

Letters of Commitment Templates: Financial and In-Kind Commitments

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Overview

The terms cost share and cost match are often used interchangeably to refer to the portion of project costs not covered by the awarding agency. While these terms may be used interchangeably, they do have distinct differences. A cost share is a general term used to signal that the awardee must also provide funding towards the proposed project, often represented as a percentage (e.g., “Applicants must provide 20% of the total project cost from non-federal resources.”). However, a cost match often denotes a required proportional contribution of non-grant funds, typically expressed as a ratio (e.g., “Applicants must provide a 1:1 match of non-federal funding for the amount requested.”).

These non-grant contributions can come from the applicant or from external sources, such as project partners or other funding entities. Two of the most common types of cost matches are cash and in-kind funding. In-kind funding is a non-monetary contribution where goods, services or expertise, valued at a fair market price, are provided instead of cash. When funds or in-kind assets for cost matches are provided by an outside source, applicants are required to document the commitment through formal written verification.

Commonly referred to as a Letter of Commitment, this documentation is a formal, binding statement from an individual or organization confirming that specific resources will be provided to support the grant-funded project. Federal agencies rely on these letters as evidence that the applicant has secured the required cost share, match, or partnership outlined in the funding opportunity.

A strong letter of commitment must:

- » Clearly identify the committing entity and its authority to commit resources (2 C.F.R. §200.306(b))
- » Specify the type, amount, and duration of the commitment (2 C.F.R. §200.306(b)(6))
- » Affirm that the resources are available and allowable (2 C.F.R. §200.306(1)-(4))
- » Align with the opportunity’s statutory and regulatory requirements (2 C.F.R. §200.306(a))

Before drafting or finalizing any letter, review the funding agency’s specific guidance on match funds and corresponding letters, checking for specific letter templates, and ensuring match eligibility, proper letter formatting, and other similar guidance. Note that some agencies may require applicants to submit other cost share verification forms in addition to letters of commitment. Failure to follow agency-specific instructions can result in the letter being rejected or marked as non-compliant.

Key compliance areas to verify:

- » Formatting (Letterhead requirements, page limits, file format)
- » Authorized signatory rules (e.g., legal counsel, CFO)
- » Required content elements (match percentage, valuation method, performance period)
- » Restrictions on commitments (use of federal funds as a match)
- » Types of matching funds allowed (cash, in-kind, etc.)
- » Submission instructions (deadlines, document name instructions)

Instructions

The templates below are provided solely for referential use. Users should adapt these templates to align them with federal agency and NOFO guidance, their own match-fund requirements, and relevant program specific information. The examples below do not represent any funding or match requirement and are drawn from deconstructed elements of prior letters of commitment used in other contexts.

After confirming that the template aligns with the opportunity requirements:

- » Enter applicant-specific information into the highlighted yellow fields, using the bracketed notes to guide the narrative.
- » After completing the yellow fields, review and send the completed template to the committing entity.
- » The committing entity should fill in the blue fields only.
- » Ensure that the entity specifies exact resource type, dollar value and period of availability, and validate that the signer has legal authority to commit funds or resources on behalf of their organization.
- » After both partners have completed the template, ensure the commitment is allowable, properly valued, and consistent with municipal financial controls and grant guidelines, consulting with the appropriate financial or legal teams to verify.
- » Finally, save the signed letter in the grant file, submit when appropriate, and retain the letter along with other project documentation for future reference.

Disclaimer: Templates are for referential use only and should be modified to fit both applicant goals and agency requirements. Use of templates does not guarantee the award of any grant or funding. The Maryland Municipal and Technical Assistance Program (MTAP) team, Hagerty Consulting, and the Maryland Department of Budget and Management (DBM) make no representations or warranties regarding suitability for any specific grant program, and assumes no responsibility for any legal, financial or compliance obligations, including but not limited to requirements related to match-funds, cost share commitments or other grant conditions. Users are strongly encouraged to consult with appropriate legal, financial or grant management professionals before submitting any application materials.

Template 1 – Cash & In-Kind Match

Letterhead/Date

Company Name

Address Line 1

Address Line 2

Dear [Applicant Name],

This letter represents a commitment by [Partner Name] to provide the following matching funds in support of [Applicant]'s proposed project, [Project Title]. The support is provided as per requirements outlined in [NOFO/Agency], from [Date] to [End-of-Project Date], and committed matching funds are for [Project Title] under the technical direction of [Name].

