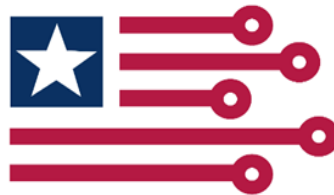


2025 NSTC Workforce Awards Program Call for Proposals
Executed by Natcast, the Operator of the NSTC

Natcast



2025 NSTC WORKFORCE AWARDS PROGRAM

Call for Proposals (CFP)

Issued June 12, 2025

Funding Opportunity Number: NAT-WF-25-0001

Revision History

Date	Author	Change
June 12, 2025	Program Staff	Initial Version
July 31, 2025	Program Staff	Added Attachment 2 “Leveraged Funding Guidelines”

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1. Executive Summary

Funding Opportunity Title: 2025 NSTC Workforce Awards Program

Funding Opportunity Number: NAT-WF-25-0001

Key Dates: All submissions are due by 5:00 PM ET on the relevant dates below, listed in bold.

Activity/Event	Date
Call for Proposals (CFP) Released	Thurs, 6/12/2025
Question Submission Deadline	Thurs, 7/10/2025
Intent Form Submission Deadline	Mon, 8/11/2025
Natcast Issues Invitations to Eligible Applicants to Submit Full Proposals	Tues, 9/2/2025
Full Proposal Submission Deadline	Wed, 10/15/2025
Target Project Start	March, April or May of 2026

Description of Funding Opportunity:

Through the 2025 NSTC Workforce Awards Program, Natcast seeks to invest in semiconductor industry-related training and educational supports for American workers. This program will specifically focus on closing workforce and skills gaps in the United States for researchers, engineers, and technicians involved in semiconductor design, manufacturing, and production.

Natcast encourages a wide range of workforce solution providers¹ to apply for this opportunity, including those administering established programs with a track record of success seeking to scale, growing programs seeking to expand or realign, and new programs that meet a previously unaddressed need or opportunity.

All entities that provide semiconductor-related education or training programs, products, or activities developed to prepare, encourage, motivate, or enable individuals to obtain the skills or credentials required for semiconductor jobs (or otherwise enhance access to semiconductor jobs) are encouraged to apply.

Estimated Number of Awards²: 10-20

¹ Workforce solution providers are entities that provide education or training programs, products, activities, or additional support services (e.g. transportation assistance), designed to prepare, encourage, motivate or enable individuals to obtain the skills or credentials required for, to enhance access to, or promote jobs offered by one or more employers.

² "Award" means a transfer of federal funding from Natcast to the Performer to carry out a specific project or set of projects approved by Natcast.

Award Amounts: Awards will range from \$500,000 to \$2,000,000 in value.

Period of Performance: One (1) to two (2) years.

Eligibility: The program is open to for-profit and non-profit organizations that are incorporated in the United States (including U.S. territories) with their principal place of business in the United States (including U.S. territories), accredited institutions of higher education located in the United States, and U.S. state, territory, and local government agencies. Individuals and unincorporated businesses are not eligible, nor are foreign entities, without a written exception from Natcast. Foreign entities of concern are also ineligible to participate in this CFP.

Contract Type: Firm-fixed price with milestone and deliverable payments.

Funding Requirement: A minimum of 10% of the cost of the project must be funded by external sources or the applicant organization.

Website and Frequently Asked Questions (FAQs): <https://www.natcast.org/workforce/>

Contact Information: amplifier@natcast.org

2. Funding Opportunity Description

2.1 Introduction

While the United States is a global leader in the semiconductor industry, with U.S. firms accounting for 50% of the world's semiconductor market share³, most chip production occurs overseas. The U.S. accounts for only 10% of the global manufacturing capacity for wafer fabrication.⁴ A renewed interest and investment in domestic production aims to reverse this trend, strengthening the U.S. supply chain, and economic and national security. One prediction shows that by 2032, the U.S. will more than triple its semiconductor manufacturing capacity.⁵

The National Semiconductor Technology Center (NSTC) was established pursuant to the CHIPS Act as a public-private consortium dedicated to semiconductor research and development in the United States (U.S.). The NSTC convenes the U.S. government, allied and partner nations, and organizations across the semiconductor ecosystem—including academia and businesses—to address the most challenging barriers to continued technological progress in the domestic semiconductor industry, including the need for a capable workforce. The NSTC reflects a once-in-a-generation opportunity to drive the pace of innovation, set standards, and re-establish global leadership in semiconductor design and manufacturing. Natcast is a purpose-built, non-profit entity designated to operate the NSTC by the U.S. Department of Commerce.

Launched in September 2024, the NSTC Workforce Center of Excellence (WCoE) brings together stakeholders from across the U.S. semiconductor ecosystem to better understand the nature of, and find solutions to, the workforce challenges facing the industry by:

- Developing partnerships and providing funding to increase Americans' access to careers in the semiconductor industry through the expansion of effective, employer-driven workforce solutions.
- Providing expertise and custom services to stakeholders to support the improvement of regional workforce development ecosystems.
- Unlocking actionable insights into the current state of the semiconductor workforce, employer needs, and best practices.

³ SIA 2024 Factbook. [SIA-2024-Factbook.pdf](#)

⁴ SIA and Boston Consulting Group's 2024 report: *Emerging Resilience in the Semiconductor Supply Chain*. [Report_Emerging-Resilience-in-the-Semiconductor-Supply-Chain.pdf](#)

⁵ SIA and Boston Consulting Group's 2024 report: *Emerging Resilience in the Semiconductor Supply Chain*. [Report_Emerging-Resilience-in-the-Semiconductor-Supply-Chain.pdf](#)

- Facilitating the exchange of workforce development ideas, insights, tools, and resources among stakeholders in the U.S. semiconductor industry.

From technicians to engineers to researchers, the WCoE will enable training for and support the entry of tens of thousands of individuals across the country into roles across the semiconductor ecosystem and create a national community of semiconductor industry workforce stakeholders.

Through the 2025 NSTC Workforce Awards Program, Natcast seeks to invest in programs that prepare Americans for careers in the semiconductor industry. Through this program, the NSTC scales existing programs and funds pilot programs that address critical workforce needs within the semiconductor industry in the U.S. This program will specifically focus on closing workforce and skills gaps in the United States for researchers, engineers, and technicians across semiconductor design, manufacturing, and production.

2.2 Motivation

The semiconductor industry is facing significant workforce challenges as demand for semiconductor talent is expected to rapidly outpace the supply of trained workers. Forecasting based on factors like current industry exit rates, training and education completion rates, and global talent migration patterns suggests that the industry will not be able to fill more than 67,000 of the 238,000 jobs the industry will create in the U.S. in the coming years.⁶

Building the semiconductor workforce that is needed today and into the future is critical to the health and competitiveness of the U.S. economy. Making investments in the U.S. semiconductor workforce is an opportunity to connect individuals to good-paying jobs and to develop a robust workforce ecosystem that supports an industry essential to the country's national and economic security.

2.3 Goals and Objectives

Through this program, Natcast aims to support a range of organizations working to meet the workforce needs of semiconductor employers through education, training, and retraining opportunities.

