Calculating Match on Financial Assistance Awards

Texas A&M Forest Service

Grants Program Training Series

Financial Assistance Awards

Financial Assist. Awards
What are they?
Examples:
Sources
Required contribution?

What are they?

Financial assistance awards are instruments that convey money or property from a funding agency, or sponsor, to a recipient for the purpose of accomplishing a certain task or tasks.

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Financial Assistance Awards

Financial Assist. Awards

What are they?

Examples

Sources

Required contribution?

Examples:

Financial assistance awards can be in the form of grants, cooperative agreements or other legal instruments of conveyance.

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Financial Assistance Awards

Financial Assist. Awards	## From what sources do they come?
What are they?	They may come from any number of sources, including (but not limited to) private, state, universities, non-profits, local government or federal government.
Examples:	
Sources	For more information about federal financial assistance awards, see 2 CFR 200 at http://www.ecfr.gov/.
Required contribution?	

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Financial Assistance Awards

Financial Assist. Awards

What are they?

Examples:

Sources

Required contribution?

Is the recipient required to contribute?

Financial assistance awards may Require the recipient to contribute some of its own funds to the project. This recipient contribution is referred to as a <u>match</u> or <u>cost-share</u>, and becomes part of the total award.

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Calculating Match

Determining required amount
50/50
75/25
80/20
Formula

Determining the required match amount

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Calculating Match

Determining required amount
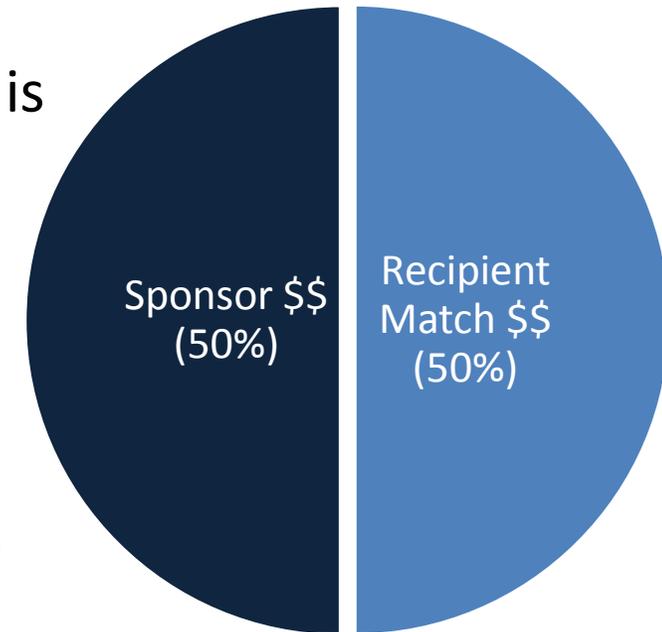
50/50

75/25

80/20

Formulas

Dollar-for-Dollar

If the sponsor/recipient match ratio is 50/50 (commonly called dollar-for-dollar match), then the sponsor contributes 50% and the recipient matches the other 50%.

Under certain conditions, the match <u>may</u> be provided by a third party rather than the recipient.

Sponsor $$ (50%)

Recipient Match $$ (50%)

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Calculating Match

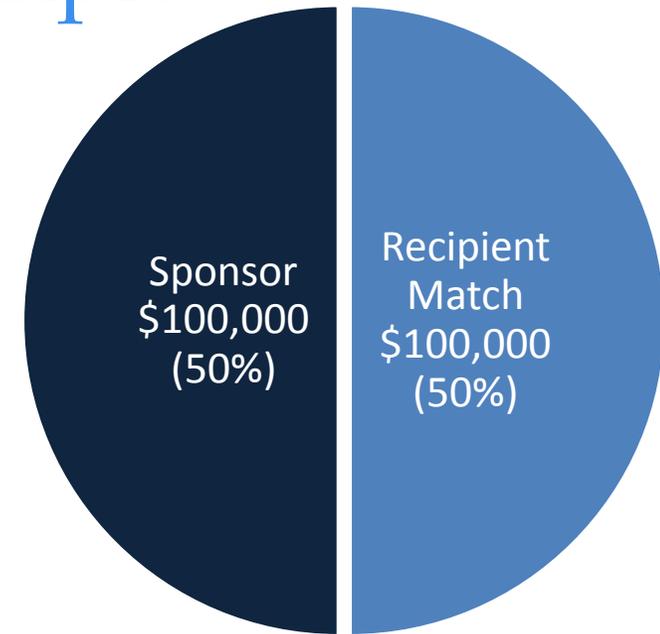| Determining required amount |
| :---: |
| **50/50** |
| 75/25 |
| 80/20 |
| Formulas |

Dollar-for-Dollar Example

If a sponsor contributes $100,000 with a dollar-for-dollar (50/50) match ratio, the recipient match is $100,000 and the total award is $200,000.

