

Frequently Asked Questions for the Make it in America Challenge

What is the objective of the Make it in America Challenge?

The Make it in America Challenge will further advance the Obama Administration's efforts to help protect and create American jobs by providing strategic, catalytic investments that will: 1) encourage insourcing of productive activity by U.S. firms; 2) foster increased foreign direct investment; 3) encourage U.S. companies to keep their businesses and jobs here at home; and/or, 4) build a highly-skilled and diverse American workforce through targeted training and employment activities that move new and current workers into and along career pathways and support the needs of employers. The overall objective of the Challenge is to make it more attractive for businesses to build, continue, or expand their operations in the United States.

Which agencies and programs are providing funding?

The Department of Commerce's Economic Development Administration (EDA) and the National Institute of Standards and Technology Manufacturing Extension Partnership (NIST MEP), as well as the Department of Labor's Employment and Training Administration (ETA) are each offering different levels of funding through separate sources, subject to the availability of Congressional appropriations.

The benefit to collaboration between these three agencies is that while applicants will only have to submit one application, if selected, they will be able to access all three sources of federal funding.

One other agency, the Delta Regional Authority, plans to offer additional funding through the Make it in America Challenge to applicants located within their designated region. DRA expects to approve up to three separate awards to projects that are also receiving funding from the Departments of Commerce and Labor.

How much funding has been appropriated to the Make it in America Challenge?

Total proposed funding for the Make it in America Challenge is \$40 million in existing federal resources. No new funding has been requested or appropriated for the Make it in America Challenge. Instead, the participating agencies have committed to using funds from their existing budgets to invest in communities that are working to attract businesses to continue, expand or build operations in the United States.

- **EDA** is making up to \$13 million available through the Economic Adjustment Assistance (EAA) program. EDA expects to make up to 15 awards (approximately 2-3 per region). For non-construction/technical assistance projects, individual grant

awards are expected to range from \$100,000 to \$500,000 (depending on the assistance requested) over an expected project period of three years. For construction-related projects individual grant awards are expected to average approximately \$2 million over an expected project period of five years. Funding may be higher or lower depending on the proposed scope of work.

- **NIST** is making up to \$6 million available through the Manufacturing Extension Partnership (MEP). MEP expects to issue new cooperative agreements of up to \$125,000 per year over three years to up to 15 MEP Centers as part of selected Make it in America Challenge projects, subject to availability of funds and satisfactory performance.
- **ETA** is making up to \$20 million available in H-1B Technical Skills Training Grant funds for training and training-related employment activities to develop a skilled workforce for the target industry. ETA expects to make up to 15 awards as part of selected Make it in America Challenge projects, with individual grant awards of approximately \$1.3 million. The project period for H-1B Technical Skills Training Grant funds provided by DOL will be up to 3 years from the date of execution of the award documents. Grantees are encouraged to begin providing skills training to participants within the first year.
- **DRA** is making up to \$900,000 available through its allocation of U.S. Department of Agriculture (USDA) Rural Community Advancement Program (RCAP) funding, specifically within the Rural Business Opportunity Grant (RBOG) program. DRA expects to approve up to three separate awards of up to \$300,000 each within the DRA Region for a period of up to 2 years.

Each award recipient will receive funds from EDA, NIST, ETA, and in some cases DRA to support one integrated project. While the three pots of funds will be used together, the dollars from each agency have to be separately budgeted, spent, and accounted for based on the requirements of each funding source. The funds cannot be comingled.

Is this new government spending?

No new funding has been requested or appropriated for the Make it in America Challenge. Instead, the participating agencies have committed to using funds from their existing budgets to invest in communities that are working to attract businesses to continue, expand or build operations in the United States. This challenge is designed to leverage existing federal resources efficiently by coordinating resources across the federal government in a more collaborative, strategic, and effective manner. The competition has been informed by previous interagency competitions, such as the Jobs and Innovation Accelerator Challenges.

How many awards will be made?

Each Funding Agency expects to make separate awards to the same 15 projects that may be selected under this competition. The number of awards could change based on available funds and the strength of applications.

How much funding should each selected applicant expect to receive?

