

GRANTS MANAGEMENT GUIDE

THE GRANT AGREEMENT



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Introduction to the Grant Agreement

The Grant Agreement is the legal and binding contract that states your responsibilities as the Grantee of VCDP funds. The Grant Agreement must be signed by authorized representatives of Grantee and the Agency. Funding will not be disbursed to a Grantee until a fully executed Grant Agreement is completed.

VCDP staff will prepare a draft of the Grant Agreement for you to review. When both parties agree to a draft of the Grant Agreement, that Agreement must then be accepted by the governing body of your municipality. A Grant Agreement takes a substantial amount of time and effort to finalize. This process may include extensive discussions to ensure that everyone understands and agrees to the terms and conditions in this document.

Once the draft Grant Agreement has been finalized and you have met all of the Award Conditions in your Award Letter, the Agency will offer the Grant Agreement. By signing the Grant Agreement, you are creating a legal and binding document between you (the municipality) and the State of Vermont.

Components of a Grant Agreement

Part 1 – Grant Award Detail

Part 1 has four sections that include the following information: (Section I) General Grant Information, (Section II) Subrecipient Award Information, (Section III) Funding Allocation, and (Section IV) Contact Information. In this document, “Subrecipient” is another word for “Grantee.”

Part 2 – Standard Grant Agreement

Part 2 contains the following information: (1) parties involved with the grant agreement, (2) Subject Matter, (3) Award Details, (4) details regarding Amendments, (5) details regarding cancellation, and (6) Attachment descriptions. Part 2 includes places for signatures by you as Grantee and the State of Vermont.

Attachment A - Scope of Work to be Performed and Special Conditions

Attachment A defines any key participants in the Grant, such as Subgrantee, Borrower, Administrator, Project Manager, or Consultant. It includes a description of the project and a list of the activities involved with the project, including program management and general administration responsibilities. It identifies the National Objective(s) that will be met by the project, and specifies timing for filing required documents with the Agency. If there is a Subgrantee or a Borrower, this Attachment will state that entity’s responsibilities to the Grantee. Attachment A also includes any Special Conditions that must be met before the first requisition or at other key stages of the project.

Attachment B - Payment Provisions and Project Budget

Attachment B indicates payment requisition procedures, reporting requirements, and sources and uses of all funds for the project, including funding sources other than VCDP.

Attachment C - Standard State Provisions

Attachment C provides all the provisions that are included in every state of Vermont contract and grant agreement. All CDBG funding must adhere to these provisions.

Attachment D - Other Provisions (CDBG Standard Provisions)

Attachment D states obligations that apply to all recipients of VCDP funding. The Grantee must be aware of and adhere to each of the requirements in this document. A more detailed summary of the requirements in Attachment D is included in this Chapter.

Attachment E - Certifications and Assurances

Attachment E indicates state and federal laws that must be complied with when using VCDP funding. A more detailed summary of the requirements in Attachment E is included in this Chapter. Some of the laws and regulations listed in Attachment E may not apply in every case, but the Grantee is responsible for complying with all requirements that do apply.

Special Conditions and Explanations

After execution of the Grant Agreement and before you can receive funds from the Agency under the grant, you will have a number of special conditions that must be satisfied. Any special conditions will be listed in Attachment A. The following is a brief summary of typical special conditions, what they mean and how to satisfy them:

<p>Condition: Firm Commitment of Other Resources</p> <p><i>What the Condition Means:</i> Prior to the first requisition of VCDP grant funds, you must provide evidence of firm commitment of funds being provided to the project by Other Resources. Since the evidence of commitment of other funding resources was also required as an Award Condition, it is most likely that no further evidence will be needed. However, the Agency restates this requirement as a Special Condition to be certain nothing has happened with the project that impacts the Other Resources. In addition, on some projects the form of commitment for some minor amounts of Other Resources may have been acceptable to allow the Grant Agreement to be offered but additional evidence may be required to approve a requisition.</p> <p><i>How to Meet This Condition:</i> VCDP will require that the Other Resources funding commitments be re-verified for any Other Resources in question. The Grantee will need to upload documentation for those Other Resources commitments in the Budget page or the Special Conditions Documents page.</p>

Condition: Administrative Services Contract

What the Condition Means: If a municipality may enter into a contract with a Grant Administrator to undertake such activities as securing release of funds under the environmental regulations, setting up and maintaining financial management records, completing progress reports, and ensuring that the terms and conditions of the Grant Agreement are carried out. If the municipality hires a Grant Administrator, the municipality will be required to provide a copy of the Grant Administration Contract to the Agency. The contract establishes the scope of work to be performed and the amount and methods of compensation.

