

KCF matching contribution guidelines

Key principles

Consortia whose projects are funded under the KCF are expected to make a matching contribution of at least 10% of total requested funding for the proposed project. The members of the consortia (henceforth also referred to as “applicants”), either vocational training institutes or enterprises, are requested to describe and specify an initial estimate of the matching contribution at the stage of Expression of Interest. They should be able to specify the amount and the source of the matching contribution in detail at the application stage, confirm, and commit to the contribution when signing the funding agreement.

Matching contributions can be monetary by covering a certain amount of the planned investment through the consortia members, which shall be reflected in the investment plan, submitted together with the project proposal in the second stage of the application process. Matching contributions can also be made in-kind through expenditures, direct or indirect costs, incurred by the consortia members for the implementation of the project.

In-kind matching contributions should:

- Be incurred by the applicant during the initiating and implementing the agreed project activities,
- Be necessary for the implementation of the activity, which is the subject of the grant funding,
- Be identifiable and verifiable, in particular being recorded in the accounting records of the applicant,
- Reflect market rates for a given expense in the local context and
- Be reasonable, justified and comply with the principle of sound financial management.

For the matching contribution costs related to the implementation of the project, the duration of the proposed CT programme shall be calculated for a period of three years. Any expenditure incurred by an applicant until the date on which a positive funding decision is obtained shall not be included in the matching contribution. Matching contribution should be proved in the implementation phase, by keeping all relevant supporting documents for KCF team review.

Categories of costs eligible as matching contribution

- a. Costs of space and facilities incurred by VTI used for the delivery of the proposed CT programme:
 - If owned, prorated usage of space at the respective premises should be calculated for the duration of CT programme based on yearly depreciation of the building/premises
 - If rented, prorated rent cost of space at the respective premises should be calculated

- b. Costs of machineries and equipment used fully or partially for the CT programme.
- If owned, prorated usage of machineries and equipment should be calculated for the duration of CT programme based on yearly depreciation of the machineries and equipment used for the CT programme.
 - If leased, prorated usage of machineries and equipment should be calculated for the duration of CT programme based on yearly operational or financial lease payments.
- c. Costs of teaching material
- The share of teaching materials (i.e. raw material) used by the consortia's current stock that contributes to the CT programme
 - OHS & Hygiene Equipment relevant expenses
 - Equipment currently in use from consortia that contribute to fulfilling OHS requirements
- d. Costs related to training of teachers and in-company trainers
- Use of applicants' internal resources for training of pedagogical staff to equip them with the right knowledge for the CT programme
- e. Costs related to teachers' or in company trainers' salaries
- Utilization of teacher's time for the CT programme
 - Utilization of in-company trainers' time for the CT programme
- f. Per diems, allowances and insurance
- Per diems and allowances for students and teachers involved in the CT programme
 - Transport covered by applicants to and from WBL location in connection with the CT programme
 - Accident insurance for trainees/apprentices covered by applicants in connection with the CT programme
- g. Costs for maintenance and utilities
- Proration of electricity, water and gas used for the operation of machineries and equipment of CT programme
 - Proration of total maintenance costs of machineries and equipment used for CT programme

Calculation examples:

1. Calculation of prorated usage of assets when owned

Y_n = Depreciation at the end of year for the machinery

n = year 1,2,3...

C = prorated usage of the machinery for the CT program

T = duration of the CT program

M = matching contribution

If $Y_1 = 2,500$ EUR, $Y_2 = 2,000$ EUR and $Y_3 = 1,750$ EUR, $C = 30\%$ and $T = 3$ years then the matching contribution from the usage of that particular machinery is:

$$M = (Y_1 + Y_2 + Y_3) * C * T = (2,500 + 2,000 + 1,750) * 0.3 = 2,250 \text{ EUR}$$

2. Calculation of prorated usage of assets when leased

m = monthly operational or financial lease payment

n = number of lease payments per year

C = prorated usage of the machinery for the CT program

T = duration of the CT program

M = matching contribution

If $m = 500$ EUR, $C = 40\%$, $n = 12$ and $T = 3$ years then the matching contribution from that particular leased machinery or equipment is:

$$M = m * n * C * T = (500 * 12 * 3) * 0.4 = 7,200 \text{ EUR}$$

3. Calculation examples of utilities and teachers payments

U = monthly utilities

S = monthly teachers' salaries

C_1 = prorated utilities for the machineries, equipment and facilities used for the CT program

C2= prorated teacher's salaries according to their time allocated for the CT program

T= duration of the CT program

M= matching contribution

If U= 1,200 EUR, C1=25%, S=8,000 EUR, C2=12% and T=3 years then the matching contribution of the shared utilities

$$M=[(U*C1)+(S*C2)]*T=[(1200*0.25)+(8,000*0.12)]*3 =3,780 \text{ EUR}$$