The amount of funding awarded to each selected applicant will vary based on the amount needed to support the work outlined in the application. Applicants should refer to section III.A. of the FFO for information on the maximum amount each Funding Agency anticipates funding under this competition. Additional information on cost-sharing requirements can be found by agency in section IV of the FFO.

What other agencies are supporting this initiative?

The U.S. Department of Commerce's SelectUSA will provide additional federal support to recipients of Make it in America Challenge grants. SelectUSA is the federal initiative to promote and facilitate business investment in the United States. SelectUSA partners with U.S. economic development organizations (EDOs) to support their efforts to attract, bring back, retain and expand business investment, and provides information to companies to help them build their business in the United States. SelectUSA can work directly with Make it in America grantees and potential investors to offer business solutions; ombudsman assistance; economic development organization counseling; advocacy for U.S. cities, states and regions; and Investment Events and Facilitated Missions.

In addition, the Appalachian Regional Commission will provide support to Make it in America Challenge grant recipients whose projects serve Appalachian counties. Make it in America Challenge winners can receive post-award technical assistance to achieve success in activities that improve access to capital and credit for new and growing businesses; increase the availability of high speed Internet connectivity for business startup and development; help adult workers acquire new certifications and credentials required for access to competitive new jobs in growth industries; and enable Appalachian businesses to grow by increasing their access to overseas markets.

Are these funds going straight to companies to entice them to invest in the United States?

No, EDA cannot award funds to businesses or other for-profit entities. NIST funds will be awarded to MEP Centers. ETA will award funds to workforce investment system organizations established under Title I of the *Workforce Investment Act of 1998*, especially state and local Workforce Investment Boards (WIBs) and other workforce system partners that work directly with employers. Rather than flowing directly to

businesses, these funds will be used to prepare American communities to be the desired home for more businesses.

Who is eligible to apply for funding?

For EDA:

- District Organizations (as defined in 13 C.F.R. § 300.3);
- Indian Tribes or a consortium of Indian Tribes;
- States, cities, or other political subdivisions of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions;
- Institutions of higher education or a consortium of institutions of higher education; or
- Public or private non-profit organizations or associations acting in cooperation with officials of a political subdivision of a State.

In addition, to be eligible for EDA funding, a project must be located in a region that, on the date EDA received the application, contains one or more subdivisions that meet at least one of the following economic distress criteria:

- An unemployment rate that is, for the most recent 24-month period for which data are available, at least one percentage point greater than the national average unemployment rate;
- Per capita income that is, for the most recent period for which data are available, 80 percent or less of the national average per capita income; or
- Has a “Special Need,” as determined by EDA (as defined in 13 C.F.R. § 300.3).

For NIST:

Only existing MEP Centers are eligible to receive NIST funding under this competition. Existing MEP centers must be U.S.-based 501(c)(3) non-profit organizations, higher education-based, or State government-based entities. Individual NIST MEP Centers selected under this competition will receive funding directly from NIST.

For ETA:

For the purposes of this competition, entities eligible to be the grantee organization for the ETA funding are workforce investment system organizations established under Title I of the *Workforce Investment Act of 1998*, especially state and local Workforce Investment Boards (WIBs) and other workforce system partners that work directly with employers. The workforce system partner will be the lead organization that will coordinate and collaborate with other partner organizations that will support worker skills training including: Education and Training Providers, Business-related non-profit organizations, Community Based Organizations, and Labor-Management Organizations. In addition, the ETA grantee must partner with at least one employer, but it is likely to be more than one employer, given they are providing training that would benefit the selected region’s targeted industry sector.

For DRA:

The DRA federal funding program is available only to participating member states, local governments (city and county) and non-profit entities, for projects within the DRA member states' counties and parishes as defined by the Delta Regional Authority Act as amended. A list of DRA member states' counties and parishes can be found at: <http://www.dra.gov/about-us/eight-state-map.aspx>. Applicants are not required to be located in a rural area to apply. However, projects must impact rural communities, defined by USDA as any area other than (i) a city or town that has a population of greater than 50,000 inhabitants; and (ii) the urbanized area contiguous and adjacent to such city or town.

What is the minimum match required?

