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TO: Even Start Directors
Even Start Coordinators
Even Start Staff

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SUBJECT: Even Start Local Share Requirement

The funding for each Even Start Family Literacy program is comprised of a portion of funds from the federal grant (federal share) and a portion contributed by the local partnership and its collaborators (local share). The total of these funds represents the total project cost. The required local share increases each year that the project is in operation, as illustrated by the following table.

Year	Local Share	Federal Share	Total Budget
One	At least 10%	No more than 90%	= 100%
Two	At least 20%	No more than 80%	= 100%
Three	At least 30%	No more than 70%	= 100%
Four	At least 40%	No more than 60%	= 100%
Five- Eight	At least 50%	No more than 50%	= 100%
Subsequent	At least 65%	No more than 35%	= 100%

Please note: For an eligible entity that includes an agency that has previously been a partner in an Even Start Family Literacy program, the Federal share may not exceed 50% in the first through eighth year and 35% in any subsequent year.

The following formula should be used to calculate the amount of the required local share.

Requested Federal Grant Amount divided by the Federal Share percent will yield the Total Project Cost.

Total Project Cost multiplied by Local Share percent will yield the Required Local Share.

For example: Partnership A will enter year four of the first cycle. The requested federal share can be no more than 60 percent of the total project cost. Partnership A will request \$280,000 in federal Even Start Family Literacy funds. The total project cost and local share amount will be calculated as follows:

Requested Federal Grant Amount	\$280,000
divided by	
Federal Share Percent	0.6 (60 percent)
Total Project Cost	\$466,667
multiplied by	
Local Share Percent	0.4 (40 percent)
Local Share Amount	\$186,667

The local share is sometimes referred to as "local match" or "in-kind match." The local share can be provided in either cash (such as donations from local businesses or foundations) or in-kind contributions, fairly evaluated. The following are examples of in-kind contributions: a teacher paid by the school district; orange drink for a family event donated by McDonalds; the value of admission fees waived by a museum or other attraction. Other sources of state and federal funds, such as Title I, Reading First, State prekindergarten funds, etc. may be included in a project's local share.

An Even Start partnership must keep records to verify the cash and in-kind contributions that it counts toward satisfying its local share requirement. These records must include information on how the project derived the value placed on third-party in-kind contributions.

Local share contributions must directly support the provision of the Even Start Family Literacy program. **Only costs that would be an allowable use of grant funds may be included as part of the local share.** Under the statute, Even Start funds may not be used for indirect costs. Consequently, such costs may not be included as part of the local share.

Indirect Costs are broadly defined as central administrative costs and certain other organization-wide costs that are incurred in connection with a project but that cannot readily be identified with the project. Indirect Costs include:

- Costs of operating and maintaining facilities;
- General administration and general expenses, such as budgeting, accounting, human resources, legal, and purchasing;
- Centralized services, such as motor pools and information systems; and
- Personnel and accounting administration.

For more information on indirect costs, please refer to the *Guidance for the William F. Goodling Even Start Family Literacy Programs* and Section 80.22 of the Education Department General Administrative Regulations (EDGAR). Grantees that have a LEA as the fiscal agent, and Indian tribes and tribal organizations, must use the cost principles in *OMB Circular A-87*. Grantees that have institutions of higher education (IHEs) as the fiscal agent must use the cost principles in

OMB Circular A-21, and non-profit organizations that are fiscal agents must use *OMB Circular A-122*. (www.whitehouse.gov/omb/circulars/index.html).

The attached document entitled *Even Start Family Literacy Local Share Q & A* responds to specific local share questions that have been posed by local programs. For more information related to the local share requirement, please refer to the *Guidance for the William F. Goodling Even Start Family Literacy Programs* and Section 80.24 EDGAR.

