



OHIO DEPARTMENT OF TRANSPORTATION

CENTRAL OFFICE, 1980 W. Broad St., 4th Floor, COLUMBUS, OHIO 43223

SUBJECT: Preparing Proposals for In-Kind Costs as Local Matching Funds

Effective Date: September 1, 2015

Last Updated: August 20, 2015

I. APPLICABILITY

The subrecipient requirements documented in this guidance were established in the Code of Federal Regulations. The additional implementing guidance was developed by the Ohio Department of Transportation (ODOT) Office of External Audits and is applicable to all subrecipients of the Office of Transit administering cost reimbursement grants.

II. DEFINITIONS

Terminology used in these TRANSIT guidance documents is intended to be consistent with 2 CFR 200¹. Users shall refer to the defined terms in 2 CFR 200 Subpart A- Acronyms and Definitions and other sections of 2 CFR 200 as cited throughout the text.

III. AUTHORITY

In accordance with §200.331 Requirements for pass-through entities, all pass-through entities must:²

(a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

(1) Federal Award Identification. . . [see §200.331 (a)(1)(i) thru (xiii)]

(2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.

(3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;

(4) An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a de minimis indirect cost rate as defined in §200.414 Indirect (F&A) costs, paragraph (b) of this part.

(5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this section, §§200.300 Statutory and national policy requirements through 200.309 Period of performance, and Subpart F—Audit Requirements of this part; and

(6) Appropriate terms and conditions concerning closeout of the subaward. . . .

¹ Title 2 Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

² Text in blue font has been copied directly from 2 CFR 200.

IV. ISSUE

As defined in the CFR [§200.96 Third-party in-kind contributions](#); third-party in-kind contributions means the value of non-cash contributions (i.e., property or services) that—

- (a) Benefit a federally assisted project or program; and
- (b) Are contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award.

V. APPLICATION

Generally, the Office of External Audits shall evaluate each subrecipient's proposal to claim in-kind costs as match for a program or project to determine if the proposal is compliant with the applicable provisions of 2 CFR 200. In-kind Costs Proposals which are determined to be compliant with the regulation may be included in the applicable ODOT program or project budget. In-Kind Costs Proposals which are not accepted may not be included in the applicable ODOT program or project budget.

VI. THIRD PARTY IN-KIND CONTRIBUTIONS

Refer to §§200.306 Cost sharing or matching and 200.434 Contributions and donations. A hyperlink is provided on the Office of External Audits webpage named Transit System Audit Materials.

<http://www.dot.state.oh.us/Divisions/Finance/Auditing/Pages/Transit.aspx>

VII. SUBRECIPIENT'S REQUIRED ANNUAL DOCUMENTATION SUBMISSION

Each non-Federal entity that is a subrecipient of Federal funds passed through by the Office of Transit and which desires to claim in-kind costs as part of the local match for a program or project must submit the documentation listed below in section A to the Office of External Audits on an annual basis for as long as they remain a subrecipient of ODOT. Entities which are subrecipients under multiple Federal and/or state programs with funds passed through from ODOT shall submit only one documentation package per fiscal year.

A. Required Documents:

1. A narrative which documents the answers to the following questions.
 - i. What legal entity incurs the costs for the services or materials being donated?
 - ii. Why is this third-party entity donating the services or materials to the federally funded project?
 - iii. Which specific program or project is to benefit from these donated services or materials?
 - iv. What specific services or materials are being donated?
 - v. What is the projected value of each category of donated service or material?
 - vi. Why are these services and materials necessary for the Federal award?
 - vii. In what manner, with appropriate references to 2 CFR 200, was the value of each specific donated service or material determined?
 - viii. When during the program or project period of performance will these services or materials be donated?
 - ix. What documentation, related to the donated services or materials, will be maintained by the subrecipient for subsequent confirmation by the pass-through entity's auditors?
2. A spreadsheet or spreadsheets which incorporate the contributed services revenues and expenses into the applicable ODOT program or project budgets.
3. A completed and signed Certification of In-Kind Costs as contained in Appendix 1.

- B. **Submitted Documents Format.** Consistent with §200.335 Methods for collection, transmission and storage of information which states: “[In accordance with the May 2013 Executive Order on Making Open and Machine Readable the New Default for Government Information, the Federal awarding agency and the non-Federal entity should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine readable formats rather than in closed formats or on paper.](#)”

Therefore, the preferred method of receipt of the required documents is electronically via e-mail attachment. Acceptable file formats include Microsoft Excel or Word files as well as Adobe PDF files. DO NOT send closed format image files such as TIF or JPEG. DO NOT send electronic files which are write-protected such that the auditor would be unable to edit, sort, filter, or annotate the content.