



The North Carolina  
Partnership for Children, Inc.

# Cash & In-Kind Program Match Manual

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# Cash & In-Kind Program Match Manual

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# Cash & In-Kind Program Match Basics

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## What is the Cash & In-Kind Program Match?

**Cash and in-kind contributions to Smart Start that qualify as program match are supporting contributions that do not come from state sources but help us serve program objectives.** Often, the contributions reduce the cost to Smart Start (SS) for administering activities or providing services. Reportable matching contributions include funds, services, and materials. They may be received and/or used at the Local Partnership (LP) level, at the Direct Service Provider (DSP) level, or at the grantee level.

**NOTE:** The guidance given in this manual is ONLY applicable to what may be counted for the purposes of meeting the Smart Start program match requirement.

## Not All Contributions Qualify as Program Match

Sometimes, contributions are received by an LP that are used to serve local communities in meaningful ways outside of the scope of the Smart Start program. It is important to remember that the purpose of the program match requirement is to obtain non-state contributions that defray what might otherwise be costs to Smart Start, or to expand the types of services provided by Smart Start without using additional state funds. **Therefore, contributions that are NOT used for purposes within the legislative Smart Start mission are NOT considered to be a program match because they do not support Smart Start objectives.**

For example, a grant that will be used to fund an early childhood program that Smart Start *could have* funded should be considered a program match. On the other hand, a grant received by an LP that will be used for an adolescent program, which Smart Start *could NOT have* funded, would **not** be considered a Smart Start program match. Grants used for early childhood-related expenditures that are otherwise prohibited uses of Smart Start funds, such as promotional items or capital expenditures, would also be disallowed.

## Why do we need Cash & In-Kind Program Match?

**Smart Start is required by legislation to match a portion of state funds with non-state funds.** In order to meet our legislative requirement overall, the North Carolina Partnership for Children (NCPC) requires each Local Partnership to match **10%** of its combined Administrative and Services available funds each year.

With limited resources and increasing needs, **we cannot count on state funds** to fulfill all the needs of our communities. It is important to our success and growth that we leverage all possible non-state support to provide the additional resources needed.

Cash and in-kind matching by subrecipients can **create buy-in and shared responsibility** for Smart Start (SS) activities. Please note, however, that NCPC does NOT have a requirement that DSPs or grantees must provide matching contributions. See the later section entitled "Should DSPs be Required to Match?" for more guidance in this area.

## **How is each LP's program match requirement calculated?**

Since the legislative match requirement is based on Smart Start's total allocation budgeted from the state, each LP's match requirement is calculated as **10% of total funds available (Administration + Services)**.

This is DIFFERENT from each LP's requirements for the 30% Subsidy and 70% Child Care Related mandates which are calculated based on Services funds only. This calculation also differs in that it is calculated based on available funds, NOT expenditures. The total amount in contract and the total amount spent are not relevant, as all funds available must be matched. However, MAC funds are not included in the calculation.

There may be adjustments to an LP's funds available either at the beginning of the fiscal year or during the fiscal year that may in turn affect the required program match. Every time an LP is notified of a change in its available funds, it should also get notification of the updated cash and in-kind program match requirement.

There is currently NO requirement for LPs as to how much of the 10% must be cash versus in-kind match.

## **What happens if a Local Partnership does not meet its 10% match?**

Failure to attain and document at least a 10% program match each year may result in financial consequences. LPs who do not meet the 10% requirement are ineligible for any one-time allocations of Smart Start funds or any private grants through NCPC. In the past, cash and in-kind deficiencies have also been noted as audit findings for failure to comply with NCPC policy. It is possible that a Partnership would have an audit finding or management letter issue for failure to meet the match requirement. Since auditors sometimes disallow reported contributions, LPs should attempt to exceed the required 10%, thus providing a 'cushion' against possible deductions.

# Cash Match

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## Cash Match Defined

Reportable cash match includes cash and checks received by an LP and/or received directly by a Smart Start program.

Examples of cash contributions that may be counted as program match include:

- Cash and check donations
- Some grants from sources other than state funds
- Parent fees
- Participant fees collected for trainings provided
- Membership fees or usage fees for use of a Smart Start funded lending library
- Proceeds from a silent auction
- Profit on the sale of goods
- Interest earned on bank deposits
- Cash matches by grant recipients
- State Employees Combined Campaign funds

## Rules for Cash Contributions Received Directly by LPs

Cash contributions to LPs count as a matching cash contribution during the year in which they are deposited into the partnership's bank account. (If they are only pledged during the fiscal year but the entire amount is not received, only the amount that is actually deposited on or before June 30 of the fiscal year may be reported.)

## Rules for Cash Contributions Received Directly by DSPs / Contractors

If the cash contribution is made directly to a contractor/direct service provider, the contribution must meet the following criteria **IN ADDITION TO** the other criteria:

- Must directly support the Smart Start activity.
- Must be expended on behalf of the Smart Start project in the fiscal year in which it is being reported. If only a portion of it is expended in the current fiscal year, only the amount that is expended can be reported. The rest must be reported in the following fiscal year, as applicable.

# Examples of Cash Match

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## Cash Donations

Cash or checks contributed to the LP are reported in the quarter in which the deposit is made. A copy of the check and the related deposit slip should be maintained as documentation.

## Grants

There are two primary characteristics of grants that will impact their allowability as reportable program match. One is the source of funds, and the other is the use of the funds.

### Source of Funds

Grants received by the LP from any source other than state funds may be counted to the extent that the funds are deposited during the fiscal year and meet all applicable requirements. This includes grants from the federal government, local government, community foundations, private companies, and so forth.

**Any funds that flow through a state agency will be disallowed.** Therefore, federal funds such as Title One funds that come through the state will be disallowed.

On the other hand, federal funds that go directly to the local level, such as Head Start funds, should generally be allowed. Since NCPC is not a state government agency, privately funded grants that are administered by NCPC may be counted. The sources for these funds include banks and other corporate contributors.

### Use of Funds

The purpose of the program match requirement is to obtain contributions to Smart Start that do not come from state sources but help us serve program objectives. Therefore, **contributions that are NOT used for purposes consistent with the Smart Start mission are NOT considered to be a program match because they do not support Smart Start objectives.**

Documentation should include grant documents (such as the proposal submitted, grant agreement, expenditure reports, etc.) or, in the case of less formal grants, correspondence from the donor accompanying the grant or contribution. In addition, copies of checks and validated deposit slips should be maintained as documentation. Remember, if grant funds are received over multiple fiscal years, only funds deposited within the current fiscal year can be reported during this fiscal year.

