

# **DRAWDOWN TOOL KIT**

## **REQUESTING TSEP FUNDS**

The Request for Funds Form is used by TSEP grant recipients to request funds for reimbursement of eligible project costs. The TSEP grant recipient will also need to provide additional documentation to support their claims for expenses to be reimbursed. A checklist is provided to ensure that the TSEP grant recipient has taken the proper steps necessary for TSEP staff to process a request for funds (Exhibit A).

### **I. REQUEST FOR FUNDS**

- A.** Request for Funds Form: TSEP grant recipients can initiate a request for TSEP funds by preparing and submitting the Request for Funds Form (Exhibit B) and supporting documentation. The Request for Funds Form may be mailed to your TSEP staff liaison at the Department of Commerce, CDD/TSEP, P.O. Box 200523, Helena, MT 59620-0523 or via email to the TSEP project liaison or DOCTSEP@mt.gov.
- B.** Project Progress Report: The Project Progress Report provides Commerce with information on the use of the funds requested and the progress and status of the project. (Exhibit C).
- C.** Uniform Status of Funds Spreadsheet (USFS): The USFS presents the most current budget for the project and status of all funds involved in the project. (See Exhibit D for the spreadsheet and instructions on how to use it, Exhibit F for guidance on completing the spreadsheet.)
- D.** Uniform Invoice Tracking Spreadsheet: The invoice tracking references all invoices received and charged to the project to date. (See Exhibit E for the spreadsheet and instructions on how to use it, Exhibit G for a guidance on how to complete the spreadsheet.)

### **Budget Modifications**

Modifications to the budget of less than \$5,000 to any one line item of the budget can be submitted as part of the grantee's drawdown request, and Department approval of the drawdown will constitute approval of the modification.

For budget amendments of \$5,000 or more to any one line item of the budget, or when the sum of budget adjustments in one line item exceeds \$5,000, the TSEP grantee must provide a written justification prior to the request for funds

to the Department, that clearly demonstrates the appropriateness and necessity of the modification. **The Department must agree in writing to any significant changes in the budget before such changes may be implemented by the grantee.**

When bids tabs are received for construction, the amount budgeted in the project budget may be reduced by an amount proportionate to the reduction in the amount required for construction. For example, if the overall savings were 20 percent, the amount to be provided by TSEP for construction activities would be reduced by 20 percent. Any savings would then be added to the contingency line item amount. If there are any savings upon completion of the project, the Department reserves the right to share proportionately in those savings with all funding sources.

Budgets will be approved with contingency amounts for completion of project activities. Contingency amounts are reserved for use of construction activities and will seldom be transferred to other line items or administrative costs, please work closely with TSEP staff if your situation may require transfer of contingency funds to any line item.

- E. The TSEP grant recipient can only be reimbursed for project costs that have actually been incurred. Copies of invoices, purchase orders, lease agreements, acquisition agreements, etcetera, constitute acceptable types of documentation. All expenditures that have been paid in part or totally from TSEP funds, regardless of the amount, must be documented with copies of eligible costs incurred, and itemized in the Project Progress Report. If a sub-consultant charge appears on an invoice, also include the sub-consultant's invoice with the request.

All invoices from contractors providing professional services, such as grant administrators and engineers, must itemize the work performed and include a narrative description in sufficient detail to justify the amount claimed.

- a description of work performed,
- the number of hours worked to accomplish each item,
- the amount being billed for each item;
- hourly rates;
- work performed date(s) and work items completed;
- beginning and ending billing period dates;
- a description of any other eligible expenses incurred during the billing period; and
- the total amount being billed.

Copies of timesheets or other summary payroll information for work performed by local government or district employees, must be included when applicable. Summary information must include at a minimum the name, title, time period, activities performed, rate, and total amount.

Lump-sum contracts do not provide for adequate and sufficient documentation for reimbursement of project expenses with TSEP funds and they are generally not allowed for design and engineering services. Cost plus contracts are not allowable on TSEP projects.

- F. Completed Certification of Labor Compliance form. Form must be completed for any request of funds relating to construction contracts. See Exhibit H for a copy of the form. A copy of the first certified payroll must be included with the first draw of construction dollars if labor was performed.

If the TSEP liaison has any questions concerning the appropriateness or amount of an expenditure, more detailed supporting documentation may be required to verify the expenditure.

If the TSEP grant recipient is constructing multiple unrelated projects at the same time using a single contractor, the invoice and related documentation submitted with the Request for Funds Form must be separate from the other project(s) so that the claim is clearly distinct for the project funded by TSEP funds. For example, if a city is constructing both a water and sewer project using the same contractor, and only the sewer project is being funded in part by TSEP funds, the city must provide an invoice showing expenses just for the sewer project. Expenses for the water project must be clearly separated on the invoice containing the sewer expenses or included on an entirely separate invoice.

