




**STATE OF INDIANA**



**Eric J. Holcomb, Governor**  
**Devon McDonald, Executive Director**

**TO:** All ICJI Staff and Subgrantees

**FROM:** Devon McDonald, Executive Director 

**RE:** Subgrantee Match Shortages: Grants Administered by the Department of Justice and the Department of Health and Human Services

**EFFECTIVE DATE:** February 1, 2021

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### **I. Purpose**

Many of the grants awarded by the Indiana Criminal Justice Institute (“ICJI”) impose a cost-sharing or matching requirement on ICJI’s subgrantees. These matching requirements necessitate that a subgrantee contribute a specific portion or percentage of the project costs for an approved grant project. This policy is aimed at establishing a consistent set of guidelines for ICJI staff and subgrantees in addressing situations where a subgrantee fails to provide the required match for a grant award.

### **II. Scope**

This policy is intended to cover all grants awarded by ICJI that impose a match requirement on subgrantees. This policy does not address any match-related issues outside of those where a subgrantee has failed to provide the required match.

Questions on required match percentages by grant type, match waivers, allowable match sources, and match documentation requirements are not covered by this policy and should be discussed with a subgrantee’s Grant Manager. In addition, if a subgrantee has concerns over whether they will be able to meet their required match at any point during the grant period of performance, they should immediately notify their Grant Manager.

### **III. Applicability**

This policy applies to all DOJ and HHS grants awarded by ICJI that impose a match requirement, regardless of funding stream.

### **IV. Match Shortage – Open Grant**

If a subgrantee becomes aware that they are not going to be able to meet their match requirement, they must immediately contact their Grant Manager to determine what options are available prior to the end of the grant period of performance.

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*A. Issues That Can be Corrected Prior to Grant Closure*

In the event that a subgrantee has not drawn down the full award amount and it is determined that a match shortage will likely occur, ICJI will work with the subgrantee to determine what proportionate share of their grant award may be drawn down based on amount of match provided. If the subgrantee can rectify the match shortage by drawing down less than the full award amount, ICJI will permit them to do so and no repayment of funds will be required.

In the event that a subgrantee has drawn down more funds than their total provided match can support, ICJI will work with the subgrantee to determine if there is any budgeted, unclaimed match that the subgrantee would be eligible to utilize to meet the match requirement. This match can only be from sources that were listed in the approved grant budget. If the subgrantee can rectify the match shortage by providing proof of additional qualifying, budgeted match, ICJI will permit the subgrantee to do so and no repayment of funds will be required.

*B. Issues That Cannot be Corrected Prior to Grant Closure*

Regardless of whether the subgrantee drew down the full award amount or only a portion of the award amount, if the subgrantee has claimed all eligible match and is still unable to support the amount of grant funds that have been drawn down on a grant, the subgrantee will be required to repay the portion of the required match that they were not able to provide. ICJI will calculate the required repayment amount and communicate the details of the repayment to the subgrantee in writing via an official letter from ICJI.

*C. Match Shortage Calculation*

In the event that a subgrantee must repay a match shortage, ICJI will determine the total required repayment amount by determining the total project cost, total grant funds awarded, total grant funds drawn down, total adjusted project cost (if applicable), total required match (adjusted if the full award amount is not drawn down), and total match provided. Once ICJI determines each of these figures, the below calculation will be utilized to determine the amount of repayment:

$$\begin{array}{r} \text{Total Required Match:} \\ - \text{Total Match Provided:} \\ \hline \text{Total Repayment Required from Resulting Match Shortage:} \end{array}$$

Below are examples of the required repayment where the full award has been drawn down and where less than the full award amount has been drawn down:

***Example #1 – Full Award Amount Drawn Down***

Total Project Cost: \$100,000  
Total Grant Funds Awarded: \$80,000

Total Grant Funds Drawn Down: \$80,000  
Total Required Match @ 20%: \$20,000  
Total Provided Match: \$16,000

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Total Repayment Required  
\$20,000 (Total Required Match)  
- \$16,000 (Total Match Provided)  

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\$4,000 (Total Repayment Required from Resulting Match Shortage)

***Example #2 – Less Than Full Award Amount Drawn Down***

Total Project Cost: \$100,000  
Total Grant Funds Awarded: \$80,000

Total Grant Funds Drawn Down: \$70,000  
Total Adjusted Project Cost: \$87,500  
Total Adjusted Required Match @ 20%: \$17,500  
Total Provided Match: \$15,000

Total Repayment Required  
\$17,500 (Total Required Match)  
- \$15,000 (Total Match Provided)  

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\$2,500 (Total Repayment Required from Resulting Match Shortage)

**V. Match Shortage – Closed Grant**

If a grant has closed and it is determined by ICJI staff that the required match was not met by the subgrantee, either through an inability to provide the full required amount of match or through providing ineligible match, ICJI will calculate the required repayment and communicate the details of the repayment to the subgrantee in writing via an official letter from ICJI.

*A. Match Shortage Calculation*

The calculations referenced above in Section IV will be utilized in determining the required repayment for a match shortage on a closed grant.

**VI. Repayment of Funds and Noncompliance**

Upon ICJI providing written notice of a required match shortage repayment, a subgrantee will have **30 days** to return the funds to ICJI. ICJI will provide each subgrantee with the necessary information for return of funds when the written notification of the match shortage is sent.

If the subgrantee has not repaid the required funds within **30 days** from the date ICJI provided written notice, the subgrantee will be placed on high-risk and any additional funds will be withheld on all ICJI grants until the funds are repaid.