## Parent Fees

Parent Fees for Smart Start subsidized child care are considered a cash match by parents. There are different types of parent fees that can count, and the calculations and documentation vary.

**For LPs that contract with the Department of Social Services (DSS) through the statewide contract for subsidy**, the Division of Child Development (DCD) produces a report that is provided to NCPC each month with each LP's parent fees amount. These amounts are posted on SmartNet by NCPC in the Cash and In-kind section. The amounts reported represent the amount of parent fees paid for children whose subsidy amounts are paid with Smart Start funds. The auditors accept the report from DCD as documentation, so LPs do not have to maintain any additional documentation for these amounts. (NOTE: Due to the one-month lag in DSS subsidy reporting, the amounts reported for the fiscal year should be June - May, instead of July - June.)

**For LPs that have 'enhanced subsidy' activities**, the calculations become more complex. If an LP has

a subsidy activity that adds to (enhances) the amount of subsidy that is paid for children in higher quality care, the amount of parent fees paid for those children is considered as matching BOTH the basic subsidy payment AND the enhanced subsidy payment on a pro-rated basis. In other words, if the basic subsidy and the enhanced subsidy are both paid from Smart Start funds, the full amount of the parent fees can be counted as a matching contribution. Care should be taken to ensure that the parent fees in these cases are not double-counted. If the enhancement subsidy is paid from Smart Start funds but the basic subsidy amount is not, only a portion of the parent fees is considered to match Smart Start funds.

**For LPs that have subsidy activities that are not administered through the statewide contract with DSS**, each LP is responsible for extensively documenting the parent fees that may be counted, with documentation including such items as monthly summaries of the amounts, signed attendance sheets, and parent contracts. Examples of acceptable documentation are provided in the Appendix to this manual.

Even though most parent fees are reported at the state level, **each LP must include the monthly parent fees in its quarterly contribution reports to NCPC.**

## **Silent (or Live) Auctions**

When an LP auctions items that have been donated, it is the proceeds of the auction, not the value of the donated items that should be reported. For example, if an LP receives donated auction items with an estimated value of \$200, no contribution is recorded for the donation. If the proceeds from the sale of the donated items is \$150, contributions totaling \$150 are recorded as a cash contribution. If an LP was to count the donated value AND the cash proceeds, it would be double-counting. The cash received is the best measure of benefit to the Partnership, regardless of the estimated value of the donated items.

Documentation of the auction, such as a listing of the items auctioned, copies of checks collected, and related validated deposit slip(s) should be maintained as documentation.

## **Participant Fees**

As with parent fees, participant fees constitute a non-state source of funds that offset the cost of a Smart Start activity. Because participants are charged a fee, their money is available to match a portion of the SS cost that might otherwise have to be covered by the LP. Participant fees can include lending library fees, registration fees for child care providers to attend classes sponsored by CCR&R, fees paid by recipients of program materials such as car safety seats, and similar fees.

Documentation of the participant fees, such as logs or rosters, copies of checks collected, and related validated deposit slip(s) should be maintained as documentation.

NOTE: Participant fees collected may ALSO constitute program income. Program income may only be spent on approved SS service activities.

## **Profit on the Sale of Goods**

When an LP sells items as a fundraiser, the profits may be counted as matching cash contributions for Smart Start. If items are purchased at a cost of \$1 each and sold for a price of \$5 each, the profit of \$4 each can be recorded as a contribution. If the same items were donated to the LP, the total proceeds of \$5 each could be counted as a contribution.

Documentation supporting expenses and proceeds related to the sale of goods should be maintained as support.

**NOTE:** IF Smart Start funds are expended in relation to the sale, profits from the sale are ALSO program income. In keeping with the above example, if 100 items to be sold are purchased with Smart Start funds for \$1 each, the Partnership must first return the cost (\$100) to the originating Smart Start fund. If all 100 are sold, the profit of \$400 is entirely program income and may only be spent on approved SS service activities. The \$400 can also be counted towards the match requirement on your cash and in-kind report.

If the original purchase was made from private unrestricted funds, the \$400 profit can still be counted towards the match requirement, but it is not considered Smart Start program income.

## **Cash Matches by Grant Recipients**

If grantees are required to provide a cash match for a grant, such as a Quality Enhancement grant, amounts received may be reported as matching Smart Start contributions.

Documentation should include either a copy of the check and deposit slip, if applicable, or documentation to demonstrate that certain items were paid for directly by the grantee. Even if the activity is administered by the partnership, rather than a DSP, check the box for DSP when this is entered into the Cash and In-Kind reporting system (CandI). This is because is not a donation to the LP. This is addressed again in a later section of this manual: **Reporting Cash & In-Kind Program Match**.

## **State Employees Combined Campaign Funds**

Periodically, Local Partnerships may receive checks representing donations collected through the State Employees Combined Campaign. These donations are reportable as cash donations when deposited, the same as any other individual contributions.

Documentation should consist of a copy of the check and the deposit slip.



# Program Income vs. Program Match

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## Program Income

Program Income includes, but is not limited to, interest earned on state-funded deposits, the rental of real or personal property acquired with state funds, and profits from sales of commodities or goods. In essence, Program Income (PI) is money that is generated as a result of the use of Smart Start funds. Interest earned on Smart Start funds is a common example of Program Income. Also, if there is a component of a Smart Start activity that results in revenue, that revenue would generally be considered PI because a Smart Start activity generated it. If revenue is generated by an activity that is NOT Smart Start-funded, the revenue is NOT Smart Start PI.

For example, an LP may operate a lending library as a component of a Smart Start-funded CCR&R activity. In this case, lending library fees collected are considered Program Income. If the lending library was not created or supported with Smart Start funds, but private dollars instead, the fees collected are not considered to be Program Income.

As another example, an LP may sell cookbooks to raise money for the partnership. If any expenditures related to producing the cookbook (printing, binding, advertising, etc.) are paid for with Smart Start funds, the profit from the sale of the cookbooks is Program Income. If no Smart Start funds are used to make or sell the cookbooks, the profits are not PI.

## Program Match

Program match consists of supporting contributions that do not come from state sources but help us serve program objectives. Note that program income is defined in part by the circumstances that **generate** the revenue, while program match is defined in part by the **use of** the revenue generated.