- » [Cash/contributions] in the total amount of [\$\$\$], which we will provide during the grant period [Date] through [Date]. [Insert a sentence identifying where the match is derived from, demonstrating it is from an allowable source].
- » Funds will be used to/for [Insert relevant information from budget narrative or supporting documents here].
- » We will provide the following amounts per year:

Year	Amount
Add Text Here	Add Text Here
Add Text Here	Add Text Here

- » In-kind contributions in the total amount of [Dollar Amount], will be contributed as follows:
- » [Description of in-kind funding match, i.e., salaries and wages of supporting staff]

Employee Name	Title	Description of Duties	Base Rate	Year 1 #Hrs or \$ Equivalent	Year 2 #Hrs or \$ Equivalent	Year 3 #Hrs or \$ Equivalent
Add Text Here	Add Text Here	Add Text Here	Add Text Here	Add Text Here	Add Text Here	Add Text Here

» The following items/activities with a total fair market value (FMV) of [Dollar Amount]:

Item/ Activity	FMV per unit or activity	Justification of FMV	Year 1 Amount Contributions	Year 2 Amount Contributions	Year 3 Amount Contributions
Add Text Here	Add Text Here	Add Text Here	Add Text Here	Add Text Here	Add Text Here

Although [Partner Name] does not anticipate a discrepancy or loss of funding, [Implement mitigation strategy here].

As such, we at [Partner Name] are pleased to offer our commitment and support to [Applicant] and their proposed project, with the confidence that [Project Name] will [define project outcome benefits or goals].

Sincerely,

Template 2 – Cash or In-Kind Match

Letterhead/Date

Company Name

Address Line 1

Address Line 2

Dear [Applicant Name],

The [Grant Program Title] through [Awarding Agency] requires a [Percentage Amount] non-federal contribution of match funding. This letter serves as [Partner Name]'s commitment to meet the matching fund requirements for [Applicant]'s proposed project, [Project Name].

We, [Partner Name] are pleased to provide a [# of Years] support/contribution of [Dollar Amount] to [Applicant], in support of [the overall goal of applicant's project + how it bolsters the community].

This [In-kind/cash/etc.] match will be met through [Funding Source] and [Dollar Amount] will be disbursed in installments over [#of Years] period, as outlined in the following payment schedule. The funds will be disbursed [Monthly/Annually/Semiannually, etc.] to your organization with the first payment being made within [Period of time] of the notification of grant award.

Year	Amount
Add Text Here	Add Text Here
Add Text Here	Add Text Here

Provide amount justifications here:

In the event of [Insert financial issue such as discrepancy/lost funds/etc.], [Insert allocation mitigation/recovery strategy]

We are confident that [Project Title] will [Insert positive/outlined impacts on community here] and look forward to collaborating with [Applicant Name] for the future of [Town/Community/goals].

Sincerely,

Template 3 – In-Kind Match

Date

Company Name

Address

Dear [Applicant Name],

This letter is to confirm [Partner Name]'s planned participation/commitment in and contribution to [Applicant]'s proposed project [Project Title]. This proposed project is submitted in response to [NOFO Title], under the determination that there is a need for [Project Objective] due to [Reason posed by grant initiative].

[Partner Name] agrees to contribute [Dollar Amount] in match funding for the project:

- » [Dollar Amount] to be used for [Activity/project]
- » In-kind Match: [Dollar Amount] [Provide details and justification]
- » Equipment: [Dollar Amount] [Provide details of equipment donated]
- » Wages and Benefits: [Dollar Amount] [Provide justification for wages]
- » Total Match: [Final Dollar Amount]

This contribution is given to specifically match the [NOFO Title] grant, with the intention of bolstering [Overall project goals presented by applicant] in support of [Related NOFO goals]. Without this match [Provide detailed response].

[Partner Name] does not anticipate any circumstances, financial or legal, barring us from meeting our commitments as presented in this letter. In the event of unforeseen loss of funds, [Provide mitigation plan].

As such, [Partner Name] is pleased to offer this match commitment in support of [Applicant]'s proposed [Project Title], as it will [Describe benefit to community that match both required grant standards and insider perspectives from company authorizing this letter].

Sincerely,

Template 4 – Cash Match

Letterhead/Date

Company Name

Address Line 1

Address Line 2

Dear [Applicant Name],

Please accept this letter as certification that [Partner Name] commits to providing the following, otherwise non-obligated, eligible match/leverage support for [Applicant] and their proposed project, [Project Title]. [Partner Name] commits to offering [Type] support throughout the entire duration of the grant term, as per [NOFO] guidelines.

The grant funding commitment is contingent upon confirmation of [Applicant]'s receipt of the [NOFO] award from [Awarding Agency]. Upon receipt, match funds of [Dollar Amount] will be disbursed in installments over a [# of Years] period, as outlined in the following payment schedule.

Year	Amount
Add Text Here	Add Text Here
Add Text Here	Add Text Here
Total:	Add Text Here

It is understood that these grant funds will be used in accordance with the budget as outlined in [Applicant]'s application, and further understood that no [Insert level of changes expected, i.e. "substantial"] changes shall be made within the budget or grant period without prior written approval from [Partner Name].

A condition of this commitment is that [Applicant] submits to us a final report by [Date], containing a fiscal account of grant expenditures and [Provide other expectations, if applicable].

This contribution is given to specifically match the [NOFO Title] grant, with the intention of bolstering [Overall project goals presented by applicant] in support of [Related NOFO goals]. Without this match [Provide detailed response].

[Partner Name] does not anticipate any circumstances, financial or legal, barring us from meeting our commitments as presented in this letter. In the event of unforeseen loss of funds, [Provide mitigation plan].

