Montana Coal Endowment Program
Grant Administration Workshop
Chapter 1

Project Start-up

Grant Conditions
Incurring Costs

- HB 11 and HB 14 signed into law May 12, 2021
- HB 632 signed into law April 30, 2021
- Notice of Award & start up letter announcing funds awarded sent to project representatives
- All project expenses prior to April 30, 2021 should be paid by non-MCEP funds
  - Noteworthy Dates: September 1, 2022
  - September 30, 2024
  - Incurred costs are grantees sole responsibility if grant conditions are not complied with
American Rescue Plan Act (ARPA)

- HB632
- Advisory Commission
- Competitive Grant Program
- Minimum Allocation Grant Program
- 1st round applications were due July 15th
- What does that mean for my project?
  - ARPA may replace SRF, or USDA RD, other funding sources
  - Competitive or Allocation ARPA may act as match to MCEP funded projects
MCEP Grant Conditions

- House Bill 11 and HB 14 coordinated with HB632
- MCEP Project Reports available at: Reports - Montana Coal Endowment Program - Community Development Division (mt.gov)

- MCEP Project Administration Manual available at: Project Grants - Montana Coal Endowment Program - Community Development Division (mt.gov)

Other contractual obligations
- Montana Code Annotated (MCA)
- Department of Commerce Contract
HB 11, HB14 & HB632

What does it mean to have funding come through 3 bills?!?!

- Grant requirements coordinated between bills
- All applications received are being funded
- HB11, HB14 bill language retains ‘normal’ MCEP requirements
- HB632 bill language says if all three bills pass, follow HB11 & HB14 requirements
- Some project types are not eligible for ARPA – specifically, bridges, non community water systems
- Not-Eligible for ARPA projects default to Coal severance tax funding cash
- Basic MCEP processes will generally be followed throughout project
- Additional reporting requirements
Start-Up Conditions

Start-up conditions must be completed prior to contract execution

- Firm Commitment of non-MCEP funding source(s)
- Management plan
- Accounting, auditing and reporting requirements from Local Government Services (LGS)
- Updated Budget
- Updated Implementation schedule
- Environmental Review process updated (if applicable)
- Any special conditions (if applicable)
Firm Commitments of Non-MCEP Funding

- Must provide documentation verifying the commitment and availability of non-MCEP funds
- Changes in funding or loss of other funds may cause access to MCEP funds to be paused
- Phased projects: MCEP funds will not be available until all other funds for project phases are committed
Documentation of Non-MCEP Funds

- Award letters
- Contracts
- Commitment agreements
- Letters of Conditions
- Adopted budgets or budget resolutions
- Results of debt election (if election required)
Management Plan

- **Who will be the grant administrator?**
  - Public employee
  - Private contractor

- **Local government will still need to be actively involved in project**
  - Governing body must approve and sign plan and other documents throughout project

- **Separation of duties – a consultant cannot sign off on own work or invoices**
Accounting, Auditing and Reporting Requirements

• Compliance with auditing and reporting requirements (2-7-503, MCA)
• A financial accounting system that the Department can reasonably ensure conforms to generally accepted accounting principles (GAAP)
• MCEP staff will contact Local Government Services Bureau
• For more information, please call 444-9101 or visit http://sfsd.mt.gov/LGSB
## EXHIBIT B -- Sample Project Budget

<table>
<thead>
<tr>
<th></th>
<th>MCEP</th>
<th>RRGL</th>
<th>SRF</th>
<th>Local</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADMINISTRATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Cost</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Cost</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Services</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Costs</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Fees</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel &amp; Training</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interim Interest</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond Costs</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ADMINISTRATION</strong></td>
<td>$2,000.00</td>
<td>$0.00</td>
<td>$47,646.00</td>
<td>$1,100.00</td>
<td>$50,746.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>CONSTRUCTION RELATED ACTIVITIES</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preliminary Engineering Design</td>
<td>$10,000.00</td>
<td>$10,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final Engineering Design</td>
<td>$50,000.00</td>
<td>$5,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Inspection Eng.</td>
<td>$50,000.00</td>
<td>$50,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>$387,000.00</td>
<td>$125,000.00</td>
<td>$1,000,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>$50,000.00</td>
<td>$50,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ACTIVITY</strong></td>
<td>$498,000.00</td>
<td>$125,000.00</td>
<td>$1,055,000.00</td>
<td>$1,000.00</td>
<td>$1,679,000.00</td>
</tr>
<tr>
<td><strong>TOTAL PROJECT BUDGET</strong></td>
<td>$500,000.00</td>
<td>$125,000.00</td>
<td>$1,102,646.00</td>
<td>$2,100.00</td>
<td>$1,729,746.00</td>
</tr>
</tbody>
</table>
Availability of Funds

