



4

**Grant
Administration**

In order to meet all statutory and policy requirements, a municipality must establish a system of administration that assigns responsibilities to oversee program management and ensure compliance with applicable laws and regulations. The organizational system set up by this guide will assist you in developing that system.

Areas specifically addressed in this section are:

- Financial Management
- Record keeping
- Contracts/Procurement
- Progress Reporting
- Benefit Documentation
- Acquisition/Relocation
- Labor Standards

Areas addressed in other sections are:

- Environmental Review
- Equal Opportunity/Civil Rights
- Grant Agreement Closeout

Four different possible administrative structures are briefly described below. No one structure is better. Other structures, or hybrids of the ones below, may work just as well:

- 1) **Municipal Community Development Office** - A community development office exists, or is created, within the municipal government structure.
- 2) **Municipal Employee(s)/Department** - The municipal CEO delegates VCDP grant responsibilities to existing municipal employee(s) or department(s) in the absence of a community development office.
- 3) **Public Agency** - A public, non-governmental organization is retained to administer and implement grant activities. These types of organizations include, but are not limited to: regional planning commissions, regional economic development corporations, community action agencies, public housing authorities, housing development corporations, economic development corporations, revolving loan funds, or land trusts. Public Agencies can be hired for this work without going through the standard

**Possible
Administrative
Structures**

procurement process. Form PM-4, Resolution to Designate a Public Agency, is shown on the next page, followed by instructions for completion.

- 4) **Consultant** - A consultant or consulting firm is retained to administer the grant activities. The procurement procedure described in Chapter 6 would be followed in this situation. This means that if you want the person who wrote your grant application for you to administer the grant, you must go through the procurement process before contracting for the **grant writing** services.

The type of structure selected will determine who has day-to-day responsibilities for assuring that VCDP compliance requirements are met. In all cases the municipal CEO (or designee) has the ultimate responsibility for meeting those requirements. Failure to meet requirements can result in monitoring or audit findings, and/or the Department withholding or taking back VCDP grant funds. Noncompliance can also affect the municipality's ability to receive future VCDP funding.

Model documents that may be required under the VCDP Grant Agreement: can be found on our Department's webpage.

See Forms and Sample Documents.

- Administrative Services and Program Management Contract page 4-6
- Consortium Contract page 4-13
- Loan and Security Agreement (Single Grantee) page 4-15
- Loan and Security Agreement (Consortium) page 4-25
- Standby Agreements page 4-35
- Benefit and Performance Agreement page 4-40
- Subgrant Agreement page 4-49
- Subgrant Agreement for a NCDO page 4-59
- Subgrant Agreement with General Administration and Professional Services Contract included page 4-99
- Administrative Services Contract page 4-109
- Program Management Contract page 4-114

Model Contracts and Agreements

Instructions for Form PM-4 - Resolution to Designate a Public Agency

Federal Law provides that: “One or more public agencies, including existing local public agencies, may be designated by the chief executive officer of a . . . unit of general local government to undertake activities assisted under this title.” Section 102(c) of the Federal Act [42 USC 5301 et seq.]

This means that municipalities may contract with a public agency to administer a VCDP grant without having to follow the Agency Procedures regarding procurement. The procurement procedures would apply, however, if additional staff persons, consultants, or other professional services are to be sought. These procedures would have to be followed by either the municipality or the public agency, depending on which was procuring such services.

- 1) Fill out this form designating the public agency with which the contract will be negotiated and indicating the activities to be undertaken.
- 2) The completed original form should be signed by a majority of the legislative body and sent to:

Agency of Commerce and Community Development
Department of Housing and Community Affairs
National Life Building, Drawer 20
Montpelier, VT 05620-0501

- 3) A copy of the form should be placed in the lead grantee’s Grant Award file, and the participating grantee(s) should keep a copy for its records.

Consortium Grants

If your grant involves a consortium of municipalities, there must be a contract among the several grantees to designate a Lead Grantee to act as agent for all the municipalities. This contract is a legal and binding document, which binds the grantees one and severally to all the terms and conditions of the Grant Agreement. You may want to consult a lawyer in negotiating this contract.

A sample Consortium Contract begins on page 4-13.

Consortium Requirements

A consortium is created when two or more municipalities submit a joint application with one municipality agreeing to serve as the lead grantee. If the joint application is funded, there are requirements for a consortium that vary somewhat from the requirements for an award to a single municipality.

While the lead grantee accepts responsibility for managing the grant, it is important to remember that each of the participating grantees share in the responsibility if any problem(s) develops. For example, in the worst case scenario of VCDP funds having to be repaid to the Agency, it is the joint responsibility of each consortium member to repay the funds.

The purpose of this section is to provide an explanation of each of the special requirements.

Environmental Review: There are no special requirements. The lead grantee has the same responsibilities as a single grantee.

Adoption of Policies: Each of the policies referred to in **Chapter 2** in the sample Grant Agreement and appearing in **Chapter 3** must be adopted by the lead grantee **and each** participating grantee.

Financial Management Forms: There are no special requirements. The lead grantee needs to submit the financial management forms.

Grant Agreement Resolutions: The members of a consortium must adopt a resolution specifically designed for a consortium. The lead grantee must use Form PM-2 (shown in Chapter 3, page 3-17) while the participating grantee(s) must use Form PM-3 (shown in Chapter 3, page 3-19).

Grant Agreement: The municipalities in the consortium must execute a consortium contract (pages 4-13 and 4-14) designating one municipality to serve as the lead grantee to act as agent for all the municipalities. It is highly recommended that an attorney(s) is consulted before executing this contract, since this consortium contract is a legal and binding document which binds the municipalities one and severally to all the terms and conditions of the Grant Agreement. During the Grant Agreement negotiations, it is up to the individual

Consortium of Municipalities

municipalities to determine how involved each one wants to be. Only the lead grantee is required to execute the Grant Agreement with the Agency.

Requisitions: There are no special requirements. Only the lead grantee is involved in the requisition of VCDP grant funds.

Grant Administration: The administration of the grant is a responsibility of the lead grantee. The lead grantee may opt to hire a grant administrator, but each member municipality of the consortium is liable for any non-compliance issues that arise during the course of carrying out the grant. It is up to the consortium members to determine the level of involvement in the administration of the grant.

