



Community Development Division

**MONTANA HISTORIC PRESERVATION GRANT  
PROGRAM**

Project Administration Manual

<http://comdev.mt.gov/Programs-and-Boards/Montana-Historic-Preservation-Grant>

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# CHAPTER I

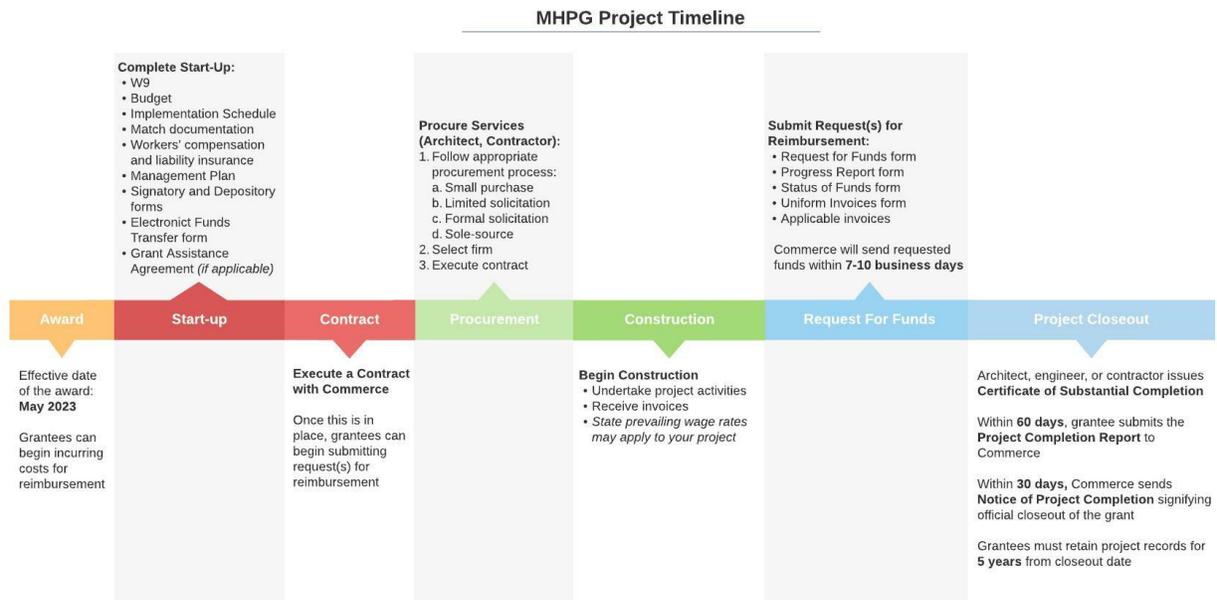
## START-UP REQUIREMENTS AND CONTRACTING

### I. Overview

This chapter offers background information on the Montana Historic Preservation Grant (MHPG) Program and summarizes important steps each grantee must take to complete start-up requirements and contract with the Department of Commerce (Commerce). Completing start-up requirements and contracting with Commerce is the first step in administering an MHPG project.

MHPG grantees can incur eligible project costs once awards are made through the legislative process and the bill authorizing funds for specific MHPG projects becomes law. However, eligible project costs can only be reimbursed by the Department once MHPG grantees meet start-up requirements and other conditions identified through the legislative process and execute a contract with Commerce.

If any of the following conditions are not met, costs incurred by the grantee will be the sole responsibility of the grantee: start-up requirements; other legislative or Commerce requirements; execute a contract; comply with the terms and conditions of the contract; or incurs costs that are ineligible for the MHPG Program.



Alternative accessible formats of this document will be provided upon request. If you need this document in an alternative format, such as large print, Braille, audio tape, or computer diskette, please contact the Montana Department of Commerce Community Development Division at (406) 841-2770, TDD (406) 841-2702, or the Relay Services number, 711.

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## **II. Start-Up Requirements:**

MHPG grantees must complete the following start-up requirements to contract with Commerce.

### **A. Project Budget**

The project budget submitted in the grantee's application must be updated to reflect current conditions at the time of contract execution and will be attached to and incorporated by reference into the contract. It is important that the project budget at the time of contract execution is acceptable to all of the funding sources identified. When the project is ready to begin the construction phase, the project budget will need to be revised to reflect the actual amount in the construction bid or related construction costs documentation. For information on the process to follow for amending the project budget after the contract has been executed, see Chapter 2.

