



Fund Matching 101

What is fund matching?

A “match” for a federal grant or loan is the non-federal share of the total project costs that a grantee is required to contribute to a project. Fund matching maximizes the impact of federal investments and ensures communities have significant support for a project.

Matching requirements can often be costly, potentially discouraging or even outright preventing communities from pursuing federal funding. It is important to understand these requirements and the various ways to fulfill them so that your community can get the most out of federal funding available for park and recreation priorities.

Most, but not all, federal grant and loan programs require some level of matching, generally in the form of a percentage of total project costs. For example, since the 1950s, the U.S. Interstate Highway System has been primarily constructed and maintained with 90% federal funding from the Federal Highway Administration’s Highway Trust Fund, with the remaining 10% of project funding coming from State DOT matching requirements. Other programs have a much higher percentage of non-federal matching requirements, such as the EPA Water Infrastructure Finance and Innovation (WIFIA) Loan Program, which requires that non-federal borrowers fund 51% of project costs.

A small number of federal programs do not have any matching requirements. This is more typical for programs that principally benefit disadvantaged communities, such as the USDA Rural Development Solid Waste Management Grant Program. There are also programs that have matching requirements but waive them when certain criteria are met. One example of this is the DOT Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Program, which waives requirements for projects located in rural areas, historically disadvantaged communities, or areas of persistent poverty.

Cash matching versus in-kind matching

There are two commonly used categories of ways to fulfill matching requirements – cash matches and in-kind matches.

A **cash match**, also known as a hard match, consists of the grantee’s own funds. These funds can be generated from general revenue, a dedicated source (such as local sales taxes or registration fees associated with specific activities), or cash donations from a non-federal third party, such as a foundation. In some instances, grantees may use federal funds from one



program to meet the match requirements of another – a process known as federal fund ‘braiding.’ A common example of a program that allows its funds to be ‘braided’ to meet the match requirement for other programs is the HUD Community Development Block Grant (CDBG) Program.

Communities can also use an **in-kind match**, also known as a soft match, which is equal to the monetary value of non-cash contributions to the project, typically in the form of personnel, goods, and services, including direct and indirect costs. A few examples of in-kind matches include volunteer labor hours, use of vehicles, or donation of other supplies and equipment.

The value assigned to in-kind goods must not exceed their fair market value at the time of the donation. Volunteer hours must be calculated at a rate consistent with rates normally paid for similar work in the organization an individual is volunteering on behalf of.

Beyond these guidelines, state and local governments may have their own laws regarding how communities generate the resources to match federal funding. These area-specific rules should be consulted as well to gain a full picture of what is possible for your community.

Identifying key information

The required match percentage, eligible sources of match funding, and other requirements can vary significantly from program to program and requirements can change over time. Therefore, it is always important to check trusted federal government sources for reliable, up-to-date information about match requirements.

Helpful information related to matching and other important details can be found on federal government websites, as outlined below.

Program listings on federal agency websites

Often the most straightforward place to find the latest information about programs is visiting the website of the federal agency responsible for overseeing a given program. These pages are typically far more user-friendly than the technical layout of grants.gov and other database tools, outlined in the next subsection.

For example, if you were looking for information on the FY 2023 Inflation Reduction Act funding to the USDA’s Forest Service Urban and Community Forestry Program – [which NRPA wrote about in April 2023](#) – you can simply enter ‘Urban and Community Forestry Program’ into any internet search engine, and the first result will take you to [this USDA web page](#). While the main landing page doesn’t contain information about matching requirements in this case, the first



link on the page to 'learn more' takes you to a separate page that clearly outlines important details about matching.

Grants.gov

[Grants.gov](https://www.grants.gov) is an online portal that serves as a centralized platform for finding and applying for federal grant opportunities. Any program that has been funded by the federal government will have a listing posted on grants.gov, which can be navigated by keyword search. Listings are a bit technical in nature, but information on matching requirements and links to more information are available.

For example, if you were looking for information about the same Urban and Community Forestry Program outlined in the preceding section, you could do the following:

- Go to grants.gov and select 'search grants' from the top bar
- Enter a keyword search for 'USDA Forest Service Urban and Community Forestry (UCF) Program'
- Refine the search by selecting checkboxes for 'grant' and 'USDA'
- The first result would be [this page](#), which indicates that there is a one-to-one matching requirement for these grants, but that this requirement can be fully waived if projects deliver 100% of benefits to disadvantaged communities. The page also explains how benefits to disadvantaged communities can be demonstrated, and links to further information.

Direct outreach/help from NRPA

If you are unable to find information about the matching requirements (or any other key information) for a particular grant or loan program, you can also contact the agency directly. Typically, an agency website or grants.gov listing will include an email address or phone number for someone in charge of implementing the program and communicating with potential grantees.

The NRPA team is also available to assist by connecting members with staff at agencies if you are unable to find the appropriate contact within a program.

Program Highlight: Land and Water Conservation Fund (LWCF)

The Land and Water Conservation Fund (LWCF) is one of the most common federal grant programs leveraged by park and recreation agencies. The program requires grantees to generate a **one-to-one match (50% of total project cost) of federal funds**. As outlined above, the match can be either a cash match or an in-kind match.

Beyond conducting a cash-match using general government revenue, grantees can also leverage various creative mechanisms to meet requirements, including the following:



Cash-match options (aside from general revenues)

- Dedicated bonds, taxes, and fees: State and local governments may be able to pass bonding measures, dedicate specific tax revenues, and leverage money from specific fees (such as profits from concessions sales) to generate revenue eligible for matching.
- Private donations: In the same way that entities could provide in-kind donations, communities may accept financial donations from private individuals, corporations, or non-profits to fulfill match requirements.
- Braiding CDBG: While most federal funding streams are not eligible to be used for LWCF match, it is permissible to use funding from the HUD Community Development Block Grant (CDBG) Program for these purposes.

In-kind match options

- Land: Communities may accept donations of land from private sources. The value of this land will be appraised under uniform appraisal processes.
- Labor: Volunteer labor from private individuals or non-profit organizations may be used to contribute to matching requirement costs. The value of this labor will be calculated using a rate consistent with rates normally paid for similar work in the organization an individual is volunteering on behalf of.
- Materials and equipment: Physical resources needed for the completion of a project may also be donated to fulfill matching requirements. This can include vehicles, construction materials, and more. The value that grantees designate to in-kind goods must not exceed their fair market value at the time of the donation.

Hypothetical LWCF Case Study

Baseball field construction leveraging cash and in-kind resources

Community A decides to move forward with an estimated \$600 thousand project for the construction of new baseball fields on existing public park land. Community A then applies for and is granted \$300 thousand from the LWCF program and is now responsible for generating a 1 to 1 local match for the remaining 50 percent of the funds.

Rather than pulling exclusively from cash reserves, as budgets are tight, Community A looks to leverage a variety of community resources to meet the \$300 thousand match requirement. A cohort of businesses that sponsor the local Little League agree to donate \$100 thousand towards the project, and a local company that produces fencing agrees to donate materials and labor for the installation of fencing around the field, valued at a cost of \$20 thousand.

Community A's county economic development office then allocates \$150 thousand of its CDBG funding to support the project. This would leave a remaining \$30 thousand for Community A to cover out of its general cash reserves, a much more feasible figure for the town council to work with compared to the original price tag of \$300 thousand.