

A-1: SAMPLE AUTHORIZATION TO INCUR COSTS LETTER

April 1, 2024

Honorable John Smith
Mayor, Town of Anytown
Post Office Box 2023
Anytown, Louisiana 72023

RE: Authorization to Incur Costs, Application Revisions, and Grant Agreement
FY 2024 LCDBG Public Facilities Program

Dear Mayor Smith:

Again, congratulations on being selected as a recipient of FY 2024 Louisiana Community Development Block Grant (LCDBG) funds.

Upon receipt of this letter, you have the authorization to incur costs for planning and administration which includes the preparation of plans and specifications, the environmental review record, and other items necessary to clear grant agreement conditions. **Reimbursement of such costs will be contingent upon your receipt of an executed grant agreement with the State.** No LCDBG monies can be used to reimburse the grant recipient for any costs incurred prior to the date of this letter. Please note that should the contract not be issued, or the project assistance request be withdrawn for **whatever** reason, **the grant recipient** may be responsible for payment of all planning and administration costs incurred.

Under no circumstances should the grant recipient advertise bids or begin construction on an activity at this time. Written authorization will be provided from this office to advertise for bids when funds have been released and the plans and specifications for the project have been reviewed by this office. Funds will not be released until the conditions listed in Exhibit A of the LCDBG contract have been submitted and approved/cleared by this office.

To assist the Office of Community Development-Local Government Assistance (OCD-LGA) in the in-house processing of the Town's grant award/program activities, the OCD-LGA must request some additional information, as well as revisions to a form that was included in the original application for funds. These items are considered to be conditions of release of contract funds and must be received, reviewed, and **cleared** by the OCD-LGA within **five (5) months** of the date of this letter. This timeline will be **strictly** enforced. The State may grant an extension, if necessary. Any extension request must be submitted to the OCD-LGA prior to the deadline.

APPLICATION REVISION

1. Map

The concentrations of minorities and/or low/moderate income persons on the map of the target area included in the original application do not agree with the numbers and percentages on the Activity Beneficiary Form. The map also did not show the full target area. Please provide this office a revised map with the required information.

ADDITIONAL ITEMS

1. The LCDBG Grant Agreement - Please read the enclosed grant agreement carefully before signing it and returning it to this office. The signature of the local government official must be witnessed where indicated. **Do not fill in the date(s) throughout the grant agreement.**
2. Authorized Signature Form - Please complete and submit one Authorized Signature Form to this office. Detailed instructions are on the form. The Authorized Signature Form is located at: <https://www.doa.la.gov/dao/ocd-lga/lcdbg-programs/grant-management/> → Grantee Handbooks → 2024 → Section A: Program Administration → A: 3: Authorized Signature Form. This form indicates the persons authorized to sign the local government's requests for payments. This form must reflect original signatures and must not contain any erasures or corrections. Signatures and typed names must match. It is important for the certifying officer to write a date by his or her signature. If the certifying officer is someone other than the Mayor or President of the local government, a resolution must be passed as indicated in the instructions and submitted to this office with the form.
3. Electronic Funds Transfer (EFT) Enrollment Form - This office has mandated that all grantees receive funds through electronic transfer. In order to complete this requirement, contact the Office of Statewide Reporting and Accounting Policy (OSRAP) at DOA-DOA-OSRAP-EFT@la.gov or 225-342-1097 for the enrollment form. Do not use an existing form. In most cases, you are required to submit a copy of a voided check with the form to OSRAP. Remember that all checks must be pre-printed and pre-numbered by the financial institution. Please send confirmation to the OCD-LGA documenting that this information has been submitted to OSRAP as required. Do not send the completed EFT Enrollment form nor a copy of a voided check to the OCD-LGA.
4. Request for Vendor Information Form - Please complete this form and submit it to this office. This form identifies the federally insured bank account into which LCDBG funds will be deposited by the State. All LCDBG funds committed to this project must be deposited into this account, and the account must be a separate non-interest-bearing account. If the Town has a separate account set up for other LCDBG funded projects, this account may be utilized for this project as well. The Request for Vendor Information Form is located at: <https://www.doa.la.gov/dao/ocd-lga/lcdbg-programs/grant-management-forms-and-handbooks/grantee-handbook-and-exhibits/section-a/> → A: 4: Vendor Information.
5. W-9 Form - Please complete this form and submit it to this office. The W-9 Form is located at: <https://www.doa.la.gov/dao/ocd-lga/lcdbg-programs/grant-management-forms-and-handbooks/grantee-handbook-and-exhibits/section-a/> → A: 5: IRS W-9 Form.
6. The Town must complete and send to this office a "Financial Management Questionnaire." An attachment to the Questionnaire regarding proof of current fidelity insurance or bonding must also be provided. The Financial Management Questionnaire is located at: <https://www.doa.la.gov/media/obaddp4r/financial-management-questionnaire.xls>

7. The Town must prepare and adopt, by resolution, a Residential Antidisplacement and Relocation Assistance Plan; a sample plan is shown in Exhibit C-14 in the LCDBG Grantee Handbook. Once prepared, please send a copy of the plan and resolution to this office. If the Town adopted this plan for a previously funded LCDBG grant, it may choose to pass a resolution stating that the previously adopted plan is still in effect and will also be used for the FY 2024 program; if this measure is chosen, then it will only be necessary to forward a copy of the latter resolution to this office.
8. The Town must submit a Performance Schedule in order for this office to project expenditures by the State's fiscal year. The LCDBG Performance Schedule format and its instructions can be located on this office's website at <https://www.doa.la.gov/media/5lph2ell/lcdbg-performance-schedule.docx>
9. An Environmental Review Record (ERR) must be prepared according to 24 CFR Part 58. Section A: Program Administration, Environmental Review of the Grantee Handbook and exhibits referenced in those pages provide instructions.

