

GRANTS MANAGEMENT GUIDE

LETTER OF AWARD AND AWARD CONDITIONS



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Congratulations!

Congratulations! Your municipality has successfully submitted an application for funds to the Vermont Community Development Program (VCDP) and has received a grant award from the Agency of Commerce and Community Development (the Agency). We commend you on all the hard work that has gone into the process so far.

Legal Advice

Some of the documents that must be submitted to meet your Award Conditions need to be prepared or reviewed by municipal legal counsel. You should provide counsel with a copy of your Award Letter and Award Conditions. It is also advisable to meet with counsel to review these documents and discuss the legal work that will need to be performed to meet the Award Conditions.

Letter of Award and Award Conditions

Once a municipality has received a VCDP Grant Award and has determined who is responsible for the administrative tasks associated with the grant, then work can begin on meeting the Award Conditions.

Attached to the official Award Letter is a listing of Award Conditions. These Award Conditions must be met by the deadline stated in your Award Letter. Your Letter of Award will contain the following language delineating the deadlines you must meet:

The Town of _____ will be requested to provide a written explanation to the Community Development Board, at its _____ board meeting, if it is unable to meet this timeframe. The Board will consider rescinding the award in that event.

Award Conditions Met

The deadline for submitting all the documents necessary to satisfy the Award Conditions is stated in the Award Letter. If you meet the deadline, the Agency will then offer a Grant Agreement.

Award Conditions Not Met

If you fail to meet the deadline, you can request an Award Renewal. An Award Renewal is, in effect, the extension of the deadline. The Community Development (CD) Board will expect an explanation of why you did not meet the original deadline, which must be unforeseen events beyond the control of the parties involved in the project. If the only delay to the project is because of a legal challenge, the Award will likely be renewed.

If the CD Board grants an Award Renewal, a new deadline will be established. New Award Conditions may also be imposed. If the Award is not renewed, then it will be terminated.

Reimbursement for Eligible Costs

Upon receipt of a Grant Award letter, you can incur costs for certain tasks associated with General Administration and Program Management. All of the work necessary to meet the Award Conditions falls into one of these two activity budget categories. To be reimbursed from VCDP funds for these costs, you must keep the following items in mind.

Limitations on Reimbursement

Reimbursement for General Administration and Program Management expenses that are incurred prior to the execution of a Grant Agreement will be made only if VCDP funds have, in fact, been budgeted for these activities. Furthermore, reimbursement will be made only in the same proportion to which VCDP funds represent the proportion of total funds budgeted for these purposes. For example, if the total budget for General Administration is \$10,000 and VCDP funds represent \$4,000 of this amount, then only 40% of the eligible expense incurred prior to the execution of a Grant Agreement will be reimbursed.

Recording Time

Any employee of the municipality or grant administrator must record the time devoted to the work associated with meeting the Award Conditions. This is accomplished by maintaining a timesheet (see Grants Management Guide Chapter on Grant Administration). This is especially important if the work related to the Grant is only one of several functions that employee performs. The requirement for maintaining a timesheet applies to all employees who perform work related to the Grant. It will be necessary to maintain timesheets even if the work related to the Grant is an “in-kind” contribution, because the value of in-kind contributions must be documented.

Bridge Financing

Your Award Conditions include the following language:

In the event VCDP funds are needed prior to their availability due to VCDP requirements or conditions, the Grantee and/or one of the project parties must seek bridge financing to meet any expenses that cannot be delayed. The expenditure of bridge financing must be in compliance with VCDP requirements, most notably the environmental review process.

For some VCDP funded projects, it may be necessary for certain elements of the project to move forward before all of the award conditions are met and the Grant Agreement

has been executed. In such cases the municipality or beneficiary organization may obtain bridge financing to allow the project to begin.

