



Cash Match – Definitions and Guidelines

The funds that Launc[H] receives to make investments in Hartford’s innovation ecosystem come from the CTNext Innovation Places program. Therefore, recipients of funding from Launc[H] must comply with the rules and eligibility requirements set by CTNext.

One of these requirements is proof of matching cash investment (Cash Match) towards programs proposed. The minimum threshold for matching cash has been set by CTNext as a 1:1 ratio, and they have also stipulated that Cash Match may not be sourced, directly or indirectly, from State of Connecticut sources, other than state colleges or universities.

Launc[H] has developed the following guidelines in order to help applicants and community partners gain an understanding and comply with the rules associated with Cash Match by CTNext.

Cash Match Definition and Guidelines:

Cash Match must be spent in support of approved project deliverables by recipients of funding from Launc[H]. Two different categories of Cash Match are accepted:

1. **Self Match** -- Funds provided by the project partner which are spent in support of the project. This may include approved “new hires” made specifically and only for the approved project. However, “reallocation” of existing staff time or overhead expenses already incurred by the project partner are not permitted by CTNext to be counted as Self Match.
2. **External Match** -- Funds provided by external partners that are spent in support of the project. Sources of External Match may include contributions or sponsorships from corporations, foundations or private parties.

In-Kind Contributions:

In-kind contributions made in support of program implementation by program partners increase perceived return on investment by CTNext. Therefore, we highly encourage funding applicants and program partners to document In-Kind contributions vital to the execution of their programs within their funding proposal, and in the actual spending reports made each quarter. Unfortunately, while they are appreciated, and encouraged by CTNext, they are not permitted by CTNext to be counted as Cash Match and should be tracked separately.

In-Kind Contributions are defined as the monetary value of goods or services provided free of charge to the project receiving funding from Launc[H], but not paid for with “new money” or funds raised or generated specifically for the program receiving funding. Examples of In-Kind contributions include:

- a venue not charging for the use of its space,
- reallocation of a pre-existing employee’s time toward the funded project,
- use of equipment provided in a pre-existing facility, or
- goods or services provided without charge or at reduced cost.

Documenting Proof of Cash Match:

Two different forms of documentation associated with Cash Match are required by CTNext:

1. **Cash Match Commitment Letter:** Before a Memorandum of Understanding, outlining the terms of your award from Launc[H] can be finalized, we must submit a Cash Match Commitment Letter to CTNext from each of our program partners. This commitment letter, issued on organizational letterhead of the lead program partner, and signed by an officer of the organization, must state:
 - The name of the program approved for funding by Launc[H]
 - The amount of Cash Match that the organization commits to raising and spending in support of the program
 - A statement that acknowledges that failure to raise and/or spend the minimum amount of Cash Match required will result in funding withheld by Launc[H] and/or CTNext

2. **Documentation of Receipt of Cash Match:** During the program implementation period, CTNext requires proof of receipt of committed cash match is submitted along with each Quarterly Report. Both an itemized list of all Cash Match received during the quarter, and supporting documentation are required. Supporting documentation may include:
 - **For External Match** – provide copy of check, EFT/wire confirmation, or bank statement which clearly identifies the source, date and amount of funds received.
 - **For Self-Match** – provide copies of paid invoices or similar support for expenses incurred on behalf of the program which clearly identifies payee, date, amount and brief description. If self-match is used to cover an approved new hire for your program, you should provide supporting detail (base + benefits / taxes), including at least one payroll register to confirm employment.

We're always here to support you in the process of providing the documentation needed for compliance with CTNext policies. If you have any questions about the eligibility of Cash Match associated with your project, or how to provide documentation for CTNext, please reach out to Jazna Stannard as soon as possible: jazna@launchinhartford.com