



File Code: 1580**Date:****Route To:****Subject:** Match and Substantial Cash Contributions Policy Changes**To:** Deputy Chiefs, Regional Foresters, Station Directors, and Grants and Agreements Directors

The Forest Service has a well-known history of collaboration, and working with and through partners, to accomplish our mission – over 3,500 current partner agreements clearly depict the interdependent relationship we have with others and the power of partnership. Our commitment to partnerships and relationships connects to all our agency core values.

This policy change recognizes how integral partners are to accomplishing our mission and the capability they have to increase our effectiveness and relevance through their networks, knowledge, and expertise. By recognizing a broader range of mutual benefits gained by the agency through partner relationships when calculating match contributions, and by mitigating barriers regarding partner access, we will significantly expand the network and impact of partners who can help us accomplish mission-critical work and better serve all Americans.

We have undertaken a review of barriers to our work with partners relating to matching and substantial cash contribution requirements. Through consultation with agency leadership, subject matter experts, and the Office of the General Counsel, this letter provides updated policy direction and leader's intent that applies to all partnership agreements and funding sources, effective immediately.

This letter will serve as interim policy until these changes are incorporated into Forest Service directives.

A. For All Partnership Agreements

For all partnership agreements, include all values that our partners bring to the table as part of their match contributions

Partners bring immense value that benefits the government and taxpayers. Agency policy is clear that a partner with whom we have established a formal agreement may satisfy match requirements by providing cash, real or personal property, services and in-kind contributions (unless directed otherwise by statute). However, we have under-counted or under-valued the range of "services and in-kind contributions" that our partners bring to our work, including but not limited to: access to networks and communities that are underrepresented or underserved; access to indigenous traditional ecological knowledge; networks and relationships that increase social license for wildfire risk reduction and treatments; creativity and innovation that can



support effective public outreach and education and facilitate safe and inclusive recreation experiences; experience managing work projects to improve forest health and climate resilience; capabilities to support project design and management and provide subject matter expertise that complements the skills of agency employees or fills a gap in agency capacity; and more.

In limited circumstances, there is a statutory requirement for a “hard” or cash match (See Attachment A). **In all other cases, and to the maximum extent possible, I am directing all staff involved in developing, reviewing and approving partner agreements to consider and include all of the values a partner brings to the relationship when determining when and how match requirements are met.** This is important because we do not want to overlook or potentially under value any partner contributions.

A cross-deputy area team consisting of Washington Office and field leadership will work with the Office of the General Counsel to develop additional tools, templates, and examples for how to determine and include the financial value of the full range of partner contributions. We will share these in writing, through webinars, and other training forums to support counting and valuing a broader array of contributions in a holistic, consistent, and standardized manner.

B. No requirement for Substantial Cash Contribution

Since the early 1990s, our policy has been to require a separate Substantial Cash Contribution from partners whenever, as part of an agreement, they contracted for goods or services from a third party to complete project-based work. The Office of General Counsel has determined that there is no statutory requirement for us to continue this practice. **Based on this, we are immediately ending this policy – there is no longer any requirement for partners to provide substantial cash contributions.**

All partner agreements already require a written explanation of the mutual benefit(s), and other substantial narrative and financial documentation, to show benefits the government and taxpayers gain through the partner relationship, including values contributing to match requirements. Our expectation is that all staff developing, reviewing, and approving agreements will continue to responsibly steward taxpayer dollars in accordance with all laws and regulations.

C. Policy Match Waivers and Flexibility for Reductions:

There are more than 50 authorities that the Forest Service can use when working with partners, and several of these authorities enable work with partners without a statutory requirement for match (*statutory match*).

Match requirements for each authority are described within the following attachments:

- a. Attachment A – Lists authorities with specific statutory match requirements which cannot be waived or reduced for any reason.
- b. Attachment B – Lists authorities with statutory match requirements which can be waived or reduced.
- c. Attachment C – Lists authorities that have no statutory match requirement.

Although not all statutes require a match, agency policy has often required a match (the Forest Service Handbook currently provides guidance to seek no less than 20% contribution from partners (FSH 1509.11(5)). The Forest Service values work with partners because those relationships allow us to leverage agency resources and capacity and gain additional resources and other mutual benefits that help us advance our work and serve all Americans. We recognize, however, that there are some partner contributions or benefits gained by the agency that are not captured by match requirements, or where our current match policy creates a barrier to access that has prevented inclusive relationships with some partners and is negatively impacting the ability of partners to scale their capacity to address the agency's highest priority work.