How to Meet This Condition: A copy of the executed contract must be submitted to the Agency prior to the first requisition of funds for Administrative Services. The contract must meet all of the Agency's requirements.

Sample Contract For Administrative Services: Can be found here.

<http://accd.vermont.gov/community-development/funding-incentives/vcdp/forms>

Condition: Program Management Contract

What the Condition Means: A municipality may enter into a contract with a Program Manager to oversee and perform functions such as compliance with labor standards, permit assistance, procurement standards, contracts management, construction oversight and coordination, and legal services. If the municipality hires a Program Manager, the municipality will be required to provide a copy of the Program Management contract to the Agency. The Program Management Contract should establish the scope of work to be performed and the amount and methods of compensation.

How to Meet This Condition: A copy of the executed contract must be the Agency prior to the first requisition of funds. The contract must meet all of the Agency's requirements.

Sample Contract for Program Management: Can be found here.

<http://accd.vermont.gov/community-development/funding-incentives/vcdp/forms>

Condition: Subgrant Agreement

What the Condition Means: A subgrant agreement is required for projects where the national objective will be achieved through activities performed by a subgrantee rather than by the municipality itself. This agreement sets forth the purpose of the subgrant, the rights and obligations of both parties to the subgrant, and many other important provisions.

How to Meet This Condition: The Grantee must submit a copy of the executed subgrant agreement to the Agency. The contract must meet all of the Agency's requirements.

Sample Subgrant Agreement: Can be found here. <http://accd.vermont.gov/community-development/funding-incentives/vcdp/forms>

Condition: Loan and Security Agreements

What the Condition Means: A Loan and Security Agreement is required for projects where the national objective is achieved through activities in some part funded by a loan of VCDP funds by the municipality to a Borrower. This agreement sets forth the rights and obligations of both parties to the loan, the purpose of the loan, the terms of the loan, any prepayment requirements, security requirements, disbursement schedule, and many other important provisions.

How to Meet This Condition: The Grantee will need to submit a copy of the executed agreement to the Agency. The Loan Agreement must meet all of the Agency's requirements.

Sample Loan and Security Agreement: Can be found here. <http://accd.vermont.gov/community-development/funding-incentives/vcdp/forms>

Condition: Benefit and Performance Agreements

What the Condition Means: A Benefit and Performance Agreement will be required for those projects where the VCDP assistance indirectly supports the activity that results in benefit. Most commonly this will be an economic development or housing project where VCDP funds are being used to fund the construction of infrastructure supporting those activities. For example, VCDP funds might be used to construct a sewer line extension to a manufacturing business that intends to expand and create 20 new jobs. In this case, the funded activity (construction of the sewer line) will be accomplished by the Grantee (the municipality) but the benefit (20 new jobs) will be achieved by the business. Since there is no Subgrant Agreement or Loan and Security Agreement between the municipality and the business, the Benefit and Performance Agreement serves to establish the obligations of both the municipality and the business.

How to Meet This Condition: The Grantee will need to submit a copy of the executed agreement to the Agency.

Sample Benefit and Performance Agreement Can be found here. <http://accd.vermont.gov/community-development/funding-incentives/vcdp/forms>

Condition: Employment Agreement

What the Condition Means: An Employment Agreement will be required for all VCDP funded economic development projects – projects where the benefit to be achieved is the creation of new jobs. This Agreement is a three-party agreement between the Grantee, the business that is responsible for job creation, and the District Office of the Department of Employment and Training (DET).

How to Meet This Condition: The Grantee will be responsible for providing at a minimum that 51% of the jobs to be created by the assisted business are filled by, or made available to low and moderate income persons. The Employment Agreement will need to be developed by the Grantee in consultation with the business and the appropriate DET office. The assisted business will need to provide an Employment Plan as an attachment to the Agreement. This Plan should identify the number and types of all jobs, both existing and to be created for the business.

Sample Employment Agreement: Can be found here.

<http://accd.vermont.gov/community-development/funding-incentives/vcdp/forms>

Condition: Opinion of Legal Counsel

What the Condition Means: The VCDP requires that Grantee retain an attorney to review all key documents, such as Subgrants, Loan and Security Agreements, Administrative Services Agreements, Program Management Agreements, and Benefit and Performance Agreements, to provide assurances that the documents are legal, valid, and binding, and that they meet all of the requirements set forth in the Grant Agreement. The Agency does this to assure that the legal relationships are established and that rights and responsibilities are properly allocated in order to provide for proper performance of the activities funded with VCDP grant funds.

