

**INSTRUCTIONS FOR PRESENTING DOCUMENTATION IN SUPPORT  
OF FINAL GRANT PAYMENT REQUESTS**

I. Purpose

This guide outlines the method to be used by grantees in requesting final construction grant payments. Strict conformance with these procedures will enable the State to schedule a final grant payment in a timely manner. The guide provides a uniform method of approach and form, aids the reviewer, and reduces requests for additional information. This guide outlines specific exhibits to document a final payment claim. These exhibits or equivalent information must be provided before the final payment request can be considered acceptable.

II. Sequence of Events

When construction is complete the grantee is required by regulation to notify the State so that a final inspection can be scheduled. The grantee should notify the State in advance of the scheduled date for the grantee's acceptance inspection. In that way the State may attend that inspection or can have a separate final inspection scheduled.

When the grant payment package is received it will be reviewed and, as necessary, additional information will be requested of the grantee. The final inspection will be conducted per the regulations within 60 days from the date the State is notified by the grantee of construction completion. If the final payment package was not provided prior to the final inspection, that inspection "triggers a clock" for the submittal of the final payment package. If the final payment package is not received within 60 days after the final, the State will initiate the grant termination process starting with a Notice of Intent to Terminate. This Notice will provide the grantee with an additional 30 days to submit the final payment claim. Failure of the grantee to respond with that timeframe will result in the termination of the grant and the processing of a final payment based upon the last payment request on record from the grantee. Also, termination may have possible serious results in that a significant portion of the project may not be eligible for State funding.

During the final inspection process the State will be establishing a cut-off date. The establishment of that date will be done formally. The cut-off date fixes the date after which costs incurred will not normally be considered as eligible project costs. The cut-off date is usually the date of the final inspection. It can, however be a later date which is considered a fair and reasonable time period to resolve problems noted during the inspection.

The grantee should recognize that the final grant payment made by the State is based on an intensive review of the costs presented. In addition, the grantee should be prepared to have their records reviewed. The State will formally contact the grantee if it becomes necessary to conduct an audit of the grantee records.

This is the only audit that will be conducted by the State for this project unless the findings are appealed by the grantee. In all cases the State will attempt to pay 100% of the grant entitlement but may be forced to retain up to 10% of the grant payment pending the resolution of any problems. All final determinations are subject to appeal by the grantee.

### III. Allowable Costs

It is important that the grantee be able to define as accurately as possible those project costs specifically allocable to the construction of the eligible facilities. To the greatest reasonable extent, invoicing procedures and eligibility determinations should be based on direct costs incurred in relation to the eligible facilities and avoid approximations or prorating to arrive at a cost. Reference should be made to all allowable cost guidance published by the State.

The scope of the eligible project is defined by the original grant agreement and any subsequent amendments. The specific scope of eligible construction is defined by the State, and approved contract documents and any approved change orders.

### IV. Payment Documentation

In order to avoid review delays, the grantee should present documentation which clearly indicates how eligible costs were obtained. Only copies of invoices covering costs beyond those already claimed/submitted for previous payments need be submitted for the final payment request. Notations should be made on invoices and calculations shown whenever the exact eligibility is questionable and assumptions have been made. A collection of exhibits supporting the final grant payments request should be prepared as follows:

Exhibit A - State Payment Reimbursement Request Form No. 3-97

The form must be executed by the current authorized representative on record and represents that grantee's final request for grant payment and funding.

Please complete the State Grant Payment Request Form. All items must be filled in for the State Comptrollers office to make payment. Incomplete forms will delay your payment process and impact project costs.

Please use the forms supplied by MDE or if using a xerox copy, only double sided copying will be acceptable.

Request for payment should be mailed to:

Kay G. Bee, Chief  
Grants and Loan Division  
Water Quality Infrastructure Program  
Maryland Department of the Environment  
Baltimore, MD 21230

Exhibit B - Itemized summary and Calculation of Eligible Costs

The attached schedules formulate the basis of your claim for eligible costs. They are construction, technical services, administration, and legal/fiscal. The claimed eligible costs in the individual categories must represent your claim in the State Payment Reimbursement Form. Additional schedules may be added for categories not listed above.

**Prior to each schedule is a listing of those items required by MDE to process the claim.**

## Exhibit B

### Construction – Schedule

#### Provide

1. A complete schedule for each construction contract (Schedule I(a)).
2. A listing of change orders for each construction contract (Schedule ((b))).
3. A copy of the final estimate for each construction contract.
4. A copy of the final check for each construction contract.
5. Indication of any assessed liquidated damages against the contractor. Not that when making a claim indicates the total eligible contract cost as liquidated damages do not reduce the construction amount.
6. Equipment and Materials or Utility Work (BG&E)

Provide a list of any claim for equipment or material. Also include the invoice, check number, and reason for each claimed if not previously submitted.