Therefore, for all policy match requirements, I am establishing the following national waivers and process for enabling reductions based on need and capability at the regional level:

- **National Waivers of Policy Match Requirements:**

- a. Policy match requirements (meaning any match requirements not required by statute) are waived for all agreements with Tribes, as encouraged in *Executive Order 13175, Consultation and Coordination with Indian Tribal Governments*. Agreements with Tribes help the agency meet our trust responsibilities and deliver on priorities including equity and co-stewardship, and therefore provide benefits without the need for any additional match.
- b. Policy match requirements (meaning any match requirements not required by statute) are waived for all agreements that will serve underserved communities that have been systemically denied a full opportunity to participate in aspects of economic, social, and civic life, as set forth in *Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*.

- **Process for Reduction of Policy Match Requirements:**

Deputy Chiefs, Regional Foresters, and Station Directors are hereby authorized to approve reduction of policy match requirements to as low as 5% on a case-by-case basis, using the following process to determine the need for a reduction and the partner's capability for match (**any policy match requirements below 5% must be approved by the Chief of the Forest Service**):

- a. Work with the partner to identify a match percentage based on capability.
- b. Document the justification for a reduction and the rationale for the new percentage in the signed agreement document or modification.

The cross-deputy area team consisting of Washington Office and field leadership will establish a community of practice and additional tools to support learning and coordination across regions and with the Washington Office so that we can create consistency in expectations and implementation across the system.

C. Statutory Match Requirements:

Match requirements are sometimes included in statute: the Forest Service currently has several authorities that have statutory match requirements, some of which have provisions for waivers or reductions under certain conditions (See Attachments A & B). In some cases, statutory match includes a “hard match” requirement, which is a cash match. More often, statutory match requirements are “soft match” requirements, which allows for a range of partner contributions to be counted, including “in-kind” contributions.

When a match is required by statute, discretion is limited to what is allowed by the statute. I am directing all employees involved in developing, reviewing, and approving agreements with statutory match requirements to apply the direction in Sections A and B, within any limits and consistent with all direction included in each statute. Additional tools and support for implementing this direction will be forthcoming.

D. Additional Guidance Pertaining to State and Private Forestry Grants

State and Private Forestry (SPF) will execute multiple grant programs authorized or directed within the BIL Divisions D and J. To ensure maximum efficiency and efficacy in implementing these critical BIL programs to address urgent national priorities, provide jobs, and benefit the American people, the SPF Deputy Chief will exercise existing statutory match waiver authority for certain grants programs when requested.

Match waivers in SPF grants are allowed for State Forest Action Plan Implementation, State Fire Assistance, National Revegetation Effort, Invasive Species Detection, and Abandoned Mine Land Restoration. The Washington Office SPF has provided an optional form to all States and Regional Offices to request a match waiver for these programs and document the rationale for the waiver. Once submitted, the SPF Deputy Area budget team will work with the Region to expeditiously process waiver requests.

Volunteer Fire Assistance Grants have a match required by statute which cannot be waived. Community Wildfire Defense Grants have a match required by statute, but this can be waived for projects serving underserved communities (see BIL Program Direction for additional details). The remaining SPF grant programs (Portable Skidder Bridges, Firewood Banks, and Financial Assistance to Byproduct Purchasers) do not require any match from the grantee.

E. Additional Guidance Pertaining to Existing and Multi-funding Agreements

These policy changes are effective immediately. Partners currently implementing an agreement or agreements can request modification, if needed, to meet the intent of this policy direction.

Guidance and directions are being developed to support multiple sources of funding in individual agreements. The Washington Office will assist field units in the interim until further information is provided so that critical mission work can move forward.

F. International Programs

The Consolidated Appropriations Act, 2022, provides that International Programs may use all the authorities related to forestry, research, and cooperative assistance regardless of program designations. I am authorizing the Director of International Programs, in consultation with the Director of Grants & Agreements, to begin using these authorities where and when appropriate.

I want to thank you for your leadership on this important issue and to all employees for their continued efforts and commitment to the importance of partnerships and relationships in accomplishing our mission. With additional resources and funding through the Bipartisan Infrastructure Law (BIL), our commitment to confronting the wildfire crisis, and our goal of increasing equitable access and use to all national forest visitors, it is more important than ever that we expand and capitalize on the commitment, relationships, and resources that partners provide.

RANDY MOORE
Chief

Enclosures