## **II. QUARTERLY REPORTING REQUIREMENTS**

The Project Progress Report is used by grant recipients when requesting TSEP funds and when filing quarterly reports. The TSEP grant recipient is required to submit a Project Progress Report each calendar year quarter, unless the TSEP grant recipient has submitted a request for funds to TSEP during the same quarter. The Project Progress Report is required within fifteen (15) days following the close of each quarter. The format and content of the TSEP Project Progress Report is described in Exhibit C.

## **III. RETAINAGE**

The Department will retain two percent (2%) of the total authorized grant amount until the project has been completed (a Certificate of Substantial Completion has been issued), and a

final closeout report has been submitted by the TSEP grant recipient and approved by the Department.

This amount will be withheld at the end of the project award. Once a Certificate of Substantial Completion has been submitted and approved by the Department, the two percent (2%) retainage will be released to the TSEP grant recipient and will typically be part or all of the final draw.

## EXHIBIT A

### REQUIREMENTS FOR SUBMITTAL OF REQUEST FOR FUNDS

#### I. REQUEST FOR FUNDS FORM

- Section I – TSEP Recipient Information completed, including the contract number, drawdown number, TSEP recipient address, bank name, and total amount requested.
- Section II – Financial Information completed, Columns A through D, Lines 1 through 5 (this should reflect TSEP budget only).
- Section III – Local Approval completed, including: dates, signatures and titles.
- Copies of invoices, purchase orders, lease agreements, acquisition agreements, etc, for all charges included in request.
- Copies of timesheets or other summary payroll information for work performed by city or county employees. At a minimum, include the name, title, time period that work was performed, total hours worked, hourly rate, activities performed, and total amount earned.

#### II. UNIFORM STATUS OF FUNDS SPREADSHEET

Submit copy of the current Uniform Status of Funds Spreadsheet. The budgeted and requested amounts on the spreadsheet must match the amounts on the Request for Funds Form.

#### III. UNIFORM INVOICE TRACKING SPREADSHEET

Submit a copy of the current Uniform Invoice Tracking Spreadsheet. At a minimum, the TSEP recipient must record all invoices from a consultant project manager, project engineer and construction contractor and any other invoices requesting payment.

#### IV. PROJECT PROGRESS REPORT

Grantee and project identification information completed, including: name of TSEP recipient, contract number, drawdown number, total amount requested, date.

Administration/Financial section completed, including: amount requested, brief description of the use of the funds requested for each expense. All expenditures must be listed that have been paid in part or totally from TSEP funds, regardless of the amount. Summary payroll information for work performed by TSEP recipient's employees.

Activity section completed, including: amount requested, brief description of the use of the

funds requested for each expense All expenditures must be listed that have been paid in part or totally from TSEP funds, regardless of the amount. Summary payroll information for work performed by TSEP recipient's employees.

Project Status section completed, including a summary of the overall status of the project and any other information relevant to the implementation of project.

## **VI. CERTIFICATION OF LABOR COMPLIANCE**

When requesting TSEP funds to pay for construction expenses, attach a copy of the completed Certification of Labor Compliance with each request.

## Exhibit B Drawdown Request Form

(available in Excel on TSEP Administration of Grant website for best practical use)

SECTION I - TSEP RECIPIENT INFORMATION				
TSEP CONTRACT NUMBER	DRAWDOWN NUMBER	TOTAL AMOUNT REQUESTED		
NAME AND ADDRESS OF TSEP RECIPIENT:		MAKE DEPOSIT PAYABLE TO:		
SECTION II - FINANCIAL INFORMATION				
	A Amount Budgeted	B Amount Expended Prior To This Draw	C Amount Requested	D Balance Remaining After This Draw
1. TOTAL ADMINISTRATION BUDGET				
2. Percent	% of Total Grant	% of Column A		
3. TOTAL ACTIVITY BUDGET				
4. Percent	% of Total Grant	% of Column A		
5. TOTAL TSEP BUDGET				
<b>REMARKS:</b>				
SECTION III - LOCAL APPROVAL				
Please submit all draw request and supporting reports and documentation to: of Commerce –TSEP, PO Box 200523, Helena, MT 59620-0523			Montana Department	
DATE:	SIGNATURE		TITLE	
DATE:	COUNTERSIGNATURE		TITLE	
SECTION IV -COMMERCE APPROVAL				
EXPENDITURES ARE REASONABLE, APPROPRIATE _____ FINANCIAL NUMBERS, SIGNATURES CORRECT _____ CONSISTENT WITH PRECEDING DRAW, SABHRS _____ BUDGET AMENDMENT APPROVED _____			APPROVED BY:  TITLE: DATE:	

## INSTRUCTIONS FOR "DRAWDOWN REQUEST FORM"

Each request for payment must also be accompanied by a Uniform Status of Funds Spreadsheet, a Uniform Invoice Tracking Spreadsheet, and a TSEP Project Progress Report. In order to complete a Request for Payment, you must fill out sections I, II and III of the form following the below detailed instructions.