How to Meet This Condition: Your Grant Agreement will require you to provide an opinion from your legal counsel prior to the first requisition of funds. This will apply to all Subgrant Agreements, Loan and Security Agreements, Administrative Services Contracts, Program Management Contract, and Benefit and Performance Agreements. A copy of the legal opinion will need to be provided to the Agency.

Condition: DUNS Numbers, SAMS registration and Debarment

What the Condition Means: All parties that will receive VCDP funds, including subgrantees, borrowers, and contractors, must have a Data Universal Numbering System or DUNS number, which is a nine-character identification number provided by the commercial company Duns & Bradstreet. They also must all register with the System for Award Management (SAM). These two requirements confirm that the party has not been debarred from receiving federal funds. Additionally, they may not be on the states debarment list.

How to Meet this Condition: A DUNS number can be requested online at: <http://fedgov.dnb.com/webform>. Once you have a DUNS number, you can register for SAM at www.sam.gov. The states debarment list is at <http://bgs.vermont.gov/purchasing-contracting/debarment>. The Grantee must provide evidence of registration with SAM and of checking the state debarment list for any Subgrantee, Borrower, Program Manager, or General Administrator.

Condition: Consortium Contract

What the Condition Means: 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. It is highly recommended that you consult with an attorney in negotiating this contract.

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.

How to Meet this Condition: The Grantee will need to submit a copy of the executed agreement to the Agency.

Sample Consortium Contact: Can be found here. <http://accd.vermont.gov/community-development/funding-incentives/vcdp/forms>

Note: Other common Special Conditions may be found in Chapter – Letter of Award and Award Conditions because they are also Award Conditions. If you have a Special Condition that isn't included here and you would like an explanation, check the Letter of Award Chapter or contact your CD Specialist for more information.

Review of Documents by VCDP Staff

During the course of the project, the Grantee will be responsible for submitting various documents as required by the Special Conditions.

Not all documents submitted to the Agency will receive review *and* comment, so it is important for the Grantee to make sure they are in compliance with the terms, conditions, and requirements of the Grant Agreement. You cannot assume that the receipt, or even review, of a document means that all requirements are met. It is your responsibility to make sure that all aspects of the project are in compliance with VCDP requirements and state provisions.

PLEASE NOTE:

The Vermont Community Development Program (VCDP) will not necessarily review and comment on all documents generated in connection with the Grant. It is your responsibility to take appropriate steps through the execution of legally binding documents and enforcement of their provisions to ensure that your obligations pursuant to the Grant Agreement are performed. This responsibility is in no way reduced or assumed by the Agency as to documents submitted to it for review, comment, or filing pursuant to the Grant Agreement.

The VCDP staff do not review grant documents comprehensively for the existence of any deficiency.

Attachment D

This Attachment to the Grant Agreement establishes various conditions that apply to the Grant. You must read these carefully in the Grant Agreement before signing, and contact the Agency if you have any questions. The following is a brief summary of the requirements.

- I. **Subject Matter:** The Grant is subject to all applicable provisions of the Federal Housing and Community Development Act and the Vermont Community Development Act. You are responsible for familiarizing yourself with these requirements.
- II. **Obligations of Grantee:** You (The Grantee) are responsible for the following –
 - (a) All agreements/contracts must be in writing;
 - (b) You are responsible for all work contracted through third parties, including subgrantees and borrowers;
 - (c) Whether or not the Agency reviews and comments on your contracts and other documents, you remain responsible for compliance with these agreements;
 - (d) You must adopt all municipal policies and submit copies of each to the Agency, including Form MP-1;

