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Commonwealth of PA – Office of Budget – Bureau of Revenue, Capital & Debt
Redevelopment Assistance Capital Program (RACP)

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FREQUENTLY ASKED QUESTIONS ABOUT RACP

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The following questions have often been asked by RACP Grantees, Sub-Grantees and commonwealth consultants on RACP projects.

ELIGIBILITY

1. WHAT TYPE OF PROJECT/GRANTEE IS RACP-ELIGIBLE?

A project is eligible for an RACP grant if it has a cultural, civic, historical, regional or multi-jurisdictional impact and generates substantial increases in employment, tax revenues or other measures of economic activity. Grantees must be either (1) a general-purpose form of local government unit (city, borough, township or county), (2) any public authority, (3) a federally designated Local Development District or (4) an industrial development agency, which has been certified as such by the Pennsylvania Industrial Development Authority (PIDA) board and which is itself or is acting through a wholly owned subsidiary exempt from federal taxation under section 501 (c) (3) of the Internal Revenue Code of 1986. The Grantee must follow strict guidelines to avoid jeopardizing the tax-exempt status of the bond funding.

2. WHAT TYPE OF PROJECT IS NOT RACP-ELIGIBLE?

Projects that are state-funded; facilities or projects that can normally obtain primary funding under other state programs; projects whose main purpose is for highways (including road and street improvements) and vehicular bridges, drinking water and wastewater facilities, housing units and waste disposal facilities are not eligible for RACP grants.

If an RACP project does include and require improvements to housing, roads, bridges, tunnels, infrastructure, and/or drinking water/waste disposal/wastewater/stormwater systems, these improvements must not be the primary focus of the project. Per Act 77 of 2013, they must be associated with a project that is part of an economic development project; and in the case of housing, must be part of a community revitalization plan. These additional requirements for housing projects are not required if the funding is from a designated special allocation for housing.

Projects located in a City Revitalization and Improvement Zone (CRIZ), and eligible for CRIZ benefits, are not eligible RACP projects. However, approved RACP grants that existed prior to zone approval shall not be restricted.

3. IS A SCHOOL DISTRICT AN ELIGIBLE GRANTEE?

A school district, which is a "special purpose of local government," would not be eligible because RACP Grantees must be authorities or "general-purpose forms of local government." (See the answer to Question 1 above.) However, a school district can be the Sub-Grantee of an eligible Grantee.

4. IS THERE A MINIMUM THRESHOLD FOR AN RACP PROJECT?

The statutes governing the RACP program require a minimum threshold of \$1 million for each project before it can be funded.

5. DURING THE APPLICATION PROCESS, THE AGENCY THAT RECEIVED THE AUTHORIZATION FOR THE PROJECT WAS DISSOLVED AND ANOTHER ORGANIZATION PICKED UP THE PROJECT. MAY THE NEW ORGANIZATION USE THE RACP FUNDS TO COMPLETE THE PROJECT?

It depends on the circumstances of the dissolution. The Office of the Budget will treat such situations on a case by case basis. For instance, if the dissolution resulted in an acquisition (or a merger), the project can be pursued.

6. WHAT IS THE IMPORTANCE OF THE CAPITAL BUDGET PROJECT ITEMIZATION BILL TO MY PROJECT?

All grants awarded through RACP MUST be for projects included in one or more of the Capital Budget Project Itemization Acts passed by the General Assembly and signed into law by the Governor. You will need to 1) identify the appropriate Act(s) for which your project has been itemized and 2) verify that sufficient funding remains from said itemization to submit a business plan to RACP for consideration and evaluation of your project. Only itemizations/projects from these Acts that have remaining "Project Allocation" amounts and that have not been statutorily "sunset" in accordance with Act 77 are eligible. No project expense paid prior to the project's itemization Capital Budget Act's effective date is usable as a reimbursable and/or match item for the RACP project (excluding land match).