Program Closeout: Closing out the grant is the responsibility of the lead grantee.

Audit: The lead grantee is the only municipality subject to audit requirements. It is suggested that participating grantees share in the cost of a single audit report not chargeable to the grant, since the lead grantee must pay this cost.

Closeout Agreement: The lead grantee executes the closeout agreement. However, it is recommended that the participating grantees are involved in the closeout agreement negotiation process.

Financial Management

Key Points

It is imperative that you have someone with sound accounting or bookkeeping skills handle the financial management responsibilities to ensure that the financial standards outlined in Section X, Financial Management of the Grant Agreement are met. See Chapter 2, Sample Grant Agreement, and Financial Management Standards later in this chapter.

The information below amplifies the financial management standards on page 4-74.

- 1) **Requisition Process:** A system is necessary to ensure that requisitions (Form FM-6) are submitted to the Agency as required.

The requisitions must be filled in correctly, including the proper accounting of Other Resources, and signed by the proper official(s). See section on Requisitions later in this Chapter.

- 2) **Accounting Journals/Registers:** A cash receipts and a cash disbursements journal must be set up. Both journals must show all financial transactions by grant activity. See the List of VCDP and the Model Journal later in this chapter.

In addition, an obligations register is necessary for any grant including a grant activity with incremental obligations, such as housing rehab or economic development revolving loan funds. The obligations register tracks the amounts obligated and the balance of the remaining unobligated funds. See the Model Obligations Register later in this chapter.

- 3) **Cash Control Ledger:** A running cash-on-hand balance must be continually calculated to ensure that you comply with the requirement of not having more than \$5,000 of VCDP grant funds per Grant Agreement on hand for longer than ten (10) calendar days after the funds are deposited into the grant depository account. See the Model Journal later in this chapter.
- 4) **Budget Comparison:** A budget control ledger must be updated on a regular basis (monthly is recommended). There should be a comparison of actual expenditures in each activity to the budgeted total for each activity. The budget figures for each activity are the amounts authorized by the Agency in the Grant Agreement, and they cannot be exceeded without prior Agency notification, and/or approval (and possibly an amendment to the Grant Agreement). See Chapter 2, Sample Grant Agreement, Section XXV. , Revisions, Extensions and Amendments.
- 5) **Fidelity Bonding Insurances:** Federal funds must be protected, which requires that all persons at the grantee level who deposit federal funds (including Program Income) and/or sign checks must be bonded in an

**Financial
Management
Skills Required**

**No More Than
\$5,000 Of VCDP
Funds For More
Than 10 Days In
The Depository
Account**

**Fidelity Bond
Coverage
For Grantee,
And/Or
Administrator**

amount commensurate with any potential loss. Typically, coverage of \$100,000 should be adequate. See Form FM-2 in Chapter 3, Financial Management Forms.

It is your responsibility to determine if a contracted administrator has adequate fidelity bonding for its personnel handling the VCDP grant funds, including escrowed housing rehab funds and Program Income.

- 6) **Internal Control:** Someone must be responsible for reviewing all expenditures (invoices, time sheets, etc.) for eligibility and accuracy and authorizing payment. That person should not be a person with VCDP check signing authority.
- 7) **Salary Expenses:** The time sheet is the documentation for charging a salary expense to the grant. All employees of the grantee and employees of the grant administrator being paid with VCDP grant funds must maintain a time sheet. A time sheet is necessary whether an individual is paid a salary or paid by the hour.

Each individual's time sheet must list the hours worked per grant by each grant activity and the total hours worked in the payroll period. Time sheets should be reviewed and initialed by the individual's supervisor. A Sample Time Sheet appears later in this chapter.

Under some circumstances, the Agency will waive the time sheet requirement. The most common reason for waiving the time sheet requirement is when the employee(s) is charging salary to only one state or federal funding source and the services contract is a fixed fee contract. A written request for the waiver must be provided to the Agency and approved in writing.

It is highly recommended that time sheets be maintained even if you have no intention of charging personnel expenses to the grant. If you seek to amend the Grant Agreement to include personnel expenses, it will be almost impossible to justify them without time sheets.

A consultant does not need to maintain time sheets, but the consultant invoice must include enough detail to allow you to pay the consultant under the terms of the consultant contract.

- 8) **Other Resources Ledger:** The Other Resources consist of actual cash expenditures or cash in-kind expenditures. An example of a cash in-kind situation is the salary of a town manager devoted to managing a grant, but the Town does not seek reimbursement with VCDP grant funds. In-kind contributions are not acceptable as Other Resources. An example of an in-kind contribution is assigning a dollar value to a volunteer's time serving on a loan review committee.

If funds from Other Resources are a part of the Grant Agreement budget, a ledger must be maintained to meet the following criteria for each source of

Other Resources. See sample Model Other Resources Ledger later in this Chapter.

- a) The amount committed, the amount received and when, and the balance to be received.
- b) The documentation of the amount expended and when, and for what purpose. Acceptable documentation for expenditures includes: copies of invoices, time sheets, and receipts, etc. and canceled checks. In some Grant Agreements, the Agency may accept other documentation such as the "Closing Sources and Uses Summary" for an acquisition.

For an economic development loan to a for-profit business, you may opt to obtain an affidavit from the business to serve as documentation of the expenditure of Other Resources.

- 9) **Program Income:** The Agency has revised its requirements for Program Income to bring the State into compliance with the federal regulations. The revised requirements apply to VCDP grants beginning with the awards made with 1993 federal funds. Unless your grant was funded with pre-1993 grant funds, loan repayments no longer are classified as miscellaneous revenue. Instead it is program income in perpetuity and is subject to all applicable regulations.

Program Income is addressed in greater detail in Chapter 14, Closeout Agreement, Program Income and Designating a Nonprofit Community Development Organization (NCDO).

- 10) **Real or Personal Property:** If VCDP grant funds are expended, in whole or in part, for the purchase of Real or Personal Property, a property register must be maintained. The register should identify the item(s) acquired, the date of purchase, the amount of the purchase identifying each source of funds, the serial number if applicable, and the types of insurance necessary to protect the item(s).