Natcast encourages a wide range of workforce solution providers to apply for this program, including the operators of established programs with track records of success seeking to scale, growing programs seeking to expand or realign, and new programs that meet a

⁶Semiconductor Industry Association, "Chipping Away: Assessing and Addressing the Labor Market Gap Facing the U.S. Semiconductor Industry", July 2023.

previously unaddressed need or opportunity. All entities providing semiconductor-related education or training programs, products, or activities developed to prepare, encourage, motivate, or enable individuals to obtain the skills or credentials required for or enhance access to semiconductor jobs offered by one or more employers are encouraged to apply.

Illustrative examples of evidence-based workforce development strategies and methodologies that may be considered for this program include, but **are not** limited to initiatives that:

- Support paid work-based learning, including registered apprenticeship and pre-apprenticeship programs;
- Issue industry-recognized credentials;
- Confer semiconductor industry-relevant degrees, such as undergraduate or graduate programs in computer engineering, electrical engineering, technology, informatics, computer programming, chemical engineering, or industrial engineering, offered by two- or four-year colleges or universities;
- Modernize or create curriculum, including with direct input from employers;
- Combine on-the-job training, industry-aligned curriculum, effective classroom instruction, mentorship, credentialing, and/or recognized wage gains for demonstrated skills milestones;
- Provide training integrated with additional supports that reduce barriers to entry in program participation (i.e. transportation);
- Enhance the capacity and skills of educators; and
- Facilitate experiential learning opportunities such as worker cooperatives, externships, internships, or capstone projects.

Because of the variety of workforce needs within the semiconductor industry, Natcast is seeking proposals that are aligned with the demonstrated needs of one or more industry employers and provide evidence of an employer's or multiple employers' commitment(s) to support the project.

Through this CFP, Natcast anticipates making 10-20 Awards ranging from \$500,000 to \$2,000,000 per project. Proposals should include a period of performance between one (1) to two (2) years in length. Performance periods should start in March, April, or May of 2026.

All funded proposals are expected to increase the number of individuals who are equipped with the necessary skills to enter into the U.S. semiconductor workforce and/or to improve the availability of high-quality training programs for jobs in semiconductor design, manufacturing, and/or production in the United States.

For a complete list of factors to be considered in the review of proposals, please see Section 5. .

2.4 Outcomes

Proposals should describe intended performance outcomes. Performance outcomes may include numerical targets related to program enrollment, program participation, completion rates, hiring, the number semiconductor employers served, issuance of certifications or degrees, and the earnings and other characteristics of the jobs into which trained workers are placed.

For a complete list of factors to be considered in the review of proposals, including those related to targeted outcomes, please see Section 5. .

2.5 Schedule

All submissions are due by 5:00 PM ET on the specified dates below listed in bold.

Activity/Event	Date
Call for Proposals Released	Thurs, 6/12/2025
Question Submission Deadline	Thurs, 7/10/2025
Submission Intent Form Deadline	Mon, 8/11/2025
Natcast Issues Invitations to Eligible Applicants to Submit Full Proposals	Tues, 9/2/2025
Full Proposals Deadline	Wed, 10/15/2025
Target Project Start	March, April or May of 2026

3. Eligibility Information

3.1 Eligible Applicants

NSTC Members: While entities are not required to be NSTC members at the time of proposal submission, Natcast will work with each selected performer so they can become an NSTC member at the time of Award. Those selected for anticipated Awards who are not NSTC members at the time of proposal submission will be required to undergo vetting per the NSTC membership process and enter into a NSTC membership agreement prior to execution of an Award Agreement.

Additional information regarding NSTC membership eligibility and the process of becoming an NSTC member is available [at Natcast.org](https://natcast.org).

Individuals and Unincorporated Entities: Individuals and unincorporated sole proprietors are not eligible to receive funding.

Foreign Organizations: Only entities with a U.S. presence may be NSTC members. Members may not be foreign entities of concern or foreign countries of concern, as those terms are defined in 15 C.F.R. 231.104 and 231.102, respectively. Foreign organizations may participate as members of a project team, as subawardees or contractors, subject to Natcast approval. The applicant must provide Natcast with a written justification demonstrating that the foreign entity's involvement is essential to advancing project objectives, such as by offering access to unique facilities, intellectual property, or expertise that is otherwise not readily available in the United States. Natcast will only approve work outside of the United States if it is in the best interest of CHIPS R&D and the United States, including the domestic economy generally, U.S. national security, U.S. industry, and U.S. manufacturing competitiveness. Natcast's determination regarding the performance of project tasks outside the United States will be based on information provided by the applicant and by Federal agencies.

Consortia: This Award requires a lead applicant to serve as the administrative and fiscal agent. Applicants with subawardees must list them in their proposals and may submit letters of commitment, MOUs, or other documentation showing conditional agreements contingent on the Award. When drafting the proposal, the applicant should refer to Attachment 1 to determine whether partner organizations should be classified as subawardees or contractors.

3.2 Ineligible Uses of Funds

The primary use of funds awarded under this CFP should be to provide education or training programs, products, activities, or additional support services designed to prepare, encourage, motivate, or enable individuals to obtain the skills or credentials required for, to enhance access to, or promote jobs offered by one or more semiconductor industry employers. Ineligible uses of funds under this proposal include:

- Advocacy, lobbying, or any political activity
- Construction or development and training of the construction workforce required for the building of semiconductor facilities. This exclusion encompasses all forms of financial outlay related to the preparation, education, or skill enhancement aimed at constructing semiconductor facilities
- Funding “equity” actions, initiatives, or programs
- Acquisition of real property
- Product development or commercialization
- Stock buybacks or dividends
- Personal expenses, entertainment, or fines (unless Natcast provides prior written approval)
- Alcohol
- Adding profit margin or additional fees to the costs
- Illegal activities

3.3 Leveraged Funding Strategy

Proposals must incorporate a strategy to leverage funding from external stakeholders or funding from the applicant organization.

Proposals must include a minimum of 10% of the project costs as funded by an external source of funds or the applicant organization to be considered for this opportunity. This minimum will be gauged against the final accepted budget as approved by Natcast during negotiations.

All leveraged funding strategies must be disclosed in the Budget Template associated with full proposal submission.

Please see Attachment 2 in the appendix for more details related to leveraged funding requirements.

