ARCH ALABAMA RURAL COALITION FOR THE HOMELESS
ALABAMA BALANCE OF STATE CONTINUUM OF CARE

ARCH — AL-507 Continuum of Care

FY2026 CoC Competition: Match Funds Cheat Sheet

For applicant guidance and internal ARCH review — prepared July 2026

The Key Principle

HUD does not publish a comprehensive list of prohibited match sources for the CoC Program. Instead, 24 CFR § 578.73 says recipients may use funds from any source — including many other federal sources (except CoC Program funds) — provided the funding source is not statutorily prohibited from being used as match.

It is the applicant's responsibility to determine whether the source's authorizing statute, regulations, or grant agreement allow it to be used as match. When in doubt, check with the funding source's program office before counting it.

Cannot Be Used as Match

Source	Why it's excluded
CoC Program funds	You cannot use one CoC grant (or its match) to match another CoC grant — no circular matching.
Statutorily/agreement-restricted funds	Any funding source whose authorizing statute, regulations, or grant agreement specifically prohibits use as match for another federal program.
Ineligible or double-counted costs	Costs that are not eligible CoC Program activities, or that are already claimed as match/cost-share on another federal award. Double counting is never allowed.
Program participant mainstream benefits	Benefits (SNAP, SSI/SSDI, Medicaid, TANF, etc.) that flow directly to an individual participant based on their own eligibility — these aren't a committed organizational resource.

May Be Used as Match — If the Funding Source Allows It

Source	Notes
State funds	e.g., Alabama state housing trust fund dollars, state homeless assistance appropriations.
Local government funds	City or county general funds, local housing trust funds.
Private foundation funds	Grants from private or community foundations not otherwise restricted.
Donations	Cash contributions from individuals, businesses, or civic groups.
In-kind services & donated goods	Staff time, volunteer professional services, donated space, supplies, or equipment — requires an MOU and documentation (see below).

Other federal funds (where statute allows)	Some federal sources permit use as match for another federal program — verify with that program's rules before counting it.

How Much Match Is Required?

Recipients and subrecipients must match no less than 25% of the awarded grant amount, excluding funds budgeted for the leasing line item. Match may be cash, in-kind, or a combination of both.

- Example: A $100,000 grant with $40,000 budgeted for leasing requires match on the remaining $60,000 — i.e., $15,000, not $25,000.
- **Leasing vs. rental assistance — don't mix these up: the leasing budget line (recipient leases units/structures directly) is excluded from match. Rental assistance (e.g., tenant- or project-based rental subsidies under PH-RRH) is a different budget line and IS subject to the 25% match requirement.**
- Multi-recipient CoCs: each recipient documents match on its own grant.
- Unified Funding Agency (UFA) or sole recipient (applies to AL-507 via ARCH as Collaborative Applicant, where relevant): match may be tracked continuum-wide.
- All costs paid for with match dollars must be for CoC Program–eligible activities — even if that particular activity isn't otherwise funded by the CoC grant.

Cash Match vs. In-Kind Match

Type	What it is	Documentation needed
Cash match	Actual dollars contributed to the grant from an eligible, non-prohibited source (state, local, private, some other federal funds, program income).	Written commitment letter identifying source, amount, and grant year.
In-kind match	The value of real property, equipment, goods, or services contributed — valued at what it would have cost the CoC Program to pay for it directly.	MOU signed before grant execution (see checklist below), plus ongoing records of hours/value provided.

In-Kind Valuation Quick Reference

In-kind item	How it's valued
Donated staff time	Actual salary + fringe benefits of the person performing the service.
Volunteer professional services	Market rate for similar work in the local labor market (requires timesheets).
Donated space / office use	Fair market rent for comparable space; independent appraisal can support the value.
Donated supplies or equipment	Fair market value at the time of donation (invoices/receipts required).
Housing subsidies (e.g., vouchers) or healthcare services	Value of the subsidy/service that directly benefits program participants; often also counted as leverage (see below).

Documentation Checklist — Get This Before You Submit

- Written commitment letter for every cash match source, stating source, dollar amount, and the specific grant/year it applies to.
- Signed MOU for every in-kind or third-party service commitment, executed before grant execution, including:

- – The third party's unconditional commitment to provide the service
- – The specific service(s) to be provided
- – The profession/role of the service provider
- – The hourly cost/value of the service
- A statement confirming the source is not statutorily prohibited from use as CoC match (keep your own note/email trail on this determination).
- For donated real property: a letter showing value basis (purchase price, formal appraisal, or donor evaluation).
- Ongoing records (timesheets, sign-in logs, invoices) documenting hours worked or goods/services delivered throughout the grant term — available for HUD monitoring/audit.

Match vs. Leverage — Don't Confuse the Two

	Match	Leverage
Requirement	Mandatory — 25% cost-share to receive the grant.	Optional — earns competitive scoring points in the CoC application.
Source	Cash or in-kind resources committed to the specific grant.	Housing, healthcare, or other resources benefiting participants, from non-CoC/ESG sources.
Documentation	Commitment letters / MOUs, tied to the grant budget.	Formal commitment letters describing the resource and its value to the project.
Scoring impact (FY26)	Required to be compliant — no match, no eligible grant.	CoCs earn points for showing supportive-services funding is available via match/leverage (50%) or built into the funding request (30%).

Common Mistakes to Avoid

- Using CoC Program funds (from any CoC grant) to match another CoC grant — not allowed under any circumstance.
- Claiming the same dollar or in-kind hour as match on two different federal awards (double counting).
- Counting a participant's individual mainstream benefit (e.g., their own SSI check) as agency match.
- Waiting until after grant execution to sign MOUs — in-kind commitments must be documented before execution.
- Assuming a federal source is automatically eligible — always check that source's authorizing statute or ask the program office first.
- Forgetting that leasing dollars are excluded from the base used to calculate the 25% match requirement.

A grant is never fully compliant on match alone — commitment letters and MOUs must be signed BEFORE grant execution, not gathered afterward.

FY26 CoC Competition Snapshot

- NOFO published: June 1, 2026 | Application deadline: August 26, 2026
- Total funding available: approximately $4.04 billion nationally
- Tier 1: 60% of each CoC's Annual Renewal Demand; Tier 2: remaining funds, prioritizing new projects, transitional housing, and supportive services
- Set-asides include funding for a Domestic Violence (DV) Bonus and for permanent housing serving families with children
- Match and leverage documentation should be finalized and commitment letters/MOUs collected well before the application deadline — don't wait until the week of submission

Sources: 24 CFR § 578.73 (Matching requirements); HUD Exchange — CoC Match: Match Requirements, Cash Match, In-Kind Match; FY2026 CoC Program Competition NOFO. This cheat sheet is a plain-language summary for internal planning use and does not replace the NOFO, CoC Program Interim Rule, or HUD guidance. When in doubt about a specific funding source, confirm eligibility with that program's office before counting it as match.