

Standard Work for: Determining the local and federal portion of costs incurred on a project

Description of the task:		Calculating the local and federal portion of incurred costs		Revision Date: 2/25/2021
Process Owner:		Mark Hoffman		Revision #: 1
Purpose:		Provide COG/MPO and ADOT staff with examples of the proper recognition of donations and costs incurred and treated as non-Federal share		Document Owner: Mark Hoffman
Supplies & safety equipment required:		None		
WHAT?	Important Steps: <i>List the critical steps of the operation that advance the work</i>	HOW?	Key Points: <i>List the tasks that allow you to complete the steps successfully.</i>	Include a picture, a map, additional contacts or resources that are relevant for success when performing this job
1	Example 1. Third party in-kind donations meet the non-Federal share requirement of project costs using an 80/20 ratio.			
		Cost Incurred on Project	\$ 4,500	
		Value of third party in-kind donations - \$4500 /.8 x.2	\$ 1,125	
		Total Cost	\$ 5,625	
		Federal Share	\$ 4,500	

Example 2. Third party in-kind donations are less than the non-Federal share requirement of project costs using an 80/20 ratio.

Cost Incurred on Project	\$ 6,000
Value of third party in-kind donations	\$ 1,125
Total Cost	\$ 7,125
Federal Share (\$7,125 X 80%)	\$ 5,700
Non-Federal Share (\$7,125 X 20%)	\$ 1,425
Non-Federal Share	\$ 1,425
Value of third party in-kind donations	\$ (1,125)
Cash match for non-Federal share	\$ 300
Can also use the following:	
Cost Incurred on Project	\$ 6,000
Federal share on value of in-kind donation (\$1,125 X .8 /.2)	\$ 4,500
Remaining cost after in-kind calculation	\$ 1,500
Federal Share on remaining cost (\$1,500 X 80%)	\$ 1,200
Cash match on remaining cost (\$1,500 X 20%)	\$ 300
Non-Federal Share (\$1,125 + \$300)	\$ 1,425
Federal Share (\$4,500 + \$1,200)	\$ 5,700

3	Example 3. Third party in-kind donations greater than the non-Federal share requirement of project costs using an 80/20 ratio. Each dollar of excess donations will reduce a like amount of federal share.	Cost Incurred on Project	\$ 8,000
		Value of third party in-kind donations	\$ 3,000
		Total Cost	\$ 11,000
		Federal Share (\$11,000 X 80%)	\$ 8,800
		Non-Federal Share (\$11,000 X 20%)	\$ 2,200
		Non-Federal Share	\$ 2,200
		Value of third party in-kind donations	\$ (3,000)
		Cash outlay by state, grantee or subgrantee	\$ -
		Total cost of project	\$ 11,000
		Less non-Federal share	\$ (2,200)
		Less excess in-kind donations	\$ (800)
Federal share of project cost	\$ 8,000		
4	Example 4. Third party donations of cash greater than the non-Federal share requirement using an 80/20 ratio. Each dollar of excess donations will reduce a like amount of federal share.	Cost Incurred on Project	\$ 12,000
		Third party donation of cash	\$ 4,000
		Federal Share (\$12,000 X 80%)	\$ 9,600
		Non-Federal Share (\$12,000 X 20%)	\$ 2,400
		Non-Federal Share	\$ 2,400
		Third party donation of cash	\$ (4,000)
		Cash outlay by sponsor for non-Federal share	\$ -
		Total cost of project	\$ 12,000
		Less non-Federal share	\$ (2,400)
		Less excess third party donations of cash	\$ (1,600)
		Federal share of project cost	\$ 8,000