You must track your obligations, such as contracts, in addition to your expenditures. The sum of the expenses and remaining obligations for any grant activity cannot exceed the budget figure for that activity.

Acceptable documentation for expenditures includes: copies of invoices, time sheets, and receipts, etc. and canceled checks.

VCDP grant funds may not be advanced to any entity except in the situation of escrowing housing rehabilitation funds.

**Program Income
In Perpetuity
From Awards
With
FFY93 Funds**

**VCDP Funds Are
Drawn On A
Reimbursable
Basis,
Except For
Housing
Rehabilitation**

Financial Management Standards

You should understand that you, or any party hired to perform the financial management responsibility, must implement a financial management system that:

- 1) Maintains separate accounting records and source documentation for activities funded with VCDP grant funds and provides accurate financial information in the Progress Reports and any other financial status reports in the form specified by the Agency;
- 2) Provides for accurate, current and complete disclosure of the financial status of the Program and for the expenditure of the Other Resources listed in the Sources and Uses Section of Attachment B and in the Program Budget (Attachment C) of the Grant Agreement;
- 3) Establishes records of budgets, receipts, and expenditures for each approved activity and demonstrates the sequence and status of receipts, obligations, disbursements, and fund balance;
- 4) Is consistent with generally accepted accounting principles; and, supports the program specific and/or single audit(s) requirements set forth in Agency Procedures, Chapter 21, Audit Requirements.

NOTE: *These standards are from Section X., Financial Management, of the Grant Agreement.*

**Adequate
Financial
Management
System**

The Vermont Community Development Program

(Referred to as 'VCDP Code' on Form FM-6, Requisition of VCDP Funds)

Area Keys

10 PF -Public Facilities	40 ED -Economic Development
20 PS -Public Services	50 GA -General Administration
30 H -Housing	60 PL -Planning

Activity Keys

01 Acquisition/Disp.
02 Residential Rehab.
03 Commercial Rehab.
04 Water
05 Sewer
06 Flood/Drainage
07 Streets
08 Relocation
09 Non-Profit Loan
10 For Profit Loan
11 Handicapped Access
12 Planning Only
13 Admin., Planning, Mgt.
14 Other Public Fac.
15 Public Services
16 Clearance
17 Center/Facility
18 Public. Hsg. Modern.
19 New Const. Last Resort
20 New Con Not Feas Rehab
21 New Const. -Other
22 Microenterprises
23 Homeownership Assistance
24 Lead Paint
25 HomeShare
26 Individual Development Accounts
27 Training - Education
28 Counseling - advocacy services
29 Parent-child-day care
30 Adult-day care

Performance Indicators

Number of structures/parcels
units, # persons, # LMI Persons
units, # persons, # LMI Persons
feet, # persons, # LMI Persons
feet, # persons, # LMI Persons
feet, # persons, # LMI Persons
feet, # persons, # LMI Persons
businesses/households
business(es) assisted, # jobs created/retained, # LMI jobs created/retained
business(es), # jobs created/retained, # LMI jobs created/retained
projects, # persons served, # LMI Persons served
project(s)
No measures
project(s), # persons, # LMI Persons
persons, # LMI Persons
structures/parcels
center(s), # persons, # LMI Persons
units, # persons, # LMI Persons
units, # persons, # LMI Persons
units, # persons, # LMI Persons
units, # persons, # LMI Persons
businesses
units, # persons, #LMI Persons
units, # persons, # LMI Persons
persons, #LMI Persons
persons, #LMI Persons
persons, #LMI Persons
persons, #LMI Persons
persons, #LMI Persons
persons, #LMI Persons
persons, #LMI Persons

MODEL OBLIGATIONS REGISTER

Date	Description	Housing Rehab (3002) \$200,000		ED For-Profit Loan (4010) \$175,000	
		Amount Obligated	Balance to Obligate	Amount Obligated	Balance to Obligate
1-15	Evans Family	\$8,000	\$192,000		
1-21	A & Z Inc			\$45,000	\$130,000
1-25	Biggs Family	7,000	185,000		
1-29	Bruno Family	8,500	176,500		
2-01	B & Y Inc			50,000	80,000
2-12	Biggs change order (1)	600	175,900		
2-20	Evans Adjustment (2)	<500>	176,400		

- 1) Be sure to list all change orders that increase the amount of a contract and therefore the amount of the obligation.
- 2) Evans adjustment due to contractor completing rehab work for \$7500 rather than the original \$8000 amount.

SAMPLE TIME SHEET

Name _____ Week Ending _____

Description	Hours Worked							Total Hours
	Mon	Tue	Wed	Thur	Fri	Sat	Sun	
VCDP Activity #3002 (Housing Rehab)								
VCDP Activity #5013 (General Admin.)								
Non VCDP Responsibilities								
TOTAL HOURS								

EXPENSE BREAKDOWN:

VCDP Activity	Total Hours	Hourly Wage	Total Expense
_____	_____	X _____	= _____
_____	_____	X _____	= _____

We the undersigned, under the pains and penalties of perjury do hereby certify that the foregoing report does accurately reflect the time worked and leave time taken by me during this pay period.

 Employee's Signature Supervisor's Signature

The sample above is for a weekly time sheet. Time sheets for other time periods are acceptable.

OTHER RESOURCES LEDGER

Date	Source	Amount Committed	Amount Received	Balance Due	Amount Expended	Balance to Expend	Expense Description
1-15	FmHA	\$200,000	0	\$200,000			
1-15	Bank	100,000	0	100,000			
1-15	Town	25,000	0	25,000			
3-31	FmHA		50,000	150,000	50,000	150,000	Housing Rehab
4-06	Bank		20,000				
4-20	Bank				15,000	85,000	Housing Rehab

If there is more than one activity, the Other Resources will need to be tracked by each grant activity. The above example assumes all Other Resources are related to housing rehabilitation.

