**Description**

Congress specifies in the PTAP legislation that local recipients must have certain ratios of funds and resources to match the DLA funding in the local PTAC budget in order to qualify for the federal funding. This section summarizes what the Program Manager must know to keep the PTAC sustainable.

**Terminology**

*Match.* The nickname for funds and other resources that are committed to support the PTAC budget for the duration of the term of the Cooperative Agreement.

*Sponsor.* Any organization that commits funds or other resources as Match. Sponsors can be any one or all of the following to achieve the required ratio of matching funds, or a *3rd Party* that is not signatory to the Agreement.

*Recipient.* DLA's term for the organization that applies for and receives the Cooperative Agreement. The Recipient usually hosts and operates the PTAC, but might serve as *fiscal agent* and pass the funds through to another eligible entity organization to host and operate the PTAC.

*Host.* The organization that actually operates the PTAC, employs the program manager and staff, and usually puts its identity on the PTAC.

**Ratio of match share**

*The rules.* Congressional legislation specifies the Match Ratio under Title 10 US Code, Chapter 142, Section 2413 (b):

(b) Under any such cooperative agreement, the eligible entity shall agree to sponsor programs to furnish procurement technical assistance to business entities and the Secretary shall agree to defray not more than 65 percent of the eligible entity's cost of furnishing such assistance under such programs, except that—

(1) in the case of a program sponsored by such an entity that provides services solely in a distressed area, the Secretary may agree to furnish more than 65 percent, but not more than 75 percent, of such cost with respect to such program; and

(2) in the case of a program sponsored by such an entity that provides assistance for covered small businesses pursuant to section 2419(b) of this title (that will exceed small business size standards as a result of a contract award), the Secretary may agree to furnish the full cost of such assistance.

*Distressed budget.* If a PTAC manager is proposing to host a fully distressed program, the DLA share is higher, and the PTAC cannot use DLA funding or match to serve any non-distressed area. A tribal PTAC is fully distressed but applies only to reservations. If the manager is proposing a partially distressed program, two match ratios apply and the PTAC manager must be able to track costs of activities in and for distressed areas separately from activities in and for non-distressed areas. When DLA funds or their match are designated for distressed areas, they cannot be used in or for non-distressed areas. Due to these restrictions, and the difficulty of tracking costs to locations, some PTAC managers elect to propose a fully non-distressed budget even though they are technically eligible for the higher ratio of federal funds in distressed areas, such as if the cost of the extra record-keeping does not justify a slight increase in funding.

*Allocation of funding.* In the proposal, a form called "Cost Share Budget Information Worksheet" must be filled out. This Excel spreadsheet has the following column headings:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Non distressed** | | | **Distressed** | | | **Total** |
| **DoD Share** | **Match** | | **DoD Share** | **Match** | |
| **Object Class Categories** | **Cash** | **In-Kind** | **Cash** | **In-Kind** |

Each expense category in the budget must be allocated line by line among the match share columns, and the year's operations must have the actual costs allocated the same way. Program managers must understand this and able to communicate with their host organization's finance department to ensure the records are kept correctly.

Indirect Costs

Recovery of indirect costs is permissible under the SCAA, subject to the use of approved indirect rates. In some circumstances, contributed allowable indirect costs can serve as match. In others, a host may require partial or complete reimbursement for indirect costs. Some programs may choose not to recover indirect costs, or to establish an indirect rate. Establishment and application of indirect rates is a complex topic, and should be clearly understood by PTAC Program Managers in the context of their program, host and sub-recipients.

Securing Match Funds

Please note that 2 CFR 200 §75.442 states that costs of fundraising to obtain contributions are unallowable. This may be construed to mean that the personnel costs of time spent seeking match for a PTAC are unallowable, and cannot be charged to the program, or used as cash or in-kind match.

One of the most difficult challenges PTAC managers face is sustainable funding. The cash-match and the in-kind-match must be committed in advance in order to qualify for the federal funding. Some recipients or host organizations have a development director to take care of this but if the PTAC manager has this responsibility, here are some tips:

* Carefully study the SCAA as to the ratios of funding match, and the limits on in-kind to cash, so you can set goals for how much of which kind of support you need.
* Have copies of your host organization's commitment and your program budget to show your prospective sponsors, to assure them they would not be asked to carry the whole burden.
* Attend opportunity events and collect contact information for all the sponsors exhibiting there. By sponsoring that event, they are demonstrating their interest.
* Conduct research on those organizations through their websites, BBB and D&B ratings, and media archives, to see what their community involvement looks like, their values and mission statements, and their organizational structure.
* Select several that seem compatible with the PTAC purposes and make an appointment to meet with the person you saw at the event. Be prepared to be told that person has no authority and get an introduction to the person who does.
* Be able to discuss their purpose and interests, and be able to show them how the PTAC supports their values. Take along the literature provided by APTAC and show them the parts that would appeal to them. Never beg for money; always focus on how supporting the PTAC serves their own interests.
* Keep trying. Sales and marketing people know it takes seven "no" answers to achieve one "yes" answer.

Nurturing the sponsor relationships

Research shows that keeping in touch with sponsors throughout the program year helps them stay engaged and interested. Some PTACs find that inviting all sponsors to serve on an "Advisory Committee" or "Gold Medal Club" or other recognition group also helps. Sponsors may appreciate attending a quarterly event at which the PTAC manager presents a status report showing how their investment in the program has produced results in the community, and perhaps have a client or two present their successes resulting from the PTAC assistance. Be aware of DLA's limits on allowability of costs to put on such an event, and either stay within those limits or find uncommitted funding to cover the costs.

Compile monthly or quarterly reports of budget status as well as something derived from the 1806 data and a client testimonial, have the report nicely produced by an expert in publication design, and send it personally to each sponsor's representative. Your sponsor's representative has a boss who has a boss, and your periodic reports will help them support the allocation of resources for your program. Make your sponsor's representative look good.

Include your sponsor's logo on your literature, but avoid the appearance of selling advertising space on DLA-funded literature. For example, designate a line item in the budget, or specific items, that are "sponsored by" the donor so they can have a sense of ownership in your PTAC's activities and impact.

Treat your sponsors as if they were your partners and help them stand by you. The best sponsors are those that continue to stand by you year after year, but if they can't do that, you need to continue exploring relationships with new sponsors. You might set a goal for being "over-matched" or having more sponsorship support than you need to balance the budget according to your specified ratio. Funds that are not committed as match can be used for legitimate expenses that would be disallowed under federal cost principles, but can significantly enhance the program, such as refreshments at outreach events, an awards banquet, or bonuses.

References and resources

Current SCAA as amended, online at <http://www.dla.mil/smallbusiness/pages/scaa.aspx>

Cost and Audit Principles:

a. 2 CFR Part 200, Uniform Administrative Requirements , Cost Principles and Audit Requirements for Federal Awards (OMB “Supercircular”)

b. 48 CFR Parts 31 and 231 (FAR and DFARS, Cost Principles for For-profit Organizations)

c. 32 C.F.R. §34.16. for audit of for-profit entities.

Title 10, US Code, Chapter 142, Sections 2411-2419 (The PTAP Legislation): <http://uscode.house.gov/view.xhtml?path=/prelim@title10/subtitleA/part4/chapter142&edition=prelim>

. Please note that not all online versions of the US Code reflect changes made in recent years.