The use of bridge financing to pay these costs does not eliminate the need for compliance with VCDP requirements. **Most notably, you must complete the Environmental Review process and obtain a Notice of Release of Funds prior to initiating any activities.** Failure to meet this requirement will jeopardize your entire VCDP grant. Other important VCDP requirements apply as well such as competitive procurement, Davis-Bacon wage rates and the Uniform Relocation Act. If you have a need to use bridge financing for a portion of the costs of your project, it is advisable to consult with Community Development Program staff.

If a Grantee does not meet all Award Conditions, the VCDP will not reimburse any costs paid for with bridge financing except those costs directly related to attempting to meet the Award Conditions (see Method of Reimbursement for Eligible Costs on the following page).

Resolution to Designate a Public Agency as Administrator

If the municipality wishes to have a public agency such as a Regional Planning Commission serve as the Grant Administrator, and if that agency is not otherwise involved in the project (e.g. as a subgrantee or borrower), the municipality must adopt a “Resolution To Designate A Public Agency – PM4”. Once the resolution is adopted, the public agency and the municipality must execute a contract that establishes the scope of the work to be performed and the amount and methods of compensation. See [“Sample Contract for Administrative Services and Program Management”](#). Once a contract is executed, the employees of the public agency that perform work under the terms of that contract must maintain timesheets to track all hours they work, not just their work on the VCDP project.

Procurement Standards for Administration

If the municipality wishes to retain a private consultant to perform the administrative work associated with the Grant, then the municipality must comply with certain procurement standards that apply to the VCDP. These standards are described in detail in the Grants Management Guide chapter on Procurement and Contracts. In general, the standards are intended to provide for full and open competition in the procurement of all services funded in whole or in part with VCDP funds. In most cases this means that the municipality must issue a publicly advertised “Request for Proposals” (RFP) before selecting a consultant. Once the municipality has gone through a competitive process, the municipality and the selected consultant must execute a contract, which can be based upon the sample referred to above.

In order to meet certain Award Conditions, it may be necessary to obtain documents and information prepared by professionals and consultants such as lawyers, architects,

engineers and appraisers. In order to receive reimbursement with VCDP funds for these services, the municipality must comply with the procurement standards referenced above. An exception to this is a professional that has been retained by the municipality on a long-term and regular basis to perform services. The most common example is a lawyer in private practice that is designated as the municipality's attorney.

Note: Procurement requirements apply to contracts for professional or personal services; the purchase of equipment or materials; and to contracts for construction, rehabilitation or demolition activities. Please refer to the Grants Management Guide Chapter on Procurement for detailed guidance regarding compliance with procurement and related requirements.

Method of Reimbursement for Eligible Costs

Once a municipality has met its Award Conditions, the Agency will prepare and offer a Grant Agreement. Once the Grant Agreement has been executed by both parties, the municipality (Grantee) will have additional Grant Agreement conditions, known as "Special Conditions," that must be satisfied before it can requisition VCDP funds. In addition, the municipality must establish a financial management system. Only after these requirements have been met will the Grantee be able to requisition funds for the reimbursement of eligible expenses. Several months may elapse from the time that the expenses are incurred to the time that a requisition is approved, so the Grantee will need to plan accordingly.

If a Grant Award to a municipality is terminated by the Agency because the municipality fails to meet its Award Conditions, the municipality can still receive reimbursement for eligible expenses. To receive reimbursement, the municipality must submit invoices and related documentation to the Agency for approval.

Typical Award Conditions and Explanations

The following is a brief summary of typical Award Conditions, what they mean and how to satisfy them:

Condition: The Agency will automatically terminate this Award if the Applicant has not met the Award Conditions below by [date] and has not requested to appear before the CD Board to seek an Award Renewal recommendation to the Secretary.

What the Condition Means: If the Grantee does not meet all Award Conditions by the given date, the Agency will terminate the Award.

How to Meet This Condition: Grantees can meet this Award Condition by completing all of the Award Conditions listed in their Award Letter. If the Grantee cannot complete the Award Conditions by the date stated in the Award Letter, the Grantee

may request an Award Renewal be approved from the Community Development (CD) Board and the Secretary.