4. Proposal and Submission Information

4.1 Proposal and Submission Process

Each proposal will be reviewed using the following process:

- 1. Submission Intent Form Submission:** Eligible organizations are invited to submit a Submission Intent Form as the first stage in the application process. Submission Intent Forms are due by August 11, 2025, 5 PM ET, and must be submitted through Natcast's online application portal.
- 2. Submission Intent Form Screening:** Submission Intent Forms will be reviewed by Natcast staff for eligibility, completeness, and responsiveness to the CFP.
- 3. Invitation to Submit Full Proposal:** All Submission Intent Forms that pass the eligibility screening and are determined to be complete and responsive will be invited to submit a full proposal by September 2, 2025, 11:59 PM ET through Natcast's online application portal. Proposals that are determined to be ineligible, incomplete, or unresponsive will be notified of this determination by September 2, 2025, 11:59 PM ET. Only proposals that pass the screening will be invited to complete the remaining steps in the application process.
- 4. Full Proposal Submission:** Organizations invited to submit a full proposal must submit all requested materials to Natcast by October 15, 2025, 5:00 PM ET through Natcast's online application portal.
- 5. Full Proposal Administrative Screening:** Full proposals received by October 15, 2025, 5:00 PM ET will be reviewed to determine eligibility, completeness, and responsiveness to this CFP. Proposals determined to be ineligible, incomplete, and/or nonresponsive will be eliminated from further review. At its sole discretion, Natcast may opt to continue the review process for a proposal that is missing non-substantive information, the absence of which may easily be rectified during the review process.
- 6. Full Proposal Merit Review:** Full proposals deemed eligible, complete, and responsive will be advanced for merit review by qualified, independent, objective reviewers. All reviewers will have appropriate professional and technical expertise relating to the topics covered in this CFP. Merit reviewers will evaluate each proposal based on the merit review criteria noted in this CFP, with appropriate recusals in place for any identified conflict of interests.
- 7. Full Proposal Selection:** Full proposals deemed acceptable across all merit review criteria will be considered for a final selection. Natcast will select proposals conditional on key Natcast priorities such as variety in awarded institution type (i.e. community colleges, research universities, other non-profits), variety in geographic regions served, availability of funding, and similarity of scope within the portfolio (for a full list of factors

to be considered, please see Section 5.). Natcast employees, federal partners or merit review committee members may be consulted as part of this process. Natcast reserves the right to make its selection based on its expertise and assessment of the environmental conditions and the objectives and resources of this Award fund.

- 8. Award Agreement Execution:** Natcast will collaborate with prospective performers to establish a final Award agreement and announcement.
- 9. Announcement:** Award announcements may occur concurrently with Award negotiations, subject to the permission of the performer. Applicants agree to not publish or disclose any information prior to receiving explicit permission from Natcast.

4.2 Submission & Award Details

- Proposals must be submitted by an authorized representative who will complete the submission of documentation on behalf of the applicant.⁷
- Applicants must submit proposals through Natcast's proposal submission portal, accessible at <https://natcast.org/workforce/>. The portal is best accessed through a recommended browser, such as Google Chrome.
- Authorized representatives must create an account in the proposal submission portal and complete an organization profile which will ask for the organization's Tax ID/EIN and basic information such as the organization's address, and the name, role, and contact information of the authorized representative.
- Applicants will be required to provide their Sam.gov Unique Entity Identifier (UEI) or otherwise attest they have applied for a UEI from Sam.gov.
- Applicants must certify a list of statements as a part of the proposal for this program hosted in the Natcast proposal submission portal. Failure to certify will result in the user being rejected and unable to proceed.
- Applicants may be contacted for preliminary negotiations to adjust grant Awards.
- Awards may be announced prior to the execution of a final binding agreement, subject to the consent of the prospective performer.
- Upon successful completion of Award negotiations, applicants will be awarded and enter into a final binding agreement with Natcast as a performer.

4.3 Submission Intent Form: Submission Requirements

As a part of the Submission Intent Form, applicants must include the following components in their online submission.

⁷Only one proposal per lead applicant will be accepted. The underlying principle of the single proposal rule is to foster a unified effort among the various departments, programs, and sites within the system to present the most compelling proposal. For the purposes of this CFP, Natcast defines a single applicant by its Unique Entity Identifier (UEI) number. Although it is technically possible for multiple entities with separate UEI numbers from the same system to submit individual proposals, such a practice is discouraged.

4.3.1 Applicant Organization and Point of Contact Information

Applicants will be asked to provide details pertaining to the lead applicant organization and the authorized representative who will serve as the main point of contact for the proposal.

4.3.2 Attestations

Applicants will be asked to attest to a series of statements to confirm the applicant organization and proposal is eligible for this funding under this opportunity based on the criteria outlined in this CFP.

4.3.3 Proposal Overview

Applicants will be asked to provide a proposal overview that must include the following key components:

- Summary of the proposed project, including a project title, requested funding amount, project timeline, and a brief description of the project's activities
- Summary of the proposed project's alignment with this CFP's goal of improving access to jobs or skills across semiconductor manufacturing, design, and/or production
- The target workforce segment and geographic area affected
- Any subawardees, contractors, and other key collaborators
- Alignment with this funding opportunity's goal of improving training and access to jobs or skills across semiconductor manufacturing, design, and/or production
- Summary of anticipated outcomes, including the number of participants intended to be served (see Section 4.4.5 for more information)
- Description of leveraged funding strategy (see Section 4.4.10 Leveraged Funding Strategies for more information)

The proposal overview should not exceed 500 words in length.

4.3.4 Project Design

Describe the project and services that will be provided, including the outreach and recruitment methods that will be used to recruit participants. Clearly indicate the project's focus and theory of change. Include the type of project or design and its attributes, such as duration, skills to be acquired, credentials awarded and whether they are stackable and aligned with a career pathway. Include any prior successes using these methods, describe the outcomes and lessons learned, and explain how goals will be met. Include the following components in the project design description:

- Evidence-based strategies

- Partners and stakeholders
- Maturity of project and partnerships

The project design should not exceed 800 words in length.

4.3.5 Employer Letter of Support or Commitment

Applicants will be asked to upload at least one Letter of Support or Commitment from a private sector semiconductor industry employer. Preference will be given to Letters of Support or Commitment from members of the NSTC in good standing.⁸ A full list of current NSTC members is available at [Natcast.org](https://natcast.org). For the purposes of this section, a semiconductor industry employer is defined as a private sector company that is directly involved in the design, manufacturing, or production of microelectronics or equipment used to produce microelectronic components. It does not include other members of the semiconductor workforce ecosystem, such as training providers, academic institutions, consulting firms, non-profit organizations, or investment firms.

All Letters of Support or Commitment should provide a description of the proposed relationship between the applicant and employer as it relates to the execution of the proposed project. Letters of Commitment must also address any numerical training/interview/hiring commitments from the employer, a description of how successful implementation of this project would positively affect the employer's workforce, and any committed funding support.

Letters of Support or Commitment must be signed by an individual with authority to legally bind the organization to its statement.

Employer Letters of Support or Commitment must be in PDF format.

4.4 Full Proposal: Submission Requirements

Applicants invited to complete a full proposal must include the following components in their full proposal submission.

4.4.1 Applicant Organization and Point of Contact Information

Applicants will be invited to update their point of contact information provided through their Submission Intent Form and provide additional details pertaining to the lead applicant

⁸ Letters of support from at least one semiconductor employer are required unless the proposal is submitted by a semiconductor employer and no other semiconductor employers are partnering on the proposal. Letters of support from semiconductor employers should detail any commitments to interview or hire applicants that participate in the proposed project.

organization, including the legal and public relations points of contact for the proposal within the applicant organization.

4.4.2 Proposal Overview

Applicants will be invited to update their Proposal Overview submitted in the Submission Intent Form.

The proposal overview should not exceed 500 words in length.

4.4.3 Statement of Need

Describe the targeted geographic region(s), including relevant information on semiconductor employer(s) and which semiconductor employer needs will be addressed through the execution of the proposed programs. Provide evidence-based insights into the labor demand landscape of the semiconductor industry in the designated geographic region.