### **B. Project Implementation Schedule**

The project implementation schedule submitted in the grantee's application must be updated to reflect current conditions at the time of contract execution and will be attached to and incorporated by reference into the contract. The final implementation schedule for the MHPG contract should identify all key tasks and define, if possible, when each must be accomplished to complete the overall project. All MHPG project activities must be completed as identified in the grantee's implementation schedule and the executed contract with Commerce. Commerce, in its sole discretion, may grant an extension to this deadline if the project is near completion and the grantee can demonstrate a good faith effort to complete the project on time and within the original budget. For more information on the process to follow for amending the project implementation schedule after the contract has been executed, see Chapter 2.

### **C. Demonstrated Firm Commitment of Other Funding Sources**

The MHPG grantee must provide adequate documentation of the firm commitment of all non-MHPG funds for the project, identified in the preliminary project budget submitted in the grantee's application. A description of acceptable documentation of non-MHPG funding sources

is included as **Exhibit I-A**.

If the MHPG grantee changes one of its sources of funding after executing a contract with Commerce, or if the cost of the project increases substantially after obtaining the firm commitment of non-MHPG funds and additional funding is required from existing or new sources, the grantee should notify Commerce immediately. Commerce, at its sole discretion, suspend distribution of MHPG funds until there is once again a firm commitment of funds for the project.

#### **D. Management Plan**

MHPG grantees must prepare and submit a signed management plan. A sample management plan is included as **Exhibit I-B**. The management plan will establish how the grantee will allocate responsibility for complying with the MHPG grant and other state requirements, including but not limited to the proper financial management of MHPG funds, review of contracts and requests for funds, compliance with labor standards, and completion of environmental review. MHPG grantees are encouraged to use the sample management plan as a guide and make modifications to the sample that accurately reflect the responsibilities of individuals supporting the completion of project activities.

In the management plan, the grantee may designate an existing or new employee (such as a museum director, architect, or clerk), hire a consultant through the applicable procurement process, or contract with another entity or existing special purpose agency (such as an economic development corporation) to manage the grant. If the grantee will work with any other entity to manage the MHPG grant, the grantee must execute a grant assistance agreement establishing the responsibilities and duties between the two agencies. A sample agreement is included as **Exhibit I-C**. All executed contracts or agreements, including those for engineering services or grant services, to be paid for in whole or in part by MHPG funds must be submitted to Commerce. Additionally, MHPG may request a copy of any contract related to project activities.

#### **E. Workers' Compensation Coverage and Liability Insurance**

MHPG grantees must maintain workers' compensation coverage and liability insurance for the duration of the contract. For workers' compensation coverage, MHPG grantees must provide proof of workers' compensation coverage, an independent contractor's exemption, or documentation of corporate officer status. For liability insurance, MHPG grantees and their subcontractors must provide proof of liability insurance.

#### **F. Other Forms**

MHPG grantees must complete the Signatory Certification Form, which designates the individuals that can sign requests for funds. The Signature Certification Form is included as **Exhibit I-D**.

MHPG grantees must complete the Designation of Depository Form, which specifies the bank account where MHPG funds will be deposited. The Designation of Depository Form is included as **Exhibit I-E**.

MHPG grantees must complete a 204 Form, which the Department of Administration requires to electronically transfer funds. A 204 Form is available on the Department of Administration website: [https://mine.mt.gov/\\_assets/documentation/sabhrs/accounting/Daily\\_Operations/204--Electronic-Funds-Transfer-Sign-Up-2019.pdf](https://mine.mt.gov/_assets/documentation/sabhrs/accounting/Daily_Operations/204--Electronic-Funds-Transfer-Sign-Up-2019.pdf).

MHPG grantees must complete a W-9 unless one is already on file with Commerce. A W-9 is available on the IRS website: <https://www.irs.gov/forms-pubs/about-form-w-9>.

## **I. Environmental Review:**

MHPG grants are a state action subject to the Montana Environmental Policy Act (MEPA).

During the application process, the environmental review process was complete, and documentation of the process was submitted as part of the application. Please be advised that if project activities are modified to the extent that a new environmental review is required, MEPA processes must be followed before additional work can be completed. For additional information, please see the MHPG resources webpage.