ACT AND COMMITMENT

7. GIVEN THE DIRECTIVE REGARDING THE FILING OF THE RACP APPLICATION WITHIN SIX MONTHS OF THE AWARD LETTER, WILL THE FUNDING BE TERMINATED FROM A PROJECT EVEN IF AN EXTENSION REQUEST HAS BEEN SUBMITTED BEFORE THE DEADLINE?

The Office of the Budget must receive the grant application within six months of the date of that letter. If the Grantee fails to submit the grant application within the allotted time frame, funding for the project may be terminated.

GRANT AGREEMENT AND DRAWDOWN

8. WE HAVE RECEIVED AN AWARD LETTER FOR THE RELEASE OF FUNDING FOR OUR RACP PROJECT. WHAT DO WE NEED TO DO TO OBTAIN THE FULL GRANT AMOUNT?

After the release of funding for an RACP project is approved, the Office of the Budget sends an Award Letter to serve as written notification authorizing the preparation and submission to the Office of the Budget of a formal and complete RACP Application for the project. Applicants are required to notify the OB within 30 days of receipt of an Award Letter as to whether or not they are accepting the grant award. The application contains 22 tabs that must be addressed, including the match amount, project plans and specifications, budget and detailed sources of funding. Application forms and a handbook can be downloaded from the [Application Handbook](#) section on the RACP section of the Office of the Budget Web site.

9. I HAVE SUBMITTED MY RACP GRANT APPLICATION. WHAT HAPPENS NEXT?

Once the Office of the Budget receives an application, the office conducts a preliminary review and hires a consultant to conduct an exhaustive review of the application. A consultant will contact you to set up the application review. After the consultant completes the review, he or she sends a report to the Office of the Budget. The budget office is then able to draft the agreement between the commonwealth and the Grantee.

10. HOW IS MY GRANT AGREEMENT VALIDATED AND EXECUTED?

The draft grant agreement, including any applicable special conditions, is sent to the Grantee for signature. Once it is signed and returned to the budget office, it is circulated within the commonwealth for validation and execution, a procedure that typically lasts from eight to ten weeks. The signatories are the Secretary of the Budget; the Office of the Budget's Chief Counsel; the Deputy General Counsel; the Deputy Attorney General; and the Bureau of Payable Services.

11. WHAT IS THE AVERAGE TIME TO HAVE THE GRANT AGREEMENT EXECUTED?

In most cases, after receiving the signed grant agreement from the Grantee, it can be executed within ten (10) to twelve (12) weeks of receipt of the grant application review report.

12. WHAT ARE "SPECIAL CONDITIONS?"

Special conditions are additional documentation that Grantees must submit in order to receive any grant funding. The special conditions are located in Appendix B to the grant agreement.

13. HOW DO I SATISFY MY SPECIAL CONDITIONS?

After the grant agreement is fully executed, a six (6) month time period is set to submit documentation to satisfy the special conditions. Grantees must submit the original special conditions documentation to the Office of the Budget and send a copy to the state consultant assigned to their project. Transmittal letters should be included with all submissions of documents to the Office of the Budget and the consultant. All transmittals should reference the contract number found on the first page of the executed Grant Agreement.

14. CAN I SUBMIT MY SPECIAL CONDITIONS PACKET ELECTRONICALLY?

It is preferred that you submit your packets on a CD or flash drive accompanied by a transmittal letter. Until notice is given otherwise, we are still accepting hard copies. Due to size restrictions we cannot accept email submissions at this time.

15. MY SIX-MONTH TIME PERIOD FOR SUBMITTING DOCUMENTATION TO SATISFY THE SPECIAL CONDITIONS IS NEARING, CAN I OBTAIN AN EXTENSION?

You can submit an extension request to the Office of the Budget stating the need for the extension, the reason(s) why the original deadline could not be met and your current project status. The Office of the Budget will review your request and, if significant progress has been made, may grant an extension. You will receive written notification if such an extension is granted.