The statement of need should not exceed 800 words in length.

4.4.4 Project Design

Applicants will be invited to update their Project Design submitted in the Submission Intent Form.

The project design should not exceed 800 words in length.

4.4.5 Projected Goals, Objectives, and Outcomes

Describe your project's projected goals, objectives, and outcomes during and after the proposed period of performance, including:

- Projected participant recruitment, retention, and completion rate
- Projected number of individuals served
- Projected rate of participation in the semiconductor industry for individuals served

The description of projected goals, objectives, and outcomes should not exceed 800 words in length.

4.4.6 Project Workplan

Provide a workplan that outlines how applicants will fulfill the project design and reach projected outcomes by the end of the period of performance. At a minimum, the project workplan must include the following components:

- Period of performance

- Task descriptions

The workplan should not exceed 800 words in length.

4.4.7 Staffing Plan

Address the staff and organization's capability to perform the work. The staffing plan should include a description of the qualifications of the applicant organization, key personnel, the time commitments of the key personnel, their role in the project, and how the project staff qualifications will enable them to complete the project work. Staff from contractor or subawardee organizations should be included here if applicable. See Attachment 1 for the definitions of subawardee and contractor.

In addition to the above staffing plan, applicants must submit resumes for each individual identified as key project personnel.

The staffing plan should not exceed 500 words in length, excluding resumes.

Each resume should not exceed 500 words in length.

4.4.8 Sustainability Plan

Proposals must include a plan to sustain and scale the program to accommodate future demand for talent so that partners and stakeholders can continue to provide or access pathways into promising semiconductor careers after the project's conclusion. The plan may include mechanisms to further the work by connecting expertise from multiple sectors and other private and public funders.

The sustainability plan should not exceed 500 words in length.

4.4.9 Creation of Shared Resources

Applicants should clearly identify any resources that will be generated for reuse without restriction by other NSTC members or Natcast, or otherwise be made available through Natcast's digital resource library, to assist organizations with capacity building or understanding best practices in workforce development as a result of the proposed initiative.

This description of shared resources should not exceed 500 words in length.

4.4.10 Leveraged Funding Strategies

Proposals must include a minimum of 10% of the project costs as funded by an external source of funds or the applicant organization to be considered for this opportunity. This minimum will be gauged against the final accepted budget as approved by Natcast during negotiations.

Leveraged resources can come from a variety of sources, including, but not limited to, employers, industry associations, community-based organizations, education and training providers, philanthropic organizations, and/or federal, state and local government programs. Leveraged funding from employers who submit letters of support is strongly encouraged but not required.

Leveraged funding strategies must be disclosed as part of the Budget (See Section 4.4.11 Financial Statements and Budget).

The description of leveraged funding strategies should not exceed 500 words in length. Natcast reserves the right to request additional detail from applicants regarding leveraged funding strategies.

Please see Attachment 2 in the appendix for more details related to the leveraged funding requirement.

4.4.11 Financial Statements and Budget

Natcast is issuing fixed amount Awards under this program, rather than disbursing funding on a cost-reimbursement basis. All applicant cost proposals/budget requests must be submitted as a part of a single uploaded workbook *using the Natcast Budget Workbook template provided*. The proposed costs in the workbook *should be a sum of the total from all partners*.

Please **do not** submit separate tabs or separate budget workbooks for separate partners. Information provided in the Budget Workbook will be used to assess the cost reasonableness of all proposals. Therefore, proposers must maintain the original structure of the Budget Workbook template. They may not add, delete, or modify tabs, columns, or rows *with the exception* of the Detailed Budget tab and the Milestone tab, where rows may be added as indicated. Any other modifications to the template structure will prevent automated processing and may delay review of the proposal. If proposers wish to convey clarifying information beyond what the template accommodates, they may do so on the blue "Optional Additional Information" tab.

Justifications for expenditures should be provided on the "Detailed Budget" tab of the Natcast Budget Workbook, in the far-right column marked "Notes." All information must align with the amounts being requested for that individual line item and funding levels must be consistent with the project scope and allowable costs. The Budget Workbook requires information in the following cost categories:

- **Direct Labor:** The budget justification for all staff/personnel should include the following: Job title, commitment of effort on the proposed project in terms of average

number of hours per week or percentage of time, salary rate, description of the role of the individual on the proposed project and the work to be performed. Salary rate must represent the Applicant's bare or unburdened rates as applications of fringe, overhead, or administrative costs shall be proposed in their respective budget line items.

- **Fringe Benefits:** Provide the blended fringe rate, indicate what types of costs roll up into the fringe and the percentage each cost represents of the total fringe, and the basis for the fringe rate proposed (i.e., historical actuals, provisional or budgetary estimates, etc.).
- **Equipment:** List each piece of equipment, the estimated cost, and a description of how it will be used and why it is necessary for the successful completion of the proposed project. Cost estimation must be supported by adequate justification such as a recent vendor quote, examples of historical costs incurred for similar items of equipment, or market research. Applicable supporting documentation must be provided for any anticipated procurement of equipment equal to or exceeding \$250,000. Supporting documentation pertaining to the procurement of equipment below the \$250,000 threshold may be requested from selected Applicants during the award phase at Natcast's discretion.
- **Travel:** For all travel costs, the budget justification for travel should include the destination; number of people traveling; duration; estimated transportation, lodging and per diem rates; and a description of how the travel is directly related to the proposed project. For travel that is yet to be determined, please provide the best estimates based on prior experience. This should not be charged under another cost category. Travel estimates shall adhere to the following limitations:
 1. **Airfare:** Shall be limited to Coach class fare and U.S. flag air carriers (in accordance with the Fly America Act) to the extent that U.S carriers provide adequate services.
 2. **Lodging, Meals, and Incidentals:** Shall be limited to GSA approved lodging and per diem rates (see URL for U.S. General Services Administration <https://www.gsa.gov/travel/plan-book/per-diem-rates>).
- **Other Direct Costs:** This includes costs such as supplies, printing, publications, postage, shipping, software license or subscription fees, printing, and publications. Include an explanation of the necessity of the cost for the completion of the proposed project.
- **Contractual (i.e., Contracts or Consultants):** Each contract or consultant should be treated as a separate item. Identify the cost (daily rate x period) or fixed fee and describe the services to be provided and the necessity of contract to the successful performance of the proposed project. Contracts are for obtaining goods and services

for use on the project and creating a procurement relationship with the contractor. Examples of contractual or consultant costs include but are not limited to contractual arrangements with software development firms, marketing consulting costs, procurement support services, software licenses, insurance, and other subject matter expert consulting fees. Please see the guidelines for subawardees vs. contractors in the budget workbook template. Cost estimation must be supported by adequate justification such as a recent quote, examples of historical costs incurred for similar services rendered, or market research. Applicable supporting documentation must be provided for any contractual agreement anticipated to equal or exceed \$250,000. Supporting documentation pertaining to contractual agreements below the \$250,000 threshold may be requested from selected Applicants during the award phase at Natcast's discretion.

