

# Guidelines on Valuing In-Kind Contributions in Grant Applications

This document is intended to assist STFX researchers preparing grant applications who wish to consider the inclusion of in-kind contributions in budgets.

Many grant funding opportunities allow for in-kind contributions to be included in the budget. In some cases, these are also eligible /required for the calculation of necessary matching funds.

It is important to read the budget instructions for the funding opportunities to determine if in-kind contributions are eligible or required, and if so, if there are specific limitations or instructions of what types can or cannot be included, and any limits or specific amounts allowed.

## What is “In-kind”?

In-kind contributions are **non-monetary goods or services** that are provided to the project **by your organization or other sources**. In-kind support is a **cash-equivalent** contribution in the form of an asset for which **no cash is exchanged** but that is essential to the project and that would have to be purchased by the project proponent on the open market, or through negotiation with the provider, if it were not provided by the project proponent.

In-kind contributions are considered **real contributions to the cost** of the proposed project **but are not reimbursable**. Donated goods and services may be considered in-kind contributions if they:

- are essential to your project’s success;
- are eligible expenses and would otherwise have to be purchased or paid for by you;
- can be measured at fair market value (i.e. in relation to similar goods and services); and
- are balanced by an equal revenue in your budget (i.e. total in-kind expenses equal total in-kind revenues).

These sources cannot request reimbursement for these contributions. In-kind contributions may include donated equipment, materials, services, space/facilities or labour necessary for the proposed project **that would otherwise have to be purchased and paid for**. Only in-kind contributions that are deemed to be estimated at fair market value and contribute directly to the success of the project will be considered valid. In-kind costs should be associated only with the portion used in the project, not the total cost of the materials and supplies.

It is also important to know if the funder requires documentation from the organization or individual providing the in-kind contribution, to be submitted with claims/invoices to the funder or to be kept on file to be made available for review in case of audit, as proof of contributions. For example:

- SSHRC (especially for Connections grants) requires showing in-kind contributions at the applications, but does require evidence to be submitted after the event in their Form 300 (but documentation should be kept on file to support Form 300 financial statements, just in case);
- ACOA requires actual documentation to be submitted claims for payment;
- Most federal / provincial line departments require listing of in-kind at annual financial reporting and requires evidence and supporting documents to be kept on file in case of audit;
- CFI requires evidence in vendors’ quotations / bills of sales to be kept on file.

## Examples of In-Kind Contributions

The following are **hypothetical examples** to illustrate possible in-kind contributions. Please note that these illustrations may not be eligible / apply in all situations.

A community partner offers its boardroom / meeting room as the space where you can conduct interviews and do presentations to the organization / community. They normally charge external users \$100/day for the use of this room, but through their participation in the project they are not going to charge you or the project. You estimate that you will use for the equivalent of 6 full days for interviews and 2 full days for presentations, so the in-kind contribution is \$800.

The community engagement coordinator with your community partner organization will be working with you on the project. They will spend the equivalent of one day per week for one year (50 days) on the project. Their salary is \$50,000, which is about \$200/day. So the in-kind contribution is \$10,000. (Note: there is usually no requirement for the partner organization to disclose the salary of the employee, but there is usually a requirement to provide the basis on which the contribution is calculated; that is, \$200/day, 50 days, \$10,000.)

The funder permits the professional time of the researcher (you, as the applicant, and other team members other than those whom you are paying with funds) to be counted. For example, some programs call this “professional volunteer time” and tell you to use \$75/hr; or you may use a rounded figure based on your salary and benefits, pro-rated from 240 working days in a full year. A calculation might be \$150,000 / 240 days = \$625/day. If you are estimating your time at 20 days for the project, the in-kind contribution is \$12,500.

Your science lab has a fee schedule for various services that you offer to outside users, largely on a cost-recovery basis to cover the costs of consumables and lab personnel time. You agree to be part of a larger project led by others, and you offer to run the samples in your lab as an in-kind contribution to the overall project. You normally charge \$40/sample to process and send back analyses, and there will be 100 samples, so the in-kind contribution is \$4,000.

The university has a specific room rental fee for rooms on campus for activities and events (contact Conference Services). As an internal user / researcher you are generally able to book most of these rooms at no cost, with the exception of Mackay Room in Bloomfield, any space in Keating Centre, and some other spaces. For a SSHRC Connections grant, you are going to book four rooms in Mulroney Hall (a larger one for plenaries, valued at \$400/day, and three smaller rooms for concurrent sessions, valued at \$250/day each). The cost for these rooms for a two-day event would normally be \$2,300 to rent these rooms, but with a waiver of rental costs, this is an in-kind contribution.

You need to purchase a piece of equipment for a project and you build the cost into a grant application. You have negotiated with the supplier to give you 10% off the usual price charged to university purchasers (over and above any usual educational discounts normally provided to university purchasers). The equipment normally costs \$10,000, so there is an in-kind contribution from the supplier of \$1,000.

A colleague is making a grant application, and you are not part of the application. However, you have a large lab space with high end computers, large screen for video conferencing, etc. You have agreed to

make these available to your colleague, since it would be cost prohibitive to buy new similar computers and screens. The research team (students mostly, but other research team members) can have access to 6 computers for an estimated 10 hours/week for one year, to carry out their work. Using a pro-rated full cost approach, where the computers are worth \$2,000/each or \$400/year, the in-kind contribution would be \$100/computer or \$600 total (25% of total usage time, so 25% of \$400 or \$100).

