

FEMA DAP 9525.2: 44 CFR 13.24 addresses how donated resources are to be valued. The following instructions are based on that part of the CFR:

1. Volunteer Labor: The value of volunteer labor is discussed in 44 CFR 13.24 (c) (1). The rate placed on volunteer labor should be the same rate (plus reasonable fringe benefits) ordinarily paid for similar work within the applicant's organization. Premium rates will not be used. If the applicant does not have employees performing similar work, the rate should be consistent with those ordinarily performing the work in the same labor market. To determine the value of volunteer labor, the labor rate should be multiplied by the total number of volunteer labor hours. Credit may be given for volunteer labor in any field reasonably required for emergency work, including the work of volunteer equipment operators.
2. Donated Equipment: To determine the value of donated equipment, determine the number of hours that each piece of donated equipment was used and multiply it by the applicable applicant's or FEMA's Equipment Rate, whichever is lower. The out-of-pocket cost to operate the equipment may be claimed as a donation for credit under this policy unless it is included in a reimbursed equipment rate.
3. Donated Materials: Only materials donated by third party entities are eligible for credit. Typical donated materials include sand, dirt, and rocks, and other materials associated with flood-fighting activities. To determine the value of donated materials, use the current commercial rate for such material based on previous purchases or information available from vendors. Materials donated from other Federal agencies may not be included.

44 CFR 13.24:

(a) *Basic rule: Costs and contributions acceptable.* With the qualifications and exceptions listed in paragraph (b) of this section, a matching or cost sharing requirement may be satisfied by either or both of the following:

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(1) Allowable costs incurred by the grantee, subgrantee or a cost-type contractor under the assistance agreement. This includes allowable costs borne by non-Federal grants or by others cash donations from non-Federal third parties.

(2) The value of third party in-kind contributions applicable to the period to which the cost sharing or matching requirements applies.

(b) *Qualifications and exceptions—*(1) *Costs borne by other Federal grant agreements.* Except as provided by Federal statute, a cost sharing or matching requirement may not be met by costs borne by another Federal grant. This prohibition does not apply to income earned by a grantee or subgrantee from a contract awarded under another Federal grant.

(2) *General revenue sharing.* For the purpose of this section, general revenue sharing funds distributed under 31 U.S.C. 6702 are not considered Federal grant funds.

(3) *Cost or contributions counted towards other Federal costs-sharing requirements.* Neither costs nor the values of third party in-kind contributions may count towards satisfying a cost sharing or matching requirement of a grant agreement if they have been or will be counted

towards satisfying a cost sharing or matching requirement of another Federal grant agreement, a Federal procurement contract, or any other award of Federal funds.

(4) *Costs financed by program income.* Costs financed by program income, as defined in § 13.25, shall not count towards satisfying a cost sharing or matching requirement unless they are expressly permitted in the terms of the assistance agreement. (This use of general program income is described in § 13.25(g).)

(5) *Services or property financed by income earned by contractors.* Contractors under a grant may earn income from the activities carried out under the contract in addition to the amounts earned from the party awarding the contract. No costs of services or property supported by this income may count toward satisfying a cost sharing or matching requirement unless other provisions of the grant agreement expressly permit this kind of income to be used to meet the requirement.

(6) *Records.* Costs and third party in-kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantee or cost-type contractors. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs.

(7) *Special standards for third party in-kind contributions.* (i) Third party in-kind contributions count towards satisfying a cost sharing or matching requirement only where, if the party receiving the contributions were to pay for them, the payments would be allowable costs.(ii) Some third party in-kind contributions are goods and services that, if the grantee, subgrantee, or contractor receiving the contribution had to pay for them, the payments would have been an indirect costs. Costs sharing or matching credit for such contributions shall be given only if the grantee, subgrantee, or contractor has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of the contributions.(iii) A third party in-kind contribution to a fixed-price contract may count towards satisfying a cost sharing or matching requirement only if it results in:(A) An increase in the services or property provided under the contract (without additional cost to the grantee or subgrantee) or(B) A cost savings to the grantee or subgrantee.(iv) The values placed on third party in-kind contributions for cost sharing or matching purposes will conform to the rules in the succeeding sections of this part. If a third party in-kind contribution is a type not treated in those sections, the value placed upon it shall be fair and reasonable.

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(c) *Valuation of donated services—(1) Volunteer services.* Unpaid services provided to a grantee or subgrantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or subgrantee's organization. If the grantee or subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.

Summary:

- Unpaid services provided to a grantee or subgrantee by individuals will be valued at rates consistent with those paid for similar work in

the local organization. If not available locally, then FEMA will consider a regional value, and then a state value. If no rates exist, the use of a national rate may be considered by FEMA.

- Records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs.
- The donated resources must be documented by a local public official or a person designated by a local public official. The documentation must include a record of hours worked, the work location, and a description of work (debris removal from private property, search and rescue, shelter support activities, ect. for each volunteer, and equivalent information for equipment and materials. Regional Administrators may establish alternate documentation requirements when required by an extraordinarily demanding situation.