16. HOW DOES THE RACP REIMBURSEMENT PROCESS WORK?

Once all special conditions to the Grant Agreement have been satisfied and compliance met, commonwealth grant funds will become available for reimbursement. The RACP grant program operates on a proportional reimbursement basis. As the Grantee incurs and pays construction expenses, the commonwealth will reimburse – contingent upon the corresponding expenditure of matching funds. Sufficient documentation regarding reimbursable expenditures and matching expenditures should be provided with any request for reimbursement.

17. WHEN MAY I START MY DRAWDOWN?

Grantees may start submitting their Payment Requests for reimbursement as soon as they have started construction and paid eligible costs. Reimbursements are subject to compliance with the RACP Grant Agreement and the satisfaction of all the special conditions listed in Appendix B to the contract. The monthly drawdown amount is subject to the limitations shown in Appendix C to the Grant Agreement.

18. WILL I RECEIVE RACP GRANT FUNDS UP FRONT JUST BY ASKING FOR THEM?

During construction activities, the project is monitored for compliance by the consultant assigned to the project during the application process. The Office of the Budget is required to reimburse the RACP grant on a proportional basis based on the corresponding expenditure of matching funds. It is important to know that the entire scope of the project must: (1) be in compliance with all RACP requirements listed in the Grant Agreement, such as those governing bidding, adherence to the Prevailing Wage Act and use of domestic steel and (2) satisfy all of the special conditions identified in the agreement between the Office of the Budget and the grant recipient before access to the RACP funding is granted. After the project reaches 100% completion, a portion of the grant may be retained pending satisfactory compliance of all RACP program requirements.

19. OUR COMMISSIONERS HAVE A SALES AGREEMENT IN PLACE WITH A DEVELOPER AND WOULD LIKE TO PURCHASE A PARCEL OF LAND. MAY WE USE THE RACP GRANT TO BUY THE PROPERTY WHILE WE DECIDE WHAT TO BUILD ON IT?

The statutes governing the RACP grant program permit the use of RACP proceeds for land acquisition; however, this cannot be the entire scope of the RACP grant. Some of the grant funding must be used for construction activities. The Office of the Budget cannot reimburse on land only, without any construction work.

20. WHERE MAY I DOWNLOAD THE PAYMENT REQUEST FORMS?

All reimbursement materials can be downloaded from the [Reimbursement Procedures](#) or [RACP Handbook & Forms](#) sections on the RACP section of the Office of the Budget Web site.

21. IS ANYONE FROM THE OFFICE OF THE BUDGET AVAILABLE TO MEET WITH ME TO GO OVER THE RACP PROCESS AND EXPLAIN HOW TO PREPARE THE PAYMENT REQUEST FORMS?

Yes, the Grantee/Sub-grantee (or their designated representatives) may request, at no cost to them, a facilitation meeting with an Office of the Budget employee involved in the RACP program. It is strongly suggested that meetings be held at the beginning of construction to go over the process and the preparation of the Payment Request forms. Requests for meetings should be made to the Office of the Budget Facilitation Manager at 717-214-5815. Past experience has shown that these meetings are very beneficial to the successful culmination of the grant process.

22. I HAVE JUST RECEIVED MY GRANT AGREEMENT WITH THE SPECIAL CONDITIONS LISTED. I HAVE ALREADY INCURRED CONSTRUCTION COSTS FOR REIMBURSEMENT. MAY I SUBMIT A PAYMENT REQUEST BEFORE MY SPECIAL CONDITIONS ARE SATISFIED?

You may submit your Payment Request forms while you are still submitting documentation and waiting for special conditions to be approved by the Office of the Budget. We can begin to process both items simultaneously. Please keep in mind, however, that no grant payment can be released until the special conditions have been satisfied, the compliance requirements have been met, and the Payment Request has been reviewed and accepted by the Office of the Budget.