- (e) You must hold a public hearing prior to completion of the project and advertise the hearing at least 15 days in advance in the local newspaper;
 - (f) If you choose to release a public statement about the project, you must acknowledge that VCDP provided funding and state the amount that was provided to you;
 - (g) You will remain responsible for various reports and record retention requirements even after the contract is terminated.
- III. Program Costs:** See Agency Procedures Chapters 5 to 8 for information on allowable costs and cash-in-kind matching. Prior to completion of the Environmental Review, the only allowable costs are for environmental studies, planning, general administration, program engineering and design, and public information. The Agency may review your costs and disallow inappropriate expenditures at any time.
- IV. Requisition of VCDP Funds:** You may ask for funds as advances or reimbursements, but must disburse any funds over \$5,000 within 10 business days. If you are withholding funds from a contractor until the completion of a project, you may not ask for those funds in advance. If you need funding before you are permitted to requisition VCDP Funds, you may seek “bridge financing.” Any bridge financing must be used according to VCDP requirements. You must expend VCDP funds on a pro rata basis with other resources.
- V. Bank Accounts for VCDP Funds:** You must have a separate bank account specifically for VCDP funds. The account cannot be interest-bearing. In the event you earn any interest on VCDP funds, the interest must be returned to VCDP. All bank accounts must be insured by the FDIC. Any person with access to the account must have fidelity bond coverage.
- VI. Financial Management:** You must have control over all financial accounts dealing with the project. You must maintain detailed records of all spending of funds from VCDP and other resources, and disclose those expenditures to the Agency throughout the project. You are responsible for overseeing anyone with access to project funds.
- VII. Procurement Procedures:** Procurement Procedures for the project must comply with all applicable regulations and requirements. See the Grants Management Guide chapter on Procurement. You must avoid any conflicts of interest. You must not hire or contract a third party that appears on the state or federal debarment list, and you must keep documentation to prove you checked those lists when contracting with a third party. For housing and public construction projects, you must give preference to low-to-moderate income persons. You must pay fair wages according to the Davis-Bacon Act, if applicable, and comply with all other labor and safety standards.
- VIII. Bonding Requirements:** If a contract for construction or facility improvements is for less than \$100,000, and you have already established procedures for dealing with bonds, you

may use those procedures. If you do not have bonding procedures in place, or if you have any contracts for more than \$100,000, you must follow Agency procedures, which are outlined in Appendix A of the Grants Management Guide.

- IX. Program Income:** Whenever VCDP funds are loaned to a subrecipient, and repayments are made to you from that subrecipient, these repayments are referred to as “program income.” See the Grants Management Guide chapter on Program Income.
- X. Equal Opportunity and Americans with Disabilities Act:** You may not discriminate on the ground of race, color, religion, national origin, sex, sexual orientation, gender identity, ancestry, place of birth, age, or physical or mental condition, in any of the activities covered by this Agreement.
- XI. Monitoring and Reporting:** You are responsible for monitoring the performance of any subgrantees, borrowers, or contractors working on the project. You must submit data and other information regarding the project as required by the Agency. A Final Program Report must be submitted to the Agency no more than 30 days after completion of the project. The report must include proof that a public hearing was held.
- XII. Audits:** You must complete and submit a Subrecipient Annual Report at the end of your fiscal year. You must arrange for an independent audit and submit proof of this audit to the Agency. The Agency may refuse to reimburse you based on interim and annual audit reports if the funding is not spent appropriately.
- XIII. Completion Certificates:** To receive a certificate of completion you must have completed a Closeout Agreement and addressed all remaining issues the Agency has identified. (Note that not all Grants require a Closeout Agreement.)
- XIV. Retention and Access to Records:** You must keep a copy of all project and grant records for at least three years after the Grant Completion Date, and allow access to the records to the Agency, HUD, Inspector General of the U.S., and the U.S. General Accounting Office.
- XV. Administrative Sanctions:** Failure to submit any reports or documents required by the Agency will result in a “Notice of Delinquency.” You will have 30 days to submit proper reports or paperwork. If you do not comply, funds will not be dispersed and you may be subject to legal action.
- XVI. Termination for Convenience:** Either party may terminate the grant agreement if it is agreed that the anticipated benefit of the project will not be achieved. If this happens, you must not incur any new costs and must attempt to cancel as many outstanding obligations as possible.

XVII. Suspension or Termination for Cause: The Agency can suspend funding with reasonable notice in whole or in part if the Grantee has not complied with Agency requirements. The Agency may terminate funding altogether if you have not complied with requirements past the 30-day notice period. This will only occur after reasonable notice and an opportunity for a hearing.

XVIII. Appeals and Waiver Enforcement: If you disagree with the decisions or actions of the Agency during your project, you can make an appeal to the Secretary of the Agency. See Chapter 18 of the Agency Procedures.

XIX. Budget Revisions and Amendments: You may make a one-time revision to the amounts listed in the budget provided there is justification for this change, the awarded amount is not raised, and the adjustments are not more than 10% of the entire grant amount. Even if you plan to use Other Resources for additions to your project, you must notify the Agency of any such changes. Any other changes must be formalized in an Amendment to the Agreement.

