

SOUTH CAROLINA RURAL INFRASTRUCTURE AUTHORITY

1201 Main Street, Suite 1600
Columbia, South Carolina 29201

PROJECT MANAGEMENT PROCEDURES

Start Up

- The grant becomes effective upon return of one copy of the grant award executed by the chief executive official and another authorized representative of the Grantee. Both copies must have original signatures and one must be returned to RIA within 15 days from the date of award.
- Activities to be completed by the Grantee and submitted with the signed grant agreement within 15 days include:
 - Submission of the Authorized Signatures and Bank form
 - Establishment of a separate bank account, and
 - Designation of two authorized financial representatives (other than the Chief Elected or Executive official) for requests for payment and disbursement of grant funds
- Once the signed grant agreement is returned, the Grantee may begin incurring expenses, if such expenses are consistent with the requirements contained in these procedures or the terms and conditions of the Grant Agreement. However, funds may not be drawn until additional information is submitted as outlined under the Requests for Payment section of these procedures.
- The Grantee must use the grant number on all reports, requests for payment or correspondence related to this grant.

Allowable Costs

- The Grant Award shall be used only for specified activities approved in the Application, unless otherwise approved in writing by the Authority.
- Ineligible grant expenses include, but may not be limited to, any non-construction costs such as planning, engineering, administration or legal fees, acquisition of property including easements or right-of-ways costs, permitting costs, application or administrative expenses, connection or impact fees, operating or maintenance expenses, or furnishings and fixtures that are not permanently attached to improved facilities. Such costs that are related to the Project must be paid for with other funds.

- Funds obligated or expended prior to the grant award or for activities that have not received written approval from the Authority shall be considered ineligible and shall not be eligible for payment by Grant funds.
- Grant funds may not be used to reimburse in-kind labor.

Financial Management

- The Grantee must maintain a financial management system using generally accepted accounting principles to provide adequate accountability for the Grant.
 - The Grantee's records must disclose accurate information about the grant award, obligations, unobligated balances, assets, liabilities, expenditures, and income.
 - The Grantee's financial management system must have a budget control system that makes it possible to compare actual expenditures with budgeted amounts for each supported activity.
 - The Grantee's financial management system must make it possible to relate financial information to performance or productivity.
 - The Grantee's financial management system must also have sound internal control procedures that cover cash, real and personal property, and other assets.
- A separate bank account must be established for each new grant agreement and the Grantee must account for all grant transactions separately. A Grantee may request a modification of this requirement if it can demonstrate an acceptable system of grant accountability that tracks each grant separately. To request a modification, the Grantee must submit a letter to the RIA and include a recent audit of a grant (to demonstrate its ability to track grant balances through one account). In addition, if a Grantee is permitted a waiver, the bank statements must reflect itemized deposits to account.
- The bank account and the account number must be designated by the Grantee prior to disbursement of grant funds. The bank account may be an interest bearing account.
- The Grantee shall designate two financial representatives who are authorized to request payments and issue checks. The Grantee's Chief Elected or Executive Official must authorize the designated financial representatives. The person authorizing the financial representatives may not sign Requests for Payment. This is consistent with standard financial procedures.

Requests for Payment

- Prior to the first Request for Payment, the Grantee must submit the following documentation to the Authority:

- Submission of documentation requested to demonstrate, to the satisfaction of the Authority, that the Grantee is in full compliance with all special grant conditions,
- Submission of a certification that all necessary acquisition is complete and title is held by the Grantee, and
- Submission of any subrecipient agreements or third party contracts, including construction contracts, within 15 days of execution of the documents. Such agreements or contracts must be in compliance with grant requirements.
- The Grantee must submit a certified request for payment for eligible expenses and documentation as follows:
 - The Grantee will certify, to the best of its knowledge, information and belief that the work on the Project for which payment is requested has been completed in accordance with the terms and conditions of this Agreement.
 - Invoices or other documentation, that the Authority may reasonably require, which document the incurred expenses must be submitted with the Request for Payment. Such invoices must be certified as valid expenses by an official representative of the Grantee.
- Requests for Payment must be submitted using forms approved by the Authority.
- Requests for Payment may be submitted on an advance or reimbursable basis. Advances will only be considered if there is an invoice for eligible work or services completed that is due and payable.
- Payment requests must be approved by the Authority in accordance with the approved scope of work and budget. Payment requests will generally be processed no more than once a week. Payments are issued from the Comptroller General's office and will be sent to the Grantee's bank account. The Grantee will receive notification that the payment was sent.
- The Authority may make, and the Grantee shall accept, full or partial disbursements for actual, eligible expenses up to the total grant amount as provided in this Agreement.
- The Authority may issue payments jointly to the Grantee and a vendor supplying goods or services on the project, if deemed appropriate.
- Grant funds received by the Grantee must be disbursed in a timely manner, generally within 10 days of the date of receipt.
- All financial documentation supporting the Grantee's Requests for Payment and the disbursements from Grant funds must be kept on file and be available for inspection at any time.