23. MY SPECIAL CONDITIONS HAVE BEEN SATISFIED, AND I SUBMITTED MY FIRST PAYMENT REQUEST. NOW WHAT HAPPENS?

When reviewing a Payment Request, Office of the Budget looks at the Payment Request forms (PR1, PR1A, and PR1B's), the verifying documentation for appropriate categories, and the latest construction monitoring report from the commonwealth assigned consultant, and documentation for special conditions (if it is the first Payment Request). No funds can be released until all special conditions are satisfied and the project is in compliance. Once the review process is completed by the Office of the Budget, the Payment Request is then sent to the Comptroller's Office, who then sends it to the Treasury Department. For this reason, adequate interim financing should be in place to bridge the gap between the time a Payment Request is submitted and the time a payment is actually disbursed. Please see the compliance section below for more information on interim financing.

24. MAY I RECEIVE MY PAYMENT DIRECTLY INTO MY CHECKING ACCOUNT?

All grantees are encouraged to sign up to receive payment from the commonwealth through the Automated Clearing House (ACH) Network. In most cases these payments are received faster than paper check payments. Additional Information surrounding commonwealth vendor registration procedures, including enrollment forms, can be found at <http://www.comptrolleroperations.state.pa.us> by selecting *Vendor Resources*. Furthermore, you can direct questions by phone to the *Payable Services* Call Center at 717-346-2676 (local) or 877-435-7363 (toll free), or via email at <mailto:RA-OSCPaymentInquire@pa.gov>.

25. DOES THE OFFICE OF THE BUDGET HOLD A CERTAIN PERCENTAGE OF THE PAYMENT? IF SO, HOW MUCH DOES IT HOLD?

Our retainage procedure differs from the typical procedure in the construction industry. The Office of the Budget reserves the right to retain up to 10% of the total grant amount. The retainage is calculated and applied after the Grantee submits the final Payment Request for reimbursement. The retained amount will be withheld from any amount due in the final Payment Request(s). The Grantees will be contacted and the retainage will be released after the close-out audit has been successfully completed.

COMPLIANCE

26. IS COMPLIANCE WITH THE GRANT AGREEMENT MONITORED DURING THE PROJECT'S CONSTRUCTION?

One of the commonwealth's consultants will contact you to go over the construction monitoring phase review procedures. Usually, some type of monitoring begins when the application review report is submitted. Periodic construction monitoring reports will be prepared by the consultant and submitted to the Office of the Budget and to the Grantee/Sub-grantee once construction has begun. These reports are the basis for the Payment Request review procedures performed to determine ongoing compliance before commonwealth funds are released. The project must be in full compliance to receive and continue to receive any RACP funds.

27. MY CONSTRUCTION PLANS HAVE CHANGED SINCE I SUBMITTED MY APPLICATION. WHAT DO I NEED TO DO?

It is not necessary to forward the plans and specifications to us. The Office of the Budget will have a consultant review your project on site. Updates to the application may be submitted and reviewed at any time. The application you submit is recognized as a "point-in-time" document that may need to be revised as you move through the design, bidding and construction phases.

28. WHAT CAN BE USED AS MATCH COSTS?

Typically, match costs include administration, legal, financing/accounting, architectural/engineering, land, furniture, fixtures, equipment and relocation costs. Expenses paid before the authorization date are not eligible RACP costs (excluding using land as match ONLY.)

29. MAY WE USE OUR MORTGAGE AS A MATCH FUNDING SOURCE?

Generally, the Office of the Budget allows mortgages to be used as match funding as long as adequate supporting documents are available. The adequacy of any document is at the discretion of the Office of the Budget. We would be looking for terms of at least 20 years on any financing instruments.

30. WHAT ARE THE REQUIREMENTS FOR HAVING THE MATCH FUNDING SECURED?

One-half of the match funding must be secured at the time of application and before the grant agreement is drafted. After the grant agreement has been drafted, the Applicant/Grantee must document that 100% of the match funding is readily available before the Office of the Budget will start the reimbursement process. Signed pledges that are not yet received may count as the secured match only before the grant agreement is drafted. After that, evidence of the availability of the match (a cash receipt) must be demonstrated. As discussed below in Question 31, loans intended for match funding must be in the form of a long-term financing instrument.