Attachment E

This Attachment to the Grant Agreement requires the Grantee to certify that it will comply with various laws that apply to the Grant. The first six numbered paragraphs describe conditions that must be satisfied before you can sign the Grant Agreement. Read these carefully in the Grant Agreement before signing, and contact the Agency if you have any questions.

Attachment E also lists the various federal laws that apply to CDBG and other federally funded programs. The following are brief summaries of what these laws require, numbered in accordance with Attachment E:

Labor

- **(7)(a) - The Davis-Bacon Act** mandates that all laborers and mechanics be paid at least once a week at wage rates not less than the wage determination issued by the U.S. Department of Labor. Weekly compliance statements and payrolls must be submitted to the federally-funded recipient by the contractor. See the Grants Management Guide Chapter on Fair Labor Standards and Davis Bacon for more information. [40 USC 276a et seq.].
- **(7)(b) - Federal Fair Labor Standards and related Act** requires that covered employees be paid at least the minimum wage and that they be paid time and a half for all hours in excess of forty hours in a work week. See the Grants Management Guide Chapter on Fair Labor Standards and Davis Bacon for more information. [29 USC 201 et seq.].
- **(7)(c) - Contract Work Hours and Safety Standards Act** states that no contract work may require employees to work more than 40 hours in a week, unless they are paid time and a half for the overtime hours. [40 USC 327-333].

- **(8)(a) - Copeland Anti-Kickback Act of 1934** makes it a crime to induce any other person employed in work financed in whole or in part by loans or grants from the United States, to give up any part of the compensation to which he or she is entitled under his or her contract of employment. [18 USC 874 and 40 USC 276c].
- **(8)(b) - Executive Order 11246** prohibits a recipient of VCDP funds and their subcontractors, if any, from discriminating against any employee or applicant for employment because of race, color, religion, sex or national origin. [Equal Employment Opportunities as amended by Executive Orders 11375 and 12086 and the regulations issued pursuant thereto 24 CFR 130 and 41 CFR 60].
- **(8)(c) - Section 3 of the Housing and Urban Development Act of 1968** requires, to the greatest extent possible, opportunities for training and employment be given to lower-income persons residing within the unit of local government in which the project is located, and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part, by persons residing in the project area. [12 USC 1701u as amended, and the regulations at 24 CFR 135].

Environmental and Historic

- **(9) - The National Environmental Policy Act of 1969 (NEPA)** requires that the official designated by the municipality and approved by the Secretary will assume the status of a responsible Federal official under the National Environmental Policy Act. NEPA requires that the Grantee's proposed project will not significantly impact the environment. The Grantee must also submit environmental certifications to the Agency when requesting that funds be released for the project. [42 USC 4321].
- **(10) - Environmental Protection Agency's (EPA) list of Violating Facilities** requires that the grantee ensure the facilities under its ownership, lease, or supervision that will be used in the completion of the program are not listed as Violating Facilities and that it will notify the Secretary of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility is to be used in the project is under consideration for listing by the EPA.
- **(11)(a)/(b)/(d) - Section 106 of the Historic Preservation Act of 1966 and Executive Order 11593** require compliance in consulting with the State Historic Preservation Office (SHPO) to identify properties identified in or eligible for inclusion in the National Register of Historic Places that exist within the project's area of potential environmental impact, and/or to determine the need for professional archaeological, historical, or architectural inventory of potentially affected properties to determine whether they would qualify for register listing. The Grantee should consult with SHPO and the Advisory Council on Historic Preservation on the significance of historic or prehistoric properties that may be affected by the project and determining how to mitigate or avoid any adverse effects on significant properties from project work. [16 USC 470 and 36 CFR 800].
- **(11)(c) - Preservation of Archaeological and Historic Data Act of 1974** requires the Grantee to comply with provisions for the preservation of historical and archaeological

data that might otherwise be irreparably lost or destroyed as a result of any alteration of the terrain caused as a result of any federal construction project or federal licensed activity or program. [16 USC 469 et seq.].