- **Subawardees:** Each subaward should be treated as a separate item. Identify the entity, the entity's Unique Entity Identifier (UEI), cost, anticipated award type (cost-reimbursable vs. fixed amount), and describe the scope of work to be provided by the performer and the necessity of the subaward to the successful performance of the proposed project. A subaward is for the purpose of carrying out a portion of an Award. Please see the guidelines for subawardees vs. contractors in the budget workbook template.
- **Indirect/Overhead Rates:** Indirect costs are defined as costs incurred by the Applicant organization that shall provide a benefit to the 2025 NSTC Workforce Awards Program but cannot otherwise be directly assigned or attributed to a specific project. Commonly referred to as Facilities and Administrative (F&A) costs, Overhead, Indirect Cost Rates, Applicants may propose indirect cost budgets under one of the following two options:
 1. Use of current Negotiated Indirect Cost Rate Agreement (NICRA), or other Federally approved indirect cost rate agreement applicable to the pricing of proposals.
 2. Election of the de minimis (as defined under 2 CFR 200.414(f)) under which the Applicant shall apply 15% of Modified Total Direct Cost of the award budget.
- **Milestone Payments:** Payments will be issued based on programmatic milestones. Applicants must articulate proposed programmatic milestones tied to specific funding disbursement amounts, expressed as a percentage of the total Award amount on the "Milestone Payment Schedule" tab of the Natcast Budget Workbook. Milestones will be used to negotiate payments and a payment schedule with Natcast for selected proposals. Applicants may propose the initial milestone be the signing of the Natcast Award contract in order to advance funding for the project, *as long as* that first milestone is a reasonable percentage of the total proposal cost. Payments

should be spread out across the life of the project, without the majority paid in the earliest phases. All Milestones beyond the first one should represent significant operational achievements or deliverables – such as payments for completion of training curriculum – and major performance outcomes, such as completion of cohort training, enrollment of participants into jobs, or similar activities in alignment with the proposed scope, as described in their proposal. Milestones must all be for a verifiable product, task, deliverable or goal of the recipient. The maximum total allowable Award amount across all milestone payments in association with each Award made under this program will be \$2,000,000.

Additionally, applicants must submit their most recent audited financial statements. If the audit report does not include a review of internal controls, the applicant must provide a written description of the organization's internal control systems.

4.4.12 Letters of Commitment from Subawardees

Each subawardee cited in this proposal must submit a Letter of Commitment addressing the level of participation, qualifications of the personnel who will be actively involved, and how successful completion of this project would positively impact their profession or community. Letters must be signed by an individual with authority to legally bind the organization to its support. Letters must also specify any committed leveraged funding, including the specific services and/or products to be used in the project.

4.4.13 Additional Letters of Support or Commitment

Applicants will be given the opportunity to update the employer Letter of Support or Commitment uploaded as a part of the Submission Intent Form phase in the Full Proposal Submission Form. Additional letters of support or commitment, beyond the employer Letter of Support or Commitment submitted during the Submission Intent Form phase and any applicable letters of Support or Commitment from Subawardees, are not required but are strongly encouraged. Examples of organizations that may be appropriate to submit additional letters of support or commitment include economic development organizations, industry intermediaries, employers, workforce intermediaries, and regional partners.

Letters of support or commitment must address the level of participation, qualifications of the personnel who will be actively involved, and how successful completion of this project would positively affect their profession or community. Letters must be signed by an individual with authority to legally bind the organization to its support. Letters of support or commitment must also specify any leveraged funding, including the specific services and/or products to be used in the project.

5. Review Criteria

5.1 Submission Intent Form: Screening Criteria

Complete Submission Intent Forms will be evaluated according to the following criteria:

- **Applicant organization eligibility:** The applicant organization meets basic eligibility criteria for this funding opportunity (see Section 3.1 Eligible Applicants). The applicant organization is an NSTC member or committed to becoming an NSTC member by time of Award.
- **Project proposal eligibility:** The proposal aligns with the basic proposal criteria of this funding opportunity, including total budget, project timeline, target start date, and a leveraged funding strategy.
- **Project proposal content:** The proposed project serves jobseekers, workers, students, and/or educators/trainers, and outlines total number of participants served. The proposed project improves access to jobs or skills across U.S. semiconductor manufacturing, design, or production and offers evidence for the theory of change. The proposed project excludes any prohibited expenses/activities not aligned with this funding opportunity (see Section 3.2 Ineligible Uses of Funds).
- **Employer Letter of Support or Commitment:** The employer Letter of Support or Commitment is from a semiconductor industry employer. It is clear how the applicant organization will work with the employer to improve access to jobs or skills in the semiconductor industry.

5.2 Full Proposal: Merit Review Criteria

Full proposals will be evaluated according to the following criteria during the merit review:

- **Project Design and Workplan:** Clarity, reasonability, and likely effectiveness of the approach in planning and execution of the proposed objectives and design. Likelihood of success based on the level of maturity selected. Compelling articulation of how Natcast funding is uniquely additive to achieve project outcomes.
- **Workforce Ecosystem Alignment:** Ability to form meaningful partnerships and collaborations which result in increased participation, de-duplication of programs and activities, and scalable and sustainable solutions.
- **Production of Shareable Resources:** Ability of the project to produce valuable resources that could be leveraged by other semiconductor workforce stakeholders and Natcast to build their capacity to support workforce programs and advance their workforce initiatives.

- **Employer Involvement:** Clear articulation of the role employer partner(s) play in the proposal, and clear commitments to participate in the project from semiconductor employers, including but not limited to:
 - employer participation in the proposal, such as participation in design of curriculum
 - employer commitments to the project, such as commitments to hire or interview individuals who complete the training programs
 - employer contribution of resources to support the project
- **Industry Alignment:** Potential to effectively meet the stated workforce needs of semiconductor employers and maintain lasting relationships, based on the data and regional conditions described.
- **Sustainability:** An assessment of the likelihood the project can move from its current conditions to grow its impact to serve more employers, more workers, and more learners to sustain the project's impact beyond the period of performance and create lasting economic impact.
- **Budget Alignment with Proposed Work:** Assessment of the suitability and focus of the applicant's budget against the proposed activities. Budget projections are reasonable and appropriate for the scale of effort and resources associated with the project.
- **Leveraged Funding Strategies:** Level of financial commitment secured/funds secured by other key stakeholders, such as state/local governments, philanthropy, and industry. Description of other funding sources pursued (please articulate whether they were secured) and project alternatives if this project is not funded by Natcast.
- **Organizational Capacity:** The applicant's capacity for and relevant experience associated with the work outlined in this CFP. This includes a track record of successful project management, establishing long-term project sustainability, and financial management. Applicants must demonstrate that controls are adequate to ensure accountability and timely fiscal reporting, and to protect against incurring unallowed costs with grant funds. Applicants must demonstrate an adequate staffing plan, operational capacity, equipment, facilities and industry engagement to deliver on the proposed outcomes.
- **Evidence-Based Strategy:** The program narrative uses evidence to provide a compelling argument for the effectiveness of the proposed strategy and that the project and/or organization has a feasible plan.

