

SDBI Technology Planning Grant - 20% Match Explained

Below is an explanation on the options for satisfying the 20% match for the SDBI Technology Planning and Computer Ownership grant. We wanted to provide as many options as possible for satisfying this requirement.

It's important to note for our program, when everything is ordered and installed, the SDBI's expenditures towards the project cannot exceed 80%, and cannot exceed \$10,000. Therefore, in determining the 20% match amount, it is all centered on Total Project Cost. For the sake of the examples below, we will use \$10,000.00 as the grant award amount.

Cash Match

A Cash Match is pretty straight forward. The amount of SDBI Grant Funding is the total cost of the equipment awarded. Therefore, you are simply able to take 20% of that total amount to determine the 20% match amount.

Total Awarded Equipment Cost (in a cash match, this is the total amount of investment going into the project, so this is your total project cost)	\$10,000.00
Multiplied by .20 (20% in decimal form to determine match amount)	x 0.20
Equals the 20% Match Amount Needed	\$2,000.00

**In this example, \$8,000.00 (80%) is provided by the SDBI Grant, and \$2,000.00 (20%) is provided by the awardee.*

Also note that in a cash match situation, the total project cost can exceed \$10,000.00, as the total amount contributed towards the project by the SDBI grant is still within the \$10,000.00 grant amount limit. This is illustrated in the table below.

Total Awarded Equipment Cost (in a cash match, this is the total amount of investment going into the project, so this is your total project cost)	\$12,500.00
Multiplied by .20 (20% in decimal form to determine match amount)	x 0.20
Equals the 20% Match Amount Needed	\$2,500.00

**In this example, \$10,000.00 (80%) is provided by the SDBI Grant within the \$10,000.00 maximum award amount, and \$2,500.00 (20%) is provided by the awardee.*

In-Kind Match

In-kind match involves the use of other sources of value to contribute to the cost of a project. A variety of sources exist for in-kind, including:

- **Cooperative Purchases** – These purchases are made by you to contribute to the end goal of the project(s). For the most part, this involves equipment that has been specified for projects determined through the Technology Assessment. Other equipment can be considered on a case

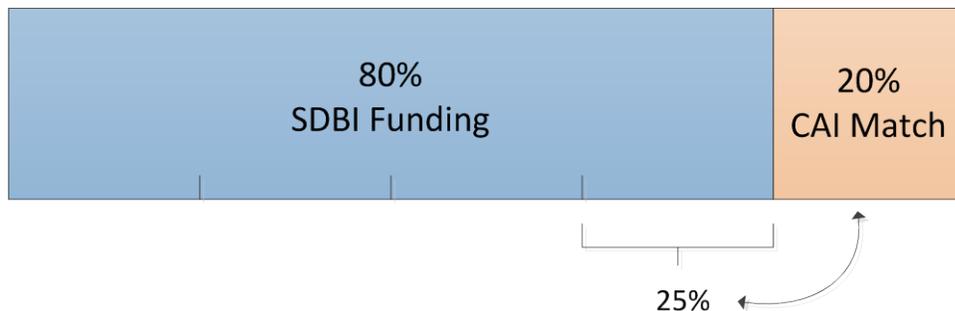
by case basis. This equipment can be purchased anytime between the date of the Technology Assessment and the submission of the SDBI Grant Application.

- **Software Purchases** – Anti-Virus, Productivity Software, Operating System and Client Licensing costs and the like are all eligible for In-Kind contribution.
- **Installation** – Often times awardees have a 3rd party contractor, technical staff or similar implement and install the equipment obtained through a successful grant application. Approved costs that you incur for the purpose of installation are eligible for In-Kind contribution.
- **Infrastructure Improvements** – In some cases, electric or data cabling may be necessary to provide the power and/or connectivity to properly implement and utilize the awarded equipment. Approved costs that you incur for these purposes are eligible for In-Kind contribution.

**Please note that other forms of In-Kind contribution can be considered. Feel free to ask if you have any alternatives to those listed above.*

Using an In-Kind Match involves a little more math. Again, remember that the formula for determining the 20% match amount centers on the Total Project Cost. In these scenarios, we need to determine a total project cost that allows the SDBI funding to not exceed 80%.

To determine what makes up the 20%, we multiply the total amount of equipment being applied for (the 80%) by 25%. A graphic could help explain:



25% of the SDBI's total 80% contribution is equal to 20% of the combined SDBI contribution and the CAI's matching contributions (the Total Project Cost).

So, with this knowledge, we can use the following examples to illustrate.

An applying Community Anchor Institution is awarded \$8,700 in network equipment, wireless access points and computers from the SDBI approved discount equipment list. The awardee is going to hire a contractor to install all of the awarded equipment and purchase \$400 in software for the computers. The awardee was previously given an \$1800 estimate for installation, which was submitted with their application. However, upon installation completion, the contractor bill was actually \$1,600.

Total Awarded Equipment Cost (SDBI Funding Expenditure)	\$8,700.00
Multiplied by .25 to determine total project cost (25% in decimal form)	x 0.25
Equals the 20% Match Amount Needed	\$2,175.00

Equipment Cost plus Match Amount = Total Project Cost	\$10,875.00
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Now, let's check our math

Total Project Cost multiplied by .20 (20% in decimal form to determine match amount)	\$2,175.00
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*Using this formula, the total project cost (determined by multiplying by .25) gives us the exact 80/20 split necessary for the grant award. Notice how in the math check in the last row, the determined 20% amount equals the same determined 20% amount in Row 3.

Often times, we are asked, “why wouldn’t you just take the equipment cost (\$8,700.00 in the above example) and multiply by .20 (20% in decimal form) like was done with the cash match?”

The answer to this question lies in the key difference between the two examples. With a cash match, funds are actually going back into the SDBI funding with the Awardee’s 20% cash match contribution. With an In-Kind match, no funds are returned to the SDBI funding pool. Only contributing 20% of the SDBI’s 80% results in an 83.3% to 16.7% ratio, and the 80/20 rule is not satisfied.

We’ll use the same example as above to demonstrate how this does not work out:

Total Awarded Equipment Cost (SDBI Funding Expenditure)	\$8,700.00
Multiplied by .20 (20% in decimal form to determine cash match)	x 0.20
Resulting Match Determined	\$1,740.00

Equipment Cost plus Match Amount = Total Project Cost	\$10,440.00
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Now, let's check our math

Total Project Cost multiplied by .20 (20% in decimal form to determine match amount)	\$2,088.00
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*Using this formula without determining the Total Project Cost (multiplying equipment cost by .25) you’ll notice the math check in the last row, DOES NOT equal the 20% amount determined in row 3. Therefore the 80/20 rule is not satisfied. To further exemplify, \$8,700.00 of \$10,440.00 (or 8700/10440 is .83333...) or 83%, affirming that the 80/20 match is not satisfied.

If you have any further questions regarding the match requirements, feel free to contact the SDBI Technology Planning Team using the information below.

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