For the EDA portion of the grant, applicants must demonstrate a matching share (cash, in-kind, or a combination of cash and in-kind contributions), which must be available and committed to the project from non-Federal sources. Projects may receive up to 80 percent of total project costs, based on the relative needs of the region in which the project will be located, as determined by EDA. EDA will give preference to proposals with higher matching shares to further leverage federal funds and help ensure additional project impact. Applicants must submit Matching Share Commitment Letters at the time of application. For more information about EDA's matching requirements, see section 204(a) of PWEDA (42 U.S.C. § 3144) and 13 C.F.R. §§ 300.3 and 301.4(b)(1). Matching funds are not required for the NIST, ETA or DRA portions of funds.

What are the kinds of activities that will be funded?

EDA funds can be used to assist states, cities, non-profit organizations (including non-profit public-private partnerships), institutions of higher education, or Economic Development Districts with infrastructure construction, technical assistance or strategic planning that will encourage insourcing of productive activity by U.S. firms, foster increased foreign direct investment, or incentivize U.S. companies to keep their businesses and jobs here at home.

NIST funds will flow to a region's MEP Center to provide market intelligence and analysis, outreach to existing firms, and technical assistance to businesses looking to relocate or expand in the U.S. MEP centers can assess the capacity of existing manufacturers to serve as qualified suppliers that can meet the needs of companies looking to expand or relocate to the U.S. and help suppliers obtain required certifications or make production changes necessary to satisfy market demand.

ETA funds will be used to address gaps in the training of local workforces that are tailored to meet the needs of expanding businesses or businesses looking to relocate from overseas.

DRA funds may be used to assist in the economic development of rural areas by providing technical assistance for business development and economic development planning.

What could an integrated project look like?

Applicants must propose an integrated project that will: strengthen regional assets (EDA's focus), connect regional supply chains and assist small-to-medium sized enterprises (NIST's focus), and build a highly-skilled and diverse workforce to meet employer demand (ETA's focus).

The following is a hypothetical example of how organizations could partner to propose one integrated project concept with distinct scopes of work that the Funding Agencies could fund.

A region has established an economic development strategy team – comprised of economic development organizations, an MEP Center, Workforce Investment Boards (WIB) and American Job Centers, a university or community college, and related intermediary organizations – to lead the region's economic development planning efforts.

On a regular basis, the team analyzes economic development data and trends to identify industries that hold a comparative advantage for the region or where investment has been increasing. As part of this effort, the team prepared an asset map and developed a comprehensive regional strategy for growing jobs in key industries. The data reveal that the region is continuing to experience growth in the manufacturing sector. This validates the team's thinking because they have successfully encouraged several manufacturers to expand operations locally, plus they attracted three manufacturers in the last year.

The region's strategy team meets to discuss options presented by the Make it in America Challenge FFO. The team reviews their existing asset map and comprehensive regional strategy to assess strengths and weaknesses. The team develops a series of specific tasks in the areas of economic development, supply chain development, and workforce training that best positions the region to attract new investments and expand more manufacturing operations. The team strategizes to demonstrate how work in all three of these areas together will grow manufacturing.

Based on the results of their planning efforts, the leadership team decides to develop a proposal for funding to support the development and execution of an integrated targeted manufacturing strategy for their region. The team has carefully considered the sequence of activities for each of the three project components. While the MEP Center and the WIB are ramping up the supply chain and workforce development aspects, the infrastructure project will be completed in time and ready for the newly trained workers.

The team outlines three innovative and complementary scopes of work:

The EDA applicant, the eligible economic development organization, decides to focus on updating the existing capacity of publicly-owned infrastructures, which is necessary to facilitate the expansion of production capacity of businesses at the region's industrial park. Tenants specifically cited lack of water connectivity as a barrier to growth. The EDO outlines a plan to upgrade these public assets, which will benefit the entire manufacturing supply chain.

The NIST applicant, the region's MEP Center, decides on two ways to work with current or prospective suppliers for the manufacturer in the targeted industry: 1) Scouting suppliers in the region to provide market intelligence, industry trends, and data about the region's supply chain capabilities and capacity and suppliers' ability to satisfy requirements of potential new customers/companies that are considering investing in the region; and 2) Providing technical assistance to SMEs, ensuring that the region's suppliers can meet the needs of companies interested in investment and expansion.

