

**REQUIREMENTS FOR DOCUMENTING THE VALUE OF "IN-KIND" MATCH**

RD Instruction 4284-A  
Exhibit A  
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(Added 08-22-07, PN 412)

**GUIDELINES FOR VERIFYING IN-KIND CONTRIBUTIONS**

- ✓ *The contribution is an integral and necessary part of the project or program and included in the approved budget and work plan.*
- ✓ *The contribution is considered an eligible cost in accordance with 7 CFR 4284 parts A, F, J or K.*
- ✓ *The contribution is considered an allowable cost in accordance with OMB Cost Principles.*
- ✓ *The contribution is not being used to meet another Federal cost-sharing or matching requirement unless allowed by Federal statute.*
- ✓ *The grantee has written procedures to document their policies related to property and services as appropriate. Larger, more complex organizations should have more complex systems, procedures, and policies than smaller, less complex organizations.*
- ✓ *The grantee and/or donator have verification and accurate documentation to show how the value was placed on the contribution.*
- ✓ *Volunteer services are supported, to the extent feasible, by the same methods used by the grantee for its own employees.*

The chart below is a representation of the type of in-kind contributions that the Agency typically encounters. It is not meant to be all inclusive, but just as a guide to provide examples of documentation that can be accepted to verify in-kind contributions. Use the guidelines under the "other category" if a particular type of in-kind match is not listed or if the acceptable documentation examples do not fit the specific nature of the contribution.

Type of in-kind match	CFR Requirement	Acceptable documentation for verification
<i>Equipment The definition in 7 CFR 3019.2 and property management standards of 7 CFR 3019.34 shall apply to donated equipment.</i>	<i>The donator must provide evidence documenting fair market value of equipment of the same age and condition at the time of donation.</i>	<i>Actual receipts from vendors and/or a cost report printed directly from the donator's accounting system showing fair market value.</i>

GUIDELINES FOR VERIFYING IN-KIND CONTRIBUTIONS

<i>Type of in-kind match</i>	<i>CFR Requirement</i>	<i>Acceptable documentation for verification</i>
<i>Equipment (cont.)</i>	<i>If the contribution is for the use of the equipment, the donator must document fair rental value.</i>	<i>A copy of a lease agreement showing the value of the rental. This would be the rental value the donator would receive if the grantee was charged for use. It must conform to the normal rates the donator would charge to other individuals or entities.</i>
<i>Inventory (Raw Commodity)</i>	<i>The donator must provide evidence documenting fair market value at the time of donation.</i>	<p><i>Dated price sheets obtained from local or regional cash markets.</i></p> <p><i>A copy of a purchase contract for the same type of commodity for the same time frame of donation.</i></p> <p><i>National or regional commodity reports showing the national or regional average for a similar commodity at the time of donation. Commodity reports may be obtained from the Market News reports found on the USDA Agriculture Marketing Service Web site.</i></p>

*GUIDELINES FOR VERIFYING IN-KIND CONTRIBUTIONS*

<i>Type of in-kind match</i>	<i>CFR Requirement</i>	<i>Acceptable documentation for verification</i>
<i>Space</i>	<p><i>The donator must provide evidence documenting the fair rental value of the space to comparable space and facilities in a privately-owned building in the same locality.</i></p> <p><i>If the contribution is for the use of leased space, the donator must document fair rental value.</i></p> <p><i>If the contribution is for daily or hourly use of space, the donator must document fair rental value.</i></p>	<p><i>A market rental evaluation completed by a general certified real estate appraiser or a real estate appraisal completed within less than a year that used the income approach showing rental rates. The donation may be for the total fair rental value of the space or a pro-rata portion.</i></p> <p><i>A copy of a lease agreement showing the value of the rent. This would be the rental value the donator would receive if the grantee was charged for use. It must conform to the normal rates the donator would charge to other individuals or entities. A pro-rata portion of value based upon square footage would be used.</i></p> <p><i>A copy of their rate(s) as published on a Web site and/or a copy of a contract verifying rate(s) charged to other individuals or entities.</i></p>

GUIDELINES FOR VERIFYING IN-KIND CONTRIBUTIONS

<i>Type of in-kind match</i>	<i>CFR Requirement</i>	<i>Acceptable documentation for verification</i>
<i>Supplies</i>	<i>The donator must provide evidence documenting fair market value at the time of donation.</i>	<i>Actual receipts from vendors and/or a cost report printed directly from the donator's accounting system showing fair market value.</i>
<i>Volunteer Services/Employees of the Organizations</i>	<p><i>The donator must provide evidence documenting the rate for their services. Rates must be consistent with those paid for similar work in the same labor market.</i></p> <p><i>Fringe benefits may be included in the valuation for volunteer service. Fringe benefits and overhead may not be included in the valuation process for organizations other than the recipient organization or contractor when the employee is performing services as their normal duties without additional cost to their employer. If employee is performing services outside their normal line of work, than it would fall under the volunteer services category.</i></p>	<p><i>A time sheet/labor record that shows all hours worked for each day with a description of the task.</i></p> <p><i>The timesheet/labor record should be signed that "all information recorded is true and correct" by the volunteer and certified/approved by project leader for the project or program of the grantee. Justification of the hourly rate must also be included in the approved work plan and budget or with the first request of reimbursement. Wages by occupation and state may be verified using the State Employment Web site (if available) or the U.S. Department of Labor Web site.</i></p>

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<i>Other</i>	<i>The value of the contribution must be documented by a reputable 3<sup>rd</sup> party (not the recipient).</i>	<i>Written documentation must be provided explaining the basis for the valuation conclusion, referencing comparable market values, per unit cost, industry norm, etc. The documentation should have sufficient detail to allow an independent reviewer to understand the basis for the valuation, and if necessary, to verify the conclusion of the value.</i>
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