

**ADMINISTRATIVE AND FISCAL QUESTIONS**  
***MATCH***

**AFM1: What matching funds are required of WtW formula and competitive grant recipients?**

For the formula grant portion of the program, States must spend \$1 of non-Federal funds for every \$2 they receive in Federal funds.

Applicants for competitive grants are not required to match Federal funds, but collaboration with other organizations and the leveraging of outside resources was strongly encouraged in the application process. Competitive grant applicants had to indicate, in the project narrative of the application, what resources they would be contributing to their projects so that ETA could determine how well competitive grant funds would "leverage" local resources.

**AFM2: How much of the State match expenditures can be in the form of third party in-kind contributions?**

As of April 13, 2001, the date that the WtW Regulations became effective, no more than 75% of the total match expenditures may be in the form of third party in-kind contributions. Before that date, no more than 50% of the total match expenditures could be in the form of third party in-kind contributions. (20 CFR 645.300(b)(3))

**AFM3: If a foundation, faith-based organization, etc. gives money to a program participant to pay for supportive services, is that cash or an in-kind match? What if such a group provided 10 free slots for WtW participants in a class that attendees normally pay? Since the training has a dollar value, could that be considered a cash contribution?**

When a third party makes a program contribution that does not involve giving cash to the program, then an in-kind contribution exists. This could involve providing allowable WtW services/activities to WtW participants at no cost to the program, volunteering time to the program, or making a contribution of supplies and/or equipment. If a third party provides services for WtW participants - like 10 free slots in a class for which other attendees pay - the match is in-kind, valued in accordance with 20 CFR 645.300. If a third party donates time (e.g. a volunteer mentor), it is an in-kind match. If a third party donates supplies or equipment, it is an in-kind match. If a recipient or sub-recipient provides the same things, what is chargeable are the actual costs incurred by the entity in providing the service, and it is a cash match. A third party (one that does NOT receive WtW funds) may make a cash contribution to the program - to the State, the local workforce investment area, or other WtW sub-recipient - and it would also be a cash match. Please see question and answer AFM1 above regarding the limitation on expenditures of in-kind contributions.

**AFM4: Does the 15 percent administrative cost limitation apply to expenditures of matching funds?**

No. The limit applies only to the federal funds and not to the match. Neither the act nor the regulations impose any such limit on the use of matching funds.

**AFM5: Do the expenditures of a local entity/service provider, other than the expenditures of the local workforce investment board, count as cash or as an in-kind match?**

If a local entity is a WtW subgrantee or subcontractor of the local workforce investment board, then the funds that it spends on a project for WtW eligible individuals would be a cash match. Under such circumstances, the entity expending the funds would be required to obtain and maintain the documentation to support the match expenditures.

However, if the local entity is not a subgrantee or a subcontractor of the local workforce investment board, then the costs that it incurs for its own welfare-to-work project(s) may be a third party in-kind match. It is likely that there would have to be some link between the local workforce investment board and the local entity's program - for example, the costs incurred on behalf of individuals for which the local workforce investment board has made a WtW eligibility determination. Third party in-kind contributions can only count toward meeting the match requirement when they would be allowable WtW grant costs if paid for by the local workforce investment board. While the primary records for these costs may be the records of the local entity, the local board would have to obtain and maintain records for these costs in order for them to be counted as match.

Documentation requirements for costs incurred as match are the same as those for costs paid for with grant funds. For third party in-kind contributions that are valued on some basis other than actual costs incurred, the documentation must be adequate to show how the value of the in-kind contribution was established.

**AFM6: Does a State have to assert that it will provide at least the minimum required match amount to qualify to get its full planning estimate? Or, can it advise DOL that it has only a portion of its required minimum available for expenditure during Fiscal Year (FY) 98 and assure that it will try to obtain the rest for expenditure during the full period in which both the Federal and the match funds may be expended?**

In order to get its full FY 98 grant amount, a state had to assert that it would provide at least the minimum required match amount (e.g. \$2.5 million in match for its \$5 million grant amount). It did not have to assert that it would expend this level of match in the year of the award, but it did need to promise this amount of match for the period over which it would spend the federal funds. Through the Department of Labor Appropriations Act of 2001 (PL-106-554), grantees were able to request an

extension of up to two years to the period of time they could expend WtW grant funds, affording the grantee additional time to accumulate the required amount of matching expenditures.

