



Vermont Emergency Management
Vermont Department of Public Safety
 45 State Drive
 Waterbury, VT 05671-1300

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MEMORANDUM

DATE: October 1, 2021

FROM: Erica Bornemann, VEM Director

DocuSigned by:

Erica Bornemann

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TO: Vermont Association of Planning and Development Agencies (VAPDA)

SUBJECT: EMPG Guidance and Allowable Match

Please accept this memo as documentation required for Emergency Management Preparedness Grant (EMPG) subgrants that Vermont Emergency Management (VEM) regularly issues to participating regional planning commissions and other entities in the State of Vermont. This memo includes guidance on eligible match and the applicable section of the Code of Financial Regulations (2 CFR § 200.306).

A basic summary for the 50/50 match program is that **cash match** needs to be non-federal match, and not already used as a match for another federal program. Match interpretation can be fairly liberal as long as there is a clear nexus to the federal program initiatives and purpose. Agency of Commerce and Community Development (ACCD) state funds, and the programs those funds support with Regional Planning Commissions (RPCs), are an eligible match source because there is a clear nexus with the EMPG subgrants that are issued to the RPCs. Examples listed in the Vermont Planning and Development Act ([24 V.S.A §§ 4301-4498](#)) include land use planning, transportation planning, utilities and facilities, flood zoning bylaws, assisting with the National Flood Insurance Program, GIS mapping, working with local officials, and community development are all part of identifying community hazards and providing risk assessments, technical assistance, and overall land use planning to avoid risks from natural hazards.

In-kind match includes the value of any services contributed that would have been eligible costs under the EMPG program, if the subrecipient was required to pay for such costs, is the other source of eligible match for EMPG.

This should clarify that your ACCD or other non-federal funds that support your entire planning program can be used as a match even if they might not be directly supporting the EMPG subgrant. **Match or Cost Sharing** means the value of the third-party in-kind contributions and the portion of the costs of a Federally assisted project or program not borne by the Federal Government. All cost-sharing or matching funds claimed against a FEMA grant by State, local or Tribal governments must meet the requirements of the program guidance and/or program regulations, 2 CFR § 200 Subpart E, and 2 CFR § 200.100.

- EMPG Program cost share requirement is outlined in the FEMA EMPG Notice of Funding Opportunity: <https://www.fema.gov/grants/preparedness/emergency-management-performance>
- Funding Restrictions and Allowable Costs are outlined in FEMA's Preparedness Grants Manual: <https://www.fema.gov/grants/preparedness/manual>
- Match Type Descriptions can be found on VEM's website: <https://vem.vermont.gov/funding/match>



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[Code of Federal Regulations]
[Cite: [2 CFR 200.306](#)]

§ 200.306 Cost sharing or matching.

(a) Under Federal research proposals, voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity. Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity. See also [§§ 200.414](#) and [200.204](#) and appendix I to this part.

(b) For all Federal awards, any shared costs or matching funds and all contributions, including cash and third-party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:

- (1) Are verifiable from the non-Federal entity's records;
- (2) Are not included as contributions for any other Federal award;
- (3) Are necessary and reasonable for accomplishment of project or program objectives;
- (4) Are allowable under [subpart E of this part](#);
- (5) Are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;
- (6) Are provided for in the approved budget when required by the Federal awarding agency; and
- (7) Conform to other provisions of this part, as applicable.

(c) Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the non-Federal entity's approved negotiated indirect cost rate.

(d) Values for non-Federal entity contributions of services and property must be established in accordance with the cost principles in [subpart E of this part](#). If a Federal awarding agency authorizes the non-Federal entity to donate buildings or land for construction/facilities acquisition projects or long-



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term use, the value of the donated property for cost sharing or matching must be the lesser of [paragraph \(d\)\(1\)](#) or [\(2\)](#) of this section.

(1) The value of the remaining life of the property recorded in the non-Federal entity's accounting records at the time of donation.

(2) The current fair market value. However, when there is sufficient justification, the Federal awarding agency may approve the use of the current fair market value of the donated property, even if it exceeds the value described in [paragraph \(d\)\(1\)](#) of this section at the time of donation.

(e) Volunteer services furnished by third-party professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for third-party volunteer services must be consistent with those paid for similar work by the non-Federal entity. In those instances in which the required skills are not found in the non-Federal entity, rates must be consistent with those paid for similar work in the labor market in which the non-Federal entity competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, necessary, allocable, and otherwise allowable may be included in the valuation.

(f) When a third-party organization furnishes the services of an employee, these services must be valued at the employee's regular rate of pay plus an amount of fringe benefits that is reasonable, necessary, allocable, and otherwise allowable, and indirect costs at either the third-party organization's approved federally-negotiated indirect cost rate or, a rate in accordance with [§ 200.414\(d\)](#) provided these services employ the same skill(s) for which the employee is normally paid. Where donated services are treated as indirect costs, indirect cost rates will separate the value of the donated services so that reimbursement for the donated services will not be made.

(g) Donated property from third parties may include such items as equipment, office supplies, laboratory supplies, or workshop and classroom supplies. Value assessed to donated property included in the cost sharing or matching share must not exceed the fair market value of the property at the time of the donation.

(h) The method used for determining cost sharing or matching for third-party-donated equipment, buildings and land for which title passes to the non-Federal entity may differ according to the purpose of the Federal award, if [paragraph \(h\)\(1\)](#) or [\(2\)](#) of this section applies.

(1) If the purpose of the Federal award is to assist the non-Federal entity in the acquisition of equipment, buildings or land, the aggregate value of the donated property may be claimed as cost sharing or matching.

(2) If the purpose of the Federal award is to support activities that require the use of equipment, buildings or land, normally only depreciation charges for equipment and buildings may be made.



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However, the fair market value of equipment or other capital assets and fair rental charges for land may be allowed, provided that the Federal awarding agency has approved the charges. See also [§ 200.420](#).

(i) The value of donated property must be determined in accordance with the usual accounting policies of the non-Federal entity, with the following qualifications:

(1) The value of donated land and buildings must not exceed its fair market value at the time of donation to the non-Federal entity as established by an independent appraiser (*e.g.*, certified real property appraiser or General Services Administration representative) and certified by a responsible official of the non-Federal entity as required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, ([42 U.S.C. 4601-4655](#)) (Uniform Act) except as provided in the implementing regulations at [49 CFR part 24](#), "Uniform Relocation Assistance And Real Property Acquisition For Federal And Federally-Assisted Programs".

(2) The value of donated equipment must not exceed the fair market value of equipment of the same age and condition at the time of donation.

(3) The value of donated space must not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality.

(4) The value of loaned equipment must not exceed its fair rental value.

(j) For third-party in-kind contributions, the fair market value of goods and services must be documented and to the extent feasible supported by the same methods used internally by the non-Federal entity.

(k) For IHEs, see also OMB memorandum M-01-06, dated January 5, 2001, Clarification of OMB A-21 Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs.

[[78 FR 78608](#), Dec. 26, 2013, as amended at [79 FR 75883](#), Dec. 19, 2014]