MODEL JOURNAL

VCDP Grant #0224/8816(13)
Grant Amount: \$276,000

CASH CONTROL LEDGER

DATE	DESCRIPTION	CHECK# REQ#	CASH RECEIPTS	CASH DISBMNTS	#3001 HOUSING ACQUISTN 125,000	#3002 HOUSING REHAB 75,000	#3013 HOUSING COORDINATOR 38,000	#5013 GENERAL ADMIN 25,000	CASH BALANCE.	#3001 HOUSING ACQUIS. 125,000	#3002 HOUSING REHAB. 75,000	#3013 HOUSING COORD. 38,000	#5013 GEN'L ADMIN. 25,000	TOTAL GRANT 263,000
10/25	REQUISITION #1	REQ #1	135,000						135,000	<125,000>	<6,000>	<2,500>	<1,500>	<135,000>
10/25	Hanibal Hanover	101		125,000	125,000				10,000					
10/27	Delphi Construction	102		6,000		6,000			4,000					
10/30	Annie Administrator	103		2,500			2,500		1,500					
10/30	Maybelle Bookkeeper	104		500				500	1,000					
12/15	REQUISITION #2	REQ.#2	10,000						11,000	<6,000>			<4,000>	<10,000>
12/20	Delphi Construction	105		6,000		6,000			5,000					
12/20	Maybelle Bookkeeper	106		1,000				1,000	4,000					
12/31	TOTALS		145,000	141,000	125,000	12,000	2,500	1,500	4,000	0	63,000	35,500	19,500	118,000

Requisitions

You are ready to make your first request for VCDP funds if:

- All the necessary forms have been submitted to the Agency
- The Environmental Notice of Release of Funds date has been determined
- All other applicable Grant Agreement or Applicable Special Conditions have been met.

(You may *submit* a requisition in advance of meeting all requirements, but it will not be acted on by Department staff until all applicable conditions are met.)

Funds may be requested bimonthly, in amounts of no less than \$2,500 (unless for final requisition) and no more than \$100,000 under ordinary circumstances. More than \$100,000 can be requisitioned if there is adequate security collateral in place for the amount in the depository account. (The special requirements for that situation are discussed in Chapter 3 under Financial Management Forms)

If you have more than \$5,000 in the depository account, HUD regulations require that it be spent within 10 calendar days. A maximum of \$5,000 may be kept in the account for longer periods of time. See Chapter 2, Sample Grant Agreement [Section XI - Requisition of VCDP Funds].

Note: For housing rehabilitation revolving loan funds, the entire amount budgeted under activity # 3002 may be requisitioned if a Lump Sum Agreement is in place with a financial institution as specified at 24 CFR § 570.513. (See Lump Sum Section within Chapter 4.)

The instructions on requisitioning in this chapter will help you to requisition funds by forecasting cash flow. This is to guard against missing a requisition cut-off date and having to wait three weeks for the VCDP grant funds to reach the depository account. If, for any reason, Department approval of your requisition is delayed, you will be notified.

All VCDP funds will be electronically transferred to the depository account. If you believe the VCDP grant funds should have reached the bank, but you have not been notified, call the bank before you call the Agency to see if the requisitioned VCDP grant funds were deposited. If the funds are not at the bank, contact the Agency.

Please pay special attention to making sure the points below are followed:

- Make sure that all requisitions and financial records are accounted for by the budgeted activities as shown in Attachment C of your Grant Agreement.
- Consult Agency Procedures, Chapter 4, Principles for Determining Costs Applicable to Grants.

**VCDP Funds
Are Drawn On
A Bi-Monthly
Basis**

- Consult Agency Procedures, Chapter 5, Allowable Costs.
- Consult Agency Procedures, Chapter 6, Costs Allowable with Agency Approval
- Consult Agency Procedures, Chapter 7, Unallowable Costs.

Pre-Requisition Checklist

The First Time You Requisition Funds under a New Grant

The first time you requisition funds under a new grant, please pay particular attention to the following list of forms, many of which must be submitted, and may need to be reviewed, prior to the first requisition of VCDP grant funds.

- _____ FM-1 Designation of Depository, FM-2 Authorized Signatures for Requisitions
- _____ Fidelity Bond for Position Authorized to Sign Checks
- _____ Collateralization of Depository (**Requisitions in excess of \$100,000 of FDIC Insurance**)
- _____ Municipal Policies and Codes. If this has been previously adopted and no changes are required, you may send a copy of the previously adopted form, MP-1.
- _____ PM-1 Grant Agreement Resolution (PM-2 & PM-3 if a consortium)
- _____ PM-4 Resolution to Designate a Public Agency (if applicable)

Special Conditions in Attachment A:

- _____ Consortium Contract
- _____ Contract(s) for:
 - ___ consultant(s) ___ professional services
 - ___ engineering services ___ administrative services
 - ___ other ___ rehab services
- _____ Documentation which certifies commitment of Other Resources
- _____ Other Resources expenditure plan
- _____ Loan and Security Agreement
- _____ Subgrant Agreement
- _____ Mortgage Deed
- _____ Promissory Note
- _____ Benefit and Performance Agreement
- _____ Employment Agreement
- _____ Attorney's Opinion Letter
- _____ Davis Bacon: Wage Rate Determination (if there are construction activities)
- _____ Other:

Use this checklist as a general guide. Also review the requirements of your Grant Agreement, particularly those in Attachment A to be sure all of them are met. **Form FM-6, Requisition of VCDP Funds, and instructions for its completion follow:**

**All
Documentation
Must Be
Submitted
Prior To
Requisitioning
Funds**

Requisition of VCDP Funds

PART 2

Grantee/Lead Grantee: _____ **Date:** ____/____/____.

Grant Agreement Number: ____/____(____) **Requisition No** _____.

NARRATIVE: Please provide a brief, but explicit, description of the purpose for the amount requested for each VCDP activity. Be sure to include the name of the contractor, business, homeowner, consultant, etc. associated with the funds requested. Also include the amount of Other Resources expended to-date on each activity for which VCDP grant funds are requested. (Attach additional sheet if needed).

PART 3 Other Resources Expended To Date By Activity:

For Agency Use

Approved: _____

Login Date: _____

Date: _____

Logout Date: _____

Instructions for Form FM-6 - Requisition of VCDP Funds

The Requisition Form must be used by grantees to request VCDP grant funds from the Vermont Community Development Program. Additional information can be found in the Requisition chapter in the VCDP “Grants Management Guide”.