Condition: Evidence of Capacity to Manage the Project Including the Program Management and the General Administration Responsibilities.

What the Condition Means: The Grantee will see this condition in an award letter when the application did not clearly demonstrate how the Grantee would perform tasks associated with General Administration and Program Management. This condition may also be listed in an Award Letter because of poor performance with General Administration and Program Management in a previous grant.

How to Meet the Condition: You must submit documentation that you are able to retain services that will properly manage the project areas. If an entity has a good track record with VCDP, you only need to provide the entity's name. If the entity is new, and has no previous experience, you must provide more information such as a resume and scope of work to be completed by the entity. If the entity has a poor track record with VCDP, the grantee must demonstrate that the problem is or will be fixed.

Sample Contract for Program Management and General Administration

<http://accd.vermont.gov/sites/accdnew/files/documents/CD-VCDP-AdminServicesProgMgmtSampleContract.doc>

Reminder: Please keep in mind that this documentation should be submitted and reviewed by the Agency prior to executing any contracts for these services.

Condition: Documentation that the Environmental Review release letter has been issued.

What the Condition Means: A Grantee will see this condition if they have not completed the Environmental Review process before receiving the award. Applicants for VCDP funds are strongly urged, but not required, to begin the Section 106 review process prior to the submission of an application. The review may determine that additional consultation is needed for a project that impacts or potentially impacts historic or archeological resources.

How to Meet the Condition: Refer to the Chapter on Environmental Review for detailed guidance.

Reminder: Please remember that all Environmental Review forms are to be submitted through the Environmental Review component on the online Grants Management System.

Condition: Documentation that all necessary Right of Ways and easements have been secured.

What the Condition Means: The Grantee will see this condition if any rights of way or easements are needed to access the site on which the project is or will be located. A right of way or an easement is a legal document that gives the owner of one property the right to use a neighbor's property for access or other needs.

How to Meet This Condition: Rights of Way and easements are legal documents. The Grantee should engage legal counsel to draft these documents. Once the documents are completed, the Grantee will need to submit a copy to the Agency.

Copy of Applicant's Anti-Displacement Plan (ADP)

What the Condition Means: HUD requires that all Grantees have an Anti-Displacement Plan (ADP) in place that would apply in the event a project requires that current residents move from the premises. In the ADP, the municipality outlines how it will minimize the need for relocation and assist with relocation for those residents while completing the project. A Grantee will see this condition if the municipality does not have a current ADP in place, or if their previous ADP is more than 10 years old. An ADP will be required regardless of whether the project deals with displacement or relocation. The only exception is for Planning Grants.

How to Meet the Condition: A Grantee will meet this condition by adopting a plan to minimize or address relocation in general. The ADP must be adopted by the legislative body of the municipality. If an ADP is more than 10 years old, it must be reviewed, updated, and resubmitted to the Agency.

Sample ADP can be found here:

<http://accd.vermont.gov/sites/accdnew/files/documents/CD-VCDP-AntiDisplacementPlan.doc>

Condition: Copy of the Applicant's Resolution to Designate a Public Agency (PM-4 Form).

What the Condition Means: If the municipality wishes to have a public agency or organization serve as the Grant Administrator, then the municipality must adopt a "Resolution to Designate A Public Agency." The public agencies that typically perform these services include Regional Planning Commissions, Regional Development Commissions, Land Trusts, and CAP Agencies.

How to Meet This Condition: Once a resolution is adopted, the public agency and the municipality must negotiate a contract that establishes the scope of the work to be

performed and the amount and methods of compensation. When a contract is executed, the employees of a public agency that perform work under the terms of the contract should maintain whatever timesheets required by the public agency, but at a minimum must track *all* hours worked, not just VCDP-related work.

