

# Archived Information

## INVESTING IN INNOVATION FUND (i3)

### *Examples of Adequate Evidence of a Private-Sector Match*

*August 20, 2010*

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#### **Description**

While we recognize that private funders and highest-rated applicants must negotiate the specific terms of their partnerships including performance and reporting requirements, we have received several requests for examples of the type of documentation required as evidence of the match. Therefore, we have provided six examples of the type of documentation that, if submitted to the Department, would be deemed by us as adequate evidence of a private-sector match – assuming there was no other information that called the commitment into question. These are merely *examples* of the evidence that highest-rated applicants may provide to demonstrate that they have secured a private-sector match; there are many other forms in which adequate evidence of that commitment may be provided.

In order to be accepted by the Department, the documentation provided by highest-rated applicants must demonstrate that private-sector funds or in-kind contributions that equal 20 percent of the total amount of i3 funds requested have been committed. As explained in our FAQs on matching, examples of such evidence include funding agreements with a private-sector entity or other signed documents (such as commitment letters) indicating the source, amount, purpose, and date of receipt of funds or in-kind contributions.

## SAMPLE LETTER #1: Private-Sector Funder Commitment Letter (Simple)

*Private-Sector Entity Letterhead*  
(Date)

Dear (Highest-Rated Applicant),

The (Private-Sector Entity) is pleased to provide a (# of years) grant of \$(amount) to (Highest-Rated Applicant) for the project (insert project name) as outlined in the proposal to the US Department of Education's Investing in Innovation (i3) Fund. These funds can be used only toward project activities as proposed in the i3 application dated XX.

The grant commitment of \$(amount) will be disbursed in installments over a (# of years) period, as outlined in the following payment schedule. The funds will be disbursed annually to your organization with the first payment being made within 30 days of the signed grant agreement.

We are confident that this program will have a dramatic impact on the student population being served, and look forward to reviewing the evaluation results and program reports, consistent with the proposal requirements and the grant agreement.

Sincerely,

(President or other authorized individual),  
(Private-Sector Entity)

## **SAMPLE LETTER #2: Private-Sector Funder Commitment Letter (Contingent on receipt of i3 grant)**

*Private-Sector Entity Letterhead*  
(Date)

Dear (Highest-Rated Applicant):

It is my pleasure to inform you that a grant of \$(amount) has been authorized to (Highest-Rated Applicant). This grant is to be used to (grant purpose), as described in your proposal of (date). This grant is intended to serve as a portion of the private-sector match required for (Highest-Rated Applicant)'s i3 proposal to the US Department of Education.

This grant funding is contingent upon confirmation of the (Highest-Rated Applicant)'s receipt of the i3 award from the US Department of Education.

It is understood that these grant funds will be used in accordance with the budget included with your proposal. It is further understood that no substantial changes in the budget or the grant period may be made without prior written approval from (Private-Sector Entity).

A condition of this grant is that you submit to us a final report by (date). This report should contain a fiscal accounting of grant expenditures and a narrative describing the following: (a) the objectives of the project supported by the grant, (b) activities carried out to meet each objective, (c) results accomplished and (d) any problems encountered and how they were resolved. Please note that reports are an integral part of our monitoring and evaluation process; release of any future payment or review of any future grant request will be contingent upon our receipt and satisfactory review of the information provided.

This grant is subject to financial audit upon our notification during or immediately following the grant period. A separate bank account for the grant is not required, but it is necessary that a separate accounting of this grant be maintained.

Best wishes for the success of this effort.

Sincerely,

(President or other authorized individual),  
(Private-Sector Entity)

ACCEPTED BY:

BY: \_\_\_\_\_  
CHIEF EXECUTIVE OFFICER, GRANTEE

DATE: \_\_\_\_\_

## SAMPLE LETTER #3: Traditional Foundation Grant Agreement

*Foundation Letterhead*  
(Date)

Dear (Highest-Rated Applicant):

I am pleased to inform you that The (Foundation name) has authorized a grant of \$(amount) over (# of months or years) to (Highest-Rated Applicant) for (project name), an effort for which you are seeking funds from the US Department of Education's Investing in Innovation (i3) Fund. The grant will be paid in (xxx) installments. In order for us to make payment, we require that you accept the terms of the grant as set forth in the following paragraphs.

The grant funds and any income earned from any investment of the grant funds may be used only in support of the activities described in your proposal of (date). Funds not used for the purposes of the grant within the grant period (date to date) must be returned to the Foundation unless an extension is approved at your request and in the Foundation's discretion. We will require narrative and financial reports on your activities during the grant period. All reports must be received within 30 days of due date.

The narrative report should demonstrate your progress on achieving proposed activities, outputs and outcomes. In your financial report you should present the entire project budget (all sources of revenue and all expenditures, not only the Foundation grant) as included in the original proposal, as well as the actual revenue and expenditures for the project in total.