- Grant disbursements must be made on a pro rata basis with other funds that are also being used for eligible expenses for the same activity unless otherwise required by other funding sources.
- In the event property or equipment is acquired in whole or in part with grant funds, the Grantee must retain ownership and ensure that such property is used solely for grant authorized purposes. The Grantee must follow state requirements for management, use and disposition of the property.

Audit

- The Grantee must include an examination and accounting of the expenditures of Grant funds in its first annual audit following the completion of the Project, and submit a copy of the audit report to the Authority or its designated representative at the SC Department of Commerce.
- The audit must adhere to the following audit requirements, whichever is applicable:
 - (a) Generally accepted auditing standards established by the American Institute of Certified Public Accountants (AICPA); or
 - (b) The General Accounting Office (GAO) Standards for Audits of Governmental Organizations, Programs, Activities, and Functions, latest revised edition (Yellow Book).
- The Grantee will reimburse the Authority for unauthorized and unwarranted expenditures disclosed in the audit, if so directed by the Authority.
- Upon request of the Authority, the Grantee shall make available, and cause any Contractor to make available, for audit and inspection by the Authority and its representatives all the books, records, files and other documents relating to any matters pertaining to the Project.

Procurement

- All purchases of goods and services shall be made according to the established procurement policy of the Grantee, provided that its policies conform to the South Carolina Consolidated Procurement Code and Regulations. The Grantee's procurement policy may be reviewed to assure that it is as restrictive as these standards and that it provides fair and open competition.
- If the Grantee has no established procurement policy, it must follow the most current South Carolina Consolidated Procurement Code and Regulations which requires:
 - Small purchases under \$50,000:

- Up to \$2,500 - A single quote is acceptable if price is certified, fair and reasonable.
 - Over \$2,500 - up to \$10,000 - Solicit written quotes, bids or proposals from a minimum of three (3) qualified sources. Document the solicitation of quotes.
 - Over \$10,000 to \$50,000 – A written solicitation for written quotes must be developed and advertised once in the South Carolina Business Opportunities or through other central electronic advertising.
 - Purchases \$50,000 and Over:
 - Prepare an invitation for bids and solicit competitive sealed bids or proposals.
 - Bid solicitations must include specifications and all contractual terms and conditions applicable to the procurement.
 - A notice of the invitation for bids or proposals must be issued, allowing a reasonable time prior to bid opening, and advertised in the South Carolina Business Opportunities or through other central electronic advertising.
 - Sole source procurement
 - Must be certified in writing, along with the documented reasons for the sole source.
 - The procurement must be for a unique item or service and only be available from a single source.
 - Records must be maintained with other procurement documentation.
 - For additional information about the SC Consolidated Procurement Code and Regulations, go to the website at <http://procurement.sc.gov/PS/PS-index.phtm>
- Upon request, the Grantee must make available to the Grantee's auditor, the Authority, and its representatives, and the public Grantee's records and other documentation of the procurement process and any sole source justification.
- If the Grantee fails to adhere to procurement procedures required by law, the Authority may call for repayment by the Grantee for Grant funds that were expended in a disallowable manner or the Grantee may be subject to other sanctions.
- The Grantee must ensure that minority business enterprises, as identified in the SC Code of Laws have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with funds provided under this Agreement.

- The Grantee and its Contractors shall take all necessary and reasonable steps to ensure that minority business enterprises have the maximum opportunity to compete for and perform contracts.