- Consider the timing of the availability of other funds
  - When will other funds be available?
  - When will you need to pay the engineer?
  - Are you moving funds between line items in the budget? How often & why?
  - What do you need contingency for?
  - When will the budget be finalized?
## Project Implementation Schedule

### Exhibit A

#### Sample Project Implementation Schedule

<table>
<thead>
<tr>
<th>TASK</th>
<th>QUARTERS, 2019</th>
<th>QUARTERS, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st JFM</td>
<td>2nd AMJ</td>
</tr>
<tr>
<td><strong>PROJECT DESIGN</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commence Final Design</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complete Project Design</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Submit Plans to DEQ</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepare Bid Documents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finalize Acquisition</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ADVERTISEMENT FOR CONST. BID</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review Contract Requirements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Bid Advertisement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open Bids &amp; Examine Proposals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Request Contr. Debarment Review</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Select Contractor &amp; Award Bid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conduct Pre-Const. Conference</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issue Notice to Proceed to Contractor</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PROJECT CONSTRUCTION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Begin Construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitor Engineer &amp; Contractor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conduct Labor Compliance Reviews</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hold Const. Progress Meetings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final Inspection</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PROJECT CLOSE OUT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Submit Final Drawdown</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Completion Report/Final Certification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract End Date</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NOTE:** The **Contract End Date** is listed for the year 2023.
Management Plan

I. Administrative Structure

The City of ______________ is an incorporated city with a Mayor-Council form of government. The following persons will have lead responsibility for administering the City’s FY ____ Treasure State Endowment Program (TSEP) public facilities project for ____ [type] improvements:

Mayor ____________, as the City’s chief elected official will have responsibility for all official contacts with the Montana Department of Commerce. The Mayor and City Council will have ultimate authority and responsibility for the management of project activities and expenditure of TSEP funds. The approval of all contracts and request for reimbursements will be the responsibility of the City Council. (Telephone ___________ Email ___________)

___________________, Clerk-Treasurer, as the City’s chief financial officer, will be responsible for management of, and record keeping for, the TSEP funds and other funds involved in the financing of the ____ [type] project. (Telephone ___________ Email ___________)

___________________, Director of the City-County Planning Board, will be designated as Grant Manager and be responsible for overall grant management and assuring compliance with applicable federal and state requirements for the TSEP project. The Grant Manager will serve as the City’s liaison with Department for the project. One-fourth of this position’s time will be devoted to TSEP administration during the term of the project. (Telephone ___________ Email ___________)

II. Project Management

- Grant Administrator
- Project Engineer

III. Financial Management

Designates who is responsible for what action items during the project

IV. Create a management plan based on how things are carried out at the local level

Exhibit 1-B

The management plan adopted by the local government should reflect the actual procedures utilized by the local government and based on the duties assigned to the various people involved in the project.