The ERR must be **submitted** to the OCD-LGA, **reviewed, and the grantee be given authority by the OCD-LGA to publish** appropriate notices and to request release of grant funds within **five (5)** months of the date of this letter.
10. A copy of the plans and specifications plus a final cost estimate for the project must be **submitted** to this office and the Louisiana Department of Health (LDH), (if applicable) for review within **five (5)** months of the date of this letter. This office must also receive a signed certification from the project engineer stating that the plans and specifications have been completed and submitted to LDH (if applicable) for their approval. If at the end of the five-month calendar period the plans and specifications and final cost estimate have not been submitted to both this office and LDH (if applicable), a \$250 per working day penalty will be assessed. If revisions to the plans and specifications are requested by this office, these documents must be received by the OCD-LGA within thirty (30) calendar days of the request or by the five-month deadline for clearance of contract conditions, whichever is later. Failure to comply with this requirement will result in a \$250 per working day penalty. If revisions are submitted in a timely manner but do not adequately comply with the revisions requested, the penalty as described above may be assessed at the State's discretion.
11. The Town must review all ordinances, local regulations, and policies adopted by the local government and currently in effect, and certify compliance with the Violence Against Women Reauthorization Act of 2022. (Exhibit A-27) If any policies are identified they must be re-evaluated and addressed within the grant agreement period. A summary of efforts to evaluate alternative policies that do not impede the Right to Report Crime and Emergencies from One's Home and a timeline for action on one or more alternatives must be submitted for review and approval with the certification form. The certification form can be found at <https://www.doa.la.gov/doa/ocd-lga/lcdbg-programs/grant-management-forms-and-handbooks/grantee-handbook-and-exhibits/section-a/> → A-27 Violence Against Women Act (VAWA) Certification

GENERAL COMMENTS

Based on various factors, the Town has been identified as a medium-risk grantee. Therefore, the Town can request an on-site technical assistance visit prior to the date that the OCD-LGA schedules to monitor this grant. During this visit, the OCD-LGA staff will work with the Town to ensure that all compliance areas are adhered to as required.

The Town has been allowed LCDBG funds as follows:

\$ 450,000	Construction and contingencies
\$ 450,000	Total

All LCDBG grantees are required to attend a grant implementation workshop scheduled and conducted by the OCD-LGA. Any grantee that does not attend the grant implementation workshop will be assessed a \$1,000 penalty for failure to attend. This amount will be deducted from the construction line-item budget and disallowed.

As a reminder, all items requested in this letter must be cleared by September 1, 2024. “Cleared” means the items must be submitted to, reviewed by, and approved by this office. The exceptions, as noted in items 9 and 10, are for ERR, which requires approval from this office to publish appropriate notices by the deadline, and for plans and specifications, which must be submitted to all required agencies by the deadline. Failure to do so will result in the deduction of **\$250 in LCDBG funds per working day** from the engineering line-item budget for Plans and Specifications, and from the administrative line item budget for all other items including the ERR. For Plans and Specifications, the penalties will be deducted from the amount of LCDBG funds contracted to an engineer/architect for basic services. If engineering / architectural services are not being paid with LCDBG funds, the penalties will be deducted from the construction line-item funds and disallowed. For LCDBG administrative funds, the monies will be deducted from the amount contracted to an administrative consultant. If the grant recipient chose to administer the grant using its own staff, the penalty will be assessed against the LCDBG administrative funds, and disallowed. If the grant recipient is not using LCDBG administrative funds, the penalty will be assessed against the construction line-item funds and disallowed. If the failure to clear grant agreement conditions within the required timeframe is the fault of another party then the penalty will be assessed accordingly. The State may grant an extension where the reasons for not meeting the required time frame were clearly beyond the control of the grant recipient and/or the administrative consulting firm or the engineering / architectural firm.

Following this office's review of the project's plans and specifications and clearance of contract conditions, the grantee will receive a letter of authorization to advertise for bids; the grantee is expected to advertise for bids within thirty days of the date of that letter. A copy of the publicized bid advertisement, including the publication date, must be submitted to this office.

Failure to comply with this bid advertisement requirement will result in an assessment of \$250 per working day. The assessment will be deducted from the amount of LCDBG funds allowed for basic engineering services. If LCDBG funds are not used to pay for basic engineering services, the penalty will be deducted from the construction line item in the LCDBG contract and disallowed. If the failure to advertise for bids within the required timeframe is the fault of another party such as the local government or the administrative consultant, then the penalty will be assessed accordingly, or be deducted from the construction line item in the LCDBG contract and disallowed. If there are extenuating

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circumstances which prevent publication of the advertisement for bids within the thirty-day period, the local government must request an extension of time from this office prior to the end of the thirty-day period. The State reserves the right to grant an extension when the reasons for not meeting the timeframe are valid.

A copy of the Grantee Handbook can be accessed through the LCDBG website.

Please submit the information requested in this letter as soon as possible. If there are any questions, please contact the assigned grant representative at (225) 342-7412.

Sincerely,

Traci Watts
Director, Local Government Assistance
Office of Community Development

Enclosures