Contracts

- The Grantee is responsible for implementation of the Project in accordance with the program requirements notwithstanding the Grantee's designation of, or contract with, any third party or parties for the undertaking of all or any part of the Project.
- The Grantee must adhere to all applicable procurement laws, regulations and guidelines in the selection of the Contractor.
- The Grantee may not award contracts to any Contractors who are ineligible to receive contracts under any applicable laws or regulations of the Authority.
- A subrecipient agreement is required if an entity other than the Grantee will be responsible for implementing any portion of the project including planning, construction oversight, ownership, operation or maintenance.
- The Grantee must submit all proposed agreements with subrecipients or third party contractors engaged to perform work within the scope of the Grant to the Authority within 15 days of executing those agreements.
 - In addition to the submission of the contract for review, the Grantee must submit to the Authority:
 - The certified bid tabulation,
 - Explanation of any discrepancies, and
 - The Notice to Proceed.
- All of the services required to complete the Project will be performed by the Grantee and/or a Contractor, or under its supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized under state and local law to perform such services.
- The Grantee must ensure that a Contractor has, or will secure at its own expense, all personnel required in the performance of the services covered by the Project. Such personnel shall not be employees of, or have any contractual relationship with the Authority or the Grantee.
- Any disputes arising out of a contract funded in whole or in part with these grant funds are the responsibility of the Grantee and should be resolved in accordance with the

process outlined in local procedures as long as they are consistent with the South Carolina Consolidated Procurement Code and should be resolved in a timely manner.

- The Grantee and/or a Contractor shall be liable for paying all taxes required by local, state, or federal governments, which may include, but not be limited to, social security, worker's compensation, and employment security as required by law. No employee benefits of any kind shall be paid by the Authority to or for the benefit of the Grantee and/or a Contractor or his employee or agents by reason of this Agreement.

Progress/Construction

- The Grantee must take appropriate action to implement the project in a timely manner.
- The project must be substantially underway within 90 days of the Grant Award. If the Grantee does not begin the Project within ninety days of the Grant Award, the Authority reserves the right to rescind the Grant, require the repayment of any Grant funds provided to the Grantee and terminate the Project.
 - The Grantee shall be considered substantially underway if the Grantee has incurred contractual obligations for goods or services in connection with the Project, to the satisfaction of the Authority, to indicate that the Project will be completed within the grant period.
- The Grantee shall obtain all necessary federal, state and/or local permits required for the construction and/or operation of grant funded improvements.
- Any signs installed at the Project site must be pre-approved by the Authority and must acknowledge funding by the SC Rural Infrastructure Authority.
- Any changes in the approved scope of work or budget of the Project, including change orders or cost increases, must be submitted in writing by the Grantee's Chief Executive Official to the Authority as a request for an amendment, and such requests must clearly identify the need for the change or relief. Amendments must be approved in writing and in advance by the Authority. The Authority has no obligation to approve such a request.
- The Grantee must return surplus Grant funds that result from project cost underruns, and provide monies from its own resources for cost overruns required to complete the Project.
- The Grantee must complete, or cause to be completed, the portion of the Project to be funded in whole or in part with Grant funds within 18 months of the Grant Award.
 - Completion is defined as the submission of a final report and documentation of Grant funds expended, accomplishments and any other information required by the Authority.

- Any unexpended grant funds at project completion shall be returned to the Authority or deobligated from the grant prior to project completion.
- The Authority will issue a notification in writing of the closure of the Grant.

Reports

- The Grantee agrees to submit quarterly progress reports that provide a status update and identification of any significant issues affecting the Project.
- Progress reports are due on the first day of the first full quarter after commencement of the Project.
 - Quarters begin on January 1, April 1, July 1 and October 1
- Failure to submit progress reports will make the Grantee subject to the sanctions identified in the Grant Agreement.
- The Grantee must provide other reports as may be requested by the Authority.

Record Keeping and Monitoring

- The Grantee must maintain all project/grant related records for review by the Authority or other State agency as may be required to ensure timely completion of the Grant and compliance with the terms and conditions of the Grant Agreement, and program procedures.
- Suggested files include the following:
 - Application and Grant Agreement
 - ✓ Approved Authority Application
 - ✓ Grant Announcement Letter
 - ✓ Grant Agreement Letter
 - ✓ Grant Agreement
 - ✓ Documentation of clearance of any grant conditions
 - ✓ Grant Checklist
 - ✓ Approved amendments
 - ✓ General correspondence
 - Financial
 - ✓ Bank Signature Form
 - ✓ Project Budget
 - ✓ Grant Requests for Payment
 - ✓ Back-up documentation of expenditures (invoices, construction draws, purchase orders, etc)
 - ✓ Documentation of expenditure of matching and other funds for the project

