

<b>hds</b> human development services	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b> Administration on Developmental Disabilities	
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	6.	7.

PROGRAM INSTRUCTION

TO : Directors, State Administering Agencies  
Executive Directors, State Planning Councils  
Chairpersons, State Planning Councils

SUBJECT : Non-Federal Matching Requirements for the  
Administration on Developmental Disabilities' Basic  
Support Grant Program

LEGAL AND  
RELATED  
REFERENCES: Developmental Disabilities Assistance and Bill of  
Rights Act, Public Law 98-527  
45 CFR Part 1385 and 1386, Developmental Disabilities  
Program  
45 CFR Part 74, Administration on Grants

CONTENT : This program instruction will clarify the  
Administration on Developmental Disabilities' (ADD)  
policy with respect to:

1. matching requirements on an aggregate  
basis, and
2. use of in-kind contributions  
to meet Federal match requirements.

The Federal share of all projects in a State supported by an allotment to a State under Part B of the Act shall be seventy-five (75) percent of the aggregate necessary costs of all such projects, as determined by the Secretary, except that in the case of projects located in urban and rural poverty areas, the Federal share of all such projects shall be ninety (90) percent of the aggregate necessary costs of such projects, as determined by the

Secretary (Reference: Section 103(a)). The non-Federal share for poverty area projects and non-poverty area projects must be treated as separate aggregates. The total aggregate match of non-poverty area projects must be at least twenty-five (25) percent and poverty area projects must be at least ten (10) percent. Because planning is a Statewide activity planning must be included in the group of projects matched at twenty-five (25) percent.

In terms of the composition of non-Federal matching funds, the non-Federal share refers to State, local, and private nonprofit funds expended on activities supported by funds under Part B of the Act (Basic Support Grant Program). State funds are those appropriated by the State legislature, and local funds are those appropriated by a local governmental subdivision of the State. Private nonprofit funds are those derived from gifts, contributions, and sources other than Federal, State, or local governments available to the organizations participating in the program. There is no Federal requirement that matching be shared by the three (3) participating sources. The non-Federal share may be derived from one source, e.g., State funds, or it may be derived from two or more sources, e.g., State, local, and private nonprofit funds.

Section 103(c) of the Act provides that, "The non-Federal share of the cost of any project assisted by a grant or allotment under this title may be provided in-kind." 45 CFR Part 74, Subpart G explains the Department's policy concerning cost sharing or matching. The following points are important to remember concerning in-kind contributions:

- o In-kind contributions must benefit the ADD program and, when used as match, would qualify as allowable costs under the ADD program if the party receiving the contributions were to pay for them.
- o In-kind contributions counting towards satisfying the matching requirements of the ADD program must be verifiable from the records of the States and projects. These records must show how the value placed on the in-kind contributions was determined.


- o In-kind contributions must be valued at fair and reasonable rates and may not exceed the amounts allowable if the items were actually purchased.
- o In-kind contributions may not be counted toward satisfying the matching requirements of the ADD program if they have been or will be counted as satisfying a matching requirement of any other Federal assistance award.

In conclusion, please note that this guidance concerning non-Federal matching requirements applies to the Basic Support program only. There are no matching requirements for the Protection and Advocacy program. You should also be aware of the State Plan requirement in section 122(b)(2)(B) which requires States to identify the non-Federal share that will be used to meet each objective of the Basic Support program.

ATTACHMENT : Listing of Regional Administrators, HDS, Regions III, VI, VII and IX

EFFECTIVE DATE: Date of Issuance

INQUIRIES TO : Regional Administrators, HDS

  
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Jean K. Elder, Ph.D.  
Commissioner, Administration on  
Developmental Disabilities

REGIONAL ADMINISTRATORS, HDS,  
REGIONS III, VI, VII and IX

EASTERN REGION

States: Connecticut, Delaware, District of Columbia,  
Maine, Maryland, Massachusetts, New Hampshire,  
New Jersey, New York, Pennsylvania, Puerto Rico,  
Rhode Island, Vermont, Virgin Islands, Virginia,  
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SOUTHERN REGION

States: Alabama, Arkansas, Florida, Georgia, Kentucky,  
Louisiana, Mississippi, New Mexico, North  
Carolina, Oklahoma, South Carolina, Tennessee,  
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MIDWESTERN REGION

States: Colorado, Illinois, Indiana, Iowa, Kansas,  
Michigan, Minnesota, Missouri, Montana, Nebraska,  
North Dakota, Ohio, South Dakota, Utah, Wisconsin,  
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WESTERN REGION

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