Requisitions must be received by the Agency seven days in advance of the first and fifteenth of the month (the two processing dates set by the Agency). When the first or the fifteenth of any month falls on a state holiday or weekend, the processing takes place on the following work day.

- Any requisition that cannot be processed will be held to the next processing date.
- Requisitions for funds should be in amounts of not less than \$2,500, with the exception of the final requisitions, which may be a lesser amount.
- The Agency will accept a FAX copy of the requisition to meet the submission deadline, but the Agency must have a signed original Requisition Form FM-6 to send to Finance to be processed for payment.
- The original signed requisition must be received by the Agency no later than the day before the first or the fifteenth of the month (next work day if a holiday or weekend).

Note: Please round all amounts to the nearest dollar. In the event funds have not been received, please check with the grantee depository bank **before calling the Agency**.

PART 1

- Line (a) **VCDP Funds Received to Date:** Indicate the total VCDP funds received from the Agency as of the date of this requisition.
- Line (b) **Cash Balance in Depository Account:** Indicate the amount of VCDP funds remaining in the depository account.
- Column (1), (2), (3) Show the VCDP Code, Activity, and Budgeted VCDP funds exactly as shown on the PROGRAM BUDGET (Attachment C) of the Grant Agreement.
- Column (4) Show the total VCDP funds previously requisitioned for each activity as of the date of this requisition.
- Column (5) Show the VCDP budget balance remaining to be requisitioned for each activity- Column (3) less Column (4).

**Requisitions
Must Be
Received Seven
Days Prior To
The 1st And 15th
Of The Month For
Processing**

**Remember To
Check The Bank
For Receipt Of
Funds**

Column (6) Indicate the amount being requested for each activity.

Column (7) Show the new balance of VCDP funds not yet requisitioned - Column (5) less Column (6).

Line (c) **Total:** Simply add up the amounts in columns (3) through (7).

PARTS 2 & 3

Simply follow the instructions as provided in PARTS 2 & 3.

Only officials authorized by Form FM-2, Authorized Signatures for Requisition of VCDP Funds, should sign this request. If two signatures are required by the grantee, than two must sign. The signatures must be identical to those on the current Form FM-2 on file with the Agency. If new individuals need authority to requisition VCDP funds, a new Form FM-2 must be filed with the Agency.

The grantee should send the completed requisition to:

Agency of Commerce and Community Development
Department of Housing and Community Affairs
National Life Building, Drawer 20
Montpelier, VT 05620-0501

A copy of each requisition should be kept in the grantee's financial file.

**Authorized
Signatory**

Progress Reporting

Key Points

You must submit detailed Progress Reports twice a year, though some grants require quarterly reporting, to the Agency, as specified in Attachment A of the Grant Agreement. The Progress Reports build on the information supplied in your most recent invoices. Failure to complete progress reporting will result in delay of Agency approval of future requisitions.

It is important to thoroughly review and understand the instructions prior to completing the Progress Report.

The Agency mails the Progress Report form to you in advance. The form will have some information already filled in by the Agency. When you receive the Progress Report, you should review that information for accuracy and report any errors to your CD Regional Coordinator immediately.

The Agency will review the Progress Report carefully for content, as it is an important method for the Agency to stay in touch with you concerning the status of your Grant Agreement. The information submitted must be sufficient for VCDP staff to assess whether the grant will achieve its intended goals and benefit level by the Completion Date.

Vermont Community Development Program Periodic Progress Report

Grantee/Lead Grantee:
Report Prepared by:
Telephone Number:
Date Submitted:

Town of XXXXX

Grant Agreement No.:
Execution Date:
Completion Date:
Report Period: through
FINAL REPORT:

ID#: F1
0000/001G(01)
June 30, 2003
June 30, 2005
December 31, 2003
no

I. Budget Progress Section

VCDP Code	Activity	VCDP Funds Budgeted	Other Resources Budgeted	VCDP Funds Expended		Other Resources Expended		Total Expended to date
				This Period	To Date	This Period	To Date	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) (6+8)
3001	Acquisition - real property	\$500,000	\$1,500,000					\$0
3002	Residential rehabilitation	\$200,000	\$500,000					\$0
3013	Program management	\$40,000						\$0
5013	General Administration	\$10,000						\$0
	#N/A							\$0
	#N/A							\$0
	#N/A							\$0
	#N/A							\$0
	#N/A							\$0
	#N/A							\$0
	#N/A							\$0
	Total	\$750,000	\$2,000,000	\$0	\$0	\$0	\$0	\$0

	in months elapsed	in VCDP Funds expended
percent towards completion		

Municipality: 0
 Grant Agreement No.: 0

II. Program Income Section

A. Breakdown of Program Income Received

VCDP Code	Activity	This Period	To Date
3002	Residential rehabilitation		
	#N/A		
	#N/A		
	#N/A		
	#N/A		
	#N/A		
	#N/A		
	Interest repaid		
	Investment income		
Total Program Income Received		\$0.00	\$0.00

Balance in program income account. _____
 (Any discrepancy between amount received and amount in the account must be explained below.)

B. Please attach to this progress report a schedule of ANTICIPATED program income. The schedule must include monthly breakdown of the amount of program income for each grant activity with the identification of each source. (see the instructions for assistance in your GMG, Chapter 4)

Note: For single economic development loan - attach amortization schedule.
 the schedule is attached Yes No
 the estimated total of program income yet to be received is _____
 the payments of program income are occurring on schedule. Yes No

III. Lump Sum Agreement Section

This section applies only to those grantees with housing rehab revolving loan funds (RLF's) with a Lump Sum Agreement with a financial institution.

Lump sum amount _____
 Date lump sum transferred to grant depository account: _____
 Date lump sum transferred to lump sum escrow account: _____
 Date first housing rehab loan/grant was made/obligated: _____
 (must be within 45 days of posting to grant depository account)

Lump sum funds expended (1)
 Lump sum funds obligated
 Balance of lump sum funds not yet obligated
 Number of loan/grant closings
 Funds loaned by financial institution

This Period	To Date

(1) Must expend 25% of lump sum amount, plus any interest earned, within 180 days of posting to grant depository account.