- ✓ Separate Bank Account and Monthly statement
- ✓ Ledgers
- ✓ Property Inventory
- ✓ Audit

- Contracts and Agreements
 - ✓ Subrecipient agreements
 - ✓ Grantee procurement policy
 - ✓ Procurement documentation for all goods and services (advertisement, method of procurement, bid package, bid tabs, minutes, recommendation to award, notice of intent to award, protests, etc.)
 - ✓ Executed copies of all project related contracts
 - ✓ Contracts for construction and approvals
 - ✓ Permits
 - ✓ Acquisition documentation to show ownership
 - ✓ Bonding and insurance
 - ✓ Change orders and approvals

- Reports
 - ✓ Quarterly status reports for each quarter

- Monitoring
 - ✓ Monitoring letter
 - ✓ Response and clearance of any issues

- Close Out
 - ✓ Close Out Report
 - ✓ Documentation of Accomplishments
 - ✓ Digital photos
 - ✓ Certified “as built” drawings
 - ✓ Permit to Operate
 - ✓ Letter of Financial Close Out from the Authority
 - ✓ Letter of Final Close Out from the Authority

- Project/grant records shall be made available for random audit and review by the State but generally the Authority will provide at least 24 hour advance notice of any review and such review will be done during normal work hours.

- The Grantee shall retain records for property purchased totally or partially with Grant funds for a period of three years after its final disposition.

- The Grantee shall maintain records relating to procurement matters for the period of time prescribed by applicable procurement laws, regulations and guidelines, but no less than three years.

- All other pertinent Grant and Project records including financial records, supporting invoices, receipts or other financial documentation, contracts, agreements, reports and other records shall be retained for a minimum of three years after notification in writing by the Authority of the closure of the Grant.
- However, if any litigation, claim, or audit is initiated before the expiration of any such period, then records must be retained for three years after the litigation, claim, or audit is resolved.
- If the Grantee fails or refuses at any time to comply with any of the terms and conditions of the Grant Agreement, the Authority may take, in addition to any relief that it is entitled to by law, any or all of the following actions:
 - Require repayment of all or a portion of any Grant funds provided;
 - Cancel, terminate, or suspend, in whole or in part, the Grant and this Agreement; or
 - Refrain from extending any further assistance or Grant funds to the Grantee until such time as the Grantee is in full compliance with the terms and conditions of this Agreement.

Close Out

- A final close out report of expenditures and accomplishments must be submitted at project completion which may include the following information or other information as may be required by the Authority.
 - The Grantee must provide documentation for all Grant expenditures in accordance with the approved Project Budget and Scope of Work.
 - The Grantee must submit documentation of all expenditures for matching funds or other leveraging spent on the Project prior to close out of the Grant.
 - The Grantee must submit certification by the project engineer that the project was constructed in accordance with the application or amended scope of work approved by the Authority.
 - A property inventory form must be submitted at project close out for all non-expendable property costing \$5,000 or more paid in whole or in part with grant funds. If property acquired in whole or in part with grant funds is no longer needed by the Grantee following project close out, it should be used for similar qualified activities.
 - The Grantee must describe and quantify the Project accomplishments and impact.
 - The Grantee must agree to provide maintenance of facilities, structures, or other improvements paid for in whole or in part with Grant funds.

Project Management Forms

- The RIA will provide forms for use in the implementation of RIA grants. Such forms may be updated from time to time or additional forms may be added. The Grantee must use the most current form unless otherwise instructed.
- The following forms are attached and made a part of these procedures.
 - Grant Checklist – This form is for Grantee use only and should be kept with project records to document required submissions to RIA and timelines for implementation
 - Authorized Signatures for Payments and Checks – This form designates authorized signatures for Requests for Payment on the Grant and also identifies the bank account to which grant payments will be sent. The form must be completed and returned with the signed Grant Agreement.
 - Request for Payment – Requests for grant funds must be made on this form and signed by one of the persons authorized by the Grantee on the Authorized Signatures form.
 - Quarterly Status Report – This report must be submitted on the first day of each quarter to provide an update on the progress of the grant and to provide an explanation for any delays.
 - Close Out Report – TO BE PROVIDED IN THE FUTURE