### Section I – TSEP Recipient Information:

1. TSEP CONTRACT NUMBER. Enter the MDOC/TSEP contract number of the TSEP grant.
2. DRAWDOWN NUMBER. Number consecutively beginning with "1" for the initial request. Enter the appropriate number **and** the word "FINAL" for the final request.
3. TOTAL AMOUNT REQUESTED. Enter the total amount requested. Must be the same as Total Amount Requested in Column D of Section II.
4. NAME AND ADDRESS OF TSEP RECIPIENT. Enter the TSEP recipient's mailing address exactly the same as shown on the Designation of Depository Form.
5. MAKE DEPOSIT PAYABLE TO: Enter the bank's name and address as shown on the Designation of Depository Form.

**Section II - Financial Information:** Lines 1 through 5 must be completed. Lines 1 through 5 relate to TSEP budgeted funds only.

1. COLUMN A. Enter the amount budgeted for lines 1 and 3 (as shown on the TSEP approved project budget and attached Uniform Status of Funds Spreadsheet).
2. COLUMN B. Enter the amount expended prior to this draw for lines 1 and 3 (as shown on the TSEP approved project budget and attached Uniform Status of Funds Spreadsheet).
3. COLUMN C. Enter the amount requested for this draw for lines 1 and 3 (as shown on the TSEP approved project budget and attached Uniform Status of Funds Spreadsheet).
4. COLUMN D. Will calculate the amount of funds remaining. Confirm accuracy. If this total is incorrect, an incorrect entry has been made.
5. PERCENT. Will calculate the percent of funds expended to date.
6. TSEP TOTALS. Will calculate the total amounts remaining. Confirm accuracy.
7. REMARKS. Use this space to clarify information.

### Section III - Local Approval

Two **original** authorized signatures from the TSEP recipient are required, along with the date signed and titles of the officials. These signatures must be exactly as shown on the Signature Certification Form submitted to Commerce at the beginning of the project or as updated. **Photocopied signatures are not acceptable.**

### Section IV - Commerce Approval

Leave blank. This section is for Commerce comment and approval only.

Use an initial copy of the form as a "master" form to avoid unnecessary duplication for subsequent drawdown requests. Type the information for TSEP Contract Number, Name and Address of TSEP Recipient, "Make Deposit Payable To", and Column A of Section II on this master form. For each subsequent drawdown request, enter the remaining information on a **copy** of this "master" form. **Submit the signed drawdown request, retaining a copy for your files.**

## Exhibit C

### TSEP Project Progress Report

Name of TSEP Recipient: \_\_\_\_\_

Grant Contract Number: #MT-TSEP-CG--\_\_\_\_\_

Drawdown Number: \_\_\_\_\_

Total Amount Requested: \_\_\_\_\_

Date: \_\_\_\_\_

Administration: Amount Requested \$ \_\_\_\_\_

*Include the amount and a brief description of each individual administrative related expenditure (invoice) that will be paid for in whole or in part using TSEP funds. Attach a copy of each invoice. Include summary payroll information for all work performed by the TSEP recipient's employees.*

Activity: Amount Requested \$ \_\_\_\_\_

*Include the amount and a brief description of each individual construction related expenditure (invoice) that will be paid for in whole or in part using TSEP funds. Attach a copy of each invoice. Include summary payroll information for all work performed by the TSEP recipient's employees.*

Project Status (Administration/Financial and Construction):

*This portion of the report should provide a summary of the overall status of the project and any other information relevant to the implementation of the project. Include a description of any accomplishments achieved since the last progress report submitted.*

*Use quantitative terms whenever possible. Provide the percent estimate of how complete the project is in its entirety, and provide estimates for major components of the project.*

*Provide any other information that appears pertinent, such as anticipated changes in the contract budget, implementation schedule, or scope of services. For example, if you anticipate any problems or delays that could affect the project implementation schedule or budget, these should be fully described and discussed well in advance, since a budget adjustment requires prior approval. Indicate any milestones from the implementation schedule that are behind schedule and indicate when they should be completed or, note if the project is ahead of schedule on any task.*

## Exhibit D

Uniform Status of Funds Form

Available at the TSEP website:

<http://comdev.mt.gov/TSEP/default.mcpX>

## Exhibit E

Uniform Invoice Tracking Spreadsheet

Available at the TSEP website:

<http://comdev.mt.gov/TSEP/default.mcpX>

## Exhibit F

### GUIDANCE FOR USING THE UNIFORM STATUS OF FUNDS SPREADSHEET

The purpose of the uniform status of funds spreadsheet is to provide a uniform method for local governments to track the total of project expenditures on infrastructure projects using multiple federal, state, local, and private funding sources. Cells/columns in the spreadsheet that should calculate totals or expenses will be colored and protected and you will not be able to input data in those cells.