31. WHY MUST LOANS INTENDED FOR MATCH FUNDING BE IN THE FORM OF A LONG-TERM FINANCING INSTRUMENT?

The Capital Facilities Debt Enabling Act requires that RACP projects be funded from proceeds of Commonwealth of Pennsylvania General Obligation (GO) bonds. GO bonds issued to finance the RACP grant program have a publicized maturity term of 20 years. Consequently, when a RACP Grantee uses loans as match funding, they must have a maturity cycle that demonstrates the long-term viability of the project. Past experiences have shown that RACP projects that use loans as match funds are in a better position to withstand economic downturns when those loans are in the form of a long-term financing instrument.

32. MAY WE USE A SIX-MONTH LINE OF CREDIT AS A MATCH FUNDING SOURCE?

A six-month line of credit is not viewed as long-term financing; therefore, it would be ineligible for RACP matching purposes. As discussed in Question 31 above, loans used as match funding should be in the form of a long-term financing instrument.

33. WE HAVE A SHORTFALL. MAY I USE MY LINE OF CREDIT AS A SECURED FINANCING INSTRUMENT FOR THE MATCH PORTION OF THE PROJECT?

Asking the Office of the Budget to recognize lines of credit or a business line as secured financing for the shortfall on a project is not satisfactory. The Office of the Budget accepts lines of credit as sources of interim financing but not as secured match funding. Please refer to Question 31.

34. WHAT IS THE PURPOSE OF INTERIM FINANCING?

All RACP projects are required to have permanent match funding in place for the match costs associated with that particular project. RACP is a reimbursement-based program. Consequently, a project will need to have interim financing in place to pay for monthly construction expenses before it can receive the RACP grant. Interim financing is also needed to bridge the gap between the time a Payment Request is submitted and the time a payment is disbursed. Please refer to the Grant Agreement and Drawdown section above for more information on the payment processing time.

35. MAY THE ENTIRE MATCH BE LAND?

The appraised value of land and buildings may typically serve as part of the match. The Office of the Budget would need to know the full cost of the project before saying land may be the sole match. Acceptance of land as the entire match would be at the sole discretion of the Office of the Budget. Any time that land is used in part or in total for the match, the grant recipient should own the property that is being listed as the match and would need to supply a copy of the title or deed. No lien is placed on the deed by the Office of the Budget.

36. MAY FEDERAL OR MUNICIPAL FUNDS BE USED AS THE MATCH FUNDING SOURCE?

Yes, federal and local funds that are specifically earmarked for the project may serve as the match. Certain federal tax credits may also be used as the match. The statutes governing the RACP grant program do not allow the leveraging of other state funds within the confines of the RACP-defined project. Therefore, all other state funds must be removed from the project scope.

37. OUR AWARD IS FOR \$2 MILLION, BUT OUR SPECIAL CONDITIONS STATE THAT WE NEED TO DOCUMENT SECURED MATCH FUNDING OF \$4 MILLION. WHY DO WE NEED TO DOCUMENT A MATCH FOR MORE THAN THE \$2 MILLION GRANT AMOUNT IF THE TOTAL PROJECT AMOUNTS TO \$6 MILLION?

You are required to document any and all of the match funding necessary to complete the project. Your total project cost is \$6 million and the grant is \$2 million; therefore, you would need to document a match of \$4 million, which is the balance of the project cost. The Office of the Budget wants to make sure that you have enough non-state funding to complete the project. In essence, the total project cost minus the RACP grant amount is the amount you need to document for the match.

38. WE DO NOT HAVE ANY MATCHING FUNDS. CAN YOU WAIVE THIS REQUIREMENT TO FACILITATE THE RECEIPT OF THE STATE GRANT?

The requirement for matching funds cannot be waived. The RACP program requires that one-half of the match funding be secured at the time of application and before the grant agreement is drafted. Therefore, without matching funds, there is no RACP grant. The RACP grant operates on a proportional reimbursement basis. As the Grantee incurs and pays construction expenses, the commonwealth will reimburse – contingent upon the corresponding expenditure of match funding.

