

APPENDIX I

2018 CASH MATCH REQUIREMENT FOR PLANNING GRANT ACTIVITIES

STATUTORY AND REGULATORY AUTHORITY

State CDBG statute (Health and Safety Code, Section 50833) requires each applicant to contribute up to 25 percent in cash match, as a percentage of the total PTA activity amount. The current State CDBG Regulations 25 CCR 7058(a)(5)(A) sets cash match amount at five percent of the planning grant activity funding requested. This cash match must be listed in the application resolution, authorized by the governing body.

CASH MATCH REQUIREMENTS

The CDBG Cash Match requirement under this NOFA is five (5) percent. Each applicant must commit five (5) percent of the PTA activity amount requested as cash match. Documentation of cash match is not required at application submittal but will be confirmed at the time of monitoring.

Note: Program Income cannot be used toward a jurisdiction's cash match requirement.

LOCAL COMMITMENTS OF CASH MATCH

Cash match is typically committed by the applicant in the same resolution that approves the submittal of the application.

Regardless of the source of cash match, whether third-party organization or local jurisdictional funds, the jurisdiction itself is ultimately responsible for providing the cash match regardless of the source. Thus, the resolution must identify the required five percent cash match as a commitment by the jurisdiction.

ACCEPTABLE EXPENDITURES OF CASH MATCH ON THE GRANT

- Payment of personnel and related costs when the grantee's own staff carries out the study. The grantee must maintain accurate accounting records to show the cash match was set aside for the grant and that local staff time was accounted for and paid with the cash match.
- Salaries and supplies related to the general administration of the grant.
- Payments of services for any contractors or subcontractors.

ACCEPTABLE SOURCES FOR CASH MATCH

- Local general funds or other monies used to pay staff.
- Contributions of cash from third-party organizations. While such contributions are allowable, the third party is precluded from performing any work under the grant, unless it qualifies as a Subrecipient and enters into a Subrecipient Agreement with the grantee.

- Grantees are ultimately responsible for ensuring the availability and expenditure of the cash match.

Note: Program Income cannot be used for the cash match requirement; and the commitment of cash match funds in the authorizing resolution must be for cash only. Staff In-kind match does not satisfy this requirement

CASH MATCH ACCOUNTING

Cash match must be identifiable in the grantee's fiscal records and the tracking of expenditures of cash match must be identifiable in audit or fiscal accounting systems.

Cash match must be fully expended before the grantee requests any of the State CDBG grant award. Requests for funds will not be approved until all cash match has been verified as fully expended. Reductions in final grant expenditures will not result in a commensurate reduction in the required cash match. If any savings occur, the grantee will have to disencumber any State CDBG funds.