

## What can count towards work-in-kind contributions for a non-federal sponsor?

Future work for this study will require non-federal sponsors to assume cost-share responsibility. For the feasibility phase this is 50% of the feasibility study cost. For project implementation/construction this is 35% of the total implementation cost. While cash can be used for the cost share, many project sponsors pursue work-in-kind credit for their cost-share requirement.

Eligible Work-in-kind. Work-in-kind credits integral to the study may be in the form of in-kind services, materials or supplies performed or provided by the non-Federal sponsor during the feasibility phase. “Integral” project work is work the Corps would accomplish either in-house or through contract if the non-Federal sponsor does not perform the work. This could include, but not limited to, data collection, analysis, plan formulation, report preparation, project coordination, etc. Work-in-kind does not include activities the sponsor would otherwise be required to perform as a part of a project.

Eligible Parties. Work-in-kind may only be provided by the non-Federal project sponsor and can be accomplished by the staff of the non-Federal sponsor or by contract administered by the non-Federal sponsor.

General Requirements. The estimated cost of the work-in-kind effort will be established prior to the initiation of the work-in-kind effort. The cost will be negotiated, based on a detailed government estimate and sponsor proposal, between the Federal Government and the non-Federal sponsor, applying applicable Federal regulations. The non-Federal sponsor will comply with applicable Federal and state laws and regulations, including the requirement to secure competitive bids for all work to be performed by contract. Credit for work-in-kind will be subject to audit and if the actual costs are less than the Government estimate, the value of the credit will be reduced accordingly.

Work-in-kind can not be performed during the Feasibility Phase until after the execution of the Feasibility Cost Sharing Agreement (FCSA). As such, work-in-kind credit cannot be received for work performed prior to signing the FCSA. However, any work products developed by the sponsor prior to signing the FCSA can still be utilized in the project. The sponsor wouldn't receive work-in-kind credit, but the work product may help reduce the work necessary during feasibility, thus reducing overall project cost.

Non-Federal sponsor can provide their entire share of feasibility study costs through the provision of in-kind services.

Beyond the feasibility phase, sponsors cannot provide work-in-kind during the Design or Construction phases for specifically authorized projects, except as allowed under certain instances. However, costs of Lands, Easements, Rights of Way and provision

of Relocations and Disposal Areas (LEERDS) can be counted toward this cost-share contribution.

For any project requiring land purchase the non-federal sponsor would be required to acquire the property – the Corps of Engineers would not do this. The value of the LEERD shall be included in the sponsor's 35 percent cost share. If the value of required LERRD provided by the non-Federal sponsor is less than 35 percent of total project costs, the non-Federal sponsor shall provide, during the period of implementation, a cash contribution to make its total contribution equal to 35 percent. If the value of required LERRD, provided by the non-Federal sponsor, exceeds its share of total project costs, the Government may reimburse the non-Federal sponsor for the excess amount, subject to availability of funds.

Work-in-Kind (Other Contributions). Contributions of cash, funds, materials and services from entities other than the non-Federal sponsor may be accepted for ecosystem restoration projects. However, such contributions, including work by volunteers, will not be included in the costs to be shared but instead applied to the total project costs. Therefore, these contributions will reduce both Federal and non-Federal shares of the project costs.

More info on this contained in:

Policy Guidance Letter (PGL) No. 48, Cost Sharing for Specifically Authorized Environmental Projects.

[http://www.usace.army.mil/inet/functions/cw/cecwp/branches/guidance\\_dev/pgls/pdf/pgl48.pdf](http://www.usace.army.mil/inet/functions/cw/cecwp/branches/guidance_dev/pgls/pdf/pgl48.pdf)

1. PGML No. 4, 8 March 1990, subject: Credit for Local Sponsor Cost Associated with Project Activities.

[http://www.usace.army.mil/inet/functions/cw/cecwp/branches/policy\\_compliance/pmgl4.htm](http://www.usace.army.mil/inet/functions/cw/cecwp/branches/policy_compliance/pmgl4.htm)