## Program Income may also be Program Match

Because Program Income must be used for approved Smart Start service activities, program income is generally **also** reportable program match. Providers who pay a membership fee to belong to a SS-funded lending library represent a non-State source of funds that is used to reduce the cost of program services. Members of the community who buy SS-funded cookbooks are also providing a non-State source of funds to be used for Smart Start service objectives.

## Program Match may or may not relate to Program Income

Reportable program match does not necessarily mean that the revenues being used to help serve program objectives were program income, though. As stated earlier, program match is defined in part by the use of the revenue generated. If the lending library is not SS-funded, revenues would generally be unrestricted, rather than PI. However, if the lending library revenue is used to offset SS program expenditures, the money should generally be reportable as program match.

# In-Kind Match

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## In-Kind Match Defined

**In-kind matching contributions are services or materials donated to an LP and/or received directly by a Smart Start program.** In-kind contributions generally represent donations for an activity that, if not donated, could have or would have been paid for with Smart Start funds.

In-kind contributions are often more complicated to document than cash contributions. NCPC suggests that LPs perform a **cost / benefit analysis** to determine whether documenting and reporting certain in-kind contributions are an effective use of staff time.

Many in-kind contributions are often reported by Direct Service Providers (DSPs), as many LPs require matching contributions from DSPs. Please review the section entitled “**Should DSPs be Required to Match?**” later in this manual for more information about DSP matching.

Examples of common in-kind matching contributions that may be counted include:

- Office or classroom space
- Utilities and other facilities costs
- Meeting space
- Staff support
- Professional volunteer services
- Non-professional volunteer services
- Discounts
- Other supplies, materials, services
- Food

## Rules for In-Kind Matching Contributions

Valuation is critical with regard to in-kind contributions. The value of each contribution must be documented, including the calculations involved (if applicable). If the value for a contribution is not readily determinable, a simple estimate will **not** suffice. Estimated amounts signify a lack of documentation for actual values and are likely to be disallowed. In addition, donor-assigned values are not likely to be accepted.

The reported amount for a contribution should be based on an independent assessment of the **fair market value (FMV)**. Third-party appraisals or published prices are acceptable forms of documentation. Additional guidance will be provided as various examples are discussed on the following pages.

In addition, each in-kind contribution must be **reasonable and necessary** for the activity for which it is donated.

Please note that the types of in-kind contributions listed in this manual are not all-inclusive. Other types of contributions may be allowable if properly documented.

## Examples of In-Kind Match

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### Office or Classroom Space

If the cost of space needed for an activity is not being charged to Smart Start as rent or as a portion of an overhead charge, it may generally be counted as an in-kind contribution. It may also be counted if Smart Start is paying rent, but at a rate that is below fair market value, in which case the difference between FMV and actual cost can be counted as the contribution. To report space as an in-kind contribution, the value of the space must be computed on a square footage basis. The value placed on each square foot must be based upon the market value per square foot for the particular area. The following items **MUST** be submitted by the donor in order for this contribution to be counted.

**Floor plan:** To document the actual space that is being contributed, a floor plan of the building or office space that specifically outlines the donated space is needed. (An example is provided in the Appendix.) If a formal floor plan is not available, a drawing with the specific measurements of the space being donated should suffice. The floor plan is essential in order to document the donation of space. It is also suggested that the floor plan include the address, phone number and contact name for the office space.

**Documentation of market value per square foot:** The market value of the space must be documented. If the contributor is a landlord who is renting space in the building to others, they will be able to document market value with a copy of their price list or lease agreement. Similarly, if the contributor is a DSP who is paying rent for the space, the rent cost documented by the lease agreement is often the best way to determine fair market value. If the donor owns the space, the value of the contribution should be reported at fair market (rental) value, as the owner could have charged SS rent to use the space. The fair market value can be obtained by contacting a local commercial real estate agency for an appraisal. Alternatively, if comparable commercial space is available in close proximity (e.g., across the street) and the rental price per square foot is publicly advertised or obtainable from the landlord, this value can be used as well. In any case, the calculation of the value must be documented. If the value is obtained from a local realtor, the estimate should be provided in writing. To make this easier for a realtor (and possibly reduce or eliminate fees), the LP or DSP may write a letter to the realtor confirming the conversation and the value given, with a request that the realtor sign and return the letter. (An example of such a letter can be found in the Appendix.) If the amount of donated space is consistent from year to year, the documentation of the value of the donated space only needs to be updated every other year. Keep in mind that if the donation is actually in the form of a discounted rental rate, you must only report as a contribution the difference between FMV and the actual cost to Smart Start.

**Letter from the contributor:** It is highly recommended to obtain a letter from the contributor that states the contribution, the details of what the contribution includes (rent, maintenance, utilities, etc.), the square footage, and the fair market value. Again, the value must be computed on a square footage basis. As mentioned previously, the LP or DSP may save the donor the inconvenience of writing this letter of documentation by writing the letter to them, outlining the details of the contribution and how/why it was valued at a specific amount. That letter would then be signed by the donor, certifying that the details are accurate and the contribution occurred.

**Computing the amount correctly:** A common reporting problem is that the value of office or classroom space is not computed correctly. To get the correct value, multiply the total square feet by the value per square foot, which results in an annual amount. This amount **MUST BE** divided by twelve to get the correct monthly amount of the contribution. For example, office space of 1,200 square feet at a value of \$5.80/square foot is \$6,960/year or \$580/month.

**Note:** Schools, county agencies, and community college offices are generally owned by private or local government sources. For example, while the local school system might be primarily funded by state dollars, the schools themselves are generally county-owned. The same is true of the offices that house departments like Health, Social Services, etc. In the case of the community colleges, those buildings are often owned by a private foundation. As a result, office and classroom space used as part of a Smart Start project can often be listed as an in-kind contribution towards the match requirement.

## Utilities and Other Facilities Costs

Occupancy charges other than rent may also be donated but can be more difficult to document. Sometimes utilities, phone, and other similar charges are included in the square footage price on office space, or as a component of overhead. LPs must ensure that these contributions are not double-counted, nor included as part of the actual cash budget that is reimbursed with Smart Start funds.

To count these types of costs as contributions, documentation must include copies of actual bills (utility bills, phone bills, etc.) and documentation to show how the contribution amount was calculated.