Sponsor $100,000 (50%)

Recipient Match $100,000 (50%)

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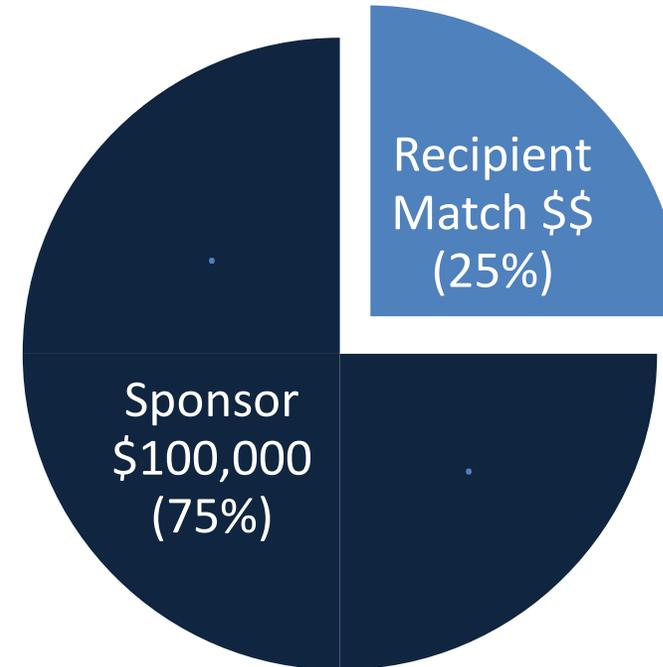# Calculating Match

Determining required amount

50/50

75/25

80/20

Formulas

75/25

What If the match ratio is 75/25, and the sponsor contributes $100,000? How much is the total award and how much is the recipient match?

Recipient Match $$ (25%)

Sponsor $100,000 (75%)

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Calculating Match

75/25: How much is the total award?

$$\text{Total Award} = \frac{\textbf{Sponsor Contribution \$}}{\textbf{Sponsor Contribution \%}}$$

$$= \frac{\$100{,}000}{75\%}$$

$$= \$133{,}333.33$$

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Calculating Match

Determining required amount
50/50
75/25
80/20
Formulas

75/25: How much is the recipient match?

Recipient Match = *Total Award – Sponsor Contribution*

= $133,333.33 - $100,000.00

= $33,333.33

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Calculating Match

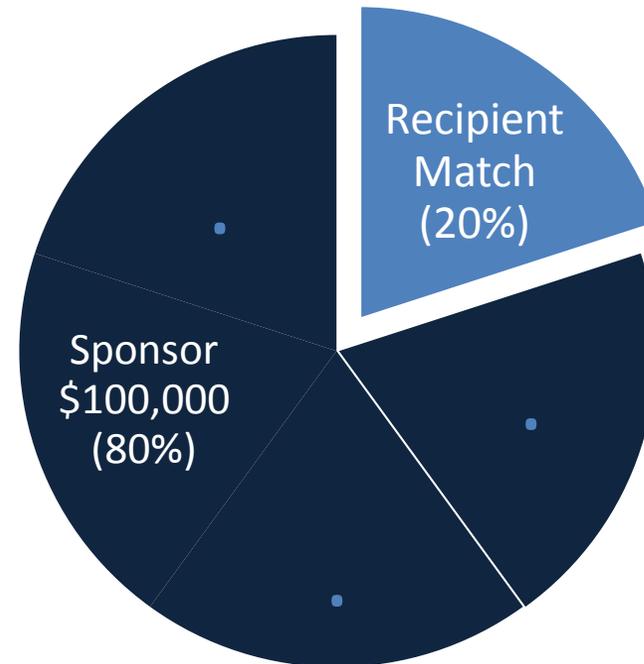Determining required amount

50/50

75/25

80/20

Formulas

80/20

What if the match ratio is 80/20 and the sponsor contributes $100,000? How much is the total award and how much is the recipient match?

Recipient Match (20%)

Sponsor $100,000 (80%)

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Calculating Match

Determining required amount

50/50

75/25

80/20

Formulas

80/20: How much is the total award?

$$\text{Total Award} = \frac{\textit{Sponsor Contribution \$}}{\textit{Sponsor Contribution \%}}$$

$$= \frac{\$100,000}{80\%}$$

$$= \$125,000$$

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Calculating Match

Determining required amount
50/50
75/25
80/20
Formulas

80/20: How much is the recipient match?

Recipient Match = *Total Award – Sponsor Contribution*

= $125,000 - $100,000.00

= $25,000

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Calculating Match

Determining required amount

50/50

75/25

80/20

Formulas

Formulas

Using these two simple formulas will enable anyone to properly calculate the total award and recipient match, regardless of the sponsor contribution amount or match ratio.

$$\text{Total Award} = \frac{\textit{Sponsor Contribution \$}}{\textit{Sponsor Contribution \%}}$$

Recipient Match = *Total Award – Sponsor Contribution*

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