- **12(a) – The National Environmental Policy Act.** See item 9, above.
- **(12)(b)/(e) - The Endangered Species Act of 1973 and The Fragile Areas Registry Act of 1977** Ensure that all federally assisted projects seek to preserve endangered or threatened species. Federally authorized and funded projects must not jeopardize the continued existence of endangered and threatened species or result in the destruction or modification of habitat of such species which is determined by the US Department of the Interior, after consultation with the state, to be critical. [16 USC 1553 et seq. and 10 VSA 4046 and Chapter 123] [10 VSA 6551].
- **12(c) - Executive Order 11990 Protection of Wetlands** requires grantees to avoid adverse impacts associated with the destruction or modification of wetlands and direct or indirect support of new construction in wetlands, whenever there is a practical alternative. If there is no practical alternative, the proposed action must include all practical measures to minimize any harm to wetlands. [Executive Order 11990].
- **12(d) - The Fish and Wildlife Coordination Act of 1958** requires that wildlife conservation receives equal consideration and is coordinated with other features of water resource development programs. [16 USC 661 et seq.].
- **(12)(f) - Safe Drinking Water Act of 1974 amended in 1977** pertains to protecting underground sources of water. No commitment of federal financial assistance can be entered into for any project that the US Environmental Protection Agency determines may contaminate an aquifer, which is the sole or principal drinking water source for an area. [21 USC 349 and 42 USC 210 and 300f et seq.].
- **(12)(g) - Clean Air Act of 1970 and Vermont Law** regulate air emissions from both stationary and mobile sources and establishes National Ambient Air Quality Standards (NAAQS), which are used to set emissions standards. The Grantee must comply with these emissions standards throughout the entirety of the project. [42 USC 7401 and 10 VSA 551].
- **(12)(h) - Federal Water Pollution Control Act of 1972 and Vermont Law and Executive Order 12088** Provides for the restoration and maintenance of the chemical, physical, and biological integrity of the nation’s waters. [33 USC 1251 et seq. and 10 VSA 1251 et seq. and 18 VSA 102, 1203, and 1218].
- **(12)(i) - Executive Order 11988** relates to the evaluation of flood hazards. Requires the Grantee, to the extent possible, to avoid adverse impacts associated with the occupancy and modification of floodplains and avoid direct or indirect support of floodplain development whenever there is a practical alternative. If a grantee proposes to conduct, support or allow an action to be located in the floodplain, the grantee must consider alternatives to avoid adverse effects and incompatible involvement in the floodplains. If siting of a floodplain is the only practical alternative, the grantee must, prior to taking any action: (1) design or modify its actions in order to minimize a potential harm to the floodplain; and (2) prepare and circulate a notice containing an explanation of why the action is proposed to be located in a floodplain.

- **(12)(i) Continued - Flood Disaster Protection Act of 1973, Vermont Law, and Executive Order No. 17 of 1978** Purchase of flood insurance in communities where such insurance is available is a condition for the receipt of any federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of HUD as an area having special flood hazards. [42 USC 4001 et seq.] [10 VSA 751 et seq.].
- **(12)(j) - Solid Waste Disposal Act**, as amended by the **Resource Conservation and Recovery Act of 1976** and **Vermont Law** require environmentally sound methods for disposal of household, municipal, commercial, and industrial waste. The Grantee must ensure that all materials disposed of during the duration of the project are in accordance with the regulations of this Act. [42 USC 6901 et seq.] [24 VSA 2202a].
- **(12)(k) - Noise Abatement and Control Regulations** prohibit HUD support for most new construction of noise-sensitive uses. These regulations also prohibit support for projects with unacceptable noise exposures, and discourages projects with normally unacceptable noise exposure. Projects may not be located near facilities handling materials of an explosive or hazardous nature or in an airport clear-zone. [contained in HUD Environmental Standards and 24 CFR 5, and 44 F.R. 40860-40866].
- **(12)(l) - Wild and Scenic River Act of 1968**, as amended, the intent of which is to preserve certain rivers with outstanding natural, cultural, and recreational values in a free-flowing condition for the enjoyment of present and future generations. The grantee must evaluate the potential to impact any listed Wild and Scenic River when the assisted project is within proximity to a listed natural resource. [16 U.S.C. 1271 et seq];

Relocation and Acquisition

- **(13) - Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970** require the Grantee to provide relocation payments and offer relocation assistance to all persons or businesses displaced as a result of acquisition of real property for an activity assisted under the VCDP. Such payments and assistance must be provided in a fair and consistent and equitable manner that ensures that the relocation process does not result in a different or separate treatment of such persons on account of race, color, religion, national origin, sex, source of income, age, handicap, or familial status. The Grantee must assure that, within a reasonable period of time prior to displacement, decent, safe, and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of their race, color, religion, national origin, sex, source of income, age, handicap, or familial status. See the Grants Management Guide chapter on Uniform Relocation Act for more information. [42 USC 4601 et seq.].

Architecture and Construction

- **(14)(a) - Title IV of the Lead-Based Paint Poisoning Prevention Act and Lead-Based Paint Requirements** prohibits the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance of any kind. [42 USC 4831(b)] [24 CFR 35, Subpart B].