## Meeting Space

Meeting space may only be counted as a contribution in a few situations. Basically, if the organization providing the meeting space does not charge anyone else for the use of the space for meetings, it may not be counted as a contribution. Therefore, meeting space freely provided by local agencies, churches, libraries, schools, etc. CANNOT be listed as a contribution. If meeting space is listed as a contribution, documentation must be provided to establish that the space is typically rented out for meetings. An invoice or statement from the contributing company with the amount usually charged for room rental, date and time is the best documentation.

## Staff Support

Even though Smart Start funds may include some of the personnel costs for an activity, it may not cover the total personnel costs incurred by the activity. Supervisory and clerical staff time may be reportable as a contribution if Smart Start is not being charged for it. In addition to 'normal' DSPs, some LPs have determined that their local Department of Social Services (DSS) uses county funds to help cover the cost of administration of SS subsidy dollars and are reporting this as in-kind as well. In order to count staff time, actual time spent on the Smart Start activity must be documented. Estimates are not acceptable. Consider the potential value of the contribution and whether time sheets are already maintained when determining whether to count such contributions. Full documentation for staff support would include the following:

**Confirmation that the person is paid with non-state funds:** For county agencies, schools, and community colleges, it is essential that this question is answered before staff time is reported as an in-kind contribution. Many of these persons are paid with state funds. If they are, their time cannot be counted as a contribution to the match. If they are paid only partially with state funds, the portion of their time that is paid from non-state sources can be counted, provided that it can be documented. For example, if 45% of the salary of a nurse in the Health Department is paid from state sources, then the 55% that is from non-state sources could be counted. Fifty-five percent of the time they work on behalf of the Smart Start project could be valued as a contribution.

**Time sheet or a log sheet which itemizes the days and hours they are working on behalf of the Smart Start-funded project:** If someone already keeps a 'functional' time sheet (one that documents time spent on various programs), they can add a Smart Start line to it. Every time they submit a time sheet, they should make a copy and keep it in a file for submission for documentation of an in-kind matching contribution. If they do not keep time sheets, they should keep a sheet of paper at their desk and log in each day the number of hours they worked on the Smart Start project. These must be kept in daily allotments of time. If only weekly or monthly amounts are given, they may be scrutinized and assumed to be only estimates, rather than a reflection of the actual hours spent on the project. Preferably, these log or time sheets should be signed by the staff member and supervisor to "certify" the time worked on behalf of the project.

**Payroll information:** There must be documentation as to the value of someone's time. It can be a copy of their pay stub, a partial copy of the payroll register or a letter from the finance or personnel office of the organization that certifies the individual's rate of pay. In such instances, it should reflect the total salary and benefits. This amount should then be divided by 2,080 hours in order to obtain the hourly rate of pay (assuming a 40-hour work week). After you have received a copy of this information once, you do not need to get it again during the same fiscal year unless their pay rate changes.

**Calculation example:** If someone makes \$30,000 per year as well as an additional \$5,750 in benefits, they have a total annual compensation of \$35,750. Divided by 2,080 hours, this individual has an hourly rate of \$17.19 per hour. Their log sheet shows that they worked a total of 16 hours in a pay period on the Smart Start project. That translates into \$275.04 as an in-kind contribution for the project. BUT....if only 55% of the person's salary is from non-state funds then you would only count 55% or \$151.27.

**Time Studies:** Some entities refuse to keep time sheets or log sheets that reflect the time being donated. They maintain that they have completed time studies that confirm the amount of time they are reporting as a donation. In these instances, the LP must obtain detailed information about these time studies and how they arrived at the specific amount of time that they are reporting as a donation. Time studies are only considered to be valid for a limited time period – two years at the most. Time studies must be reevaluated on a regular basis to determine whether they are still accurate. There must be a reasonable and legitimate rationale for how they arrived at the specific amount of the donation. Even then, it is not guaranteed that this documentation will be accepted.

## Professional Volunteer Services

Professional volunteer hours encompass the services of a lawyer, accountant, doctor, teacher, etc. The hours and services they donate must relate to their professional expertise in order to value their time as a professional service. The value of their time would then be at a higher rate than a non-professional volunteer service; it would correlate to their normal billing rates.

In order to value a person's time at the professional rate of service, the time and value of the service must be documented. It must also be documented that this is a professional providing the service and that this service would had to have been purchased had it not been donated. For example, if a CPA prepares the LP's tax return at no charge, the CPA is saving the LP from having to pay an accountant to prepare the return.

**Time:** If the volunteer provides services over a number of days and hours, it is best to submit a time sheet that lists the date and time and activity. (See the Appendix for an example.) That time sheet must be signed by the volunteer and a representative of the organization, certifying the time donated, the value of that time, and the type of service provided.

**Value:** An invoice for the services provided is always an excellent form of documentation. When this is not possible, the value will need to be substantiated in another way. Options for documenting the value of a professional service include a copy of a classified advertisement for the same type of service, a price list from an employment agency, a copy of a wage survey which encompasses the professional service, a copy of their current pay stub, etc. Another independent source that can be used in determining the value of professional services is a website that has accumulated average wage data. The site [www.salary.com](http://www.salary.com) includes information about a range of jobs. By selecting the job and zip code that would apply, salary range information for that area is provided. A printout of the value used should be kept on file. If the value of their time cannot be documented, the non-professional volunteer rate may be used instead.

## Non-Professional Volunteer Services

In general accounting practice, non-professional volunteer hours may not be counted as a contribution. In the 2000 legislative session, SS legislation was modified to allow the use of an in-kind value for non-professional volunteer hours. The guidance given in this manual is ONLY applicable to what may be counted for the purposes of meeting the Smart Start match requirement.

Non-professional volunteers are individuals who provide services to Smart Start but are not required to have specialized skills or education for the services they provide. This category includes members of your board who attend board meetings. They serve on the board as volunteers regardless of which agency they represent. Therefore, board member time volunteered for board meetings or committee meetings may be counted whether or not the board members are being compensated for their time from another source, even if it is a state source. This is a rare circumstance where state-paid time can be counted. If you have any questions about whether a certain type of volunteer time is reportable, please contact an NCPC Financial Consultant.

**Note:** DSP staff that attend a meeting that is required under their Smart Start contract are NOT considered volunteers in that particular situation, and therefore their time should not be recorded as an in-kind contribution.

**Non-professional volunteer hourly rate:** Each fiscal year, the rate at which non-professional volunteer hours will be valued changes. The rate will be communicated to all LPs by NCPC and posted on SmartNet. Per the legislative requirement, this is based on the statewide average wage rate listed in the most recent annual Employment and Wages in North Carolina report. Once set for a given fiscal year, this amount will be used for the entire fiscal year. This is not a “state rate” for volunteer time, but more specifically a Smart Start rate as defined in Smart Start legislation. Use of this rate outside of Smart Start is not appropriate.