V. Cumulative Beneficiary Data Section
(This section does not apply to planning grants)

VCDP Code	Applicants Only By Ethnicity										Other Categories		LMI Applicants					
	White	Black African American	Asian	Native Hawaiian/Other Pacific Islander	American Indian/Alaskan Native	American Indian/Alaskan Native and White	Asian and White	Black African American and White	American Indian/Alaskan Native and Black African American	Other Multi-racial	Total Applicants	Female Head of Household	Handicapped	30% of Median	50% of Median	60% of Median	80% of Median	Total LMI #
(1)	(2)										(3)	(4)	(5)	(6)				
3001											0							0
3002											0							0
0											0							0
0											0							0
0											0							0
0											0							0
0											0							0
0											0							0
0											0							0
0											0							0
0											0							0

VCDP Code	Beneficiaries By Ethnicity										Other Categories		LMI Beneficiaries					Low/Mod Percent	Planned Percent	
	White	Black African American	Asian	Native Hawaiian/Other Pacific Islander	American Indian/Alaskan Native	American Indian/Alaskan Native and White	Asian and White	Black African American and White	American Indian/Alaskan Native and Black African American	Other Multi-racial	Total Beneficiaries	Female Head of Household	Handicapped	30% of Median	50% of Median	60% of Median	80% of Median			Total LMI #
(1)	(7)										(8)	(9)	(10)	(11)					(12)	(13)
3001											0							0	#DIV/0!	
3002											0							0	#DIV/0!	
0											0							0	#DIV/0!	
0											0							0	#DIV/0!	
0											0							0	#DIV/0!	
0											0							0	#DIV/0!	
0											0							0	#DIV/0!	
0											0							0	#DIV/0!	
0											0							0	#DIV/0!	
0											0							0	#DIV/0!	
0											0							0	#DIV/0!	

VI. Performance Progress Section
 (This section does not apply to planning grants)

VCDP Code	Program Area and Activity	Indicators	Planned		Accomplished			% Completion
			This Period	To Date	Previous	This Period	To date	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
3001	Acquisition - real property	1 structure/parcel						
		100 persons						
		100 LMI persons						
3002	Residential rehabilitation	50 units						
		100 persons						
		100 LMI persons						
0	0							
0	0							
0	#N/A							
0	#N/A							
0	#N/A							
0	#N/A							
0	#N/A							
0	#N/A							

Municipality: Town of XXXXX
Grant Agreement No.: 0000/00IG(01)

(10) Activity Narrative (be sure to read instructions for information that must be included in the narrative)

VII Other Information Section

(A) Technical assistance received/needed:

(B) Certifications by the Chief Executive Officer or Designee

- (1) To the best of my knowledge and belief, the information in this report is true and correct as of the date of the report**
- (2) The records as required by the agency are being maintained and will be made available upon request.**

Signature _____
Type Name

Date _____

Instructions for the Completion of the Periodic Progress Report Form FM-10

- 1) Some of the information and columns will already be completed for you in the computer generated progress report that is sent to you. If you use the excel progress report workbook from the website you will need to enter in the information. These instructions and examples below reference the excel workbook.
- 2) The Periodic Progress Reports are usually for the six (6) month periods ending as of June 30 and December 31, or September 30 and March 31. Some grantees are required to report on a quarterly basis. Be certain to report all information as of these cut off dates. If you receive a Periodic Progress Report for a period with a different cut off date, please be sure to report all information as of that cut off date.
- 3) Whenever you are reporting dollar amounts, round the figure to the nearest dollar. **Do not report the cents.**

I BUDGET PROGRESS SECTION

Complete the information requested across the top of the page. Then complete the columns. Please note that the Date Submitted is the date that the Progress Report is mailed to the Agency.

- | | |
|----------|--|
| Column 1 | VCDP Code: List the codes from the computer generated progress report that is sent to you. They also can be found in Attachment B of your Grant Agreement. |
| Column 2 | Activity: List the activities from the computer generated progress report that is sent to you. They also can be found in Attachment B of your Grant Agreement. |
| Column 3 | Original VCDP Funds Budget: List the original VCDP funds budgeted from the computer generated progress report that is sent to you. The amounts can also be found in Attachment B of your Grant Agreement. |
| Column 4 | Other Resources Budget: List the other resources budgeted from the computer generated progress report that is sent to you. The amounts can also be found in Attachment B of your Grant Agreement. |
| Column 5 | VCDP Funds This Period: List the amount of VCDP funds expended during this period. Do not include obligations (see definition of obligation on next page) even if there is a housing rehab. escrow account related to this program. |

- Column 6 **VCDP Funds To Date:** List the amount of VCDP funds expended (**do not include obligations**) since the award date through the end of this period.
- Column 7 **Other Resources This Period:** List the amount of Other Resources expended (**do not include obligations**) during this period.
- Column 8 **Other Resources To Date:** List the amount of Other Resource expended (**do not include obligations**) since the award date through the end of this period.
- Column 9 **Total To Date:** Add up the amounts in columns 6 and 8 and show the total of VCDP Funds and Other Resources since the award date through the end of this period.

TOTAL: Fill in the totals for columns 5 through 9.

Definition of Obligation - a current commitment to pay a set amount of money for goods and services to be delivered in the future. No monies are owed yet, no invoices have been received, but grant funds have been obligated, typically through the signing of a contract or a loan document. Once the goods or services have been received or performed, the obligation becomes an expenditure, and an invoice is received.

Complete the information requested across the bottom of the page.

- **% In Months Elapsed:** If this column is not already completed for you, contact your regional coordinator. (**This percentage is generally calculated based upon a starting point of the date on which the Grant Agreement is fully executed.**)
- **% In VCDP Funds Expended:** Calculate the % of completion in terms of expenditures by dividing the total of VCDP funds expended to date through the end of this period (total of column 6) by the total budgeted VCDP funds (total of column 3).

II PROGRAM INCOME SECTION

Provide the information as explained below for both the period being reported on and for the grant to date (from the award date through the end of this period). If no program income has been received, simply fill in zeros in the line TOTAL PROGRAM INCOME RECEIVED.

