price lunch.

EXCEPTIONS TO THE MINIMUM STATUTORY MATCH CONT.

Reduced Matching Options for Partnership Grantees - Post Award:

(1) The Secretary may approve a partnership grantee's written request for a waiver of up to 50% of the matching requirement for up to two years if the grantee demonstrates:

- The matching contributions in the approved application are no longer available
AND
 - The grantee has exhausted all funds and sources of potential contributions for replacing the matching funds.
- 

EXCEPTIONS TO THE MINIMUM STATUTORY MATCH CONT.

Reduced Matching Options for Partnership Grantees - Post Award:

(2) The Secretary may approve a partnership grantee's written request for a waiver of 75% of the matching requirement for up to two years if the grantee demonstrates that matching contributions from the original application are no longer available due to an uncontrollable event such as a natural disaster that has a devastating economic effect on member of the partnership and the community in which the project would operate. Factors to be considered include:

- A reduction of revenue from State, or County government or the LEA
 - An increase in local unemployment rates
 - Significant reductions in the operating budgets of IHEs in the grant.
- 

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION



**GAINING EARLY AWARENESS AND READINESS
FOR UNDERGRADUATE PROGRAMS
(GEAR UP)**

GEAR UP Matching Requirements

Presenter:

James.Davis@ed.gov

GEAR UP Annual Conference

San Francisco, California

July 17, 2013