**Individual volunteer documentation:** In order to use the non-professional volunteer rate and to report non-professional volunteer hours as a contribution, a time sheet that details the days, hours and type of volunteer activity must be provided. This time sheet must be signed by both the volunteer and a representative of the organization for which he/she is volunteering. In the Appendix there is a sample copy of a time sheet. PLEASE utilize this time sheet or something very similar on behalf of volunteers working for the local partnership and/or the Smart Start-funded project. The local partnership will need to have these volunteer time sheets on hand for review by auditors or monitors. Without these signed and completed time sheets, volunteer time will be disallowed.

**Documentation of volunteers attending board or committee meetings:** In the Appendix, there is also an example of an alternative reporting form that can be used to report the volunteer hours of persons attending board or committee meetings. In such instances, rather than having 25 separate time sheets from board or committee members, all of them can sign this form and use that as the documentation of their volunteer time in attending the meeting. Use of this form will substantially cut down on the paperwork.

## Discounts

Discounts may be reported as in-kind contributions if they are offered specifically to Smart Start. If the vendor provides the discount to most of its customers (or any customer who pays early), the discount does NOT count as an in-kind contribution. A discount must be shown as a special contribution to your organization that is above and beyond their usual business practices. In order to count a discount, the documentation must include an invoice that itemizes what was purchased and what was donated or discounted. The documentation must also include a signed statement, either a notation on the invoice or in a separate letter from the company, which states that the discount being provided on the purchase is a special discount being given on behalf of Smart Start (or the project name).

## Other Supplies, Materials, Services

Other contributions may include new or used office equipment, supplies, toys, etc.:

**Donations of new items** - Obtaining documentation for the value of new items is much easier than used ones. If the donor has a receipt, the receipt can serve as documentation of the value. If a receipt is not available, a price list from a business that sells those items or a clipped advertisement from a sale page showing the item and the price should suffice in documenting the value of it.

**Donations of old/used items** – It is much more difficult to document the value of used items. For such items, a clipped advertisement of someone selling such an item from the classified ads in a local Sunday paper or an internet website can be used. Retail stores that sell used items may also be willing to provide a price list. Another suggestion is to go to a used furniture store and get a price list from them as to what they typically sell such items for in their business. (See the Appendix for examples of this documentation.)

## Food

With regard to food as a contribution for meetings or programs, it is important to substantiate the cost, the time, and the need. Receipts for all food items purchased (or if catered, the invoice from the caterer) should be kept on file. An estimate by the donor will NOT suffice as adequate documentation. They must show the actual cost through receipts or an invoice.

Documenting the time and need is particularly important when you list food as a contribution for a meeting. The documentation should explain why the food was necessary. Was the meeting held around the time of a meal? What was the purpose of the meeting that required them to be there at mealtime to eat the food? If minutes were taken for a meeting, these minutes should include the beginning/ending time of the meeting, location, the names/number of persons in attendance, and purpose. These facts should be part of the documentation of the contribution.

# Should DSPs be Required to Match?

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## Requirements

There is NO REQUIREMENT in legislation or NCPC guidelines that require Direct Service Providers (or grantees) to provide matching contributions. At one time, matching contributions were required for Quality Enhancement grants, but they are not any more. Each LP is authorized to determine whether all, some, or none of its DSPs or grantees will be required to provide a match. (Throughout this section, although we will refer to DSPs, the same principles apply to grantees and grant agreements as well.)

## Pros and Cons of DSP Matching as a Requirement

**PRO:** When DSPs are required to provide matching contributions, it may promote an atmosphere of shared responsibility. Instead of simply receiving full funding for an activity from Smart Start, the DSP is required to provide or obtain other support as well. In such cases, the DSP may have a more vested interest in the success of the activity.

**PRO:** DSPs are more likely to report cash and in-kind contributions when it is required than when it is suggested. Use of a contractual requirement may increase the total amount of contributions that the LP has to report. This match is especially important when other sources of matching are not sufficient for the LP to meet its 10% match requirement.

**CON:** Some activities do not lend themselves easily to matching. The best examples are activities managed by state-funded DSPs. Generally, the expenses that a state-funded DSP would contribute as a match are paid for with state funds and therefore not reportable as part of the LP's match. Other DSPs are small community nonprofits that have few additional resources and cannot afford to match SS funds with other funds. Finally, some activities are contracted on a 'purchase of services' basis. In theory, purchase of services payments are expected to cover the cost of providing the services. LPs generally do not have a specific breakdown of actual cost since payments are made on a per unit basis rather than as reimbursements. Therefore, if the DSP claims that personnel time and supplies are in-kind donations, how would the LP be able to document that the per unit payments are not actually paying for these costs?

**CON:** Some DSPs, in a struggle to meet cash and in-kind donation requirements, may report unusual contributions that create challenges for LP staff. Significant time can be spent by LP staff in trying to get documentation for donations and/or determine whether they will be reportable at the state level.

**CON:** Documentation requirements are more detailed for DSP-reported contributions. In the next section of this manual, the requirements for cash and in-kind contributions at the DSP level are explained. These are taken directly from Smart Start legislation. Because a DSP may have many activities unrelated to SS, or even unrelated to early childhood services, additional documentation is required. For example, if the LP receives a check for a \$100 donation, the LP may report that contribution when received.

Documentation might include a copy of the check and a copy of the deposit slip. However, if a DSP gets a \$100 check as a donation to support a SS project, they must not only document the donation itself, but also document that it was spent on reasonable and necessary expenditures that are directly related to the SS activity they administer.

**CON:** Once the LP has decided to make matching a contractual requirement, the LP is responsible for monitoring compliance. It is recommended that some type of consequence should take place if noncompliance with this (or any) contractual provision is noted.



## **Cost – Benefit Analysis**

NCPC recommends that LPs determine whether the benefit gained from DSP matches outweighs the administrative costs associated with monitoring and documentation. If an LP depends on matching of all DSPs in order to meet the overall LP 10% match requirement, the benefits are very important. On the other hand, if parent fees and matching received at the LP level are sufficient to meet the LP's 10% match, should LP staff resources still be spent in monitoring and reporting DSP matching contributions?