Attachment

Even Start 05-06:Policy clarifications:FM-Local Share

**Even Start Family Literacy
Local Share Q & A**

QUESTION	ANSWER
1. If 25% of the students in a building are Even Start students, can I count 25% of the nurse's salary as local share?	You may count this if the nurse is actually scheduled to work directly with the Even Start families for 1-1/4 days each week or the equivalent. If the nurse is on duty and serves all children in the building as needed, this is a shared service, which is an indirect cost that is not allowed.
2. My Advisory Board meets on a monthly basis. Each meeting is approximately two hours long and 15 people normally attend. Can I count their time?	The amount of time that each person commits directly to Even Start times an hourly rate of pay may be counted as in-kind under professional salaries (Code 15).
3. The Rotary Club donates "gently used" books to the program on an annual basis. Can I count the value of the books donated?	Yes. The value would be determined by an estimate of "fair market value" and be documented as supplies and materials (Code 45).
4. How do I calculate the "fair market value" of contributions?	The fair market value of contributions should be calculated in accordance with the <i>Generally Accepted Accounting Principles</i> (GAAP). Your business manager or accountant should be able to assist you in establishing the fair market value of contributions.
5. Two parents volunteer each day to help provide childcare to extend the early childhood education program provided. Can I count their time?	Yes. The value would be based on the average salary that the program would pay to have staff supply this service. It should be included as support staff (Code 16).
6. The security guard works two hours each day to extend the school day for children participating in Even Start. Can I count her time?	You may count this time if the security guard would otherwise be released prior to the end of the two-hour time block. In the event that the security guard normally provides services to the building during this two-hour block, it is a shared service. As such, it is an indirect cost and is not allowed.
7. One of the partner agencies provides clerical and bookkeeping services. Can this be included in the local share?	Clerical and bookkeeping services are generally viewed as indirect costs and are not allowed.
8. The principal has designated a classroom for use by the Even Start program in his building. Can I count this as in-kind?	No. The room in the building would be there with or without the Even Start program. It is an indirect cost and is not allowed.
9. If 25% of the students in a building are Even Start students, can I count 25% of the security guard's salary?	No. This is a shared service provided to the building. As such, it is an indirect cost and is not allowed.

<p>10. If 25% of the students in a building are Even Start students, can I count 25% of the principal's salary?</p>	<p>No. All activities that take place within in the school, including the Even Start program are under the jurisdiction of the principal. This is an indirect cost, which is not allowed.</p>
<p>11. All the children in my program receive breakfast and lunch through the School Lunch program. Can I count that as in-kind?</p>	<p>Yes. The School Lunch program is a federally funded program that directly supports Even Start children. The value would be calculated by determining the cost of similar services to other children in the building. This should be documented under supplies and materials (Code 45).</p>
<p>12. The teacher that provides adult education generates EPE State Aid for Even Start students. Can I count the amount of EPE State Aid generated by Even Start participants toward meeting the local share requirement?</p>	<p>EPE State Aid generated by Even Start participants may not be counted in the local share. Instead, programs may include the actual cost of instruction provided directly to Even Start participants. In classes that include Even Start and non-Even Start participants, the value of the instructional services must be prorated by the percentage of Even Start adults enrolled in the class.</p>
<p>13. Head Start transports preschool children and their parents to the Even Start Center. Can I count that as in-kind?</p>	<p>Yes. Head Start is a federally funded program and other Federal funds may be used to meet the local share requirement. The fair market value of the transportation services may be calculated in either of two ways.</p> <ul style="list-style-type: none"> ○ By prorating the cost of the driver, bus aide and other operational costs by the percentage of riders who are enrolled in Even Start; or ○ By determining what it would cost to purchase similar transportation services through another vendor <p>The value of the transportation should be documented under travel (Code 46).</p>
<p>14. My partner pays for all printing and duplicating in their print plant. Can I count this as in-kind?</p>	<p>Yes. The cost of paper and printing may be counted as an in-kind cost under supplies and materials (Code 45).</p>
<p>15. Cooperative Extension has provided cell phones to each home educator. Can I count this as in-kind?</p>	<p>Yes. The cost of the phones and the service fees may be included in the local share, provided there is no charge to the grant. This contribution should be documented under purchased services (Code 40).</p>

<p>16. BOCES provides the staff with office space and telephones. Can I count this as in-kind to the project?</p>	<ul style="list-style-type: none"> ○ If the space is part of a BOCES building and BOCES is a partner agency, this is an indirect cost and is not allowable (see question 8). ○ If the phone is a direct line to the Even Start program and if all long distance calls are for Even Start purposes, this may be counted as in-kind.
<p>17. Postage for all the mail is paid through the postage meter at the University. Can I count this as in-kind?</p>	<p>Postage may be counted if there is a specific charge allocated to each piece of mail. If this is a service that is provided to all University programs and the total cost is distributed across all programs, it becomes an indirect cost that is not allowed.</p>
<p>18. The Universal Pre-K program gives priority to Even Start children in filling their classes. Can I count a percentage of the teacher's salary as in-kind?</p>	<p>Yes. Universal Pre-K is a state funded program that can be counted toward the local share requirement. The value of the Universal Pre-K services can be calculated in either of two ways.</p> <ul style="list-style-type: none"> ○ By prorating the salaries of staff (teacher, assistant/aide, family worker, etc.) by the percentage of children in the class who are enrolled in Even Start and documenting the amounts in the appropriate staffing categories (Code 15 or Code 16). <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> ○ By multiplying the district's per child grant amount by the number of Universal Pre-K children who also are enrolled in Even Start and documenting the resulting amount as a purchased service (Code 40).
<p>19. The program has monthly full staff meetings and the Regional Adult Education Network (RAEN) provides space and refreshments. Can I count this as in-kind?</p>	<p>Yes. The RAEN are funded through federal Adult Education and Family Literacy funds. The value of RAEN services can be included towards the local share requirement.</p>
<p>20. Wal-Mart donated toys to all the Even Start families over the holidays. Can I count this as in-kind?</p>	<p>Yes. The fair market value of the toys may be counted as an in-kind expense under supplies and materials (Code 45). Programs are encouraged to work with donors to ensure that the toys or other contributions support Even Start purposes. Whenever possible, home educators should incorporate use of the new toys and materials into the home visit activities.</p>