39. THERE IS THE POSSIBILITY OF IN-KIND SERVICES FOR OUR PROJECT. FOR EXAMPLE, ONE OF THE CONTRACTORS AGREED TO DO SOME WORK AT NO CHARGE. MAY WE COUNT THE FAIR VALUE OF IN-KIND GIFTS TOWARD OUR MATCH?

While it would clearly be beneficial to an RACP project to have such a donated gift, it cannot count toward the match, since all work must comply with the stated conditions, such as being contracted for and bid out and paying the prevailing wage.

40. I NEED TO LET OUT MY BIDS. WHAT ARE THE BIDDING REQUIREMENTS?

The sole and exclusive bidding requirement for RACP projects is in the Capital Facilities Debt Enabling Act (Act 67 of 2004), which states, "Notwithstanding any other provision of law, the solicitation of a minimum of three written bids for all contracted construction

work on redevelopment assistance capital projects shall be the sole requirement for the composition, solicitation, opening and award of bids on such projects. Notwithstanding the foregoing, the construction work shall be performed subject to the act of March 3, 1978 (P. L. 6, No. 3), known as the Steel Products Procurement Act." This means that all prime contractors, general contractors and subcontractors must be bid. Please note that the bidding requirements would be satisfied if the RACP-defined project is publicly bid. The bidding format is at the discretion of the project representatives.

41. CAN THE BIDDING REQUIREMENT BE WAIVED?

Unless the terms of the law change, the Office of the Budget cannot grant waivers for bidding requirements to Grantees.

42. DO I NEED TO BID FOR EACH SEPARATE TRADE IF MY GENERAL CONTRACTOR WAS BID FOR THE WHOLE CONTRACT AMOUNT?

RACP projects are not subject to separation of trades. You simply need to solicit three bids for "all generally contracted work," and you do not even need to take the lowest bid. However, you must provide the Office of the Budget with an explanation as to why the lowest bidder was not selected.

43. DOES MY CONSTRUCTION MANAGER POSITION HAVE TO BE BID?

Construction manager services do not have to be bid. However, if the construction manager is not bid and serves mostly as a project manager/administrator, his or her costs could count only as match. The Office of the Budget will not reimburse any of the construction manager costs if they self-perform any of the construction work, since that work was not bid. Additionally, in order to protect the project/owner, performance and payment bonds must cover 100% of the total value of the construction.

44. MAY RACP FUNDS BE USED TO COMPLETE A DESIGN/BUILD PROJECT?

You may proceed with a design/build approach and select whomever you want. However, in order to meet the RACP bidding requirement, the Office of the Budget will examine the bidding of the various subcontractors. To the extent the winning design/build contractor self-performs some of the construction work, you will need to demonstrate that you solicited three bids for the design/build approach. In addition, design costs are not reimbursable. Only the following costs are reimbursable: Construction, interest during construction, land (subject to certain restrictions) and permits.

45. ARE BID SOLICITATIONS REQUIRED FOR EQUIPMENT PURCHASES?

Bid solicitation is not required for equipment purchased separately. Please note that IF the purchase of equipment also includes installation services, the contract is NOT subject to PA Prevailing Wage Act. However, if the equipment contract does not include the installation, then the labor associated with the installation IS subject to PA Prevailing

Wage Act AND the labor associated with the installation of the equipment must be bid (see item #40 above regarding bidding requirements). Please be advised that in both cases, the labor component cannot be disassociated from the purchased equipment. It is discretionary to the Office of the Budget what type of items fall into the equipment category and are RACP-eligible costs. Please be further advised that equipment and the labor associated with the installation of the equipment must both be present and directly related to the RACP-delineated scope.

46. WE DO NOT HAVE ANY CERTIFIED PAYROLLS TO DEMONSTRATE COMPLIANCE WITH THE PENNSYLVANIA PREVAILING WAGE ACT. CAN THIS REQUIREMENT BE WAIVED TO FACILITATE THE RECEIPT OF THE STATE GRANT?