- **(14)(b)/(c) - Architectural Barriers Act of 1968 and Section 504 of the Rehabilitation Act of 1973** require every building or facility, other than a privately owned residential structure, designed, constructed, or altered with funds provided under the VCDP to comply with the “American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped.” The Grantee will be responsible for conducting inspections to insure compliance with these specifications by the contractor. [42 USC 4151] [29 USC 794].

Equal Opportunity and Fair Housing

- **(15) - Title VIII of the Civil Rights Act of 1968** prohibits discrimination in the sale or rental of housing, the financing of housing, or the provision of brokerage services, because of race, color, religion, sex, national origin, handicap, or familial status. Grantees must administer programs and activities relating to housing and community development in a manner that affirmatively promotes fair housing and furthers the purposes of Title VIII. [42 USC 3601].
- **(16) - Title VI of the Civil Rights Act of 1964** and the regulations at **24 CFR 1**; No person shall, on the grounds of race, color or national origin, be denied the benefits of, be excluded from participation in, or be subjected to discrimination under any program or activity receiving federal financial assistance. [42 USC 2000d].
- **(17)(a) - Executive Order 11063 as amended by Executive Order 12259** (Leadership and Coordination of Fair Housing and Federal Programs) and the regulations at **24 CFR 100 and 107** require VCDP recipients to take all actions necessary and appropriate to prevent discrimination because of race, color, religion, creed, sex, or national origin in the sale, leasing, rental and other disposition of residential property and related facilities (including land to be developed for residential use).
- **(17)(b) - Non-Discrimination in Programs and Activities – Section 109 of the Federal Act** the regulations pursuant to **24 CFR 570.496(b)** require VCDP recipients to ensure that no person is, on the grounds of race, color, national origin, or sex, subjected to discrimination under any program activity funded in whole or in part with funds provided under the Federal Act. [42 USC 5309].
- **(17)(c) - Age Discrimination Act of 1975** prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance. Grantees may not exclude, deny, or limit services to any person on the basis of age. [42 USC 6101 et seq.].
- **(17)(d) - Americans with Disabilities Act of 1990** [42 USC 12010-12213; 42 USC 225-611], **Section 504 of the Rehabilitation Act of 1973** [29 USC 794] No otherwise qualified individual shall, by reason of his or her handicap, be excluded from participation (including employment), denied program benefits or subjected to discrimination under any program or activity receiving federal assistance funds.

Other Requirements

- **(18) - The Hatch Act** limits certain political activity of individuals principally employed by a state or local agency in connection with a program financed wholly by federal grants

or loans. An affected employee may not be a candidate for public office in a partisan election. [5 USC 1501 et seq.].

- **(19) - Drug Free Workplace Act** [Public Law 100-690 Title V, Subtitle D, 41 USC 701 et seq.] Grantees must certify that they provide a drug-free workplace.
- **(20) - Conflict of Interest** No persons who have exercised responsibilities with CDBG activities who are in a position within the decision making process or gaining inside information with regard to such activity will gain financial benefit or interest with said activity. Any person who is an employee, agent, consultant, officer, elected or appointed official, any unit of general or local government, or any public agencies qualify as persons covered under conflict of interest. [24 CFR 570.489(h)].
- **(21)** – Grantees must comply with all applicable provisions of Title I of the Housing and Community Development Act, the State Community Development Act, and Agency Procedures.

Important Items to Be Aware Of

Resolution to Accept the Grant Agreement

Once the Grant Agreement is offered, the first formal action that needs to be taken is to adopt a Resolution to Accept the Grant Agreement. This action requires the municipal Legislative Body to adopt a resolution in which it agrees to accept the Grant Agreement and comply with the rules and regulations of the program. You will need to alert the Legislative Body that you will be presenting this resolution at a regularly scheduled meeting. Prior to this meeting, it is advised that you have your legal counsel review the Grant Agreement.

CONSORTIUM NOTE: A consortium of municipalities should use Form PM-2 for the Lead Grantee and Form PM-3 for each participating grantee. See links to resolution forms at the end of the chapter.

Record Keeping

The requirement to establish and maintain good records begins the moment you apply for a grant and continues for at least three years after the Agency issues you the Certificate of Program Completion. If there is litigation, audit findings, or unmet benefit, the beginning of the three-year period occurs when those issues are settled. A separate set of records must be maintained for each and every VCDP grant.