**AFM7: Can WtW matching requirements be met by using non-federal matching funds in excess of the 25% minimum required under the Adult Education Act?**

Yes. However, activities supported with matching funds that exceed the minimum required under the Adult Education Act must be used to serve individuals eligible for services under both the Adult Education and WtW programs. Further, the services provided must be allowable activities under both programs, such as job readiness, high school completion, or on-the-job instruction in basic skills needed for work.

**AFM8: Can employee benefits -- such as retirement contributions or health benefits -- count toward match? Can benefits that are supportive services -- such as child care and transportation assistance -- count toward match?**

Where an employer provides a package of benefits to its employees and provides the same package of benefits to WtW eligible individuals, the costs of these benefits may not be counted toward the match. However, when the employer provides benefits and/or supportive services to WtW eligible individuals that are in addition to those which are customarily provided to its employees, these costs may be counted toward the match.

**AFM9: If a WtW program receives a fee for a service provided, can it count as cash match for the formula WtW program?**

No. It would be considered WtW program income.

**AFM10: The Community Development Block Grant (CDBG) program, at 42 U.S.C. 5305 (a)(9), permits the use of CDBG funds to pay the non-federal share of a federal grant program undertaken as part of activities assisted under the CDBG program. Other federal grant programs may have similar provisions. Can costs paid for with CDBG funds for CDBG activities that would be allowable WtW activities be counted as match for the WtW formula grants?**

No. States are expressly prohibited from using other federal funds as sources of WtW matching funds, despite the general authority in the CDBG program or similar authority in other laws. The Act, at ' 403(a)(5)(A)(i)(I), specifies that a State's entitlement to WtW funds cannot exceed, "2 times the total of [match] expenditures by the State (excluding qualified State expenditures [TANF MOE] and any expenditures described in subclause (I), (II), or (IV) of Section 409(a)(7)(B)(iv)." Subclause (I) excludes "any expenditures from amounts made available by the Federal Government."@This prohibition would cover everything from funds provided by the

Appalachian Regional Commission to grants awarded by the National School-to-Work Office.

**AFM11: The Job Access and Reverse Commute Program has a 50% match requirement. WtW is listed as one of the Federal programs that can be used to meet this match. How can this be true when WtW has a specific provision preventing it from being used as match for any other Federal program?**

The Social Security Act specifically prohibits the use of WtW grant funds and State WtW matching funds to fulfill match requirements under TANF or any other Federal law (Section 403(a)(5)(C)(vi) of the Social Security Act). However, when Congress passed the Transportation Equity Act for the 21st Century (TEA-21), the law that created the new Job Access and Reverse Commute Program, they specifically indicated that the prohibition on WtW as match did not apply to the Job Access Program, (Section 3037(h)(2)(B) of the TEA-21, as amended by section 9009(w) of the TEA-21 Restoration Act).

Training and Employment Guidance Letter (TEGL) No.13-99 (5/26/00) available at <http://wtw.doleta.gov/linkpages/tegltein.asp> was published jointly by the Departments of Labor, Transportation and Health and Human Services. The document provides guidance on the use of TANF, Job Access and Reverse Commute and WtW funds for transportation services to welfare recipients and other TANF and WtW eligible individuals.

**AFM12: Since passage of the technical amendments that allow match to be spent over the same five year period as the federal grant funds, will the annual reconciliation and grant adjustment process described at 20 CFR 645.315 still occur?**

No. The requirements at 20 CFR 645.315(a) were removed from the Final Rule. However, ETA plans to review the financial reports submitted by States to assess whether or not the rate of match expenditure in relation to the expenditure of federal funds is reasonably consistent. If it appears that a State may be having difficulty in the area of match expenditure, then ETA staff may consult with the State concerning this difficulty and provide guidance in an attempt to assist the State in meeting its match requirement.