You need an additional office space for one year to accommodate a planned visit from a post-doctoral fellow who will be working on your planned funded project (assuming it will be successful). The university agrees to provide you with an office space, if successful. The value of an office space is \$108/m<sup>2</sup>/year; assuming the average office space is 18.5m<sup>2</sup>, the in-kind contribution would be \$2,000. <https://www.innovation.ca/awards/infrastructure-operating-fund>

## **Common Mistakes When Estimating In-Kind Contributions**

Below are some examples of common mistakes made when working with in-kind contributions in a grant application.

Failure to show the item in both the expenses and the revenues. In order for something to be counted as an in-kind revenue, it also has to have a place in expenses. For example, meeting room usage: if this is being donated or provided in-kind at \$1,000 for the life of the project, it must be shown in the list of expenses as \$1,000 for room rental/usage costs as well.

Stating that a cash transaction is an in-kind. Sometimes, researchers will show that they are contributing “in-kind” to a project from one of their other research accounts, but calling it “in-kind”. For example, in an explanation, someone might say “I/STFX am providing Elder honorariums of \$300 each as an in-kind contribution” and intending to pay for that from their UCR grant. Claiming this as “in-kind” is incorrect. This will actually be a cash transaction where the researcher is providing a cash payment to each Elder. It is still a contribution, but it is a cash contribution. It shows as an expense for Elder Honorarium, and it shows as a cash contribution from STFX.

Including ineligible items.

## **Documenting In-Kind Contributions at Application Stage**

Different grant opportunities require different kinds of documentation or evidence of in-kind contributions at application stage. It is important to carefully read the application instructions to determine what is required.

In some cases, all that may be required is completing a table in an on-line form or EXCEL file table, and noting whether it is confirmed or not. In other cases, there may be a requirement for a letter from the organization / supplier, confirming the in-kind contribution and describing / summarizing / showing the calculations. In this latter case, these are often included in broader “letters of support”.

Sometimes there will be a Justification for In-Kind section in an application, where there is an requirement to explain each of the in-kind contributions. In other cases, there will be no separate section, but there will be a requirement to discuss the in-kind contributions, in relation to other forms of support, as part of the Budget Justification section.

Providing evidence of “equivalent external cost” to justify in-kind contribution of university services is also helpful / an option. For example, if you have available evidence of costs, for example, to rent computer or AV equipment for one week, this can be used as a proxy to estimate how much in-kind you are providing for the use of your computer equipment.

If cash and/or in-kind contributions are being provided by STFX, **it is best to have just one letter from the university summarizing all of the cash/in-kind sources**, collectively, and signed by someone with authority to authorize those (usually, this is AVG Research and Graduate Studies, or higher). It is permissible to have multiple letters from different parts of the university, as long as those providing the letters have authority to sign for them. In cases where the university will need to formally report on in-kind contributions (especially, for example, SSHRC Connections Grants), backup documentation should be provided to the Manager, Research Financial Operations.

## In-Kind Estimates

This table provides a general guide for providing estimates of in-kind contributions. Please refer to the specific instructions and guidelines provided by the funder, before finalizing any estimates in your budget.

Item	Value	Notes
<b>Space</b>		
Auditoriums	\$400/day	
Classrooms	\$250/day	
Theatre	\$200/day	
Office/lab	\$1850/yr	Calculate using \$108/m <sup>2</sup> /yr; <a href="https://www.innovation.ca/awards/infrastructure-operating-fund">https://www.innovation.ca/awards/infrastructure-operating-fund</a>
Community or partner space	From partner/host	Estimate based on usual rental fee
<b>Equipment</b>		
Vendor discounts	From vendor	Only include extra discounts on purchase price, beyond usual educational discounts
Computers	Calculate based on \$2,000/computer	-Life expectancy of 5 years, 1/5 of cost/year, pro-rated over time usage for project; or, -Rental cost for equivalent for one year, pro-rated over time usage for project; or, -Depreciated value over one year, pro-rated over time usage for project
A/V use	\$100/day	
<b>Time</b>		
Faculty time	\$75/hr or pro-rate	Use salary+18% for benefits/240 days
Administrative support	Pro-rate	Use salary+18% for benefits/240 days
Partner staff	From partner	Pro-rate using salary/240 days
Professional volunteer	\$75/hr	Partners, community members, etc

Non-professional volunteer	\$25/hr	Partners, community members, etc
Student	\$20/hr	Blanket estimate regardless of student status
<b>Services</b>		
Lab fees	\$/sample	Refer to your lab fee schedule, or estimate
A/V technician	\$50/hr	

## Resources

SSHRC Guidelines for Cash and In-Kind Contributions

[https://www.sshrc-crsh.gc.ca/funding-financement/policies-politiques/cash\\_inkind-especes\\_en\\_nature-eng.aspx](https://www.sshrc-crsh.gc.ca/funding-financement/policies-politiques/cash_inkind-especes_en_nature-eng.aspx)

Tri-Agency Financial Administration Guide

[https://www.nserc-crsng.gc.ca/InterAgency-Interorganismes/TAFA-AFTO/index\\_eng.asp](https://www.nserc-crsng.gc.ca/InterAgency-Interorganismes/TAFA-AFTO/index_eng.asp)

CFI Facilities Charges Rate Guide

[https://www.innovation.ca/sites/default/files/2022-04/CFI-IOF-Facilities-charges-2021-2022\\_0.pdf](https://www.innovation.ca/sites/default/files/2022-04/CFI-IOF-Facilities-charges-2021-2022_0.pdf)

## Contact

Prepared by Research Services Group

Inquiries and Clarifications: David Bruce ([dwb Bruce@stfx.ca](mailto:dwb Bruce@stfx.ca)) or Richard Isnor ([risnor@stfx.ca](mailto:risnor@stfx.ca))