**NOTE: Only the non-shaded cells require information to be input. All other cells will automatically calculate, but will only be as accurate as your data input. Please double check accuracy of input and resulting balances.**

Enter the name of the local government. The date will auto fill with current date.

Indicate funding sources for the project in the cell titled "Funding Source" including local funds:

This sheet separates administrative costs and activity costs and then totals them together for total project costs. Under each administrative cost and activity cost for **all funding sources** you must:

Indicate the amount Budgeted (the amount budgeted with the particular funding source for this line item)

Indicate the amount Previously Expended (the amount already spent through the particular funding source)

Indicate the Amount of the Draw (the amount submitted via the current draw down to the particular funding source)

Note: To enter an amount, you only need to enter the number. You do not need to enter a "\$" or commas.

All totals for both columns and rows will be automatically calculated, including:

- Balance Remaining
- Total Budget: Budgeted
- Expended
- Balance
- Total Administrative Costs
- Total Activity Costs
- Total Project Costs

**Grantees may change line item names on the spreadsheet to suit their needs. These categories can be changed to reflect the need of each project and grantees are not restricted to using the line items on the sample spreadsheet.**

## Exhibit G

### DIRECTIONS FOR USING THE UNIFORM INVOICE TRACKING SPREADSHEET

The purpose of the uniform invoice tracking spreadsheet is to provide a uniform method for local governments to track all individual invoices on infrastructure projects using multiple federal, state, local, and private funding sources.

**Note: The non-shaded areas are the only areas that will be completed by the grantee. All other cells will automatically calculate.**

#### Grantee Name

Enter the name of the local government. The date will auto fill with current date.

#### Vendor's Name

Place the name of the vendor (payee) in this space.

#### Invoice or Pay Estimate Number

This number is assigned by the vendor to the invoice or pay estimate that has been submitted to the local government for payment.

#### Invoice Date or Time Period Covered

Put the date of the invoice in this space. If the time period to which the invoice pertains is more appropriate, enter this information.

#### Total Amount of Invoice

This amount should be the "total" of the invoice. For instance, if the invoice is for \$500 and CDBG is paying \$200 and TSEP is paying \$300--\$500 should still be placed in this space.

Note: To enter an amount, you only need to enter the number. You do not need to enter a "\$" or commas.

#### Warrant Number

The number on the warrant issued by the local government for payment of the invoice.

#### Date Paid

The date on the warrant.

#### Funding Source, Amount Expended, and Drawdown Number

Source--indicate the funding sources paying for each invoice--RD, SRF, TSEP, CDBG, Local, etc.

Amount--the amount expended by each funding source (indicated above) to pay for an invoice.

Number Sign--indicate the number of the draw that was submitted to the particular funding source for payment of the indicated amount. For instance, the Contractor X invoice dated 11/08/11 was paid from CDBG funds obtained through the CDBG draw number one, RD funds obtained through RD draw number one, and TSEP funds obtained through TSEP draw number

three.

Total Amount Paid This Invoice

This figure will automatically be calculated. The figure should equal the amount in “Total Amount of Invoice” and should also equal the sum of the “Amounts” under the heading “Funding Source, Amount Expended, Drawdown Number.”

**EXHIBIT H**

**CERTIFICATION OF LABOR COMPLIANCE**

Date: \_\_\_\_\_ Pay Estimate Number: \_\_\_\_\_

Contractor: \_\_\_\_\_

Project: \_\_\_\_\_

Contract # MT-TSEP-CG-\_\_\_\_\_

For the time period of the pay estimate referenced above and the actions completed as listed below, I hereby certify that to the best of my knowledge the above named contractor and \_\_\_\_\_ (sub-contractors) have complied with the labor .

1. The prevailing wage rates were posted in a prominent and accessible site on the project or work area.
2. Weekly payroll reports covering the pay estimate referenced above were received and compared to the prevailing wage rates \_\_\_\_\_ Yes \_\_\_\_\_ No.
3. Errors or discrepancies were noted \_\_\_\_\_ Yes \_\_\_\_\_ No. If yes, explain error or discrepancy and how it was resolved.

\_\_\_\_\_  
Name of Person Responsible for Ensuring Compliance with Labor Requirements

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date