The WIB, **ETA's applicant**, is already working in close partnership with the MEP Center to identify manufacturers' workforce requirements. These requirements will be communicated to the local community college to ensure that new entrants and incumbent employees' skills are aligned to the skills demanded by the employer and are up to current industry standards. Skilled workers ensure that the pipeline of qualified job applicants will support business growth in the region, particularly for occupations and industries for which employers are using H-1B visas to employ foreign workers. *See Appendix C for more information.*

Why is this initiative needed?

The overall objective of the Challenge is to make it more attractive for businesses to build, continue, or expand their operations in the United States, rather than abroad.

Through this national competition, up to 15 American communities or regions will become better situated to attract companies to continue operations, expand or build in their area, resulting in job growth and a stronger economy. The Challenge will elevate the Administration's focus on "insourcing" to one of greater prominence and highlight best practices in promoting job creation and business growth, retention, and expansion.

Furthermore, because the Make it in America Challenge is a coordinated multi-Federal agency effort, it will ensure that complementary resources are provided in a more seamless, integrated, and impactful way.

When is the webinar for prospective applicants?

An informational webinar for the *Make it in America* Challenge is available for viewing at http://manufacturing.gov/make_it_in_america.html.

How do I get more information about the challenge?

General questions regarding the Make it in America Challenge should be emailed to makeitinamerica@eda.gov. Agency-specific questions should be directed to the applicable Agency point of contact for EDA, NIST MEP, ETA, or DRA. *See* Appendix D to the FFO for applicable Agency contact information.

What if I have additional questions about the process?

Additional questions on how to apply, Agency eligibility, authorized costs, and other agency specific inquiries should be directed to the appropriate point of contact identified Appendix D of the FFO.

I won a Jobs Accelerator grant last year, can I apply again?

The Make it in America Challenge FFO does not preclude applicants who have previously submitted an application for funding from applying for another grant opportunity from these or any other Federal agencies. However, the new application cannot request funding for activities already being funded through a previous grant; for the additional funding, additional activities that either expand on the existing scope of work, or an entirely new scope of work, must be proposed. Preference will be given to applicants that have not received prior awards under the “Jobs Accelerator” funding opportunities.

Developing a Project Proposal

Are applicants required to request funding from all funding sources?

Under this FFO, an application team must request funding from the following Funding Agencies: EDA and ETA. If the team does not request funding from both of these Funding Agencies, the application will be considered non-responsive and will not be reviewed.

The NIST funds available through the Make it in America Challenge can only be awarded to an existing MEP Center in good standing. As a result, all applicants are encouraged to include a NIST MEP Center on their team, so that the team is eligible to receive NIST funding. For projects where an MEP Center is not reasonably available – for example, if there is not an MEP Center located in the area-- NIST funds will not be awarded; however, all applications must propose engagement with appropriate SMEs and partners to address outreach, service delivery, and technology commercialization needs of SMEs. *See also* section IV.B of the FFO.

Applicants should apply for DRA funding for projects located in the DRA service area.

Are applicants required to submit separate applications to each agency?

No, applicants can apply for EDA, NIST and ETA funding at one time through grants.gov. Applicants must, however, request funding from each agency and create separate scopes of work for the use of the funds they have requested. In order to apply for DRA funds, applicants must fill out a separate DRA application. See Appendix B of the FFO for more information on how to apply for DRA funds.

Can an applicant be selected for funding from only one Funding Agency (e.g., EDA), but not the others (NIST and ETA)?

No, the Funding Agencies (EDA, NIST, and ETA) intend to make their individual awards to the same applicant teams, representing approximately 15 projects selected under this competition. The one exception will be if projects are located in an area where an MEP Center is not reasonably available. In that case, the project team would be unable to apply to NIST for funding, but could still receive funding from EDA and ETA. In addition, DRA expects to approve up to three separate awards within the DRA Region for projects which also leverage funds from the other Funding Agencies.

Does each member of an Applicant Team need to submit their own SF 424 to all three funding agencies, or should the applicant team as a whole submit one SF 424 to all three funding agencies?

Each Applicant Team member should submit an SF 424 to the funding agency (or agencies) to which they are applying. Collectively, the Applicant Team members should be applying for a total of three funding sources, so each of the three funding agencies should receive an SF 424 from at least one (or more if there are co-applicants for a single funding source) of the team members. The one exception to this is if an MEP Center is not reasonably available to the Applicant Team. In that case, the applicant cannot apply to NIST for funding because only existing NIST MEP Centers are eligible. In this instance, an Applicant Team would not be required to provide an SF 424 to NIST MEP.

