

PDF Version of RACP Webpage (version 2/12/16)
Commonwealth of PA – Office of Budget – Bureau of Revenue, Capital & Debt
Redevelopment Assistance Capital Program (RACP)

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RACP GRANT PROCESS

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AWARD LETTER ISSUANCE

After the governor approves the release of funding for a RACP project, the Office of the Budget sends an award letter, which serves as written notification authorizing the preparation and submission of a formal and complete RACP application to the Office of the Budget for the project. Within 30 days of receiving the notification of award, an applicant must notify the Office of Budget if the applicant accepts the grant. The application contains 22 tabs that must be addressed, including the match amount, plans and specifications, budget, and detailed sources of funding. All applicants must submit their applications within six months of the date of the award letter and must be able to demonstrate that at least 50 percent of the required non-state funds necessary to complete the project are secured at the time of the application.

Note: A project is eligible for RACP funding only if that project has been itemized in an act - such as a PA Capital Budget Project Itemization Act. Only itemized projects from these Acts that have remaining project allocation amounts that have not been statutorily sunset as per Act 77 of 2013 are eligible.

APPLICATION PROCESSING

When the Office of the Budget receives the grant application, it conducts a preliminary review and hires a consultant to conduct a thorough assessment of the application. The consultant provides the Office of the Budget with a report detailing the assessment. The Office of the Budget reviews the report and prepares the grant agreement, which will contain applicable special conditions.

GRANT AGREEMENT PROCESSING

The grant agreement will be sent to the grantee for signature. Once it is returned to the Office of the Budget, it will be forwarded to the appropriate agencies within the commonwealth administration for validation and execution. The contract must be approved by the following signatories:

- Office of the Budget Chief Counsel

- The Secretary of the Budget
- The Deputy General Counsel
- The Deputy Attorney General
- The Bureau of Payable Services

A copy of the executed grant agreement is always forwarded to the grantee. It is important to note that the Office of the Budget cannot reimburse on any RACP-compliant costs until a fully executed grant agreement is in place.

POST-GRANT AGREEMENT

Once the grant agreement is fully executed, the grantee will then have a maximum of six months to meet the terms and conditions of the grant agreement. The grantee would be qualified to receive reimbursements for paid costs once the construction activities have started and these terms and conditions are satisfactory.

Once construction activities have started, it is advised that the project request a facilitation meeting. These meetings are conducted by the Office of the Budget with the project and are at no cost to the project. At these meetings, RACP requirements will be discussed and payment request procedures will be explained.

Once the project has incurred eligible reimbursable costs, they may then submit a payment request to start receiving grant funds. The RACP grant is operated on a proportional reimbursement basis as construction expenses are incurred and paid. Reimbursements occur over a 36-month period, unless a shorter period of reimbursement is authorized by the Secretary of the Budget.

During construction, the project is typically monitored on a monthly basis by the same consultant engaged during the application review. The Office of the Budget is required to disburse the RACP grant on a proportional basis, based on the expenditure of project costs. The entire scope of the project must be in compliance with all RACP requirements—including those covering bidding, the Pennsylvania Prevailing Wage Act, the Public Works Contractor's Bond Law, and the use of domestic steel—and must satisfy all of the special conditions identified in the grant agreement between the Office of the Budget and the grantee before any RACP funding is released.

After the project reaches 100 percent completion, a portion of the grant is retained pending the legislatively mandated close-out audit of the project. The amount retained will be released after the successful conclusion of the audit.