

BEAD Matching Funds and In-Kind Contributions Guidance

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Matching funds are the portion of a project's total costs not covered by Broadband Equity, Access, and Deployment (BEAD) funding, but rather by the grantee or a third-party. This can also be referred to as "Cost Sharing" in federal statutes and guidance literature. This document provides a summary of NTIA guidance on matching funds and in-kind contributions.

This document contains:

- [Types of Matching Funds Allowed](#)
- [Matching Funds Requirements](#)
- [Using Other Program Funds as Matching Funds](#)
- [Potential Sources of In-Kind Contributions](#)
- [Valuation of In-Kind Contributions Used for Matching Funds](#)
- [Applicable NTIA Guidance and Additional Resources](#)

Types of Matching Funds Allowed

A project's costs are comprised of two components: the BEAD Award and matching funds.

Matching funds consist of the following:

Cash

- Directly spent on project-related costs.
- May either come from the grantee's own funds or from a third party.

In-Kind Contributions

- Non-cash contributions to a grant project that otherwise would have been paid for with BEAD funds.
- May consist of property, goods, or services.
- Must meet the rules of the BEAD program as well as criteria in 2 CFR 200.306b.



Matching Funds Requirements

All matching funds must meet the following criteria as stipulated in 2 CFR 200.306b:

- Verifiable in the grantee's records;
- Not included as contributions for any other federal award;
- Necessary and reasonable to accomplish project or program objectives;
- Allowable under subpart E of 2 CFR 200 (Cost Principles);
- Not paid by the federal government under another federal award, with certain exceptions detailed below;
- Provided for in the approved budget; and
- Conforms to other provisions of 2 CFR 200.306, as applicable.

Grantees should spend matching funding amounts at the same general rate as or faster than the BEAD award amount. Matching funds must be reported to the IOB on a quarterly basis in the Periodic Financial Report and general ledger. Supporting documentation of these expenditures will be subject to monitoring and review.

Matching funds and in-kind contributions may be provided by the grantee, or any number of external parties, including but not limited to the following:

- Philanthropic Organizations
- Units of Local Government
- Utility Companies
- Non-Profit Organizations
- For-Profit Organizations
- Federal Regional Commissions or Authorities
- Regional Planning/Government Organizations
- Cooperatives

Using Other Program Funds as Matching Funds

Funds from other federal programs (including funds from the FCC's Universal Service Fund programs) generally may not be used as matching funds for a grantee's BEAD projects. However, the Infrastructure Investment and Jobs Act expressly provides that matching funds for the BEAD program may come from a federal regional commission or authority or from funds that were provided to a grantee for the purpose of deploying broadband service under:

- The Families First Coronavirus Response Act of 2020;
- The Coronavirus Aid, Relief, and Economic Secure (CARES) Act of 2020;
- The Consolidated Appropriations Act, 2021; or
- The American Rescue Plan Act of 2021.

Grantees using federal program funds for matching funds must comply with both BEAD program requirements and the other federal program's requirements.

Potential Sources of In-Kind Contributions

The following list provides potential sources for in-kind contributions:

- Employee or Volunteer Services
- Equipment
- Supplies
- Computer Hardware and Software
- Use of Facilities

Valuation of In-Kind Contributions used for Matching Funds

The following table provides a non-exhaustive list of common types of in-kind contributions and the associated method for the grantee to determine its value when recording as costs toward the project.

In-Kind Contribution	How to Determine Value
Building or Land for Construction/Facilities Acquisition Projects or Long-Term Use	Lessor of: • Value of remaining life of property recorded in grantees accounting records at the time of donation; OR • Current fair market value
Equipment, Buildings, or Land for which Title Passes to Grantee	• If purpose is to assist grantee to acquire property, grantee may claim aggregate value of donated property. • If purpose is to support activities that require use, grantee may claim depreciation charges for equipment and buildings. Fair market value of capital assets and fair rental charges for land may be allowed with NTIA approval.
Third-Party Volunteer Services	• Consistent with rates paid for similar work by grantee; OR • Rates consistent to similar work in labor market, if not found in grantee. • Allocable, allowable, and reasonable fringe benefits may be included.
Third-Party Employee Services	Sum of: • Employee's regular rate of pay; AND • Reasonable, necessary, allocable, and allowable fringe benefits; AND • Indirect costs at approved indirect cost rate.
Third-Party Property (title does not pass to grantee)	• Fair market value of donated equipment or supplies at time of donation.

Note – If only a portion of land, buildings, or equipment is used for the project, the value must be prorated to reflect the portion being used.

The IOB and/or NTIA may request details on and documentation of in-kind contribution valuation at any time. To prepare for these requests, the grantee should keep thorough records, including:

- The name of the party providing the contribution;
- The valuation determination (and percentage of the total budget it represents);
- The nature of the in-kind contribution;
- An explanation of how the contribution qualifies as an eligible cost; and
- If the contributor is not the grantee, a description of any benefits the contributor will derive from the project (e.g., free or discounted access to the network).

Applicable NTIA Guidance and Additional Resources

- [2 CFR 200.306](#) - Federal Cost Share principles
- [BEAD Match Primer](#) - NTIA guidance document on match requirements specific to BEAD
- [Understanding In-Kind Match](#) - NTIA guidance document on in-kind contributions for matching requirements specific to BEAD