You acknowledge that we have not designated or earmarked any part of the grant funds for the carrying on of propaganda or attempting to influence legislation (within the meaning of Internal Revenue Code Sections 501(h), 4945(d)(1) and 4945(e) and related regulations; these provisions include state, federal or foreign legislation).

You shall notify the Foundation of any organizational changes during the term of the grant, including, but not limited to, changes in key personnel, changes in tax status, and changes in the project timing or goals.

Use of any of the grant funds (a) to influence the outcome of any specific public election of any candidate for public office or to carry on, directly or indirectly, any other activity that is prohibited to a public charity, or (b) to provide material support to any person or entity that engages in violent or terrorist activities, is prohibited.

The Foundation's disbursement of payment is contingent upon the Foundation's review of your work in connection with this grant and its determination (a) that you are in compliance with all terms and conditions of this grant agreement and (b) that satisfactory progress and performance has occurred and is likely to continue to occur. Funding may be modified, curtailed, or discontinued, and any unexpended grant funds must be repaid, if at any time the Foundation determines that the purposes of the grant are not being met.

Payment will be made within 30 days of receipt of the signed letter agreement and then within 30 days of approval of satisfactory interim reports and expenditures going forward.

Except for simple statements indicating that the Foundation has provided the Grantee with funding, the Foundation name and logo may be used only with the written permission of a Foundation representative.

Please have the appropriate corporate officer sign and return this letter, indicating acceptance of the terms of the grant.

We are pleased to be able to assist you with your project.

Sincerely,

(President or other authorized individual),  
(Foundation)

ACCEPTANCE: On behalf of the [Highest-Rated Applicant legal name], I hereby accept and agree to be legally bound by the terms of the grant as set forth herein.

Date: \_\_\_\_\_ By: \_\_\_\_\_ Title: \_\_\_\_\_

## **SAMPLE LETTER #4: Commitment of In-Kind Contribution (Specific Service)**

*Private-Sector Entity Letterhead*  
(Date)

Dear (Highest-Rated Applicant):

We are pleased to confirm that we will provide in-kind contributions of a value totaling (amount in dollars) for your project (project name) as proposed for funding under the U.S. Department of Education's Investing in Innovation (i3) Fund.

The contribution (name of Contributing Entity) will provide is our service as the evaluator of the project. The value of our contribution reflects the amount of funds budgeted for project evaluation in your proposal and represents the amount we would customarily charge to conduct an evaluation of the nature, size, and scope of the evaluation described in your proposal.

We are confident that the project (project name) will have a dramatic impact on the student population being served and look forward to conducting the project evaluation, consistent with the proposal requirements and the grant agreement.

Sincerely,

(President or other authorized individual),  
(Contributing Entity)

## SAMPLE LETTER #5: Commitment of In-Kind Contribution (Discount off Costs for Goods or Services Purchased)

Private-Sector Entity Letterhead  
(Date)

Dear (Highest-Rated Applicant):

We are pleased to confirm that we will provide in-kind contributions of a value totaling (amount in dollars) for your project (project name) as proposed for funding under the U.S. Department of Education's Investing in Innovation (i3) Fund.

In order to carry out your proposed project, you have agreed to purchase from (name of Contributing Entity) (number/amount and name/description of good or service). The contribution we will provide is a discount off the cost of this good/service. We customarily charge (customary amount - an x% discount off of the list price) for this good/service; for your project only, we will charge a discounted amount of (discounted amount), providing a discount of (amount of discount) per good/service.

We are confident that the project (project name) will have a dramatic impact on the student population being served and look forward to reviewing the evaluation results and program reports, consistent with the proposal requirements and the grant agreement.

Sincerely,

(President or other authorized individual),  
(Contributing Entity)

## SAMPLE LETTER #6: Repurposing Existing Private-Sector Funds

Highest- Rated Applicant letterhead  
(Date)

Dear US Department of Education,

We are pleased to confirm that we will repurpose existing private-sector funds (monies our organization has raised in the past but not yet expended) over (# of years) totaling \$XXX,000 for the project (insert project name) as outlined in the proposal to the US Department of Education's Investing in Innovation (i3) Fund. These funds can be used only toward project activities as proposed in the application dated XX.

The existing private-sector funds we are repurposing in support of our i3 proposal were initially secured on (date(s)) and given by (source(s)) for (purpose(s)). By submitting this letter, we confirm that it is within our organization's discretion to repurpose these funds in support of our i3 proposal, and that in doing so, we do not violate any of the conditions and terms under which these private-sector funds were initially given to our organization. We also further confirm that we understand that these private-sector funds we are repurposing in support of our i3 proposal must be expended over the project period proposed in the application dated XX.

We are confident that the project (project name) will have a dramatic impact on the student population being served, and look forward to reviewing the evaluation results and program reports, consistent with the proposal requirements and the grant agreement.

Sincerely,

(President or other authorized individual),  
(Highest- Rated Applicant)