## **II. MHPG Contract**

The executed contract between the grantee and Commerce is the legal document that governs the administration of the grant, and will identify the following items:

- A. the maximum amount of MHPG funds to be awarded;
- B. the scope of work;
- C. a preliminary project budget for the use of MHPG funds and any other funds involved in the project;
- D. the implementation schedule for the project;
- E. any special conditions placed on the grant by the Legislature or Department; and
- F. the general terms and conditions associated with the grant.

At the time the grantee is ready to execute a contract, the MHPG liaison will contact the grantee to confirm the grantee's authorized representatives for signatures at the time the contract is being prepared. The contract will be reviewed in Commerce and then transmitted to the grantee through an electronic process for signatures. A copy of the final executed contract will be available electronically when all signatures have been obtained. Please contact the program staff if there are concerns or assistance needed with the execution of the contract or meeting start-up conditions. Further administrative guidance can be found in Chapter 2 of this manual

## CHAPTER 2

### PROJECT MANAGEMENT

#### I. Overview

This chapter provides information about the management of a MHPG project, including budget amendments, eligible expenses, eligible match, and requirements for requests for funds.

Each grantee is required to comply with all applicable local, state, and federal laws and regulations throughout the project. This includes adherence to all applicable design standards, environmental mitigation requirements, and building codes.

#### II. Procurement Procedures

Title 7, Chapter 5, Parts 23 and 43, MCA govern the procurement of construction and purchasing contracts by MHPG grantees. Tribal governments are subject to their own tribal procurement laws.

MHPG grantees should be prepared to provide information to Commerce about how they intend to procure or have procured grant administration, professional services and construction services in accordance with the procurement laws applicable to them, including but not limited to the list of vendors to be or that were solicited, a copy of any advertisements, a copy of the request for proposals, or the information detailing the scope of work if price is the only consideration. Depending on the project amount the procurement process can differ. A description of the various procurement processes is included as **Exhibit 2-A**.

All executed contracts or agreements for grant services to be paid for in whole or in part by MHPG funds must be submitted to the Department.

#### III. Eligible Project and Matching Expenses

Expenses **eligible** for MHPG funding include, but are not limited to:

- Expenses that directly relate to preservation/construction activities that implement the scope of work identified in the MHPG contract;
- Professional services that directly relate to design activities that implement the scope of work identified in the MHPG contract;
- Repayment of interim financing directly related to project activities that implement the scope of work identified in the MHPG contract;
- Permitting costs or fees;
- Related grants, loans or investment that is related to preservation/construction activities;
- Legal costs and fees including bond counsel; and,
- Direct grant administration or planning expenses, up to a maximum 10% of the total MHPG

budget for the project, including but not limited to planning documents, professional planning services, personnel costs, office rent, office equipment, supplies, telephone, postage, travel, procurement related costs.

Expenses that are **not eligible** for MHPG funding include but are not limited to:

- Ongoing or monthly operational costs;
- Purchase of artifacts, historical objects or items that would be used as part of a historical exhibit or display;
- Costs related to refinancing, servicing, or interest on any existing debt;
- Any unauthorized costs incurred prior to the date identified in the award letter or passage of the legislative bill;
- Staff costs not directly attributed to the construction/preservation activity; and,
- Costs related to marketing, advertising, or fundraising events for a history museum, historic site or historical society.

Expenses eligible for MHPG grantees' **matching project funds** include but are not limited to:

- Match - The expenditure of any of the funds identified below on any eligible MHPG expense (see above) after the date identified in the award letter are eligible as MHPG matching funds:
  - general funds, cash, or private donations;
  - proceeds from the sale of obligation, revenue, special assessment or other bonds;
  - tax credits; and
  - loan or grant funds from a local, state, or federal program other than MHPG.
- Previous Expenditures - The expenditure of any of the funds identified above prior to the date identified in the award letter is not eligible as MHPG matching funds, except when directly related to the preparation of architectural/engineering studies, reports, plans, or the grantee's MHPG grant application directly related to the MHPG project up to 2 years prior to the date identified in the award letter.