The Office of the Budget cannot grant waivers for the Prevailing Wage Act. All Grantees must comply with the act. Grantees that fail to abide by the Prevailing Wage Act do so at their own risk. Additionally, the Grantee/Sub-Grantee must provide a copy of the Department of Labor & Industry's Pennsylvania Prevailing Wage Determination Letter issued for the specific project to demonstrate compliance with the Prevailing Wage Act. The project should apply to the Department of Labor & Industry for the determination letter before construction begins. If necessary, the Department of Labor & Industry can issue determination letters after construction has begun. Prevailing wage information and forms can be found at: [Visit the Labor and Industry website to obtain Prevailing wage information and forms.](#)

47. WE DO NOT HAVE ANY STEEL CERTIFICATES TO DEMONSTRATE COMPLIANCE WITH THE PENNSYLVANIA STEEL PROCUREMENT ACT. CAN YOU WAIVE THIS REQUIREMENT TO FACILITATE THE RECEIPT OF THE STATE GRANT?

The Office of the Budget cannot grant waivers for the Pennsylvania Steel Procurement Act unless the terms of the law change. All Grantees must comply with the Steel Procurement Act. Steel certificates noting milled/manufactured in the United States are required to document compliance with the Steel Act and must be supplied for all structural steel. The appropriate ST form will be necessary for non-structural steel to be in compliance. If a Grantee fails to abide by the Pennsylvania Steel Procurement Act in anticipation of a waiver, it does so at its own risk.

48. OUR CONSTRUCTION CONTRACTOR CANNOT OBTAIN THE 100% OF CONSTRUCTION COST BOND REQUIREMENT. CAN THIS BE WAIVED?

The requirement for 100% performance and payment bonds is a state law. The Office of the Budget cannot waive that requirement.

49. ARE "ELIGIBLE COSTS" THOSE INCURRED AFTER THE LEGISLATIVE AUTHORIZATION DATE OR AFTER RECEIPT OF THE AWARD LETTER?

Costs are eligible after the legislative authorization date, assuming the costs meet all RACP requirements (bidding, prevailing wage, etc.). Your award letter included the Itemization Act number and the year your project received legislative approval. Your authorization date by month, day and year is listed in your Grant Agreement in Appendix B.

PROJECT SCOPE

50. MAY I MAKE A COMPLEX RACP PROJECT SIMPLER?

The Office of the Budget may allow this in instances where certain items can be carefully carved out to make a streamlined project. In doing so, you must remember that the simplified project must obey the spirit of the law, in that construction activities must occur and full compliance with our requirements must be met. All changes in scope need to be sent in writing to OB for review and approval.

REPORTING AND AUDITS

51. I HAVE BEEN CONTACTED BY A STATE AUDITOR TO SET UP A CONFERENCE FOR AN AUDIT OF MY RACP PROJECT FOR WHICH I RECENTLY SENT IN MY LAST PAYMENT REQUEST. IS THIS NORMAL?

Yes. All RACP projects must have a legislatively mandated close-out audit performed to comply with Act 39 of 1993 and in accordance with Article 5 of your grant agreement.

52. THE LIST OF DOCUMENTS THE AUDITOR SENT ME TO HAVE AVAILABLE FOR THE CLOSE-OUT AUDIT INCLUDES DOCUMENTATION PREVIOUSLY SUPPLIED TO THE STATE CONSULTANT FOR MY PROJECT. DOES THE SAME DOCUMENTATION NEED TO BE REVIEWED AGAIN?

Yes. Keep in mind that the state consultant is part of the monitoring process. The auditors will need to examine documentation to be able to render an audit opinion. The Grantee/Sub-Grantee must keep all documentation concerning the project costs and RACP compliance and make it available during the close-out audit period. Many times, the list will include documentation previously submitted to the Office of the Budget in order to satisfy special conditions.

53. WHO WILL BE PERFORMING THE AUDIT OF MY RACP PROJECT?

A close-out audit will be performed by the Office of the Budget or its representative for all projects. The Grantee will not be required to pay for this audit.