

PUBLIC POLICY

Guaynabo-Toa Baja Local Workforce Development Board

PUBLIC POLICY: WIOA –2026-01
Workforce Innovation and Opportunity Act (WIOA)

SUBJECT: PUBLIC POLICY ON IN-KIND CONTRIBUTIONS

I. PURPOSE

To establish the rules, procedures, and internal controls that will govern the acceptance, valuation, documentation, and use of in-kind contributions used as matching funds or non-federal contributions in programs funded under the Workforce Innovation and Opportunity Act (WIOA), in strict compliance with 2 CFR Part 200, U.S. Department of Labor guidelines, and applicable state and local provisions.

II. LEGAL BASIS

- Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128, Sections 121, 134, and 181
- Financial Guide from the Department of Economic Development and Commerce (October 2025)
- 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements
- Municipal Code of Puerto Rico, Act No. 107-2020

III. DEFINITIONS

- 1) **Third-party In-Kind contributions** are contributions in the form of time and effort, products, equipment, space, or services received from an external entity (such as a municipality) that do not involve the receipt or disbursement of cash. These contributions represent the value of non-monetary contributions that constitute an allowable cost under 2 CFR 200, provided that it can be demonstrated that:

- a) They benefit a project or program funded by a federal appropriation; and
- b) They are contributed by non-federal third parties, at no cost, to a recipient or subrecipient under a federal grant.

2) **Cost Sharing (Matching funds):** Cost sharing refers to the portion of project costs that is not covered by federal funds or contributions (unless authorized by federal statute). This term includes matching, which refers to the required levels of contribution that must be provided. See 2 CFR 200.306.

3) **Goods:** Goods donated in-kind are any type of tangible, physical asset that can be used by the organization. Donated goods include new products, raw materials, or used items that still have useful life or contain parts that can be reused.

4) **Services:** Specialized services provided in-kind, such as legal, technical, consulting, or design services, among others. These donations must be recorded based on the professional provider's standard hourly rate or the market rate for the donated service.

5) **Non-federal third party:** A natural or legal person who does not receive federal funds for the contribution made and who does not act as a federal entity.

6) **Fair market value:** Estimated price at which a good or service could be exchanged between willing parties, without obligation, in a normal transaction.

IV. ALLOWABLE TYPES OF IN-KIND CONTRIBUTIONS

1. The following types of in-kind contributions, among others, may be accepted:
2. Rental of physical facilities (rooms, offices, training spaces)
3. Equipment and furniture (donated or rented)
4. Professional and technical services
5. Salaries and benefits of municipal employees or resources not paid for with federal funds and that do not generate a direct salary obligation for the recipient or subrecipient.
6. Materials, utilities, and supplies
7. Use of technology and electronic systems
8. Participant support services (subject to program eligibility)

V. GENERAL REQUIREMENTS FOR ACCEPTANCE

All in-kind contributions must meet the following acceptance requirements:

- a) Be properly documented, verifiable, and supported by evidence;
- b) Not be used simultaneously as matching funds or cost sharing for any other federal, state, or municipal program;
- c) Be necessary, reasonable, and directly related to the objectives of the WIOA program;
- d) Be allowable under applicable federal, state, and local regulations;
- e) Be valued consistently with fair market value;
- f) Not be paid by the Federal Government under another federal grant, except when expressly authorized by federal statute;
- g) Are included in the approved budget, when required by the federal agency;
- h) Comply with all applicable provisions of 2 CFR 200.306.

VI. EVALUATION OF CONTRIBUTIONS

A. Contributions will be assessed (calculated) according to:

Type of Contribution	Valuation Method
Professional services	Comparable market rate
Staff time	Actual salary + fringe benefits/time contributed
Facility rent	Comparable rental value
Equipment	Fair market value–depreciation (if applicable)
Materials	Invoices/quotes – depreciation (if applicable)

All valuations must:

- Be based on objective and reasonable methods;
- Have sufficient documentary evidence;
- Be subject to review and validation by the Fiscal Agent and the Local Area.

B. Services provided by individuals

- Services provided by individuals may be counted as In-Kind contributions if the service is an integral and necessary part of WIOA.
- The valuation of services by individuals depends on the role and position they hold within the WIOA program and not necessarily on their title or profession.

Valuation Example:

- Current market pay rate (for the role) + allocable amount of fringe benefits + any indirect costs.
- The valuation of other volunteer services shall be based on rates consistent with those paid for similar work by the subrecipient, or on comparable rates within the area if the position does not exist within the agency. A reasonable amount for fringe benefits should be included.

C. Equipment, materials, space (rent), and utilities

Assets received can be valued using the following guidelines:

- The value assigned must not exceed the current fair market value at the time of donation or acquisition, applicable to equipment, materials, and rent.
 - In the case of fixed assets, the value must be depreciated for the remaining useful life even after the WIOA grant period has ended.
 - Depreciation for the period of use during the term of the grant is recognized as a contribution in-kind.
- The valuation of the space (rent) is determined based on its use and by obtaining an assessment of comparable properties. In this case, recent appraisals may be taken into account. Space that the agency considers to be currently charging rent cannot be valued as a contribution in-kind.
- The value of donated real estate must be established through an independent and fair market appraisal. The amount of depreciation allowed will be (excluding the land) only that attributable to the period during which the space is used for grants. This does not apply to fully depreciated assets.

VII. REQUIRED DOCUMENTATION

Each contribution must be supported by:

1. Agreement or certification of in-kind contribution signed by the external entity;
2. Evidence of the need for the contribution, actual and direct use;
3. Detailed and dated assessment sheet;

4. Evidence of the calculation method used;
5. Separate accounting records
6. Signed statement from the third party certifying that the contribution has not been used as matching funds in another program.

VIII. INTERNAL CONTROLS, ROLES, AND MONITORING

The Local Area and the Fiscal Agent establish the following for best practices and internal controls:

1. A specific accounting record of In-Kind contributions shall be maintained, identifying the name of the entity providing the contribution, the related program, the amount contributed (current), and a description of the contribution.
2. A deadline will be set for the quarterly submission of a report on contributions received for inclusion in the Accumulated Expenditure Report.
3. Periodic compliance review
4. Verification and reconciliation procedures
5. Internal and external audit mechanisms

Suppliers and third parties shall:

- Provide accurate and complete documentation;
- Allow verification, monitoring, and auditing processes.

IX. PROHIBITED CONTRIBUTIONS

The following will not be accepted as in-kind contributions:

- a) Contributions financed directly or indirectly with unauthorized federal funds;
- b) Costs that are unnecessary, unreasonable, or unrelated to the program;
- c) Promises, estimates, or values without documentary evidence;
- d) Services or goods not used directly in the WIOA program;
- e) Contributions that create a conflict of interest.

X. REVIEW AND UPDATE

This policy will be reviewed annually or when substantive changes occur in federal or state guidelines. It may be amended at any time by the Guaynabo-Toa Baja Local Area Board,

in accordance with the provisions of the WIOA Act, its Federal and State Regulations, for the benefit of the public interest.

XI. SEVERABILITY

If any word, clause, article, section, or part of this document is declared unconstitutional or invalid by a court, such decision shall not affect, impair, or invalidate the remaining provisions and parts thereof.

XII. EFFECTIVE DATE

The provisions of this policy shall take effect immediately upon approval and supersede any other guidelines that contradict the provisions herein.

XIII. APPROVAL

Approved today, January 29, 2026, in Guaynabo, Puerto Rico.

A handwritten signature in blue ink, appearing to read 'O. R. Rodríguez', is written over a horizontal line.

Oriel Ramírez Rodríguez
President
Local Workforce Development Board