CONSTRUCTION CONTRACT (SCHEDULE I (a))

CONSTRUCTION NUMBER	ESTIMATE NUMBER	GRANTEE PAYMENT	CHECK NUMBER

**CONSTRUCTION CHANGE ORDERS (SCHEDULE I (b))**

CONTRACT NUMBER	CHANGE ORDER NUMBER	STATE APPROVAL NUMBER	TOTAL AMOUNT	ELIGIBLE AMOUNT

**Exhibits B**

**Technical Services – Schedule II**

**Provide:**

1. A Completed schedule for each engineering contract (Schedule II (a)).
2. Copies of all engineering invoices which contain eligible works and not previously submitted for payment.
3. Copies of executed engineering contract(s) not previously submitted to MDE or changes/amendments to the contract.

TECHNICAL SERVICES (Schedule II (a))

CONSULTANT	INVOICES		SERVICES PROVIDED	PAYMENT	CHECK NUMBER
	NUMBER	DATE			

**Exhibit B**

**Administration – Schedule III**

**Provide:**

1. A completed schedule for administrative costs for the project (Schedule III (a)).
2. Costs related to administrative staff salaries. Indicate on a separate sheet who was charged to the grant, hourly rate, overhead (if claimed) and time frame for costs not previously documented only.

Note: The grantee may provide a computerized format for administrative costs if found acceptable by MDE.

3. Costs for special services, materials, phones, etc. provide an invoice and explanation for each claim if not previously submitted.
4. Costs relating to a claimed overhead rate. Please provide the audited overhead-approved rate for the fiscal years claimed.



**ADMINISTRATIVE (Schedule III (a))**

<b>EMPLOYEE</b>	<b>INVOICES NUMBER</b>	<b>INVOICES DATE</b>	<b>SERVICES PROVIDED</b>	<b>PAYMENT</b>	<b>CHECK NUMBER</b>

**Exhibit B**

**Fiscal/Legal – Schedule IV**

**Provide:**

1. A completed schedule for legal/fiscal costs for the project (Schedule IV (a)).
2. Copies of all invoices for claimed services and not previously submitted.
3. A completed breakout of Legal Fees (Schedule IV (b)).
4. Copies of executed legal contracts for services provided or method of procurement for the services.

**LEGAL / FISCAL (Schedule IV (a))**

<b>EMPLOYEES</b>	<b>INVOICES NUMBER</b>	<b>DATE</b>	<b>SERVICE PROVIDED</b>	<b>PAYMENT</b>	<b>CHECK NUMBER</b>

## BREAKDOWN OF LEGAL FEES AND/OR CHARGES

I certify that the following amount represents the breakdown of my fee charges to

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(State Project Number & Name of Applicant

for legal services rendered in construction of wastewater or drinking water facilities:

- |      |    |  |          |
|------|----|--|----------|
| I.   | a. | Site procurement   | \$ _____ |
|      | b. | Right-of-way and/or easements  | \$ _____ |
|      | c. | Preparation and/or services connected with public hearings, service agreements interim financing, preparation of State and/or Federal grant applications | \$ _____ |
|      | d. | State construction permits (MPDES permits  | \$ _____ |
|      | e. | Interpretation of regulations  | \$ _____ |
| II.  | a. | Uniform Relocation Act   | \$ _____ |
|      | b. | Establishment of user charge & industrial cost recovery, sewer use ordinance, etc.   | \$ _____ |
|      | c. | Reviewing construction contracts   | \$ _____ |
|      | d. | Reviewing engineering agreements   | \$ _____ |
|      | e. | Facilities planning review   | \$ _____ |
|      | f. | Cost growing out of meeting specific statutory requirements  | \$ _____ |
| III. | a. | Review of bond counsel report  | \$ _____ |
|      | b. | Bond opinion, perspectives   | \$ _____ |
|      | c. | Advertise bonds, print bonds, print trust indentures, and record trust indentures  | \$ _____ |
|      | d. | Fiscal report  | \$ _____ |
|      | e. | Underwriter fees   | \$ _____ |

f. Trusteeship fees \$ \_\_\_\_\_  
g. Total amount of bonds issued \$ \_\_\_\_\_  
h. Date of bond issue \_\_\_\_\_

IV. Miscellaneous cost pertaining to the Applicants project (meetings, phone calls, etc.) (must have detailed documentation.) \$ \_\_\_\_\_

Total

I. \$ \_\_\_\_\_  
II. \$ \_\_\_\_\_  
III. \$ \_\_\_\_\_  
IV. \$ \_\_\_\_\_

\_\_\_\_\_  
(Signature) (Date)

\_\_\_\_\_  
(Title)

Project Number: \_\_\_\_\_

Project Name: \_\_\_\_\_

**Exhibit C – Payment Certification**

It is hereby certified that the costs claimed on the project are to the best of our knowledge eligible for grant participation and

that all invoices and records for engineering, administration, legal/fiscal and construction are available for audit purposes and

that the project is 100 percent complete and is in accordance with approved plans and specifications and contract documents.

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Date