

Non-Federal Matching Funds: What Is Required, What Is Forbidden, and What Is Possible?

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Your Matching Funds Requirement

Public Law 102-321, Part E, Title V, Sections 561-565 of the Public Health Services Act, the law that governs the Children's Mental Health Initiative, requires a non-federal match every year on a declining basis.

Match levels specified by the statute are:

- ✓ **Years 1,2,3 : \$\$\$ (3) federal to \$ (1) non-federal**
- ✓ **Year 4: \$ (1) federal to \$ (1) non-federal**
- ✓ **Years 5, 6: \$ (1) federal to \$\$ (2) non-federal**



Maintenance of Effort

1. Determine the amount expended by the applicant for the same purposes over the two years preceding the grant award. (This means that funds spent over the two previous years for community mental health services for children in the same locality as that served by the grant must be averaged.) Only non-federal funds exceeding that averaged amount can be counted as matching funds for the grant.
2. The maintenance of effort amount remains as a base, so funds counted as match in all six years of the grant must be only funds that exceed that averaged maintenance of effort amount.



What Can Be Counted as Matching Funds?

- Non-federal public, private funds or in-kind contributions
- Matching funds must be:
 - spent on the system of care, and on your specific population of focus
 - not used as match for any other federal program
- Cannot count funds used to match other federal programs (Medicaid, Title IV-E)
- Exception: for Indian Tribes and Tribal Organizations, can also include P.L. 99-Section 638 funds.



Non-Federal Matching Funds (Cash):

- Funds spent on SOC by applicant or by any partner agency or private entity
- Targeted taxes, private grants or donations
- Funds redirected from residential or other institutional services to community services for child served by SOC
- Funds redirected from other purposes (e.g. from adult MH, other children's services)



Non-Federal Matching Funds (In-Kind):

- Can be plant, equipment, or services
- Must be allowable cost under terms of grant if community were to pay for them
- Could include, for example:
 - ✓ Utilities, phone, space or equipment
 - ✓ Costs of personnel from other systems (e.g. teachers, child welfare workers)
 - ✓ Family, Youth Organization time
 - ✓ Recreation activities for youth in support of their plans
 - ✓ Donated media time for communication/social marketing
 - ✓ Value of transportation in support of SOC activities
 - ✓ Training costs, outreach activities



Accountability, Documentation Requirements (both cash and in-kind):

Accountability requires documentation of the specific contribution and its value, and must be:

- ✓ Verifiable by inclusion in the recipient's records;
- ✓ Not included as contributions for any other federally-assisted project or program;
- ✓ Necessary and reasonable for proper and efficient accomplishment of program objectives;
- ✓ Allowable under applicable cost principles;
- ✓ Not paid by the federal government under other award/source;
- ✓ Provided for in the approved budget of the grantee.

Claiming Value of Donated/Volunteer Time

Key data must be collected to justify claiming volunteer time. Forms that collect the necessary documentation of donated time need to include:

- ✓ Name of individual , title or role
- ✓ Date of activity, time spent (time in and time out)
- ✓ Explanation/description of activity
- ✓ Allocated cost/value of time per hour or ½ hour unit
- ✓ Entity funding the time, if person is employee
- ✓ Other: Costs of child care for family members, of transportation to event, of contributed overhead costs for any space that is used (rent, utilities, phone, fax, supplies, other equipment).



Indirect Costs Are Allowable, but...

Must be at the federally-approved rate and sites can find the per diem and mileage travel rates on line at the U.S. General Services Administration web site (<http://www.gsa.gov/portal/category/21287> and <http://www.gsa.gov/portal/content/100715>).



About “Carryforward” Funds Situations:

1. If a grantee requests and is authorized for carryover of unspent federal funds from the previous year, the grantee is required to match those funds based on the year the money is carried into and spent.
2. Collected/documentated matching funds in excess of the amount required may, with SAMHSA permission, be carried forward to the subsequent grant year, but only in conjunction with an associated carryforward of unspent federal/SAMHSA grant funds to the same subsequent grant year.



Examples of Win-Win Approaches: Project MATCH, Tucson AZ

1. Develop Wraparound Practice Coaching Materials
(Partners: John VanDenBerg, Arizona Division of Behavioral Health Services)
2. Service Capacity Develop Mini-Grants:
Therapeutic Foster Care Homes, Respite Providers
(Partners: Child Welfare, Juvenile Justice, Developmental Disabilities, Behavioral Health, and Non-Profit Provider Agencies)



Unconventional Strategy: Expand Scope of Initiative Over Time

1. Some Potential Expansion Dimensions:
 - a) Age range, new populations of focus
 - b) New system partners
 - c) Earlier intervention/prevention opportunities
 - d) Geography
2. More “bang” for the federal investment buck, and
3. Access to previously untapped matching resources

*Examples: Project MATCH, Tucson added 4 counties,
NE Iowa CCC added major new county*



“Ears to the Ground” for New Opportunities

Arizona Timeline:

- Project MATCH (1999)
- JK Settlement, Covered Svcs Expansion (2001)
- CPS Commission -> CW Reform (2003)
- SAMHSA CA-SIG Grant (2004)
- DOJ/ADJC Settlement -> JJ Reform (2004)
- CSAT SA Coordination Grant (2005)

Current Opportunities:

Affordable Care Act, OJJDP Re-Entry Grants,
HRSA Workforce Development

- *What about Your State, County, Community?*

Some Matching Funds Basics:

- ✓ Do financial scans, early and often
- ✓ What pre-exists and will persist in your community, and how can the cooperative agreement opportunity make it better?
- ✓ Strategic spending:
*Capitalize on the “fat” years,
and avoid the trap of the “lean” years.*
- ✓ Matching funds contributors can become longterm financing partners (sustainability)
- ✓ Track, track, track ...
*If you save your pennies,
the dollars will take care of themselves!*

*“Behold the turtle: He gets nowhere
unless he first sticks his neck out.”*

– William Cullen Bryant –

*Translation: “Ask permission, but don’t
be afraid to break new ground.”*

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