



# Match Funding

Match funding for European Structural Funds projects

## Overview

1. What Is Match Funding?
2. Types of Match Funding
3. What Funds Can You Use for Match Funding?
4. Things to Remember

## What is Match Funding?

Projects cannot be totally funded with Structural Fund money. Europe will normally contribute a specified percentage contribution towards the total cost of a project.

The rest must be contributed by the beneficiary, and this is known as match funding. Match funding is sometimes referred to as 'co-financing' or 'co-funding'.



Image: Piggy banks with bank notes and coins

Match funding refers to the amount of **non-European** funding required to make up the full cost of the project. The percentage that Europe contributes is known as the intervention rate and will vary according to which priority and specific objective the project falls into.

The total costs of the project are made up from two sources, the European element and the match funding. In project management terms however it is useful to think about only the total costs of your project and not to separate out the two elements.



### For example:

When budgeting and estimating the project cost, do not try to separate match and non-match funding into two distinct categories. Estimate the total project budget, then you will be able to see how much match funding is required. The applications forms, tenders or grant forms will ask you for the total project cost not just the element required from Europe

Similarly, when operating the project, you will claim and be audited on the total cost of the project not just the European element.

Match funding will be agreed as part of the project award process and it is important that you keep your funder updated if there are any changes to your match funding throughout project implementation.



### External Link

More detailed guidance on match funding can be found on the Welsh Government website:

[Welsh Government - EU Structural Funds 2014 to 2020](#)

## A Worked Example

The Baggins Foundation provides a two year training project to disadvantaged young people between 16-24. The project costs consist of a full time training officer, an administrator, some beneficiary costs and the hire of a venue and catering and training materials.

## Cost of Project

1 full time training officer @ £25,000 pa	£50,000
1 part time administrator	£20,000

Beneficiary travel and subsistence	£5,000
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Training Materials	£5,000
Hire of venues, Catering etc.	£20,000
<b>Total Project Costs</b>	<b>£100,000</b>

Intervention rate	70%
Europe will contribute	£70,000
<b>Match funding needed</b>	<b>£30,000</b>

When budgeting, keeping records or making a financial claim for payment, the full £100,000 costs must be evidenced not just the £70,000 of European money.

## Types of Match Funding

Match funding must be confirmed before a project can be approved. If another external source of funding is being used as match, for instance Lottery Funding, proof of the funder's agreement to their funds being used as match will be needed to be provided. Importantly, voluntary organisations are able to match fund themselves. They can therefore use part of their core money or staff time to match fund projects providing the funding is eligible.

Match funding used on a European project must be "clean". This means that it must not come from another European source and it is the responsibility of the project sponsor to check this. This can be an issue particularly when using money from other organisations such as Welsh Government Departments, local authorities or further / higher education institutions that also use European funds extensively.

The same match funding cannot be used on two separate projects. So using the same example as above, if the Baggins Foundation wished to run a separate project they would not be able to use any of the £30,000 set aside for the original project.

## What Funds Can You Use for Match Funding?

### Actual Match Funding

Actual match funding is cash match funding. It can be a lump sum of money given to a project but actual match funding can also refer to cash given through the paying of wages of project staff or buying of equipment etc. This is why it is crucial to record the total cost of the project.

Using the example above the training officers salary is effectively being paid 70% from Europe and 30% from the match funder as actual match funding. In order to receive the 70% contribution, 100% of the person's time must be spent and recorded against the project.

### In-Kind Match Funding

Match funding in kind is where an organisation or individual provides a service or product that they do not charge for and does not therefore show up in the projects accounts. These costs will therefore be borne by the giver.

Common examples include:

- **The time of volunteers can be used as match funding.** A value can be attached to the time volunteers spend in helping to deliver the EU funded project and this must be calculated using the notional rates prescribed for different volunteer roles by WEFO. A separate information sheet on using volunteer time is available from 3-SET.
- **The provision of works, goods, materials or services e.g. donated equipment or free use of venues.**
- **Donations of land and/or buildings for which no cash payment has been made by the beneficiary**

### Things to Remember

All match funding whether it be in-kind or actual, must be:

- Quantifiable
- Eligible
- Backed up by thorough record keeping
- Notional rates or rents cannot be used; they must be actual costs.

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Third Sector Support Wales is a network of support organisations for the whole of the third sector in Wales.

It consists of the 19 local and regional support bodies across Wales, the County Voluntary Councils (CVCs) and the national support body, Wales Council for Voluntary Action (WCVA).

For further information contact  
<https://thirdsectorsupport.wales/contact/>

## Disclaimer

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