Third Party In-kind Contributions for Transportation Alternatives Projects
Supplemental Guidance
February 2018

These requirements are effective immediately for any phase authorizations when in-kind contributions (donations) are expected. Where there are new phase starts, the VDOT District Office should confirm whether or not the locality expects to use in-kind contributions and ensure the in-kind contributions are accounted for in accordance with this guidance.

Localities

Localities must now obtain approval for use of in-kind contributions prior to the phase authorization for the phase they would like to apply the in-kind contributions. In order to obtain the approval, localities must submit an estimate of anticipated in-kind contributions and must provide justification for the in-kind contribution valuation through their VDOT Project Coordinator for approval by Central Office Local Assistance Division (example attached). Both the TA Guide and the LAP Manual outline acceptable methods for this justification.

Also, the federal review has impacted several past practices which localities should be aware of:

- **Staff time for localities receiving TE/TA funding cannot be counted as in-kind contributions.** In-kind contributions are defined by FHWA as eligible costs provided by a third party (is not the recipient of federal funds) to the sponsor (locality – the recipient or sub-recipient of federal funds) for satisfying the non-federal share (match) requirement. Staff time is, however, an eligible project cost which may continue to be reimbursed at 80%. Further clarification regarding this can be found in both the TAP Guide and the LAP Manual.

- **With the exception of real property, in-kind contributions approved for one phase cannot be transferred (or carried over) to be used as in-kind contributions for another phase.**

**VDOT District Staff (Project Coordinators)**

District staff will need to forward requests for in-kind contribution approvals to the appropriate Local Assistance Division Transportation Alternatives Program Manager. Approval needs to be received prior to the federal authorization for any phase where it is anticipated in-kind contributions will be used.

When in-kind contributions are expected to be applied during a project phase, the anticipated value of those approved in-kind contributions should be included as part of the phase estimate provided for federal authorization.
Central Office (Local Assistance Division and Federal Programs Management Division)

Local Assistance Division and Federal Programs Management staff will coordinate to ensure that the value of approved in-kind contributions is included in FMIS during the federal authorization and/or modification process. This coordination process is attached.
### Third-Party In-Kind Contribution Plan

<table>
<thead>
<tr>
<th>Activity</th>
<th>Task</th>
<th>Third-Party Provider</th>
<th>Fair Market Value Determination Basis</th>
<th>Unit Value or Hourly Rate</th>
<th>Estimated Hours / Other</th>
<th>Estimated Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design Services</td>
<td>Project Design</td>
<td>ABC Engineering</td>
<td>Standard Rates published – Staff Engineer (attached)</td>
<td>$90/hour</td>
<td>60 hrs</td>
<td>$5,520</td>
</tr>
<tr>
<td>Design Services</td>
<td>Advertisement Prep</td>
<td>ABC Engineering</td>
<td>Standard Rates published – Proposal Writer (attached)</td>
<td>$60/hour</td>
<td>20 hrs</td>
<td>$1,200</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$6,720</td>
</tr>
<tr>
<td>Right of Way Services</td>
<td>Donated Property Appraisal</td>
<td>Right-on Properties</td>
<td>Right-on Properties’ valuation letter (attached) – Senior Appraiser</td>
<td>$110/hour</td>
<td>40 hrs</td>
<td>$4,400</td>
</tr>
<tr>
<td>Right of Way Acquisition</td>
<td>Property Donation (1 property)</td>
<td>N/A</td>
<td>Appraisal</td>
<td>N/A</td>
<td>$30,000</td>
<td>$30,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$34,400</td>
</tr>
<tr>
<td>Trail Construction</td>
<td>Initial Clearing</td>
<td>Individual Volunteers</td>
<td>Davis Bacon Wage Rates for Region – Laborers</td>
<td>$10/hour</td>
<td>100 man-hours</td>
<td>$1,000</td>
</tr>
<tr>
<td>Trail Construction</td>
<td>Stone for Construction</td>
<td>Bedrock Construction</td>
<td>Published Cost per ton (stone type, etc.) (attach)</td>
<td>$30/ton</td>
<td>12 tons</td>
<td>$360</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,360</td>
</tr>
</tbody>
</table>
Federal Authorizations for Transportation Enhancement/ Transportation Alternatives Federal Authorization with In-kind Contributions
Local Assistance/Federal Program Management Divisions Coordination Process

A 2017 FHWA review of in-kind contributions for Transportation Enhancement/Alternatives projects included as one if its findings the need to identify approved in-kind contributions in the federal authorization for each project phase when in-kind contributions are anticipated for the project. The following outlines general steps to take to include the in-kind contributions in the phase authorization.

New Phase Authorizations

- Upon notification for a new phase authorization for a TE/TA project (projects containing Transportation Enhancement or Transportation Alternatives funding), FPMD staff will first check to see if that project has approved in-kind contributions by referring to the TE/TA In-kind Contribution Spreadsheet located on the LAD Transportation Alternatives Sharepoint Site at https://insidevdot.gov/div/LA/TENH/Federal_Authorizations_Inkind_Tracking/Forms/AllItems.aspx.
- After opening the spreadsheet, search for the project by using “Edit-Find” or “Control-f” and entering the UPC. If no search results are returned, the project does not have approved in-kind contributions. If the project is identified on the spreadsheet, continue to the next steps.
- The spreadsheet will identify maximum approved in-kind contributions for each phase while the phase estimate will include proposed in-kind contributions (PE, RW, CN Approved In-kind Contributions column – see attached sample spreadsheet).
- The FMIS authorization should be completed, based on the phase estimate, as follows:
  - The Federal Share will be 80% of the authorization needed.
  - The maximum amount of the in-kind donations, not to exceed 20% of the authorization, will be noted in the “non-monetary donations” field within the FMIS authorization matching section.
  - Any remaining match required will be identified in the appropriate fields in FMIS.
- As new phase authorizations are necessary, the In-kind Contributions Spreadsheet should be referred to and the same matching rules will apply whether or not the authorization increases or decreases.

Modifications to Existing Phase Authorizations: In-kind Contributions approved after initial phase authorizations

- Occasionally a locality may request the approval of new in-kind contributions or in-kind contribution valuations may change, after the original phase authorization. When this occurs a modification to include the new or changed in-kind contributions value must be made to the original federal agreement.
- After approval of the new or modified in-kind contributions, the Local Assistance Division TAP Program Manager will modify the TE/TA In-kind Contribution Spreadsheet and will notify Federal Programs Management Division of the change and will request a modification to the federal agreement, copying the District Project Coordinator.
• If a modification results in a total estimated cost decrease, the in-kind contribution as identified in the “non-monetary donations” field in FMIS may also need to be decreased to ensure the in-kind contribution remains less than 20% of the total estimated cost.

Notes:
In-kind contributions can never exceed the 20% local match requirement of any authorization.
In-kind contributions for the real property identified in the Right of Way phase may be applied to any phase of the project. Accordingly the Local Assistance Program Manager, or approved District staff, may move Right of Way in-kind contributions to appropriate phases of the project (Preliminary Engineering or Construction) of the In-kind Tracking Spreadsheet as necessary to maximize use of in-kind contributions.
As in-kind contributions are applied to the project, the TAP Program Manager or Designated District Project Coordinator will update the column entitled “In-kind Match Applied”
When in-kind contributions are to be used on associated (child) UPCs, the Local Assistance Division Program Manager, or approved District staff, will identify those in-kind contributions on the In-kind Contribution Tracking Spreadsheet.