Sample PM-4 can be found here:

<http://accd.vermont.gov/sites/accdnew/files/documents/CD-VCDP-Form-PM-4.doc>

Condition: Documentation That the Relocation Elements Necessary to Assure Compliance With the Uniform Relocation Act (URA) Are in Place

What the Condition Means: A Grantee will see this condition in the award letter if their project involves the acquisition of real property, the potential displacement of persons, and/or the relocation of persons or businesses. See the Chapter on the Uniform Relocation Act for further guidance.

How to Meet This Condition: You will need to submit documentation of the following: copies of the appraisals of any properties to be acquired, and copies of the appropriate notices to the occupants of any properties or businesses to be acquired. If some or all of this material was submitted with the application, simply alert the Department. You will not need to resubmit the materials.

Condition: Evidence of Commitment of all Other Resources

What the Condition Means: This condition relates to the other funding sources for the project. VCDP funded projects typically involve multiple sources of public and private funding. These funds are known as “Other Resources.” A Grantee will see this Condition when there has not been a firm commitment of all Other Resources at the time of the Grant Award.

How to Meet This Condition: The evidence of the commitment is different for different sources of funds. In most cases, firm commitment is obtained only after a formal application has been submitted to the funding source. The following are the most common forms of commitment of Other Resources:

Grants or Loans: For most grants and/or loans from governmental entities or foundations, the evidence is usually an award letter with one or more attachments that describe the terms and conditions of the award.

Municipal Funds: The evidence of commitment is usually a letter from the treasurer or municipal authority that states the amount of funds being contributed and describes the source and authority for those funds.

Bank Loans: The evidence of commitment is usually a loan commitment letter that sets forth the terms and conditions of the loan.

Funds Raised Through Capital Campaigns: The evidence of commitment is usually a letter that states the amount of cash received signed by an accountant or the treasurer for the campaign.

Condition: Voter Approval for Funding and/or Site Control Has Been Secured

What the Condition Means: This condition applies to projects that either involve municipal funds (usually a bond) that must be approved by the voters and/or require voter approval for site acquisition; generally speaking, municipalities cannot acquire property without voter approval.

How to Meet This Condition: You will need to plan ahead to meet this condition. It is important for the Grantee to remember that the results of any vote are unpredictable, and the law usually allows for petitions for a revote. To meet this condition, allow sufficient time for a vote and any negotiations that may be necessary to establish site control.

Condition: No Funds Will Be Released by the Department Until the Municipality Successfully Completed All the Closeout Tasks Under Planning Grant

What the Condition Means: A Grantee will see this condition if a grant award is made for a project that was planned and developed in whole or in part with assistance from a VCDP Planning Grant. The Planning Grant must be closed out before the Grant Agreement can be offered.

How to Meet This Condition: Successfully closing out the Planning Grant means that all elements of the study or analysis or plan that were funded must be completed, as well as the Final Program Report, and any other close out documentation required by the Agency. The documentation must be submitted to the Agency and approved.

Condition: A Copy of the Cover Page of a Completed Historic Preservation Certification Application, Part 1 – Evaluation of Significance (OMB Approved No. 1024-009, Form 10-168) date stamped, as Received by the Vermont Division for Historic Preservation. If applicable, a Copy of the State of Vermont or National Park Service Notification that the Building or Buildings are Individually listed in the National Register of Historic Places can be Submitted for the Cover Page.

What the Condition Means: This condition applies to projects that use Rehabilitation Investment Tax Credits (RITCs) as means of financing the rehabilitation of a property listed on or eligible of plans and specifications by the National Park Service.

How to Meet This Condition: The submission of Part 1 (Evaluation of Significance) of the Historic Preservation Certification Application is the first step in the approval

process. From here, you will need to regularly consult with your CD Specialist about the next steps if necessary.

Condition: A member of the legislative body, municipal CEO, municipal manager/administrator or a municipal designee responsible for housing issues within a municipality such as members of planning commissions, zoning boards of appeal, development review boards or local housing committees as approved by the legislative body will be required to attend an approved Fair Housing Training within one year of the Award Date.