## **IV. Requests for Funds**

### **A. Requests for Funds Process**

A request for funds is initiated by the grantee by submitting the following forms:

- Request for Funds form (**Exhibit 2-A**)
- Uniform Invoice Tracking form (**Exhibit 2-B**)
- Applicable invoices

#### **Request for Funds Form:**

Grantees initiate a request for funds by preparing and submitting the Request for Funds Form, which is included as **Exhibit 2-A**. MHPG funds can only be disbursed for project-related, actual costs that have been incurred after the award letter and must provide adequate and sufficient documentation supporting each claim for expenses to be reimbursed.

### **Uniform Invoice Tracking Form:**

Each request for funds must also be accompanied by the Uniform Invoice Tracking Form, which is included as **Exhibit 2-B**. The Uniform Invoice Tracking Form provides Commerce updated information on all cumulative invoices received and paid for on the project, broken out by all funding sources involved in the project.

### **Applicable Invoices:**

Itemized invoices, for the contractor, subcontractors, consultants, and vendors or suppliers, typically constitute adequate and sufficient documentation for reimbursable expenses. The invoice should include:

- a description of work performed;
- the number of hours worked to accomplish each item;
- the amount being billed for each item;
- 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.

Lump-sum contracts typically do not provide for adequate and sufficient documentation for MHPG projects, and they are generally not allowed for design and construction services. Cost plus contracts are not allowable on MHPG projects.

If budget modifications are found to be necessary while preparing a request for funds, Commerce should be notified of the modification prior to the request for funds being submitted.

## **B. Photos**

Project photos are encouraged to be submitted to Commerce at the beginning of the project and at the completion of the project. Photos should evidence the improvements made during construction and the new or upgraded facilities.

## **V. Project Amendment**

At some point during the project, MHPG grantees may need to modify the scope of work or budget as identified in the legislative report, budget, or implementation schedule for the project. The following process should be followed for accomplishing such modifications:

### **A. Budget**

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

For budget modifications of \$5,000 or more to any line item of the budget, or when the sum of budget modifications exceeds \$5,000, the MHPG grantee must provide a written justification to

Commerce that clearly demonstrates the appropriateness and necessity of the modification. Commerce must agree in writing to any significant changes in the budget before such changes may be implemented by the grantee. If such changes are proposed, Commerce has 45 days to review and approve the changes requested.

Any budget modifications made during the project should be listed and tracked continuously on funding tracking spreadsheets throughout the project.

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 MHPG 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, Commerce 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 MHPG staff if your situation may require a transfer of contingency funds. The MHPG grantee may request to use the difference between the final actual project costs and the original grant award to fund additional work that further enhances the project. The MHPG grantee should submit a written request to use remaining MHPG funds for the additional work activities, including full rationale and cost details, for Department review and approval. The decision to allow additional work activities to be funded with remaining MHPG funds is strictly at the sole discretion of Commerce.

## **B. Implementation Schedule**

The grantee may modify the implementation schedule as necessary to reflect the timeline being followed as the project moves forward, so long as the project's completion date as listed in the executed contract is met. The grantee should submit details regarding any changes to the schedule as part of the grantee's next request for funds, and Department approval of the request for funds will constitute approval of the modification.

If the grantee seeks to extend the completion date of its MHPG project beyond the termination date identified in the executed contract and implementation schedule, the grantee must contact Commerce as soon as possible to request an extension. Projects that encounter delays or are not completed by the contract termination date may be required to execute an amendment to their contract. Rationale for extending the contract beyond the termination date will be required.

## **C. Scope of Work**

If the grantee seeks to change any part of the scope of work of the project, as identified in the contract with Commerce, the grantee must first provide a written request with justification to the Department that clearly demonstrates the appropriateness and necessity of the modification.

Commerce, at its sole discretion, may grant a modification to the project scope of work that does not materially alter the ranking priority, intent, or circumstances under which the project was

ranked and approved for funding.

## **VI. Accounting and Auditing Requirements**

MHPG grantees must maintain all receipts and expenditures of MHPG grant funds in accordance with generally accepted accounting principles (GAAP) and be in compliance with the auditing requirements, as applicable, including but not limited to, Section 2-7-503, MCA and Section 20-9-213, MCA. MHPG tribal government grantees must maintain all receipts and expenditures of MHPG grant funds in accordance with the requirements provided for in OMB Circular A-133.