## **LP – DSP Contracts**

The LP – DSP contract template allows for LPs to choose one of two paragraphs about cash and in-kind matching. One option allows LPs to specify a percentage match that will be required. The other simply states that the DSP will 'maximize' the use of cash and in-kind contributions without specifying a percentage.

If a Local Partnership wishes to make cash and in-kind matching a requirement, the contract should include the appropriate option and include the percentage that will be required. Once it is included in the contract, it should be enforced by the LP. If the LP does not intend to enforce the requirement, NCPC suggests that the other contract language about maximizing contributions be used instead.

## **Customized Match Requirements**

Some LPs have decided to require different matching percentages from different DSPs, which is also allowable. This approach may be a solution when there are state-funded DSPs that have no reportable matching from non-state funds, but some DSP matching is needed in order to comfortably meet the LP's overall 10% match.

Some LPs have decided on a policy where the required match is directly tied to the type of entity that the subcontractor is. For example, state-funded DSPs have no match requirement, non-profits have a 5% match requirement, and for-profits have a 10% match requirement.

Another means of determining match requirements might be to look individually at what each DSP proposes and negotiate a reasonable expectation based on the circumstances of each activity.

## **Additional Requirements for Program Match at the DSP Level**

The following provisions are derived from Smart Start legislation and must be addressed in the documentation for matching contributions at the DSP or grantee level.

1. Is the contribution **verifiable from the contractor's records**? Is there **documentation** to support the amounts claimed?
2. Are **in-kind contributions quantifiable in accordance with Generally Accepted Accounting Principles (GAAP)** for nonprofit organizations? Examples of what is quantifiable under GAAP may be found in this manual. The one exception to GAAP relates to non-professional volunteer hours. Smart Start's legislation allows non-professional volunteer hours to be valued and counted towards the SS match in addition to the professional volunteer hours allowed under GAAP. There must be objective evidence to support the basis for quantification.
3. Are the cash or in-kind contributions **from sources other than state funds**? NO state funds may count towards the match requirement. 'State funds' include any federal funds that pass through a state agency as they are automatically considered state funds as well, and therefore do NOT count. Federal funds that go directly to the local level (e.g., Head Start) as well as local government funds DO count.
4. Are the contributions **in addition to existing resources** for the program? If Smart Start funds are used to expand an activity rather than initiate a new one, are the contributions related to the expansion effort? For example, if three preschool classrooms already existed and Smart Start funds were used to start a new preschool classroom, we could only count contributions or funds leveraged related to the new preschool classroom we were funding.
5. Are the contributions **a direct result of the Smart Start program**? If the contribution was not generated as a result of the Smart Start activity and is just a general contribution to the DSP's organization or to a NON-Smart Start-funded activity, it should NOT be reported as a contribution to Smart Start. That is, every contribution that a DSP receives should not be reported as a contribution unless it is used directly for the Smart Start activity. Also, are the contributions **considered reasonable and necessary** for the proper and efficient accomplishment of the program activities? If the contribution is not necessary to the successful completion of the activity and/or the activity goals, it should NOT be reported as a contribution.
6. Are the contributions **allowable** under federal and state law? Contributions must not be in conflict with any federal or state law, including SS legislation.
7. Are the contributions **included within the scope of the budget or the contract activity description**? Contributions should be directly (not indirectly) related to what is in contract. This means that if the contribution is related to the activity, but falls outside of the scope of the contract activity description (CAD) and the activity's full proposal, it may be disallowed.
8. Does the DSP report the match expenses to your partnership on a contribution report form on a monthly or quarterly basis? You must have a **reporting system** in place for your DSPs to report contributions.

## **Contributions That Cannot Count Toward the Required Match**

### **Federal Funds Cannot be Counted IF Passed Through a State Agency**

Funds received from state sources cannot be counted as matching contributions for Smart Start. The rules for other programs, such as More at Four, may differ, but Smart Start legislation is very specific on this issue. Funds that come from a state agency cannot be counted.

Also, funds that do not originate from the state level, but come through a state agency will be disallowed.

Keep in mind that funds received by one LP from another LP, such as program fees and MAC site fees should not be counted as they are likely to be Smart Start funds. Unless an LP can obtain documentation that funds received from another LP are NOT state funds, they will likely be disallowed.

Similarly, in-kind contributions that derive from state funds or state-funded assets cannot be counted. For example, if a state agency such as the Health Department, does not charge rent for the space used for a Smart Start activity, the donated space cannot be counted toward the LP's match because the facility was purchased and is maintained with state funds. The same is true with donated personnel costs when those costs are paid with other state funds.

### **Prohibited Expenditures Cannot be Counted**

In theory, matching contributions reduce costs that might otherwise constitute expenditures of Smart Start funds. A contribution of or for something that Smart Start is prohibited from funding, such as promotional items, is not considered a match to Smart Start.

In some cases, contributions of or for Smart Start-prohibited expenditures, such as capital expenditures, may eliminate the need for allowable Smart Start expenditures, such as rent for utilization of space. For example, if a small building is donated to an LP for an in-house CCR&R activity, and the LP no longer needs to pay to rent space for the CCR&R, there may be a **possibility** that this can count towards the match requirement.

IF there is a situation where a contribution for prohibited expenditures may impact the use of Smart Start funds for allowable expenditures, LPs should contact the NCPC Finance Director to discuss the matter. Unless the Finance Director indicates that the contribution should be allowable, contributions of, or for, expenditures that are prohibited uses of Smart Start funds would likely be disallowed and should not be reported.

### **Contributions Indirectly Related to an Activity Cannot be Counted**

Other than cash contributions at the LP level, there must be a direct correlation between the contribution and the activity or grant. This may depend on the way in which the activity or grant is written. For example, if the purpose of the activity is to hire a Parent Educator at a local family resource center, other related costs absorbed by the resource center may be disallowed. However, if the activity is written so that the purpose is to provide a series of new parenting classes, and it explains that the LP will fund the position of the Parent Educator while the resource center will provide the space and materials, those related costs are more likely to be counted as matching contributions. By establishing in the activity description that it is a joint effort and the resource center is expected to contribute in certain ways, it is now clear that these contributions are matching Smart Start's resources. Similarly, if the LP issues a grant to a child care center and a 10% match is required by the grant agreement, the agreement sets forth the expectation of the match and it should be counted.