5.3 Finalist Selection Criteria

Natcast will select a portfolio of proposals based on:

- **Merit Review Scores:** Proposals that have been fully completed and have received their final merit review scores will be evaluated and potentially recommended for selection. This process ensures that all necessary information has been provided, and that each proposal has undergone a thorough assessment based on established criteria before making any portfolio considerations.
- **Alignment with Industry:** Degree to which the proposed project aligns with industry needs.
- **Alignment with Employer Demand:** Degree to which the proposed project meets the workforce demand of semiconductor employers.
- **Alignment with Workforce Ecosystem:** Degree to which the proposed project aligns with the needs of the larger workforce ecosystem and de-duplicates efforts across the larger workforce ecosystem.
- **Leveraged Funding Strategies:** Degree to which the proposed project has a strategy to leverage funding from external stakeholders or the applicant organization.
- **Scale of Potential Impact:** The expected number of participants to be served by the proposed project and the number of credentials awarded or individuals placed in jobs in the semiconductor industry.
- **Timeframe of Outcomes:** Degree to which the time horizon to expected impact aligns with the level of effort in project implementation.
- **Variety of Geographic Regions:** Degree to which the collective selected portfolio of projects provide funding to a variety of U.S states and regions.
- **Variety of Solution Types and Providers:** Degree to which the selected portfolio projects offer a variety of solution types (i.e., apprenticeship, high school summer program, incumbent worker training program) by a variety of solution providers (i.e., community college, research university).
- **Variety of Job Roles Served:** Degree to which the selected portfolio projects serve a variety of job roles across semiconductor manufacturing, design, and production (i.e., technicians, engineers, researchers).
- **Availability of Funds:** Funds available to Natcast to support the project.
- **Alignment with the objectives of the WCoE:** Degree to which the proposed project is advantageous to the objectives of the WCoE.

6. Award Administration Information

6.1 Award Administration Requirements

- **Notification of Amendments or Changes:** Should Natcast amend this CFP, information will be posted at <https://natcast.org/workforce/> with a summary of changes. Please regularly visit this webpage to ensure you have access to the most up-to-date copy of the CFP.
- **Period of Performance:** Natcast maintains discretion to modify and extend Awards. Proposals should indicate a period of performance between one and two years in length.
- **Reporting Requirements:** Performers will be expected to provide written qualitative updates and quantitative data describing performance through a software system identified by Natcast on a quarterly basis.
 - Performers should expect to meet with Natcast staff on a monthly basis to provide oral updates, submit quarterly written reports on project progress, and submit a final written report at the end of the period of performance.
 - Performers may also be asked to present at future Natcast-orchestrated webinars to share lessons learned and achievements related to the sponsored project with the broader NSTC community.
- **Intellectual Property (IP):** Performers will be expected to identify any pre-existing IP (which may include patents, proprietary information, etc.) that will be used in completing the project and IP that may be developed with funding under the funding opportunity as a part of the Award agreement.
- **Shareable Resources:** Performers will be required to produce and share resources for inclusion in the WCoE's digital resource library. Natcast will have an unlimited use license for these resources. Natcast will provide an appropriate method for electronic delivery of these resources upon performers' notice of completion.

6.2 Policy Requirements

- **Documentation Retention:** Performers must keep and retain records of all data generated through funded research which includes but is not limited to technical data, specifications, and software. In addition, performers must keep and retain all financial records, supporting documents, statistical records, and other materials related to the Award. These requirements apply for three (3) years following Natcast's final payment.
- **Access for Examination, Audit, Investigation, Inspection:** Performers shall provide Natcast and its authorized representatives with access to any records and supporting

documentation related to the Award in order to sufficiently validate the full accountability of funding and performance.

- **Tangible Property:** The acquisition of certain tangible personal property, including equipment and supplies, must comply with the requirements of 2 C.F.R. § 200.310, 200.313, and 200.314. Performers will be required to record appropriate notices of record to indicate that personal property has been acquired or improved with federal funds and that use and disposition conditions apply to the property, in accordance with 2 C.F.R. § 200.316. For purposes of this CFP, these requirements apply to tangible personal property (including information technology systems), including equipment and supplies, having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the acquiring entity for financial statement purposes, or \$10,000. Performers may not use award funds to acquire or lease real property or to engage in construction.
- **Accounting Standards:** Award agreements will require that performers maintain proper GAAP accounting of all federal funds provided under the Award, as well as maintain commitment to any leveraged funding.

6.3 Federal Requirements

Awards made under this CFP are made from federal funds Natcast receives under an “other transaction agreement” (OTA) with the U.S. Department of Commerce. These funds are not generally subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, or the Federal Acquisition Regulation. They are subject to requirements imposed via the OTA. The OTA requires that Awards under this CFP include terms addressing, at minimum, the following:

- A prohibition on federal funds going to any foreign entities of concern or foreign countries of concern, as those terms are defined in 15 C.F.R. 231.104 and 231.102, respectively, or to any other entity debarred, suspended or otherwise prohibited from receiving federal funds;
- Compliance with export control laws;
- Compliance with Title VI of the Civil Rights Act, Title IX of the Education Amendments, and other non-discrimination laws that prohibit discrimination on the basis race, color, national origin, handicap, age, religion, veteran status, or sex;
- Maintaining effective internal controls;
- Maintaining a System for Award Management (SAM) account and ensuring that it is current, accurate, and complete;

- Maintaining a formal policy to 1. establish a commitment to the timely disclosure of suspected fraud, waste, or abuse related to the Award when sufficient evidence is collected and 2. communicate to employee their rights to anonymously report, without fear of reprisal;
- Maintaining a policy to establish a Code of Conduct applicable to the Performers and their employees that clearly outlines expectations for appropriate behavior and responsibilities;
- A certification to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the making of an Award under this CFP;
- For Award funded travel, adherence to the Fly America Act at 49 U.S.C. § 40118, economy class travel 41 C.F.R. § 301-10.103, and GSA per diem and hotel rates (<https://www.gsa.gov/travel/plan-book/per-diem-rates>) as outlined in Natcast's travel policy.
- Conducting SAM.Gov suspension and debarment checks for any proposed Performers of any value and any vendor or service provider where the anticipated value of the contract shall exceed \$25,000; and
- To the fullest extent possible, Performers must provide domestic preference to the purchase, or use of goods, products, or materials produced in the United States.

These requirements and others will be specified in Award terms. Performers will be subject to awardee monitoring throughout the life of the Award, which will include steps to ensure that subawardees comply with applicable requirements.

7. Natcast Contacts

Subject Area	Point of Contact
Programmatic Questions	amplifier@natcast.org
Press Inquiries	media@natcast.org

8. Terms and Conditions

Natcast will allocate Awards to proposals at its discretion. All costs related to the preparation and submission of a proposal shall be paid by the proposer. Issuance of this CFP does not commit Natcast, in any way, to pay any costs in the preparation and submission of a proposal. By submitting a proposal, proposers affirm that they have read, understood, and agreed to the terms and conditions contained in the CFP.

Natcast is not obligated to make an Award as a result of the CFP process or the receipt of proposals in response to this CFP. Natcast's internal CFP process is flexible and may include, for example, requesting additional documentation from proposers, modifying the proposed budgets or scope of work for individual Awards, or conducting further discussions with proposers as a part of the process.

Funds will only be made available after entering into a binding Award agreement. Natcast may remove proposers from Award consideration if the parties fail to reach agreement on Award terms within a reasonable time or the proposer fails to provide requested additional information in a timely manner.