A) Breakdown of Program Income Received

- **3002 H Residential Rehabilitation:** If housing rehabilitation is an activity in the grant, list the dollar total of all housing rehabilitation repayments **received**. Be sure to include both the principal and the interest received as repayments, but there is no need to break out on this

report the amount of principal or the amount of interest. Only the total is necessary. **In addition, be certain to include any interest income earned on the repayments while deposited in an interest-bearing bank account.**

- **4010 ED For Profit Loan:** If a loan to a for-profit business is an activity in the grant, list the dollar total of all loan repayments **received**. Be sure to include both the principal and the interest received as repayments, but there is no need to break out on this report the amount of principal or the amount of interest. Only the total is necessary. **In addition, be certain to include any interest income earned on the repayments while deposited in an interest-bearing bank account.**
- **Other (list by VCDP code):** If any other activity in the grant generates Program Income, list the activity by the VCDP code as shown in the Grant Agreement and list the dollar total for each activity. **Be certain to include any interest income earned on the Program Income while deposited in an interest-bearing bank account.**
- **TOTAL PROGRAM INCOME RECEIVED:** Add up the amounts for each source of Program Income and enter the totals (for This Period and To Date) on this line.
- **Program Income In Program Income Account:** List the amount of Program Income on hand in the program income bank account. If this amount does not agree with the total Program Income amount listed above, the reason(s) for the discrepancy must be given. (If there is not enough space here to provide the explanation, include the explanation in the narrative portion (VI. **PERFORMANCE PROGRESS SECTION**) of the progress report.

B) Schedule of Anticipated Program Income

HUD now requires much greater oversight by the states over the Program Income generated by grant programs. As part of the Agency's responsibilities related to Program Income, grantees need to submit a schedule indicating the amount of Program Income **ANTICIPATED to be received between the cut off date of this Progress Report and the grant Completion Date**. The Schedule should follow the format shown on the next page.

In addition to the Schedule that should be submitted as part of the Progress Report, please complete the remainder of this section by checking the appropriate box or filling in the blank.

MODEL SCHEDULE
Schedule of Anticipated Program Income

	Activity 3002	Activity 4010	Activity xxxx	Activity xxxx	Activity xxxx	Activity xxxx
1/98						
2/98						
3/98						
4/98						
5/98						
6/98						
7/98						

Total by Activity

NOTES:

- 1) List all activities generating Program Income.
- 2) List all months from now through the grant Completion Date.
- 3) List anticipated monthly amount of Program Income for each activity and calculate total for each activity.
- 4) Be certain to include estimate of the interest income that will be earned on the Program Income while deposited in an interest-bearing account.

III LUMP SUM AGREEMENT SECTION

The lump sum method of draw down of VCDP funds applies only to housing rehabilitation revolving loan funds. (See 24 CFR § 570.513) There are very specific requirements that need to be met which include, but are not limited to the rate of expenditure and a formal written agreement with a financial institution.

A) Rate of expenditure

- 1) First loan must be made within 45 days of the initial deposit;
- 2) 25% of the lump-sum drawdown plus interest earned must be expended within 180 days of the initial deposit; and
- 3) No more than two years to expend all the lump-sum drawdown.

B) Agreement with financial institution

- 1) Interest must be paid on the lump-sum funds, at a rate no more than 3 points below the one-year Treasury obligations.
- 2) Financial institution must provide one of the following:
 - a) commit private funds for loans in excess of the lump-sum deposit amount;
 - b) commit private funds for loans at below market rate interest;
 - c) commit private funds for higher risk loans;
 - d) commit private funds for loans with a longer term of repayment; or
 - e) provide loan servicing at no cost or lower than actual cost.

A copy of the agreement with the financial institution must be sent to the Agency and a copy must be maintained with the grantee bank records.

IV CONTRACTS SECTION

- Column 1 **Contractor/Subcontractor Name and Address:** List the name and address of each contractor and/or subcontractor with whom your program has entered into a contract exceeding \$10,000 during this reporting period. Do not list any contractors and/or subcontractors who have individual contracts for amounts under \$10,000 that when added together, the total of the contracts exceeds \$10,000. In addition, do not list any contract(s) already reported in an earlier quarterly progress report.
- Column 2/3 **Contractor/Subcontract ID Number:** List the Federal Identification Number or Social Security number of each contractor/subcontractor.
- Column 4 **Section 3:** Enter “Y” if the contractor/subcontractor is a Section 3 contractor/subcontractor; that is, if it is a business concern that provides economic opportunities to low- and very-low income residents of the county, including a business that is 51 percent or more owned by low- or very-low income residents, employs a substantial number of low- or very low-income residents, or provides subcontracting or business development opportunities to businesses owned by low- or very-low income residents. If not, indicate with an “N”.
- Column 5 **Contract Amount:** Indicate the dollar amount of the contract.
- Column 6 **Davis-Bacon Decision:** Indicate the Davis-Bacon Wage Rate Decision number obtained from the www.gpo.gov/davisbacon website for your construction project.
- Column 7 **Trade Code:** Indicate the contractor's trade or profession code as listed at the bottom of the section.
- Column 8 **Business Ethnic Code:** Enter the appropriate business ethnic code as listed at the bottom of the section.

V CUMULATIVE APPLICANT/BENEFICIARY DATA SECTION

If the grant is a planning grant, do not complete this section.

HUD requires states to submit civil rights data on **applicants** for VCDP funded projects as well as **beneficiaries**. Applicants include, but are not limited to, those who apply for jobs, but are not hired; or homeowners who apply for but do not receive rehab loans.