## **Contributions > 100% of Smart Start's Investment Cannot be Counted**

There is no guidance in the legislation regarding matching contributions at greater than 100% of the Smart Start investment. However, the auditors will disallow reported matching contributions that exceed the amount Smart Start invested in the same activity. For example, say a new program for young children is to start at the local public library and the cost will be \$7,000. Due to budget constraints, the LP can only fund \$3,000 of the cost this year. A generous businesswoman comes forward and contributes the remaining \$4,000. The auditors may disallow any amount over Smart Start's \$3,000.

In rare cases, there may be a legal or contractual matching requirement that establishes that Smart Start funds were instrumental to leverage another source of funds, and reportable matching at greater than 100% may be allowed. For example, say a local foundation signs a contract with a local service provider to fund an activity with \$2 for every \$1 funded by another source. If Smart Start funds \$5,000 (as an approved activity), and the foundation contributes another \$10,000, the \$10,000 should be counted as a match. This exception only applies when there is a legal and binding requirement on the other party to match Smart Start funds at greater than 100%.

## **Some Contributions Cannot be Counted Unless Prorated**

If multiple funding sources are involved for a Smart Start activity, the amount of the contribution must be prorated to determine the proper amount. For example, say an LP funds a Pre-K activity that is funded with \$30,000 of Smart Start funds, \$70,000 of More at Four funds, and \$20,000 of private funds. The private funds are matching the SS and MAF funds, but they cannot be double-counted. In this case, 30% of the state funds involved are from Smart Start, so 30% of the private funds (\$6,000) are considered to match SS funds. The other 70% (\$14,000) are considered a match to More at Four funds.

# Reporting Cash & In-Kind Program Match

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## The Local Partnership WebApps Cash and In-kind (CandI) System

The website address for WebApps at the time this manual was updated is:  
<http://ns2.ncsmartstart.org/family/index.php> .

Each Partnership has a unique User Name and Password. If the address above does not bring up WebApps, or if you have problems logging in, contact [helpdesk@ncsmartstart.org](mailto:helpdesk@ncsmartstart.org) for guidance.

The Local Partnership WebApps system is an interactive database used to capture evaluation data (counts), as well as cash and in-kind data. The **Cash and In-kind** portion is also nicknamed CandI for short. Local Partnerships are given access to this system to input data, and NCPC has access to run reports to monitor LPs' progress.

ONLY contributions that constitute allowable program match should be reported in CandI. If an LP wishes to track additional contributions that are not allowable, such as contributions from other state funds, these should be captured in a spreadsheet or some other means other than CandI. The amounts reported in CandI are used to report updates regarding program match to the legislature, therefore it is important that only contributions believed to be allowable should be entered. Furthermore, what is reported in CandI should ideally agree to what is published in the LP's audit report.

## The Reporting Cycle

By the end of each quarter, each LP should enter the reportable matching cash and in-kind contributions for that quarter into CandI. NCPC will announce due dates for each quarter's data entry. (The first quarter report due date, for July through September, is sometimes waived. If it is, the first and second quarter reports will both be reviewed in January. NCPC will notify LPs of reporting requirements.)

If an LP is still in the process of obtaining documentation for a certain contribution at the time that a quarterly report is due, the LP may elect not to enter that contribution until the documentation is on hand. Contributions for a prior quarter (in the same fiscal year) may be entered in a subsequent quarterly report. If the contribution is entered even though the documentation is pending, the LP must ensure that by year-end, either the documentation is received or that contribution record is deleted in CandI.

At each review, approximately 2-3 weeks after the end of the quarter, NCPC Contracts Specialists will print and review the cash and in-kind reports for each LP for reporting inconsistencies and possible errors. This review process does not, and cannot, confirm whether reported contributions will be accepted. That determination may only be made through a review of the supporting documentation on file for each contribution.

## Summarizing Individual Contributions in Groups for Data Entry

Similar contributions can sometimes be grouped for data entry purposes. The following data entry guide will include examples of acceptable groupings. Note that it is up to each local partnership to determine whether or not to summarize any contributions. If you decide to summarize, be sure to maintain detailed records for individual contributions that comprise summarized entries. This detailed documentation must be readily available to an auditor or monitor upon request.

# Contribution Data Entry

Once logged in, look down on the left hand side of the screen (below the sections for PBIS and Counts) for the CandI section. Click on “Enter Contributions” and then click on the “Enter New” button at the top of the screen. This will bring up a screen that looks like this:

The screenshot shows a web browser window with the title "CandI Entry - Microsoft Internet Explorer provided by Smart Start". The page content is titled "Local Partnership WebApps" and "You are adding a contribution". A note states "(Bold Fields are required)". The form includes the following fields: "Date Received" (06/30/2008), "Donor" (New Donor), "Contact", "Recipient" (New Recipient), "DSP" (checkbox), "Program/Activity", "Description" (New Description), "Documents on file" (checkbox), "Contribution Type", "Methodology (for In-Kind)" (New), "Methodology Description", "Description of Volunteer hours" (New hours Description), "Number of Volunteer Hours", "Volunteer Rate", "Check Number", "Program Match" (dropdown with note: "(does this count toward Smart Start 10% match?)"), and "Amount \$" (0.00). An "Update" button is at the bottom. A left sidebar contains navigation links for "Good Afternoon", "PBIS Family Support Home Page", "Counts", "Cash and InKind (CandI)", and "Help User Admin".

## Field by Field Guide

### Date Received

The date should reflect the actual date of the contribution. For cash received at the LP, this would typically be the received date or deposit date. For cash donations or grants received by a DSP, the date(s) the contribution is expended on the SS program is the date the contribution becomes reportable, and this should be entered as the received date. For in-kind donations, the date should reflect the date the donation was received by the LP or DSP.

If you choose to summarize entries for a month (or a quarter), we suggest using the last day of the month (or quarter) as the received date. For example, if you received several small cash donations during the month of October totaling \$85, you might enter one contribution record for \$85 with a received date of October 31.

Be sure you have the detailed documentation for individual contributions comprising any summarized entries. If this information is in another LP file, such as a cash receipts book, there is no need to make additional copies of deposit slips.

The system defaults to the current date, but you may type in another date as appropriate. Be sure to use the correct format: MM/DD/YYYY. The date must be between July 1 and June 30 to be counted for that fiscal year. See the section below titled **Special Guidance – State-Level Subsidy Parent Fees** for more information about the received date for subsidy parent fees.

### **Donor**

The donor is the source of the contribution. This may be an individual, a group of people, a company, a DSP, etc. The donor should never be entered as the Partnership.

For private grants and other non-SS funds received through NCPC, the original donor must be entered rather than NCPC. If you are unsure as to the true origin of any funds received from NCPC or any other organization, review the correspondence that accompanies the payment or contact the organization that wrote the check.

