

Cost Match Commitment Letter Instructions

The Administrative and Legal Requirements Document (ALRD) Section IV(B)(7) requires that each Applicant provide a Cost Match Commitment Letter (“Letter”) in support of its proposed Cost Match. The Letter should be on company letterhead and addressed to OEMR. The Letter must include the following information:

- Statement from the Applicant committing to meet the project Cost Match (100% or 1/3 of the federal award amount, depending on Applicant utility type)
- Fiscal year
- Cost Match dollar value, source, and type (cash or in-kind)
- Description of proposed Cost Match (what the Cost Match will be funding – labor, equipment, material, etc.)
- Applicant authorized representative signature

The Letter should be saved in a PDF file named “[Applicant Name] Cost Match Commitment Letter” and submitted with the Application.

The following information is found in ALRD Section III(B)(3) – Cost Match Types and Allowability:

Every cost match contribution must be allowable under the applicable Federal cost principles, as described in Section IV Funding Restrictions. In addition, cost match must be verifiable upon submission of the Full Application.

Project Teams may provide cost match in the form of cash or in-kind contributions. Cost match may be provided by the Prime Recipient, Subrecipients, or third parties (entities that do not have a role in performing the scope of work). Any partial donation of good or services is considered a discount and is not allowable.

Cash contributions include, but are not limited to: personnel costs, fringe costs, supply and equipment costs, indirect costs, and other direct costs.

In-kind contributions are those where a value of the contribution can be readily determined, verified and justified but where no actual cash is transacted in securing the food or service comprising the contribution. Allowable in-kind contributions include but are not limited to: the donation of volunteer time or the donation of space or use of equipment.

Project teams may use funding or property received from state or local governments to meet the cost match requirement, so long as the funding was not provided to the state or local government by the Federal Government, unless otherwise authorized by law.

The Prime Recipient may not use the following sources to meet its cost match obligations including, but not limited to:

- *Revenues or royalties from the prospective operation of an activity beyond the project period;*
- *Proceeds from the prospective sale of an asset of an activity;*
- *Federal funding or property (e.g., Federal grants, equipment owned by the Federal Government); or*
- *Expenditures that were reimbursed under a separate Federal Program.*

Project teams may not use the same cash or in-kind contributions to meet cost match requirements for more than one project or program.

Cost match contributions must be verifiable from the Prime Recipient's records, and necessary and reasonable for proper and efficient accomplishment of the project. As all sources of cost match are considered part of the total project cost, the cost share dollars will be scrutinized under the same Federal regulations as Federal dollars to the project.

Applicants are encouraged to refer to [2 CFR 200.306](#) as amended by [2 CFR 910.130](#) for additional cost matching requirements.