

Guidance on Matching Funds

Many opportunities with the Agricultural Transformation Initiative (ATI) require or encourage applicants to match the funds that they request, in an effort to promote the sustainability of our programs after formal ATI funding has ended. Any matching fund requirements or preferences will be stated clearly within the Requests for Proposals (RFPs). Please find information on eligible and ineligible contributions below.

ELIGIBLE CONTRIBUTIONS

Category	Financial Instrument	Clarification
Cash or cash equivalent	Cash	Official, certified, or notarized bank account statement in the company's name.
	Conditional letter of commitment or letter of credit from a financial institution	An official letter of commitment (with the company and suggested concept name listed on it) from a registered institution is preferred. Securing the funds should be a verifiable milestone within the proposed workplan.
	Off-taker agreements, purchase orders	Acceptable if the buyer/contractor is high quality and signs agreement that all future payments will be paid to an escrow account controlled by ATI. Must be supported by a letter of commitment to cost-share regardless of outcomes against the off-take delivery.
	Forward contracts	Acceptable if assets are bonded and fully insured (mostly applicable to warehoused commodities). ATI will maintain legal rights of the contract with collateral managers assurance certificate(s) that the product(s) are as indicated in the contract.
	Gifts of money	Both restricted gifts (gifts that are given specifically in support of a project) and unrestricted gifts (gifts that may be used at the recipient's discretion) are eligible. The donors must give the gifts directly to the applicant, and these funds must be used to support budgeted project costs during the grant period.
	Donor funding	Donors must be aware that their funds are going to ATI/FSFW and applicants may be requested to provide a letter from the donor confirming knowledge of the transaction.
In-kind	Amortizations of Property, Plant, and Equipment (PPE)	For fixed assets in which the entity has already invested, such as buildings/factories, as an essential part of the proposed concept. Only for amounts that would be equal to or less than rent that would have been paid if the asset is not owned for the duration of the project. Past amortization cannot be included.
	Amortizations of Intellectual Property (IP)	Such as future royalties. Assessed on a case-by-case basis and supported with substantial documentation. Past investments in the development of IP cannot be counted.
	Salaries	Only for future project-related salaries, not owed/accrued salaries, for employees who are contributing directly to the program.

Ineligible Contributions

The following contributions are ineligible for either cash or in-kind matching funds:

- 1) Land
- 2) Future unencumbered revenues
- 3) Research and development in which the entity has already invested
- 4) Gifts that are given to an individual or organization associated with the project that are not transferred to the applicant
- 5) Registration fees or any other charge for participation in or attendance at project activities
- 6) Retained earnings adjusted to account for federal sources of revenue and previously used matching funds
- 7) Donations of securities such as stocks and loan receivables

Documentation Requirements

At the time of application, applicants must be able to prove, if requested, that they have had conversations with and received commitments from all proposed contributors.

At the time of selection and contracting, applicants must have full proof of matching funds, including bank statements, contracts, letters of commitment from financial or other institutions, and any other supporting documentation ATI deems required in order to verify contribution claims.

At the time of implementation, the grantee must have and maintain up-to-date records for all contributions, and enter any cash and/or in-kind matches into the program's general ledger as income and/or expenditure.