

HPS Frequently Asked Question: Matching Funds

1. **Question:** — Can you explain what “matching funds” mean?

Answer: — The concept of “matching funds” comes from the idea of “partnering,” which is the central feature of the HPS program. It is through the matching of funds that the HPS achieves such intended outcomes as the engagement of partners, strategic alignment of investments, and leveraging of community, government and private sector resources.

In simple terms, “matching funds” are contributions pledged to your project by either your own organization or another entity to support HPS funds. In other words, they are funds that go into the operation of your project, but for which you are not requesting HPS to reimburse you. Put differently, matching funds represents the value of resources you need for your project but which would be covered by your organization or partners. Yet another way to describe it is the portion of your project cost that will not be borne by HPS.

2. **Question:** — What is a good way to estimate my “matching funds”?

Answer: — A good way to estimate your matching funds is to add up the following:

1. Sources of revenue other than HPS, such as donations and contributions, including cash, property, and in-kind services rendered to the project (e.g. by volunteers, staff, directors, etc), and not duplicated in a separate HPS application. Note: In-kind contributions will need to be converted to a dollar value, please call Lisa Ross at 604-877-4527 or lisa_ross@vancity.com if you need assistance with how to convert an in-kind service into a monetary amount, plus;
2. The portion of the total cost of operating your project, or the value of all resources you need for your project, that is not reported in Section B of your Budget Negotiation Notes (Form 2B1), but which is:
 - a. Necessary and reasonable for proper and efficient accomplishment of the project objectives;
 - b. An eligible HPS cost;
 - c. Verifiable from your project records;
 - d. Incurred during the period for which you are applying for HPS funds (April 2011 to March 2014); and
 - e. Not pledged as matching funds for another HPS project.

3. **Question:** — Could you give some examples of “matching funds?”

Answer: — The following are four examples of what may be reported as matching funds for your project.

Example 1 — Dealership’s Contribution of a Van/Pick-up

You are providing *outreach services* to street entrenched youth. You have a relationship with a local car dealership who donates an outreach van to your organization to be able to

get the workers out to the target population. No cash has been exchanged. However, you can count the cost of the van as an “in kind” contribution to match your request for HPS funds. You would require a contribution letter from the dealership stating what they are contributing and the dollar value (in this case the cost of the van donated).

You would enter this amount in two places on your application for HPS funds.

First, on the application Form 2A, page 9, you would list the name of the dealership, choose “business” from the drop down menu, describe the nature of the contribution and enter in the dollar amount of this contribution.

Second, in the Budget Negotiation Notes, Form 2B.1, you would enter this in Section A (Revenue Categories) against “Other Contributors’ in-kind contributions” in the column for the year in which you would receive the donated van.

Example 2 — Applicant’s Contribution to Staff Wages

You are required by your collective agreement to pay your housing worker at a rate of \$35,000 a year. You are able to contribute \$15,000 per year and are requesting the remaining \$20,000 per year come from HPS. Your organization’s cash contribution can be considered as part of the project’s matching funds.

Because this contribution is internal and there is no space on Application Form 2A to enter internal contributions, you would enter this information only in the Budget Negotiation Notes, Form 2B.1. As in Example 1 above, you would enter it in Section A (Revenue Categories), but under “Your Organization's Cash Contributions” in the column for the year in which your organization would make the contribution to your wage cost. In the details/description column of this form you could explain the specifics of what your organization is contributing to the project.

Example 3 — Applicant’s Contribution of Office Space and Staff Support

You are applying for HPS funds to organize a community network as part of your housing operation. The community network project will occupy 500 square feet of your building that would cost \$2,000 a month to rent in the open market. In addition, the project would need support from two department heads, the director of marketing and the communications director, to succeed. Both department heads are compensated at \$30/hour and would need to spend two hours each week (i.e. 208 hour per year) to support the network project.

In this scenario, you could report the rental value of the 500 square feet of office space (\$24,000) and the value of the support received from the communications and marketing departments (\$12,480) as in-kind contributions

Similar to example 2, since this is an internal contribution, you would only enter in the amounts in Budget Negotiation Form 2B.1. You would enter the total amount in Section A (Revenue) under “Your organization’s in-kind contribution” and provide details in the details/description column of the form.

Example 4 — Provincial Agency’s Contribution to Project Operations

You wish to enhance your existing services in your transitional housing project by adding mental health counseling services. By agreement, a provincial government agency or health authority has committed to contribute to your annual operational cost. This contribution may be reported as matching fund in your application for HPS funds.

Similar to example 1, you would require a contribution letter from the provincial government agency stating the amount of the contribution. Since, this contribution is coming from an external source; you would enter in the information in 2 places. On Application Form 2A (page 9) you would list the name of the government agency, choose the level of government from the drop-down menu (in this case “provincial”), describe the nature of the contribution and enter the amount of the contribution.

As well, you would report the annual contributions in the Budget Negotiation Notes, Form 2B.1, Section A (Revenue Categories), against “Other Organization's Cash Contributions” in the column for each year in which the commitment is guaranteed in the letter. You would describe the details of the contribution in the details/description column of that form.

4. Question: — Is the idea of “matching funds” new to this Call for Proposals?

Answer: — No. Matching of funds is not new in the HPS program. It has been part an integral part of the program since its inception. It is acknowledged that coordinated efforts and multiple partners are required to address homelessness. In addition to stakeholders jointly identifying priorities and strategies, the community planning process in designated communities also involves identifying the sources of funding for each community priority. The sum of all the resources committed to implementing the community plan is called the “community contribution”.

What is being done differently in this 2011 Call for Proposals is asking the community, especially project applicants, to make a special effort to calculate them so that the community can better gauge its contribution and also understand the true cost of addressing homelessness in Metro Vancouver. In the past, much of the community’s contributions went unreported. In many ways, the under-reporting of the community’s contribution weakens the community’s voice in the future of the HPS program.

5. Question: — Can I claim a matching fund as cost elsewhere on the budget form?

Answer: — Absolutely not. No amount reported as a part of a project’s matching funds is reimbursable by HPS. This means that when claiming cost as part of your matching funds, you may need to decide what would be in the best interest of your organization — whether to report the item as a matching fund or a reimbursable cost item.

6. Question: — Should I still send in my application for HPS funds if I cannot show matching of funds?

Answer: — Yes. Your application will not be automatically disqualified if you do not achieve \$1 for \$1 matching of funds. The matching of funds is the ideal for the reasons cited

above, but the RSCH is mindful that projects were approved in the past with limited matching funds.

All applications, whether with or without matching funds, must provide a sustainability plan that demonstrates ongoing funding to maintain the activities after the HPS funding ends. Where this is not possible, community development projects must have an exit strategy in place before a recommendation for funding can be made.