Note: This example is provided to help create a plan that is structured upon the actual procedures utilized by the local government and based on the duties assigned to the various people involved in the project. This example may be modified to fit the actual needs and management responsibilities of the project.
Other Start-up Comments

• Environmental assessment (EA) was completed with application
• If project has been modified, EA may need to be updated
  – Compliance with the Montana Environmental Policy Act (MEPA)
MCEP Contract

• The contract details the following:
  • the amount of MCEP funds to be provided
  • the scope of work to be completed
  • a detailed preliminary project budget
  • an implementation schedule
  • any special conditions (if applicable)
  • the general terms and conditions associated with the grant
Contract Execution

Step 1: Email from MCEP Staff sent to grantee requesting valid email addresses for those signing contract

- person Approving as to Form (typically an attorney), Chief Elected Official, Attester

Step 2: Email from DocuSign.com asking for electronic signatures

- Signing will be electronic – all correspondence will be through email from DocuSign.com

Step 3: Signatures obtained from Grantee and Commerce; staff will provide a .pdf of executed contract to the grantee
Between Contract Execution and Access to Funds

- Certificate of Insurance
- Designation of Depository
  - Form 204 if new or changes to an account on file
- Signature Certification Form

Templates available at: [Project Grants - Montana Coal Endowment Program - Community Development Division](http://mt.gov)
Receiving Funds

Exhibit 2-C
Signature Certification Form

Montana Department of Commerce
Community Development Division – Montana Coal Endowment Program
301 S. Park Avenue
PO Box 20053
Helena, Montana 59620-0523

This is to certify that the following officials are authorized to sign requests for payment of the Montana Coal Endowment Program (MCEP) funds for the (name of grantee: City, Town, or County of ___________,) MCEP grant:

1. ______________________
   Signature
   ______________________
   Typed Name
   ______________________
   Title

2. ______________________
   Signature
   ______________________
   Typed Name
   ______________________
   Title

3. ______________________
   Signature
   ______________________
   Typed Name
   ______________________
   Title

It is understood that any two of the above signatories must sign each request for payment submitted.

1 I hereby certify that I have witnessed the signing of the above named signatures.

Signature of Witness

Typed Name and Title of Witness

SUBSCRIBED AND SWORN TO, before me, a Notary Public for the State of Montana, on the ______ day of __________, 20__. 

(Notary Seal) Notary Public for the State of Montana (type or print name) 

Reading at My Commission expires

Exhibit 2-D
Designation of Depository for Direct Deposit of MCEP Funds

SECTION 1 (To be completed by MCEP recipient)

The Name, Address and ZIP Code of MCEP Recipient’s Bank has been designated as the depository for all funds to be received from the Montana Department of Commerce resulting from MCEP Contract No. MT-MCEP ________ for deposit to: □ checking or □ savings

Account Name / Account # / American Bankers Association # (ABA –Routing/Transit)

Name of Grant Recipient

Address

Signature of Chief Elected Official or Executive Officer

Date

Title of Chief Elected Official or Executive Officer

Email address for notification of payments made to grantee from MCEP

Section II (To be completed by the bank)

The account identified in Section I has been established with this bank. All necessary documentation, including a power of attorney where necessary, which will legally enable this depository to receive state warrants from the State Auditor’s Office for deposit to:

Account Name and/or Number

Name of Bank

Address

Signature of Authorized Bank Officer

Title of Authorized Bank Officer

Date

Suggested signatories include the chief elected official (Mayor, Chairperson of County Commission, Tribal Chairperson and/or Tribal Council Members), city or county clerk or treasurer, or other local officials. Consultants under contract may not be a signatory.

Suggested witness is an elected official other than one of the above signatories.
Liability Insurance Requirements

• Insurance coverage is a requirement for the contract with Commerce

• Must provide current proof of insurance throughout project

• Commerce must be named as an additional insured
Example Insurance Certificate
Establish Project Files

- Good record keeping is crucial to successful management of the project
- Original and complete documentation for the project is required to be retained in the offices of the local governing body or district and made available to the public if requested
Timely Project Completion

• HB 11 and HB 14 identify these two important dates:
  – If start-up conditions have not been met by September 1, 2022, the project will be reviewed by the next regular session of the Legislature and could potentially be withdrawn
  – HB 11 and HB 14 state a grant recipient must meet start-up conditions by September 30, 2024 or the grant will automatically terminate

• Commerce Contract will identify:
  – MCEP grant recipients are required to incur construction costs by June 30, 2025 or the grant may be terminated
Questions?

Contact Us… We are here to help
406-841-2770

DOCCDD@mt.gov