What the Condition Means: This condition requires that at least one person who is responsible for housing issues within a municipality attends one Fair Housing Training within a year of the Award Letter.

How to Meet This Condition: The designated person within the municipality will be required to attend one approved Fair Housing Training within a year from the date stated in the Award Letter, and provide documentation to the Agency that they attended.

Condition: Prior to close-out, the Grantee shall provide a letter of opinion from an independent third party satisfactory to the Agency that the rehabilitation of [project name] meets the requirements of the Americans with Disabilities Act and the Vermont Access Board Rules for rehabilitation to make the building fully accessible.

What the Condition Means: This Condition applies to all Access Modification Grants and to Implementation Grants that have a significant accessibility component. The condition requires independent evidence that the project, as completed, is fully accessible by all persons.

How to Meet This Condition: The Grantee must hire a third party to analyze whether the project has met the standards of accessibility according to the Americans with Disabilities Act (ADA) and the Vermont Access Board rules.

Condition: If the project's non-general administration budget comes in under budget, a proportion of the unused portion of the total budget (VCDP dollars and Other Resources dollars), shall be returned to the Agency.

What the Condition Means: If the Grantee does not need all of the funds originally budgeted for the project, it must return funds to VCDP in proportion to VCDP's share of the overall budget for the project.

How to Meet This Condition: Although this requirement may be included as an Award Condition, there is no action required before the Grant will be Awarded. In the event that the project comes in under budget, the proportion of funds that must be returned will be based on VCDP's share of the total financing package. The Grantee should consult their CD Specialist if their project comes in under budget to calculate the funds that must be returned.

Condition: If the project's general administration budget comes in under budget, the unused portion shall be returned to the Agency. The expenditure of VCDP funds for General Administration relative to the expenditure of Other Resources for General Administration must be maintained at the ratio as derived from the budget in the Grant. The unused VCDP funds budgeted for General Administration cannot be used for other activities in the Grant Agreement.

What the Condition Means: The Grantee will be required to adhere to an expenditure ratio between General Administration and Other Resources for General Administration. This ratio can be found in Attachment B under Sources and Uses. This Condition states that if there are leftover funds from General Administration, the Grantee may not use those funds for other activities.

How to Meet This Condition: Although this requirement may be included as an Award Condition, there is no action required before the Grant will be Awarded. Grantees should be aware that funds remaining in the General Administration budget cannot be used for other aspects of the project. The Condition will be met as long as the Grantee does not spend General Administration on any other activities dealing with the project.

Condition: In the event VCDP funds are needed prior to their availability due to VCDP requirements or conditions, the Grantee and/or one of the project parties must seek bridge financing to meet any expenses that cannot be delayed. The expenditure of bridge financing must be in compliance with VCDP requirements, most notably the environmental review process.

What the Condition Means: Prior to an Award being dispersed, the Grantee may need funds to carry out aspects of the project. If this is the case, the Grantee will be responsible for acquiring those funds; called Bridge Financing.

How to Meet This Condition: If the Grantee needs funding prior to their Award being dispersed, they will need to find funding on their own. Even though Bridge Financing is not through VCDP, the funds must still be spent in accordance with VCDP requirements.

NOTE: Not all Award Conditions are listed above. Your Award Letter may have some additional conditions. If there is an Award Condition in your Award Letter that is not discussed above and you are unsure of how to meet the Condition, please contact your CD Specialist for help.

Forms and Sample Documents

The documents below found on our "[Forms and Sample Documents](#)" page of our Agency's website are available to assist you to comply with your documentation requirements:

[Resolution to Designate A Public Agency – PM4](#)

[Sample Contract for Administrative Services](#)

[Sample Contract for Program Management](#)

[Sample Contract for Administrative Services and Program Management](#)

[Sample Anti-Displacement Plan](#)