



Peace Corps

Peace Corps Small Grants Program

Estimating the Value of In-Kind Contributions

Many grant programs include community contribution requirements. Such requirements are put in place for several reasons: They help to ensure that the community is directly invested in the project and will continue to take ownership of the project throughout its life. They limit the risk of a community becoming dependent on outside funding to purchase materials or services that the community already has or can obtain with its own resources. Finally, encouraging a community to identify resources within its reach recognizes the assets a community already possesses and can build upon to support further development.

For these reasons, it is important that community contribution requirements are taken seriously. However, many of the organizations that Peace Corps Volunteers work with do not have the ability to make their contributions in cash. To ensure that cash-poor communities are not excluded from receiving grants, contributions may, in some cases, be provided as in-kind goods or services. In-kind contributions may include labor, meeting or conference space, transportation, food, lodging, materials, supplies, or any number of other costs.

Where in-kind contributions are allowed, it is important that contributed goods or services are carefully and reasonably valued so that the grant recipient's level of commitment and investment can be accurately gauged. Volunteers should work with their community counterparts to determine the value of in-kind services, as well as seek guidance and input from post staff—in particular, host country national staff who are familiar with local costs. The following four guidelines will help Volunteers determine a reasonable value for in-kind contributions:

- 1. In-kind contributions should only be counted if they are reasonably necessary to meet the objectives of a project.**
 - *Example 1:* Manual labor for digging a hole and laying cement is a valid in-kind contribution for a latrine-building project.
 - *Example 2:* A television set should not be counted as an in-kind contribution for a latrine-building project.
- 2. The value of in-kind contributions should be estimated at the price the organization would have to pay to purchase the specific good or service being contributed.**
 - *Example 1:* Manual labor should be valued based on the daily rate of a day laborer in the community times the number of days labor is provided.
 - *Example 2:* Although provision of meeting space might be a valid in-kind contribution for a project, a small meeting room in an office should not be valued at the price it would cost to rent a large conference room in a fancy hotel down the street.
- 3. When valuing in-kind goods or services, estimates must take into account the state of repair or quality of the contributed item (in other words, a used item should not be valued at the price the item would cost if it were new).**
- 4. In-kind contributions should be actual contributions that will be provided during the life of the funded project itself; they should not include speculative future contributions that will be made in the future after the project has been completed.**