

- e. Limits of the valuation. In-kind contributions of real property donations are eligible in a project only to the extent there are additional acquisition and/or development costs to be met by the federal assistance requested for that project that must be fully described and explained in the proposal.

Example: Land valued at \$10,000 is donated to the project sponsor who proceeds to develop the property for recreational use. Development costs total \$6,000. The actual total project cost is \$16,000. But because only \$6,000 was actually spent, and since a grant in excess of that would constitute a profit to the sponsor, the federal share is reduced accordingly.

Sponsor's share (amount of the \$10,000 donation applied to the project):	\$ 6,000
LWCF Assistance:	<u>\$ 6,000</u>
Total:	\$12,000

The amount of donation that is matchable is the value of the donation or the amount of cash spent by the sponsor for additional acquisition or development, whichever is less. Any portion of the value of a donation not utilized by the project sponsor for matching in the project (\$4,000 in the above example) may be made available to subsequent projects if approved by NPS and only for the fiscal year in which the donation is made plus one additional fiscal year.

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