<p>21. Stetkars' Orchard provides a tour of their orchard and gives families samples of fruit and cider. Can I count this as in-kind?</p>	<p>Yes. The fair market value of the tour (if other visitors are charged) and the food samples may be included in the local share under supplies and materials (Code 45).</p>
<p>22. A number of community resources publicize Even Start and run announcements of our advisory committee meetings (PBS, local newspaper, church bulletins). Can these types of publicity be included in the local share?</p>	<p>These services may be included in the local share only if the entity providing the publicity normally charges for the service.</p>
<p>23. The public health nurse visits the program on a quarterly basis and provides immunizations to the children enrolled in the program. Can I count this as in-kind?</p>	<p>Yes. The value of the immunizations and the time that the nurse spends in the program can be used as in-kind and would be documented both as professional salaries (Code 15) and supplies and materials (Code 45).</p>
<p>24. Cooperative Extension comes to the Even Start program to provide nutrition training. Can I count this as in-kind?</p>	<p>Yes. The value of training sessions can be counted as in-kind under purchased services (Code 40).</p>
<p>25. The district is wiring the Even Start room to provide access to the internet. Can I count this as in-kind?</p>	<p>This may be counted only if it is not part of a building-wide wiring project. If the building is being rewired and the rooms in which Even Start is located are included, this is a shared service. As such, it is an indirect cost and is not allowed.</p>
<p>26. The school district provides Even Start staff with access to their internet/e-mail accounts. Can I count this as in-kind?</p>	<p>You may count this if it is a direct account which is not a shared service to all programs in the district.</p>
<p>27. The Executive Director supervises all staff and must annually document his findings. Can I count his time as in-kind?</p>	<p>The Executive Director of an agency is responsible for all employees, including their supervision. This is considered an indirect cost and is not allowed.</p>
<p>28. The Even Start family educators help families apply for WIC and SSI funds. Can these funds be included in the local share?</p>	<p>No. WIC, SSI and other similar benefits are assistance to families. These funds do not directly support the provision of Even Start Family Literacy services. The provision of funds for these purposes would not be considered an allowable grant expense. Therefore, it is not allowed for local share.</p>
<p>29. Can programs include the use of a family's home as space for the local share requirement?</p>	<p>No. Participation in home visits is one of the required elements of Even Start that families must agree to when enrolling in the program. The space is part of the family's home and there is no additional cost accrued for either the family or the program.</p>

<p>30. Can we include staff time beyond the hours they are contractually required to work in the local share?</p>	<p>Yes. Provided that the number of hours an individual is required to work are clearly defined, the program may include additional hours that a staff person works (and for which she is not reimbursed) as part of the local share. The value should be calculated by multiplying the number of hours by the person's hourly pay rate. This cost should be documented in the appropriate personnel code (Code 15 or Code 16). The program also should document the nature of the work that was being done and verify that it was legitimate and necessary.</p>
<p>31. Often conference planners will waive the registration fee for presenters. Can we include this in the local share?</p>	<p>Yes. If the presenter participates in other workshops and conference activities (beyond her own presentation) the program may include the value of the registration fee in the local share. This should be documented as conference registration in the travel category (Code 46).</p> <p><u>Caution:</u> Registration fees waived may not be counted as in-kind if the event is supported with Even Start Family Literacy funds.</p>
<p>32. Can technical assistance provided by the demonstration sites or the State Technical Assistance Contract be counted as in-kind?</p>	<p>No. Any services that are supported with Even Start Family Literacy funds may not be listed as in-kind.</p>