**Section 510.250 Matching Funds**

a) The Grantee shall provide Matching Funds to the Total Project Cost that:

1) Are identified in the budget of the Grant Agreement;

2) Conform to the requirements of Section 510.240 for match amount;

3) Are not funds from other Department funded grant programs or funds used to match any other grants; and

4) Are necessary and irrevocably obligated to the Project.

b) Allowable match includes:

1) Term loan proceeds, bond sale proceeds, or other forms of financial institution participation;

2) Other public grant or loan program funds;

3) Retained earnings, proceeds of a public stock offering, or other cash equity, excluding pre-project officer notes payable, off-balance sheet debt financing and goodwill;

4) Local hotel/motel tax, membership dues, or other cash contributions; and

5) In Kind Contributions necessary to complete the Project and for which the cash value is easily documented (i.e., donated labor, equipment, supplies and materials), and that are eligible grant and match line-item expenditures identified in the budget of the Grant Agreement. In Kind Contributions may only be used as allowable match by municipalities, counties, not-for-profit organizations, or Local Promotion Group and cannot exceed 25 percent of the match requirement.

c) Unallowable match includes:

1) Costs incurred or funds expended prior to the date of the grant or loan award, unless those costs are approved by the Department as being otherwise compliant with the provisions of this Part and consistent with the purposes of the Act;

2) Funds from other Department funded grant programs (although they may be used to further the Project);

3) Existing equipment, buildings, furnishings, or inventory, already owned;

4) Lines of credit;

5) Contract for deed without a due and payable clause or that is an apparent substitution for simple rent;

6) Post-Project costs such as normal operational expenses;

7) Debt refinancing; and

8) In Kind Contributions, if the Grantee is a for-profit business.

(Source: Amended at 46 Ill. Reg. 11991, effective July 1, 2022)