As a part of the CFP process, proposals and related information submitted under the CFP may be used, edited, modified, copied, reproduced, and/or distributed to Natcast employees, contractors, consultants, and external reviewers as well as the Department of Commerce or other Federal agencies and their contractors or consultants for the purposes of conducting the competition under this CFP. Persons requiring access will be subject to appropriate non-disclosure requirements.

Any parts of a proposal shared with federal agencies may be subject to requests under the Freedom of Information Act (5 U.S.C. § 552). Proposers are encouraged to review proposals for sensitive information and remove such information prior to submission. If sensitive information is disclosed, proposers are required to mark as confidential any part of a proposal they believe is confidential, such as trade secrets or privileged or confidential commercial or financial information.

By submitting a proposal in response to this CFP, proposers represent and warrant that they have the authority to submit a proposal and grant the rights set forth in the CFP on behalf of their organization.

Attachment 1

Subawardee vs. Contractor Guidelines

The guidance provided in the table below should be used to determine if a third-party performing work (not the awardee) is classified as a subawardee or a contractor.

SUBAWARDEE	CONTRACTOR
An entity that carries out a defined portion of a program's scope of work. Natcast Program Management oversees the overall execution of program deliverables.	An entity from whom the awardee purchases property, equipment, or subject matter expertise consultative services needed to carry out an awardee's program.
CHARACTERISTICS INCLUDE: Subawardee	CHARACTERISTICS INCLUDE: Contractor
<ul style="list-style-type: none"> Performs a substantive portion of the programmatic work (i.e. subawardee is directly engaged in carrying out specific objectives of the program award) 	<ul style="list-style-type: none"> Provides goods and/or services within normal business operations
<ul style="list-style-type: none"> May determine eligibility of program participants 	<ul style="list-style-type: none"> Does NOT participate in programmatic decision making
<ul style="list-style-type: none"> Personnel may be included as PI/PD, Co-PI or key personnel on the award 	<ul style="list-style-type: none"> Personnel may NOT be included as PI/PD, Co-PI or key personnel on the award
<ul style="list-style-type: none"> Performance is measured against whether the award objectives are met 	<ul style="list-style-type: none"> Is not directly responsible to Natcast for the program or for determining program results
<ul style="list-style-type: none"> May develop intellectual property or publishable results in relation to the program Award 	<ul style="list-style-type: none"> Does NOT develop intellectual property or publishable results in relation to the program
<ul style="list-style-type: none"> May help design the program execution framework 	<ul style="list-style-type: none"> Does NOT help design execution of the program
<ul style="list-style-type: none"> Has responsibility for adherence to applicable Federal program compliance requirements 	<ul style="list-style-type: none"> Typically does NOT have to adhere to Federal program compliance requirement
	<ul style="list-style-type: none"> Normally operates in a competitive environment
	<ul style="list-style-type: none"> Provides similar goods and/or services to different purchasers or entities

Attachment 2

Leveraged Funding Guidance

This guidance relates to the requirement that a minimum of 10% of the cost of the project must be funded by external sources or the applicant organization. The amount of leveraged funding is determined by Natcast and set in the agreement. Leveraged funding can be met through cost sharing or matching on project awards and is defined as that portion of project or program costs not borne by Natcast.

Cost sharing may include cash, services, contributions or donations of equipment or other property for use in the project, and third-party in-kind contributions for use on the project, similar to those described at 2 C.F.R. § 200.306. In addition, the applicant may propose different types of cost share for evaluation other than those described at 2 C.F.R. § 200.306, provided that the proposed cost share is allocable and necessary for the success of the project and approved in writing by the Workforce Center of Excellence and Finance teams. Travel and Indirect Costs are not acceptable forms of cost sharing. The value of cost share to be provided by any awardee may be determined using Generally Accepted Accounting Principles (GAAP).

1. Cost Share

For cost share to be considered allowable, it must meet the following criteria:

- Are incurred or contributed during the awardee's Natcast funded project period of performance.
- Are verifiable from the awardee's records.
- Are not included as contributions for any other federally assisted project or program.
- Are necessary and reasonable for proper and efficient accomplishment of a Natcast funded project.
- Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
- Are provided for in the awardee's approved budget for Natcast funded projects.

The awardee shall submit to Natcast program office auditable records for all cost share expenditures and agrees to maintain such records for federal review or audit for a minimum of seven (7) years after the closeout of the award.

1.1 Cash Cost Share

Cash cost sharing refers to the direct allocation of funds from an Awardee towards a project where the funds are used to cover project costs. These funds are typically contributed by the Awardee organization or other eligible sponsors and are in addition to the funds provided by Natcast. Cash contributions may include the donation of stock or cash to Natcast.

1.2 In-Kind Cost Share

In-kind cost share is defined as the reasonable value of such cost items, loaned/provided equipment, materials or other property used in the performance of Natcast awards and the resulting Natcast funded project statement of work. In-kind contributions may be complex to value and difficult to support during audit, therefore caution should be utilized when reporting any in-kind cost sharing. The value of cost sharing to be provided by any awardee must be determined using Generally Accepted Accounting Principles (GAAP) Fair Market Value standards. Additionally, all in-kind costs must be allowed under the Awardee’s applicable cost guidelines and not charged directly to a Natcast project or other Government program.

For the purposes of Natcast, in-kind cost share may include labor, services, materials, equipment or property and other elements of cost, as further defined in the table below. Currently, Natcast does not allow Travel or Indirect costs as allowable cost share types.

Types of In-Kind Cost Share	
Labor	Services furnished by professional and technical personnel, consultants or other skilled and unskilled labor that are charged directly to the Natcast project/agreement. The service is an integral and necessary part of the approved Natcast program/agreement. Labor rates for services shall be consistent with those paid for similar work in the labor market in which the member competes for the kinds of services involved and defined in the cost-share proposal. Personnel costs claimed as cost share must be based on actual time worked and be supported by verifiable records such as timesheets, payroll registers, and effort reports, consistent with 2 CFR § 200.430 and DCAA guidelines. To receive labor cost-sharing credit, the amount and supporting documentation must be submitted to Natcast for tracking and compliance purposes.

Materials	Cost share supplies or materials may include laboratory supplies and equipment or workshop and classroom supplies related to the proposed project, provided that all costs are reasonable, verifiable and allocable. To receive credit for materials cost sharing, the value should be defined in the cost sharing proposal and documentation submitted as costs are incurred.
Software Licenses	Software Licenses related to the project may be claimed if the fair value is reasonable and allocable. To receive credit for the use of software licenses, the cost allocation of the license to the program should be defined in the cost sharing proposal and documentation submitted to substantiate the cost and allocation.
Property, Plant and Equipment	For support activities related to the project that require the use of equipment and buildings, normally only depreciation or use charges for equipment and buildings may be counted towards meeting an in-kind donation obligation. However, the full fair market value of equipment or other capital assets may be allowed, provided that the contribution is approved and accepted by Natcast and is not charged directly to another Natcast project or other Government program. The value of donated equipment shall not exceed the fair market value of equipment of the same age and condition at the time of donation. Value is to be supported by independent appraisals, or if new, receipts of proof of purchase. If equipment is being donated for use in the project, the proportional use of the equipment on the Natcast program must be included in the cost-share proposal. To receive credit, documentation must be submitted to prove the allocation of use or title transfer (whichever applies).