If a DSP incurs expenses for the SS program that they do not charge to the Partnership, the donor is the DSP. This is because they are contributing internal resources, such as rent or personnel costs, at no charge to SS. Remember that these contributions are only reportable if they are not funded with other state funds.

If you choose to summarize entries for a group of contributions, make sure the donor entered reflects the group providing the money or resources. Here are a few examples:

<u>Contribution</u>	<u>Enter Donor as</u>
- 12 board members attend a board meeting	"Board Members"
- subsidy parent fees reported by DSS	"Parents"
- 5 people make small cash contributions in October	"Individuals"
- 7 providers pay annual membership fees in July	"Providers"

On the contribution entry screen, either select a donor from the drop-down box or type in a new one in the field to the right labeled "New Donor." Any new donors entered will be added to the drop-down box for future use.

### **Contact**

Entering contact information for a Donor is optional. This field could be used for names, phone numbers, etc.

### **Recipient**

The Partnership should only be entered as the recipient if the resource is given directly to the LP. Examples include cash donations received by the LP, LP board or committee volunteer time, and contributions to in-house activities.

For contributions received and used by a DSP, the DSP should be listed as the recipient. Note that this means if a DSP uses an internal resource for a SS activity and does not charge SS, the DSP is entered as BOTH the donor and the recipient.

On the contribution entry screen, either select a recipient from the drop-down box or type in a new one in the field to the right labeled "New Recipient." Any new recipients entered will be added to the drop-down box for future use.

### **DSP Check Box**

If the contribution is NOT made directly to the LP, check this box. This would include any contributions received or used by a DSP or a grantee. It is very important to remember to check this box as appropriate to ensure reporting to NCPC is consistent with audit report classifications.

### **Program/Activity**

If a contribution comes in through a specific service activity, select the appropriate SS activity from the drop-down box. In the case of board member time or interest earned, Administration should be selected. In some cases, a contribution may not be affiliated with any specific activity, in which case you may leave this field blank. For example, if an individual makes an unrestricted \$50 donation to the LP, no specific activity need be selected.

### **Description**

The description entered must be sufficient to indicate the nature of the contribution.

On the contribution entry screen, either select a description from the drop-down box or type in a new one in the field to the right labeled "New Description." Any new descriptions entered will be added to the drop-down box for future use. Therefore, you may want to consider phrasing the description in a way that it can be reused, if possible.

Some examples of acceptable descriptions include:

- Parent Fees
- Personnel Expenses
- Rent and Utilities
- Grant
- Cash Donation
- Smart Start Discount

### **Documents on File**

If you have adequate documentation on hand at the time of data entry, check this box. NCPC recommends waiting until documentation is on hand before entering contributions. If this box is not checked by the final reporting deadline of the fiscal year, the contribution will not be counted.

### **Contribution Type**

Select one of three options from the drop-down box:

Cash: for cash and checks

In-Kind: for all non-cash contributions other than volunteer hours

Vol Hours: for professional or non-professional volunteer time

Though volunteer time is a form of in-kind, selecting this option will impact the fields available for data entry so that Candl will calculate the contribution for you based on the hourly rate.

### **Methodology (for In-Kind)**

If "In-Kind" is selected, you must enter a methodology. The methodology should explain how the value of the in-kind contribution was calculated. Some examples of appropriate methodology explanations include:

- Donated office space: 1200 sq.ft. @ \$5.80/sq.ft.
- Actual cost per donor's store receipt
- Fair Market Value of office furniture per appraisal

On the contribution entry screen, either select a methodology from the drop-down box or type in a new one in the field labeled "New Methodology." Any new methodologies entered will be added to the drop-down box for future use. Therefore, you may want to consider phrasing the methodology in a way that it can be reused, if possible.

### **Description of Volunteer Hours**

If "Vol Hours" is selected, you must enter a description of volunteer hours. Some examples of descriptions could include:

- Board Meeting / Committee Meeting
- Clerical Assistance, Community College Student
- Computer Tech, donated system installation



On the contribution entry screen, either select a description from the drop-down box or type in a new one in the field to the right labeled “New Description.” Any new descriptions entered will be added to the drop-down box for future use. Therefore, you may want to consider phrasing the description in a way that it can be reused, if possible.

### **Volunteer Rate**

If the entry is for non-professional volunteer time, use the default rate that appears, which should be the approved non-professional volunteer rate for the fiscal year. Note that this rate is updated each fiscal year, and may not be available yet as of July 1 of a new fiscal year. If there is a delay in updating this rate in Candl, just be sure to go back and edit any contributions entered at the beginning of the year to reflect the new rate when it becomes available.

If the entry is for professional volunteer time, such as a computer tech who would normally charge \$40/hour, you can type in the appropriate rate to override the default rate.

### **Check Number**

If “Cash” is selected as contribution type, enter the check number for the contribution here. If the contribution was actually cash, rather than a check, leave this field blank.

If the contribution entry is for a summary of a few small checks received in a particular month, this field can be left blank or you may type in “several” or “various.”

### **Program Match – Yes or No**

If the contribution to be entered is believed to meet all the criteria in order to be counted by the state for the LP’s 10% program match requirement, select Yes. NCPC strongly recommends that you do not enter into Candl any contributions that are not expected to be counted towards your 10% match requirement. If Yes is not selected in this box, the contribution will not be counted.

### **Amount**

If the entry is for volunteer time, this field should already be completed due to the calculation of X hours x Y rate. If this field is not already completed, enter the total amount of the contribution for this record.

### **Special Guidance – State-Level Subsidy Parent Fees**

There are specific guidelines regarding the way parent fees should be entered. Please make sure that:

- Parent fees are entered into the reporting system for every single month.
- On rare occasions, the DSS spreadsheet for a given month may reflect a negative number due to an adjustment or reclassification by your local DSS. Candl will accept a negative number, so this can and should be entered in Candl.
- State-level Subsidy Parent fees run on a June – May fiscal year, but the received date must fall between July 1 and June 30 to be counted. Many LPs adjust for this by using the first day of the following month for the received date, for example, June parent fees are entered with a received date of July 1.
- Parent fees are recorded as cash.
- Unless the LP is the service provider for the subsidy program, parent fees should be listed with “parents” as the donor and DSS (or other DSP) as the recipient.
- Ensure that the DSP box is checked, unless the LP runs the subsidy program in-house.