

Introduction

This toolkit is designed to assist researchers in understanding and identifying in-kind contributions and how they can be used to achieve their study goals, particularly those applying for large grants for multi-year projects.

A granting agency may require in-kind contributions or matched funding to demonstrate the commitment by the institution to the success of the project. These contributions may be considered part of the overall budget. The following information summarizes eligible in-kind contributions, how to value them and get approval from the contributing partner, and provides resources and tools to help researchers meet any reporting requirements to the granting agency.

What is an in-kind contribution?

In-kind contributions are both non-monetary or cash equivalent resources that can be given a cash value, such as goods and/or services in support of a research project or a proposal.

Examples of an in-kind contribution may include:

- ✓ Access to unique databases or information
- ✓ Professional, analytical, and other donated services
- ✓ Employee salaries (including benefits) for time allocated to the project
- ✓ Equipment (donated, loaned) and software
- ✓ Study materials, technologies, or components
- ✓ Patents and licenses for use (e.g. a validated quality-of-life survey)
- ✓ Travel
- ✓ Use of facilities (e.g. lab or meeting spaces)
- ✓ Partner organization time spent participating in the project
- ✓ Eligible infrastructure items

Usually (but not necessarily in all cases) the following costs are NOT considered eligible:

- ✗ Costs incurred internally and routinely (operating costs) that would be incurred whether or not a study is conducted.
- ✗ The cost of a medication or product under study
- ✗ Patenting, legal fees, or consultant rates
- ✗ Professional memberships or subscriptions
- ✗ Secretarial or administrative services, or other indirect costs



The above costs are examples only. Please confirm the definition and eligibility of in-kind contributions with individual granting agencies, funders, or other partners.

When would I need to include it in an application?

- **When required by the grant competition:** Some funding opportunities require in-kind or cash-equivalent contributions up to a certain percentage of the total budget; for example, a funder may require you to provide up to 50% of the overall budget through a combination of cash and in-kind contributions.
- **When required to demonstrate feasibility:** Even if matching funds aren't required, showing that you have in-kind goods and services will demonstrate that the project is feasible, sustainable, and supported by your institution or by external collaborators, especially if the amount you're applying for isn't sufficient to carry out all the work required.

How do I value and confirm in-kind contributions?

Most granting agencies provide guidelines on valuing in-kind contributions; check with the agency or partner. For example, the Tri-Council (CIHR and NSERC) value in-kind contributions at cost (i.e. the value of the internal cost to any industry partner) or at retail cost less 40%, whichever is less. Other funders may accept fair market value as the eligible in-kind cost.

In addition to including in-kind contributions in your budget and justification, funding agencies may require **letters of support** or a letter confirming the value of the contribution from any participating departments or partner organizations. Regardless of whether the funding agency *requires* a letter of support, it is always advisable to provide as they generally strengthen an application.



Island Health employees and affiliates are required to complete a Notice of Intent to Apply prior to submitting any external grant applications. This form helps the Research team work with you to identify and value in-kind contributions before you submit your application. [Learn more.](#)



CAUTION: If your application is successful, any in-kind contributions in your budget are considered **committed resources** and **must be upheld**—so **prior approval** from Island Health or other partners is **essential** before you submit your application!

How do I operationalize in-kind contributions?

For successful applications, service agreements or contracts should be executed with contributing partners to outline their obligations to the project, timeline commitments, and reporting requirements. A sample service agreement is available on request.

It is important to keep in-kind partners closely engaged, as situations may change from the time of the grant application to the time that the in-kind is required. For example, the person who authorized the in-kind contribution may no longer be in the same position. Ongoing communication will help ensure that the in-kind commitment stays on the radar of the responsible parties.

How do I report on in-kind contributions?

If you are awarded a grant that includes in-kind contributions, you may be required to provide auditable tracking of in-kind contributions and/or financial reporting to the grant provider. Check with the granting agency to see whether they have any preferred reporting forms. A sample reporting template is available on request.



It's not just the granting agency that wants to know how the project is going; report back to your partners (both internal and external), too! Keep them in loop with any changes, delays, and status updates that show the impact of their ongoing commitment and contributions to work.

Resources

- **Templates & Samples**
 - Budget Templates and Sample Service Agreements are available on request.
- **Resources within Island Health:**
 - Learn who needs to sign off on your in-kind contribution at Island Health. Island Health's [Finance Policy 4.0](#) (4.4, p. 4) outlines signing and spending authority, including amounts.
 - Research Grant Facilitator: Annie Moore (isabel.moore@viha.ca) 250.519.7700 x13197
 - For support in setting up service agreements, contact Dawn Waterhouse, Research Business Manager (Dawn.Waterhouse@viha.ca) 250.370.8764