- Column 1 **VCDP Code:** All applicable activity codes as indicated in Attachment B of the Grant Agreement.
- Column 2 **APPLICANTS:** List per activity (By VCDP Code) the total number of applicants in each of the ethnic categories shown for the period since the award date through the end of this period. Applicants do not have to be reported for the following activities:
- Planning Only
 - Administration, Planning and Management
- Column 3 **Total Applicants:** List per activity (By VCDP Code) the total of the figures reported for each applicant category in column 2.
- Column 4 **Female Head of Household:** List per activity (By VCDP Code) the total number of applicants reported in Column 3 that are female heads of household. The number of persons listed should represent the cumulative number of persons since the award date through the end of this period.
- Column 5 **Handicapped:** List per activity (By VCDP Code) the total number of applicants reported in Column 3 that are handicapped. The number of persons listed should represent the cumulative number of persons since the award date through the end of this period.
- Column 6 **Low/Mod Number of Applicants:** List per activity (By VCDP Code) the total number of applicants by percentage of median income, applying for the activity. The number of persons listed by percentage of LMI should equal the cumulative number of persons benefiting since the award date through the end of this period.
- Column 7 **BENEFICIARIES:** List per activity (By VCDP Code) the total number of beneficiaries in each of the ethnic categories shown for the period since the award date through the end of this period. Beneficiaries do not have to be reported for the following activities:
- Planning Only
 - Administration, Planning and Management
- Column 8 **Total Beneficiaries:** List per activity (By VCDP Code) the total of the figures reported for each beneficiary category in column 5.
- Column 9 **Female Head of Household:** List per activity (By VCDP Code) the total number of beneficiaries reported in Column 7 that are female heads of household. The number of persons listed should represent the cumulative number of persons since the award date through the end of this period.

- Column 10 **Handicapped:** List per activity (By VCDP Code) the total number of beneficiaries reported in Column 7 that are handicapped. The number of persons listed should represent the cumulative number of persons since the award date through the end of this period.
- Column 11 **Low/Mod Number for Beneficiaries:** List per activity (By VCDP Code) the total number of persons by percentage of median income, benefiting from the activity. The number of persons listed by percentage of LMI should equal the cumulative number of persons benefiting since the award date through the end of this period.
- Column 12 **Low/Mod Percent:** Calculate the percentage of persons of low/mod income by dividing the figure reported in Column 11 by the figure reported in column 8.
- Column 13 **Low/Mod Benefit Planned Percent:** This column is based on data as committed in the grant agreement.

VI PERFORMANCE PROGRESS SECTION

Columns 1 through 6 will be filled in on the computer generated progress report that is sent to you. Columns 1 through 5 are taken from Attachment D of the Grant Agreement. Column 6 is the data reported in column of your most recent progress report. If you notice any errors, please note them on the form.

- Column 7 **Accomplished this Period:** List the actual results accomplished during the period being reported. List results for each indicator measure listed in Column 3, and enter zero (0) where nothing was accomplished for an indicator measure.
- Column 8 **Accomplished To-Date:** List the actual results accomplished for the period since the award date through the end of this period. List results for each indicator measure listed in column 3, and enter zero (0) where appropriate.
- Column 9 **Percentage Completion:** Indicate the percentage of overall completion per Program Area/Activity listed in Column 2, for the period since the award date through the end of this period. The percentage is based on expenditures. Calculate the % of Completion for each Program Area/Activity by dividing the total of VCDP Funds expended to date for each Program Area/Activity through the end of this period, by the total of budgeted VCDP Funds for the Program Area/Activity.
- Section 10 **Activity Narrative:** Describe specifically the status of the project. Please be sure to cover any points not covered above. At a minimum, you will need to address the following: How far along is the project? Is it on schedule, and if not, why not? If the project is behind schedule, describe when and how project activities will be

put back on schedule. If you have not begun to draw down VCDP funds for this project, please explain why and provide a schedule for when drawdowns will occur. Also include in your discussion such aspects as highlights, unanticipated factors, other schedule changes, problems or concerns that you consider important for VCDP staff to understand.

If any public comments have been received, the narrative must describe any citizen comments on the grantee's community development performance under this grant, your assessment of the comment(s), and any action taken or to be taken in response.

Please attach any written citizen comment(s).

NOTE: If the grant includes housing rehabilitation, the grantee MUST REPORT THE FOLLOWING AS PART OF THE NARRATIVE:

- A) The number of units that have had loan/grant closings.
- B) The number of units not yet under construction.(no executed contract with a contractor)
- C) The total number of units under construction. (executed contract with a contract)
 - the number of units less than 25% complete.
 - the number of units 25% to 75% complete.
 - the number of units more than 75% complete.
- D) The total number of units completed. Completed means that the housing rehab specialist has inspected the work, the housing rehab participant has certified that he/she is satisfied with the quality of the rehab work, **AND** the contractor has been fully paid.

A) SHOULD = (B) + (C) + (D)

Attach additional narrative pages as necessary.

VII OTHER INFORMATION SECTION

- A) **Technical Assistance (received/needed):** Indicate if you wish to receive or have received technical assistance from the VCDP and/or some other source. Please be specific.
- B) **Certifications by the Chief Executive Officer or Designee:** The Periodic Progress Report must be signed by the official designated to sign the Grant Agreement and other such documents per Form PM-1. If not signed, or if signed by the wrong individual, the report will be returned to the grantee.

LUMP SUM AGREEMENT

The lump sum method of draw down of VCDP funds applies only to housing rehabilitation revolving loan funds. (See 24 CFR § 570.513) There are very specific requirements that need to be met which include, but are not limited to the rate of expenditure and a formal written agreement with a financial institution.

Rate of expenditure

1. First loan must be made within 45 days of the initial deposit;
2. 25% of the lump-sum drawdown plus interest earned¹ must be expended within 180 days of the initial deposit; and
3. No more than two years to expend all the lump-sum drawdown.

Agreement with financial institution

1. Interest must be paid on the lump-sum funds, at a rate no more than 3 points below the one-year Treasury obligations.
2. Financial institution must provide one of the following:
 - a) commit private funds for loans in excess of the lump-sum deposit amount;
 - b) commit private funds for loans at below market rate interest;
 - c) commit private funds for higher risk loans;
 - d) commit private funds for loans with a longer term of repayment; or
 - e) provide loan servicing at no cost or lower than actual cost.

A copy of the agreement with the financial institution must be sent to the Agency and a copy must be maintained with the grantee bank records.

General administration and program management funds would still be handled on a reimbursable basis and drawn according to the requisition-processing schedule.

¹ Any interest earned can only be used for additional rehabilitation work.