

young children served, or by improving the affordability of the programs for low-income families;

7. Improving the quality of early learning programs through professional development and training activities, increased compensation, and recruitment and retention incentives for early learning providers;

8. Removing ancillary barriers to early learning, including transportation difficulties and absence of programs during nontraditional work times.

G. Non-Federal Share of Project Costs

Grantees must provide at least 15 percent of the total approved project cost. The total approved project cost is the sum of the Federal share and the non-Federal share. Therefore, a project requesting \$500,000 in Federal funds must include a match of at least \$88,235 (15 percent of the total approved project cost). To compute the non-Federal share divide the Federal share by .85 and subtract the Federal share from that amount. For example: $\$500,000 \div .85 = \$588,235 - \$500,000 = \$88,235$. The total approved project cost in this example is \$588,235.

The non-Federal share may be contributed in cash or in-kind, fairly evaluated, including facilities, equipment, or services, which may be provided from State or local public sources, or through donations from private entities. For the purposes of this paragraph, the term "facilities" includes the use of facilities, but, the term "equipment" means donated equipment and not the use of equipment. Applicants are strongly discouraged from providing non-Federal share resources in excess of the required 15 percent. Applicants that provide more than the required 15 percent will *not* receive any additional credit or points under the evaluation criteria.

Applicants are encouraged to provide Letter(s) of Commitment from the State, local public and private organizations/agencies, and any other source that will be contributing toward the Applicant's non-Federal share of project costs. The Letter(s) of Commitment should state the amount to be contributed and the form of the contribution (*i.e.*, cash or in-kind). **Note:** Letter(s) of Commitment are not to be confused with Letter(s) of Support or with the Letter of Designation by an Entity of Local Government.

Applicants that are awarded an ELOA grant (Grantees) will be held accountable on the grant award for commitments of the non-Federal share even if the approved amount exceeds the required minimum of 15 percent. Failure, by the Grantee to provide the

amount of the non-Federal share specified on the grant award when the grant is closed-out, may result in a proportionate reduction of the Federal share or other disallowance action (*e.g.*, Grantee returns Federal funds). Grantees should be aware that they may not be allowed post-award to reduce any excess amount of the non-Federal share if they contribute more than the minimum 15 percent required.

H. Other Financial Requirements

1. Amounts received shall be used to supplement and not supplant other Federal, State, and local public funds expended to promote early learning. No funds provided shall be used to carry-out an activity funded under another provision of law providing for Federal child care or early learning programs, unless an expansion of such activity is identified in the local needs assessment and performance goals.

2. Not more than three percent of the total Federal share received by the Local Council through this announcement shall be used to pay for the administrative costs (as defined in Part I, D.) of the Local Council, including the administrative costs of any of its sub-grantees and third parties, in carrying-out activities funded under the grant.

3. Local Councils receiving assistance under the ELOA shall ensure that programs, services, and activities assisted under this program, which customarily require a payment for such programs, services, or activities, adjust the cost of such programs, services, and activities provided to the individual or the individual's child based on the individual's ability to pay.

4. Applications proposing to use ELOA funds for construction purposes or for the purchase of real property will not be considered for funding.

5. Any non-profit organization submitting an application must submit proof of its non-profit status at the time of submission. The non-profit agency can accomplish this by providing a copy of the applicant's listing in the Internal Revenue Service's (IRS) most recent list of tax-exempt organizations described in section 501(c)(3) of the IRS code, *or* by providing a copy of the currently valid IRS tax exemption certificate, *or* by providing a copy of the articles of incorporation bearing the seal of the State in which the corporation or association is domiciled, *or* any of the items above for a State or national parent organization and a statement signed by the parent organization that the applicant organization is a local non-profit affiliate. Private, non-profit organizations are encouraged to submit with their applications the optional

survey located under "Grant Manuals & Forms" at <http://www.acf.hhs.gov/programs/ofs/forms.htm>.

6. For-profit organizations submitting an application must provide a letter stating that their fees/profits will be waived if awarded an ELOA grant.

I. Eligibility

1. Letter(s) of Designation (Designation of Local Council by Local Government Entity)

An eligible applicant for an FY 2003 ELOA grant must be a Local Council designated, in writing, by a local government entity(ies) (or Indian Tribe, Regional Corporation, or Native Hawaiian entity) as a "Local Council" to serve one or more localities for the purpose of applying for an ELOA discretionary grant. The applicant must include a "Letter of Designation" in its application from an appropriate local government entity(ies) specifically designating it as the Local Council for the purpose of applying for an ELOA grant.

Because the structure and authority of local governments differ greatly across the nation, and even within a State, it is the responsibility of the applicant to determine and identify the appropriate entity(ies) of local government to designate them as the Local Council for an ELOA grant application. Examples of local government entities include but are not limited to: Mayors, city managers, city councils, county boards of supervisors, county boards of commissioners, county administrators, Tribal Councils, boards of municipal officers, etc. The local government entity(ies) making the designation must also clearly explain in its letter the source/nature of its authority to make such a designation on behalf of the locality(ies) it represents.

Applicants serving multiple localities (*e.g.*, cities, townships, boroughs, counties) are strongly encouraged to obtain a Letter of Designation from an appropriate entity of local government from each of the localities to be served. Appendices A and B are sample Letters of Designation that meet this eligibility requirement. Applicants are strongly encouraged to utilize the language and format provided in the sample Letters of Designation. Appendix A is a sample Letter of Designation of the Local Council when the services of a Fiscal Agent will not be used, while Appendix B is a sample Letter of Designation for a Local Council that will use a Fiscal Agent.

"Letter(s) of Support" for the Local Council from a local government entity(ies) will not be considered as