## **VII. Records Creation and Retention**

The grantee must create and maintain all records of project activities funded with MHPG grant funds, including but not limited to financial records, supporting documents, and such other records as are required by law or other authority, for five (5) years after either the completion of the contract or the conclusion of any claim, litigation, or exception relating to the project taken by the State of Montana or any third party, whichever is later. The grantee must provide Commerce, the Legislative Auditor, or their agents access to all project records upon request.

## **VIII. Ethics and Code of Conduct**

Title 2, Chapter 2, Sections 7-3-4256, 7-3-4367, 7-5-2106, and 7-5-4109, MCA, govern the code of conduct and conflicts of interest by all local governmental entities, public employees, and persons under contract with Commerce including elected officials, district board members, and district employees. These laws must always be followed by local governments, public employees, and persons under contract with the State, regardless of their participation in the MHPG grant program.

## **IX. Public Notice and Participation**

Sections 8 and 9 of Article II of the Montana Constitution, and Title 2, Chapter 3, Parts 1 and 2, and Title 7, MCA, require MHPG governmental grantees to hold regular and special public meetings, provide public notice of those meetings, and allow the public the opportunity to participate in the grantee's decision-making process. These laws must always be followed by MHPG governmental grantees, regardless of their participation in the MHPG grant program. Grantees should be prepared to provide information to Commerce about the public process for its MHPG project, including but not limited to a copy of public meeting agendas and any comments submitted by the public and responses provided during administration of the project. All press releases related to the MHPG project must be submitted to Commerce for review and approval prior to release.

## **X. Non-Discrimination Laws**

MHPG grantees must fully comply with all applicable federal, state, or local non-discrimination laws,

rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973, in performing any project or portion thereof using MHPG funds. All subcontractors performing work on the project are subject to the same provision. The hiring of all persons to perform work on the project must be made on the basis of merit and qualifications, and the district shall not discriminate based upon the race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin of the persons performing the project.

## **XI. Prevailing Wage Requirements**

Montana's Prevailing Wage Act (Section 18-2-401, et seq., MCA) applies to all public works contracts let by MHPG grantees (all construction contracts and non-construction contracts in excess of \$25,000). These laws must always be followed by MHPG local government and district grantees, regardless of their participation in the MHPG grant program. Grantees should be prepared to document the payment of prevailing wages in all applicable contracts related to the MHPG project.

Certain MHPG projects may not be considered "public works contracts." Therefore, Montana's Prevailing Wage Act would not apply.

## **XII. Project Monitoring**

Recipients of MHPG funding are responsible for administering their MHPG projects in accordance with all applicable local, state and federal laws. Commerce will assist and support grantees in successfully implementing their project activities from start-up through completion of the project in compliance with these requirements.

To accomplish these goals, in addition to reviewing information submitted with progress reports and requests for funds, Commerce may schedule a monitoring visit with each MHPG grantee. A monitoring visit usually involves a visit to the grantee's offices to review records, inspect project activities, and meet with the local officials. The MHPG staff liaison may contact the grant administrator concerning the timing and scope of the monitoring visit. After a monitoring visit, the MHPG liaison would provide written monitoring comments to the grantee. Commerce will advise the Grantee of any specific areas of concern and if necessary, provide the Grantee opportunity to take corrective actions to address Commerce's concerns.

## **XIII. Project Completion**

Project completion is the process by which Commerce determines that the MHPG project has been completed in accordance with the terms and conditions of the MHPG contract.

Within 90 days of the date the certificate of substantial completion or similar document is issued by the project engineer/architect or other appropriate professional, the grantee must submit a final Project Completion Report for approval by Commerce. The Project Completion Report is included

as **Exhibit 2-C**. The report provides Commerce with information on the total costs incurred for the Project, the final completion date, and any significant problems encountered in carrying out the Project. If submission of Completion Report documents is delayed for any reason, a request with justification for extending the 90 days will be required. Please work closely with MHPG staff if delays occur. Within 30 days of approving the Project Completion Report, Commerce will issue the Notice of Project Completion. Once the Notice of Project Completion is issued, the MHPG grant project is considered complete and the file is closed. No more requests for funds will be accepted on the project after the project is closed. The completion of the project will be reported to the Legislature the following session.