2. Valuation

Applicability of GAAP Fair Market Value to In-Kind Cost Share contributions must be recorded at fair market value (FMV) in accordance with both GAAP and federal grant requirements. GAAP, particularly as outlined in FASB ASC 958-605, requires that contributed non-financial assets (or "in-kind contributions") be recognized and disclosed

at their estimated FMV at the time of receipt, with appropriate valuation techniques used to ensure transparency and auditability. These principles apply across a range of in-kind categories, which are detailed below.

2.1 Labor (Volunteers and Donated Professional Services)

In-kind labor contributions must be calculated based on actual salary, hours worked, and applicable fringe benefits. In addition, the annual salary should be comparable to the value based on the market rate for similar work. These must be measured at FMV based on prevailing hourly or salary rates for similar work in the local market or using published industry standards (e.g., Bureau of Labor Statistics). For cost share reporting under federal awards, volunteer hours must also be valued at rates that reflect the nature and complexity of the work performed and must be supported by time logs and certification of service.

2.2 Materials and Supplies

In-kind contributions of tangible goods, such as office supplies, construction materials, or laboratory reagents, must be valued at their replacement cost or market selling price at the time of donation. Under GAAP, organizations must not rely on original purchase prices or outdated valuations, especially if goods are used (not new) or near expiration. The FMV must be objectively determined, often using vendor catalogs, retail websites, or recent purchase orders.

2.3 Property, Plant, and Equipment (PP&E)

The FMV of in-kind equipment contributions must reflect the current market price for a comparable asset in similar condition and age. If the asset is used or depreciated, an appraisal or adjusted valuation may be necessary. For cost share purposes, only the use value during the award period may be counted unless ownership is transferred. Use contributions (i.e., loaned equipment) should be valued based on rental or lease rates for comparable assets.

2.4 Software

Software license contributions must be valued based on the retail license fee or subscription cost that was paid by the awardee. For enterprise software or SaaS donations, use published rates or quotes for comparable usage levels. If the license has usage restrictions or time limits, FMV should be adjusted accordingly.

3. Cost Allocation of In-Kind Cost Share Contributions When Not Fully Utilized on a Federal Project

When in-kind cost share contributions are not exclusively used for a single project, the fair market value (FMV) of the contribution must be allocated proportionally based on actual benefit received by the project. This approach ensures compliance with the principles of allocability, reasonableness, and supportability under both GAAP and federal grant regulations (2 CFR § 200.405 – Allocable Costs). The overarching principle is only the portion of the in-kind contribution that directly benefits the federal project may be reported as cost share. The remaining value must be excluded or allocated to other benefiting activities.

General Cost Allocation Considerations:

3.1 Determine Total FMV of the In-Kind Contribution

First, assess the full fair market value of the donation using standard valuation methods (e.g., actual price paid, vendor pricing, appraisals, or published rates).

3.2 Establish Basis for Allocation

Determine a reasonable, documented basis for allocating usage among projects, departments, or cost objectives. Allocation bases may include:

- Hours used
- Square footage
- Units consumed
- Licenses assigned
- Number of project participants or clients served

3.3 Allocate Based on Actual Usage or Benefit

Apply the selected basis to apportion the total value across benefiting activities. The portion benefiting the federal award is reported as cost share; the rest is excluded or allocated elsewhere.

3.4 Document Allocation Methodology

This information needs to be submitted to Natcast and approved as a part of the cost-sharing portion of the award.

Maintain clear documentation explaining:

- The FMV calculation
- The allocation methodology
- The usage or consumption data supporting the split

- Any relevant logs, schedules, or usage reports

When allocating in-kind cost share contributions across multiple activities, it is critical to apply consistent and well-documented allocation methods that can be clearly explained and substantiated. Auditors will expect to see traceable records linking the fair market value (FMV) of the donation to its actual use on the federal project, supported by usage logs, time records, or access data. Estimates must be based on reasonable and justifiable assumptions, and any allocation must be in proportion to the benefit received by the project. Furthermore, all supporting documentation must be retained in accordance with the federal record retention period—typically three years from the final financial report—or longer if the award is subject to additional audit or litigation hold requirements. Failure to adequately support the allocation may result in a disallowance of reported cost share.

4. Support and Auditability

4.1 Cash Cost Share Support

4.1.1 General Ledger Detail

The awardee must provide general ledger reports showing detailed transaction entries for each cost share item. These should include account numbers that clearly distinguish cost share expenses from federally reimbursed costs, along with line-item descriptions that align with the program's objectives. The general ledger should also indicate the funding source, confirming that the expense was paid using non-federal funds.

4.1.2 Source Documentation

For each cost share transaction, source documentation must be available to verify the nature and amount of the expense. This includes original invoices, receipts, or vendor contracts. For expenses already paid, the awardee should provide proof of payment such as cleared checks, bank statements, or payment vouchers. If the cost share includes labor, detailed payroll records are required, including signed and approved timesheets, payroll registers, effort reports, and documentation of fringe benefit allocations.

4.1.3 Budget vs. Actual Reports

Auditors will expect to see budget-to-actual comparisons showing the original cost share commitment and the actual amount expended to date. These reports help ensure that the awardee is on track to meet its cost share obligation. If the actual expenditures differ from the commitment, variance explanations should be included to justify the overage or shortfall.

4.1.4 Timing and Use

Cost share expenses must be incurred during the official period of performance of the award. The awardee must demonstrate that the costs were not only timely but also directly tied to project objectives. Additionally, documentation should confirm that the same expense was not claimed for federal reimbursement, thereby avoiding double dipping.

4.2 In-Kind Cost Share Support

4.2.1 Documentation of Contribution

When reporting in-kind cost share, the awardee must obtain and retain formal documentation, such as a signed letter, agreement, or memorandum of understanding. This document should describe the nature of the contribution (e.g., equipment, services, space), specify the dates or period of use, quantify the contributed resources, and assign an estimated fair market value. The agreement must also affirm that no federal funds were used to support the in-kind contribution.

4.2.2 Valuation Support

To support the fair market value (FMV) of in-kind contributions, documentation must be provided that validates the assigned value. This may include third-party appraisals, vendor quotes, published price lists, or other reliable sources. For donated professional services, the awardee should obtain a rate justification, showing how the service contributed is priced in the open market.

4.2.3 Use and Benefit

The awardee must demonstrate how the in-kind contribution was directly used in support of the program's goals. For example, donated lab equipment should be accompanied by documentation showing how it was deployed in the research or technical activities of the project. A narrative explanation or usage log may be necessary to link the contributed resources to a specific program output or deliverable.

4.2.4 Tracking and Internal Controls

In-kind contributions should be tracked using a centralized system or dedicated cost share ledger. The system must include details such as date of contribution, contributor name, resource description, estimated value, and documentation status. Internal controls must be in place to review and approve all in-kind entries, with certifications by project leadership attesting to the validity and applicability of

the contribution. These procedures help ensure consistency, reliability, and compliance with federal regulations.