Can the project area be a subset of the region outlined in the Comprehensive Economic Development Strategy (CEDS) or alternative EDA approved strategic planning document?

Yes, applicants have the flexibility to suggest geographies based on demonstrated analysis of quantitative and/or qualitative information about where and how the area targeted for development operates.

If our applicant team consists of more than one organization, which one of us should submit the application package on grants.gov?

The Authorized Organizational Representative (AOR) for the organization that is applying for EDA funds must submit the application package on grants.gov. See section V.D of the FFO for Grants.gov submission information.

Can applicants, regions or industry clusters submit more than one application?

The FFO does not restrict the number of distinct project proposals one organization/applicant, region or industry cluster can submit; however, the Funding Agencies request that applicants refrain from submitting multiple copies of the same application package. If multiple copies of an application are received, the Funding Agencies will only review the last application received.

Can an organization be part of more than one application team responding to the FFO?

Yes. The FFO does not restrict the number of Applicant Teams one organization can be a member of or affiliated with.

How many organizations should form the Applicant team?

An application package must be submitted by an organization or a team made up of organizations (referred to as the Applicant Team) that individually meet the eligibility requirements outlined in section IV of the FFO for each of the funding sources. An individual organization or an Applicant Team must respond to the three distinct Scopes of Work. For example, one organization that met all the agencies' eligibility requirements could submit an application package that proposes activities for all funding sources. Alternatively, two or more organizations, known as an Applicant Team, could submit an application for a project that proposes activities with each organization responsible for their portion of the Scope of Work for each distinct Funding Agency.

Can an MEP subrecipient apply as an MEP Center for the funds from NIST MEP?

No. Since the MEP subrecipient does not hold the Cooperative Agreement with NIST MEP, they are not considered an existing MEP Center and therefore are not eligible to apply directly for the funds from NIST MEP. The subrecipient could, of course, serve as part of the team assembled by the existing MEP center to address SME needs for the proposal.

If a state agency holds the MEP cooperative agreement, should the cooperative agreement holder be the prime MEP applicant in the proposal?

Yes.

Can the MEP center (i.e., cooperative agreement holder) be represented in more than one proposal from that state?

Yes.

The FFO says the MEP awardee must designate 1 FTE to the project. Does this have to be 1 whole person, or FTE equivalent across several persons?

One whole FTE person should be assigned to the project. NIST MEP expects that one designated MEP staff member will be responsible and 100% dedicated to the success of this project. That will require the person assigned to have sufficient time devoted to this project to manage and collaborate effectively. Our experience suggests that anything less than 1 FTE is not effective.

Will I lose points if my Applicant Team does not include an NIST MEP as either an eligible applicant or partner?

Each project will consist of one award from each of the Federal Funding Agencies. However, in the absence of an existing MEP Center on an Applicant Team, NIST funds will not be awarded. For projects where an MEP Center is not reasonably available, the applicant or Applicant Team will still be expected to respond to the NIST-specific scope of work by engaging appropriate SMEs and partners to address the outreach, service delivery, and technology commercialization needs of SMEs.

When is a NIST MEP center not reasonably available?

“Not reasonably available” means that there is no MEP Center that can provide the desired services in the targeted region. Applicant Teams should demonstrate why services are not available from an MEP Center, either because there is no MEP Center operating in the region at the time of application, or other considerations that make including an MEP Center on an Applicant Team impractical or impossible.

What other eligible organizations could my Applicant Team include if there is no NIST MEP center reasonably available? What types of projects can that organization propose?

An applicant team could include organizations such as industry associations, community colleges, SBDCs, export promotion intermediaries, university technology transfer offices, or any other organizations that engage SMEs and partners to address the outreach, service delivery, and technology commercialization needs of SMEs. Those organizations would be expected to propose projects (i.e., provide information or services) that serve the needs of SMEs within the context of the initiative.

Application Package Requirements

The application package on the grants.gov website only includes application forms for EDA, where do I find application forms for NIST and ETA?

