

## **Exhibit C: Challenge Grant Leverage Fund Guidelines**

### **Challenge Grants- \$2.5 million**

#### ***Purpose: Leverage Resources for Applicant Initiated Projects/Programs***

The objective of the Challenge Grants is to motivate providers to leverage additional resources to fund services in our program areas (early childhood, child abuse prevention/intervention, foster care, after-school and mentoring).

#### ***Funding Process Guidelines***

Staff recommends the following guidelines for the funding process:

##### **1. Available Funding and Funding Limitations**

- Total of \$2,500,000 available for all challenge grants; estimate 8-10 grants.
- Minimum grant awards of \$250,000 over a period of at least two years.
- Match ratio of at least 1:1, meaning that the applicant must secure from other sources an amount equal to or more than that being requested from the Children's Levy. See eligible forms of match below.
- The total of all Children's Levy funding that an organization receives cannot exceed more than 30% of the applicant's revenues for its last closed fiscal year.

##### **2. Eligible Projects/Programs**

Proven programs that provide direct services to children and families in one of our funding areas.

##### **3. Eligible Applicants**

- Non-profit organizations.
- Local government entities, including schools, school districts, and community colleges. Local government applicants would be subject to the specific match requirements set forth below which are designed to assure that PCL is leveraging "new" money rather than simply matching investments that other government entities have already made.

##### **4. Eligible Forms of Match**

Applicants are required to provide a 1:1 match as follows:

- Cash match: at least 50% of the match must be cash.
- In-kind match: up to 50% of the match may be in-kind;
- Preference for applicants with greater than 50% cash match.

##### **5. Eligible Cash Match Sources**

###### **For Non-profit Organization Applicants**

- Foundation grants

- Individual donors
- Federal, state, or local government grants/funding
- Unrestricted agency funds (funds raised by the applicant organization through a variety of activities such as events, annual fundraising campaigns, etc.)
- Corporate/Business contributions

*For Local Government Entity Applicants*

- Federal funding including the following funding streams:
  - Head Start
  - Early Head Start
  - 21<sup>st</sup> Century Schools
  - American Recovery and Reinvestment Act
  - Medicaid
  - Other federal funding streams that require a local match
- Foundation grants
- Corporate/Business contributions

6. Eligible In-kind Match

- Fair market value of equipment, supplies, goods and services directly benefiting the program and that offset operating expenses necessary to delivering the proposed program.

In-kind match resources must meet all of the following requirements:

- Necessary and reasonable for accomplishment of project objectives.
- Allowable costs under Children's Levy guidelines (i.e. the costs would be allowable if the grantee were to pay for them).
- Verifiable from grantee records.
- Applicable to the grant period to which the match requirement applies.
- Cannot be used to match another grant.

In-kind contributions may include the following:

- Physical items (equipment, supplies and expendable materials).
- Use of equipment and or space.
- Volunteer services furnished by professional and technical personnel, consultants and other skilled and unskilled labor if the service is integral and necessary as part of the approved project and are clearly attributable to the project or program. For volunteer services to be counted as in-kind:
  - a. The services provided by the volunteer would have to be otherwise purchased or provided by salaried personnel.
  - b. The duties of the volunteer must be controlled by the organization.
  - c. The value of the service performed by the volunteer must be measurable and material.
  - d. The value must be based on the nature of the service the volunteer provides.

In-kind contributions will be valued as follows:

- Physical items are valued at the actual cost or fair market value of the item.

- Space and equipment contributed as in-kind are valued at the actual rental cost or fair rental values for the geographic location.
- Volunteer services are valued at the pay for similar work in the grantee's organization. If there is not a comparable job within the organization, minimum wage or private market value for the work shall be used. Services provided by grantee agency staff are not considered in-kind contributions.

In-kind contributions must be documented as follows:

- In-kind contributions must be documented and verifiable in the grantee's records.
- Records must be maintained to support the valuation placed on the in-kind contribution.
- Written records shall include:
  - Organization name.
  - Donor name and signature.
  - Date of contribution.
  - Description of the donated item or service.
  - Volunteer services must be documented with an appropriate time keeping system showing dates, start/stop times, total number of hours worked, signatures of each volunteer and signature of program supervisor.
  - Value of the donated item or service, including how value was determined.
  - Signature of the person receiving the donation on behalf of the organization.

## 7. Timing of Cash Match Procurement

- "Securing" cash match is defined as the applicant receiving funds or a commitment of funds through grants or donations during the time periods specified below. In the case of non-profit organization applicants seeking to use unrestricted agency funds as cash match, the agency must allocate such funds to the project for which PCL funding is requested during the time periods specified below.
- To be eligible as a cash match, the funding must have been secured no more than four months prior to the leverage fund application due date.
- For proposed two year grants, applicants must secure the full match no later than six months after the date of PCL award notification.
- For proposed three year grants, applicants must secure at least two thirds of the required cash match no later than six months after the date of the PCL award notification. Remaining cash match must be secured within the first 18 months of the grant period. If grantees fail to raise the remainder of the required match, the grant will be terminated at the two year mark.
- For proposed four year grants, applicants must secure at least one half of the required cash match no later than six months after the date of the PCL award notification. Remaining cash match must be secured within the first 18 months of the grant period. If grantees fail to raise the remainder of the required match, the grant will be terminated at the two year mark.
- Children's Levy contracts will be initiated only after the required level of cash match is secured. Applicants will be required to submit documentation of funding commitment from other sources (e.g. grant award letter, contract, and board meeting notes/resolutions).

#### 8. Timing of Funding Cycles

- Round I: Application Deadline – To be determined based on publication date of challenge grant Requests for Investment (RFIs). Staff projects publishing RFIs in early March 2010 and projects that the application due date will be no earlier than April 15, 2010.
- Round II: Application Deadline – 3 months after Round I award notification if funds remain after Round I.
- Round III: Application Deadline – 9 months after Round I award notification. This round would be added only if there were unencumbered funds from Round I and/or there were still remaining funds after Round II.

#### 9. Application Process

Modified versions of PCL's Request for Investment (RFI) issued in 2009 will be published. In addition to the information requested in the 2009 RFI (available at [www.portlandchildrenslevy.org](http://www.portlandchildrenslevy.org)), applicants would be required to provide evidence of all match sources, cash and in-kind.