It is important to get things in writing from everyone, including the Agency staff. It is also important to keep and file all documents and correspondence received from or sent to the Agency. If documentation is required to support compliance, make sure you submit that documentation to the Agency.

Your records are the documentation of compliance with the Grant Agreement and all applicable laws, regulations, and procedures. Without records, there is no way to report on the progress of the grant accurately. Department staff will rely on your records when monitoring, and your auditor will also need your records as part of the audit fieldwork.

If record keeping is a responsibility of your grant administrator, it is still the municipality's responsibility to be certain that the administrator maintains adequate documentation.

A complete set of records must be maintained. It is best to keep all records in one location for easy accessibility. The complete set of records may be in the municipal files or the grant administrator's files. Some records may need to be duplicated for municipal files. Upon the receipt of the Certificate of Program Completion, the Grantee should have the complete set of records.

Requisitioning Funds

To obtain VCDP funds, a Grantee must "requisition" them. Requisitions are subject to the following requirements.

Municipal Policies and Codes

Federal law requires that seven policies be adopted by the municipal legislative body prior to the availability of funding. These policies are all included in Form MP-1. See Grants Management Guide chapter on Forms and Resolutions for more information.

Designation of Depository and Authorized Signatures

Before requisitioning, you will need to designate a depository account and authorize signatures for requisitioning VCDP funding. See Grants Management Guide chapter on Forms and Resolutions for more information.

Fidelity Bonding

During your project, a person will be responsible for writing checks to pay expenses. The individual(s) authorized to sign the checks from the depository account must be bonded in an amount commensurate with the exposure based on the deposits in the account. If you have any questions about Fidelity Bonding, please contact your CD Specialist.

Insuring Your Depository Account

VCDP requires that all deposits be insured.

Other Important Requirements

Although you may have completed all the Award Conditions and Special Conditions, there still may be steps that you need to take to be in compliance with VCDP requirements. The following are a list of descriptions of other steps that you may need to take:

Fair Labor Standards and Davis Bacon Wage Rates

Any housing project of more than seven units, and any other construction project of more than \$2,000 triggers the requirements of the Davis Bacon Act, the Copeland Anti-Kickback Act, and the Contract Work Hours and Safety Standards Act.

All three of these federal laws impose considerable record keeping obligations, and impose obligations on your contractors and subcontractors. Fair Labor Standards and Davis Bacon Rates require that workers receive no less than the prevailing wage rate for similar work in each specific locality. See Grants Management Guide Chapter on Fair Labor Standards and Davis Bacon for further guidance on these topics.

Procurement

Procurement requirements apply to contracts of more than \$3,000 for professional or personal services, the purchase of equipment or materials, to contracts for construction, rehabilitation and demolition activities. See Grants Management Guide Chapter on Procurement and Contracts for guidance.

As part of the procurement process, the Grantee or Administrator must verify and document that the prime contractor and all subcontractors are not listed on the HUD debarment list by checking the following website: <https://www.sam.gov/portal/SAM/##11>.

The Grantee or Administrator must also verify and document that the prime contractor has been certified and registered with the Vermont Secretary of State's Office by checking the following website: <https://www.sec.state.vt.us/#corporations>.

Documenting Benefit

In your Grant Agreement, there was a section titled "National Objective" that established the benefits to be achieved by your funded activities. This is expressed as the total number of persons who will benefit and the number of beneficiaries that are low and moderate persons.

See Grants Management Guide Chapter on Documenting Benefit for more information.

Public Hearings and Public Communication

Public Hearings

Before you submitted your proposal to VCDP, you held a public hearing to inform the community of the project and to solicit comments. Once the project is completed and you wish to close out your Grant Agreement, you must hold a second public hearing. You will be required to present documentation to VCDP that the hearing was held.

Public Communication

If a Grantee wishes to make a press release about the project, the communication must acknowledge that the project is funded by a VCDP grant, awarded by the Vermont Agency of Commerce and Community Development, and must include the amount of the grant award.

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:

- Sample Contract for Administrative Services
- Sample Contract for Program Management
- Sample Contract for Administrative Services and Program Management
- Sample Consortium Contract
- Standby Agreement
- Sample Subgrant Agreement
- Sample Subgrant Agreement for NCDO
- Subgrant Agreement with Administrative Services and Program Management
- Sample Loan and Security Agreement
- Sample Benefit and Performance Agreement
- Sample Employment Agreement
- Grant Agreement Resolution for Single Grantee - PM1
- Grant Agreement Resolution for Consortium Lead Grantee - PM2
- Grant Agreement Resolution for Participating Grantee - PM3