Application forms for NIST and ETA can be found under the “Full Announcement” tab for the Grants.gov Make it in America Challenge. These forms must be uploaded as “attachments” to the application after they are completed.

How do I obtain application forms for DRA?

Application forms and submission information for DRA can be found on www.dra.gov.

Is an Integrated Work Plan (IWP) required?

Yes.

What is an IWP?

The Integrated Work Plan is one chart that will capture the combined proposed activities that will be supported by each funding agency, the anticipated dates these activities will be completed, and the anticipated magnitude, impacts and measurable outcomes of these activities. Applicants must detail the how they will use funds from each of the funding agencies (in line with each agencies’ specific requirements).

What types of information should be included in the IWP?

Applicants must document the major proposed activities, anticipated completion date of the activities, and the outcomes anticipated as a result of the activities in the IWP. Information included in the IWP detailing the objectives, resources/inputs, and activities should mirror the Agency-specific Scopes of Work. Attachment A and section VI.A. of the FFO provide instructions, a suggested template, and further information on how to complete the IWP.

Do I have to use the IWP template provided in Appendix A?

No. This is a suggested template. Any other format will be accepted as long as it contains all required information outlined in Section VI.A.

Does the budget narrative in the Project Description contain the budgets for all funding agencies?

No. Each budget narrative should be specific to the funding source. Applicants should submit separate budget narratives, one for each funding source, so that each funding agency can effectively evaluate the requested costs against the proposed Scope of Work.

All budget narratives will be shared with each Funding Agency. See also section V.C.2. of the FFO.

Can our organization submit this application if we have submitted a proposal for another EDA, NIST, ETA or DRA grant, or plan to in the future?

Yes. The Make it in America Challenge FFO does not preclude applicants who have previously submitted an application for funding from applying for another grant opportunity from these or any other Federal agencies.

Do applicants have to submit or have an approved Comprehensive Economic Development Strategy (CEDS) to apply for EDA funds?

While a planning document is required to apply for EDA funds, if an approved CEDS is not available, applicants have the option of submitting an alternative strategic planning document that closely aligns with the requirements for a CEDS. The planning document does not need to be attached to the application if it has been previously submitted to EDA or is available on the internet; however in the latter case the application should include the web address of the location of the planning document. For more information on the CEDS requirement, see section V.C.3 of the FFO.

Can organizations charge indirect costs to the grants?

Yes, as long as such charges are based on a current Indirect Cost Rate authorized by a Federal Cognizant Agency and compliant with all administrative and cost principles. If an organization requires a new ICR or has a pending ICR, the Funding Agencies have the ability to award a provisional rate for a limited time (generally 90 days or less) so that the Applicant can take all steps necessary to secure a current Indirect Cost Rate.

Can the EDA required match be met through cash or in-kind?

Recipient (or subrecipient) contributions and third party in-kind contributions may count towards satisfying EDA's matching requirement. Such contributions must be allowable project expenses as determined by EDA. Applications must include Matching Share Commitment Letters as part of the application package. Details about EDA's matching share requirements are discussed in section IV.A.4 of the FFO. For more information, please contact the applicable EDA Regional Office representative as outlined in Appendix C of the FFO.

What are the EDA criteria for recipient and third party in-kind contributions?

Recipient contributions and third party in-kind contributions may be accepted as part of the recipient's cost sharing or matching requirement only when the contributions meet all of the following criteria:

- Verifiable from the recipient's records.
- Excluded as contributions for any other Federally-assisted project or program.
- Necessary and reasonable for proper and efficient accomplishment of project or program objectives.
- Allowable under the applicable OMB cost principles and in conformance with relevant provisions of the DOC regulations at 15 C.F.R. § 24.24 for State, local, and Tribal governments or 15 C.F.R. § 14.23 for all other types of entities.
- Not paid by the Federal Government under another award, except where expressly authorized by Federal statute to be used for cost sharing. For example, 40 U.S.C. § 1432(a)(4) authorizes the use of grant funds from the Appalachian Regional Commission (ARC) as matching funds if the ARC decides such use is appropriate.
- Not counted toward satisfying a matching requirement of another Federal grant agreement, Federal procurement contract, or any other award of Federal funds.
- Provided for in the approved budget.

What forms of recipient and third party in-kind contributions can be used and how should they should be valued?