Sincerely,

Examples

The examples below adhere to the formats presented in the templates above. As noted, users should adapt and modify components of these templates to align with their specific project requirements and official funding opportunity guidelines. Use of these examples does not substitute for a thorough review of applicable program instruction, statutory requirements or administrative criteria. Applicants should ensure that all submitted materials comply with the authoritative guidance provided by the administering agency.

Example 1 – Cash & In-Kind Match

January 1, 2026

Bright Idea Electrics

123 Lumen Way

Marylandville, MD, 12345

Dear Town of Marylandville,

This letter represents a commitment by Bright Idea Electrics to provide the following matching funds in support of Marylandville’s proposed project, “A Brighter Tomorrow”. The support is provided as per requirements outlined by the U.S. Department of Energy’s program “Clean Energy for U.S. Cities”, from May 1, 2026, to May 1, 2029, and committed matching funds are for “A Brighter Tomorrow” under the technical direction of John Watt.

- » Cash payments in the total amount of \$900,500, which we will provide during the grant period May 1, 2026, through May 1, 2029. The Board of Directors at Bright Idea Electrics authorized the allocation of monies from the company’s restricted reserve fund to serve as eligible matching funds in support of the grant award.
- » Funds will be used to interconnect the electrical systems of the Bright Idea Electric’s supplemental power plant, the Coastline County backup grid, and the Marylandville grid system to enhance energy reliability and resilience.
- » We will provide the following amounts per year:

Year	Amount
2026	\$100,000
2027	\$100,000
2028	\$100,000
2029	\$100,000

- » In-kind contributions in the total amount of \$500,500, will be contributed as follows:
- » Salary and benefits for lead engineer to oversee the project for 3 years.

Employee Name	Title	Description of Duties	Year 1	Year 2	Year 3
Sarah Volt	Sr. Electrical Engineer	Oversee electrical systems interconnection efforts throughout the construction period of the project.	\$166,833	\$166,833	\$166,833

Although Bright Idea Electrics does not anticipate a discrepancy or loss of funding, the firm will proactively institute enhanced financial safeguards throughout the duration of the project, including mandatory variance monitoring and staged release of matching contributions to ensure that any unforeseen shortfall is immediately contained and that all financial obligations to Marylandville are met without interruption or reduction of scope.

It is understood that these grant funds will be used in accordance with the budget as outlined within Marylandville's application, and further understood that no changes shall be made within the budget or grant period without prior approval from Bright Idea Electrics.

As such, we at Bright Idea Electrics are pleased to offer our commitment and support to Marylandville and their proposed project, with the confidence that "A Brighter Tomorrow" will strengthen community grid resilience and will produce a brighter future for all.

Sincerely,
John Watt,
Bright Idea Electrics

Example 2 – Cash Match

January 1, 2026
Noah's Ark Flood Restoration Co.

123 River Route
Marylandtown, MD, 12345

Dear Town of Marylandtown,

Please accept this letter as certification that Noah's Ark Flood Restoration Co. commits to providing the following, otherwise non-obligated, eligible match for Marylandtown and their proposed project, "Marylandtown Flood Mitigation Project". Noah's Ark Flood Restoration Co. commits to offering cash support throughout the entire duration of the grant term, as per the Federal Emergency Managements Agency's (FEMA) "Flood Resilience for U.S. Cities" guidelines.

The grant funding commitment is contingent upon confirmation of Marylandtown's receipt of the Flood Resilience for U.S. Cities award from FEMA. Upon receipt, match funds of \$600,000 will be disbursed in two installments over a two-year period, as outlined in the following payment schedule.

Year	Amount
2027	\$300,000
2028	\$300,000
Total: 2	\$600,000

It is understood that these grant funds will be used in accordance with the budget as outlined in Marylandtown's application, and further understood that no substantial changes shall be made within the budget or grant period without prior written approval from Noah's Ark Flood Restoration Co.

A condition of this commitment is that Marylandtown submits to us a final report by November 1, 2028, containing a fiscal account of expenditures, which shall constitute a complete and accurate statement of all costs incurred and funds applied from the committed funds. This final report shall be furnished with enough detail as we may reasonably require to verify compliance with the terms of this commitment and the underlying grant award.

This contribution is given to specifically meet the match requirements for the Flood Resilience for U.S. Cities grant, with the intention of bolstering flood mitigation strategies and community flood-risk training and education efforts in support of the opportunity efforts to preserve local infrastructure and implement educational and emergency resources for at-risk populations. Without this match Marylandtown risks continued damage to critical local infrastructure and faces heightened risk for flood-related injuries and losses of life in the southernmost area of town.

Noah's Ark Flood Restoration Co. does not anticipate any circumstances, financial or legal, barring us from meeting our commitments as presented in this letter. In the event of unforeseen loss of funds, institute enhanced financial safeguards throughout the duration of the project, including mandatory variance monitoring and staged release of matching contributions to ensure that any unforeseen shortfall is immediately contained and that all financial obligations to Marylandtown are met without interruption or reduction of scope.

Sincerely,

Noah Downpour - Noah's Ark Flood Restoration Co.