Contributions may be in the form of real property, services, equipment, and supplies. The goods and services contributed should directly benefit and be specifically identified with the project or program.

Federal Uniform Administrative Requirements provide that the value assessed to contributions of services and property included in the recipient's cost share shall be established in accordance with the applicable cost principles (Office of Management and Budget (OMB) Circular A-87, OMB Circular A-122, OMB Circular A-21, or 48 CFR Subpart 31.2, as determined by the type of recipient or subrecipient). Contributions must be reasonable, allocable and necessary, and shall not exceed the current fair market value of the property at the time of the donation to the project (when the in-kind contribution is presented for match and added to the recipient's books).

In determining the reasonableness of a value attached to a donation, it is useful to ask, "What would the donated item or service have cost if the recipient had paid for the item or service itself?" For example, a reasonable value for donated software may be less than the off-the-shelf retail value once available volume or other discounts are taken into account. The reasonableness of attributed value will be determined on a case-by-case basis, in consideration of all of the relevant circumstances of the donation.

What documentation is required to support in-kind contributions?

The recipient must maintain documentation to verify the costs assigned to property and services contributed to meet a matching share requirement. Any match value reported by the recipient for a Make it in America project must be directly supported by the recipient's documentation. Independent auditors may review all available documentation,

including recorded transactions and evidence of a recipient's assets or liability, to validate a project's reported match value. The value can be demonstrated and documented by the recipient, the subrecipient, or the owner of the donated item. The records must show how the value placed on the contribution was derived. Documentation should support the amount claimed as match for the recipient's Make it in America project, including a description of the contributed item, the method of valuation, and the terms of the donation. The recipient also must provide documentation that the contributed match is related to and necessary for the Make it in America project. If a recipient assigns fair market value to a matching contribution, the preferred method of documentation is an independent third-party appraisal. For recipient contributions, recipients must seek approval from the Grants Officer for use of fair market value. *See also* the Department of Commerce regulation at 15 C.F.R. §§ 14.23 or 24.24, as applicable.

How should in-kind contributions be valued?

The recipient should provide the methodology and supporting documentation to value the particular piece of property or services claimed as the contributed match and donated to the project. In doing so, the recipient should use the market conditions under which the recipient operates. It should not base the contribution valuation on another, similar type of asset or use market conditions from another geographic region that do not accurately reflect the conditions of the recipient's own market. For example, in assessing the value to be placed on donated space, the recipient must examine the fair rental rates available in the same locality in which the space is located, not on the rates available in another region that bears no relation to the rental conditions in the recipient's market. The Broadband Technologies Opportunity Program (BTOP) provides a useful guide on in-kind contributions that can be accessed at the following link: http://www2.ntia.doc.gov/files/btop_fact_sheet_matching_contributions_february_2011.pdf. *See also* the Department of Commerce regulation at 15 C.F.R. §§ 14.23 or 24.24, as applicable.

Can the required match be met through the use of other Federal funds?

Other Federal funds may be used to meet match requirements only if the statute for the Federal program expressly allows the funds to be used as match and the purpose of the funds is an eligible purpose under this funding opportunity. *See also* EDA's definition of Local Share or Matching Share at 13 C.F.R. § 300.3."

Are Community Development Block Grant (CDBG) funds eligible for use as matching share for the EDA matching share requirement described in section IV.A.4 of the FFO?

Yes, section 105(a)(9) of the Housing and Community Development Act of 1974 expressly permits CDBG grantees to use their CDBG funds as the non-Federal matching share required by another Federal grant program. For the CDBG funds to be eligible for matching, however, a Federal grant program must have been listed in the community's

Statement of Activities and Review (the Statement of Activities and Review is a document that is prepared locally to obtain CDBG funds).

For ETA applicants partnering with an educational institution, where on the SF-424 can we indicate the partner's name and institutional type?

If an ETA applicant is partnering with an educational institution, indicate the ETA Lead Applicant Type on the SF-424 in Field 9.1 (Type of Applicant 1: Select Applicant Type) as outlined in the form instructions. ETA applicants may indicate an educational partner's organization name and type in the fourth field in block 9 which is named 9.other. If an ETA applicant is partnering with other organizations which are not educational institutions, then leave field 9.other blank.