REDEVELOPMENT ASSISTANCE CAPITAL PROGRAM (RACP)

REIMBURSEMENT HANDBOOK

Instructions for Completion of Forms Used to Request Reimbursement of Funds of a Redevelopment Assistance Capital Grant

REIMBURSEMENT PROGRAM & REIMBURSEMENT PROCEDURES

The Redevelopment Assistance Capital Program uses a reimbursement system to fund projects. Grantees will apply for periodic payments (no more than monthly) to seek reimbursement on a portion of paid project expenses.

The application of the drawdown procedures discussed in this manual simply assures the following:

- The Commonwealth has an appropriate cash flow for RACP. This is accomplished by using the approved Funding Accumulation Schedule from Appendix C in the Grant Agreement.

- The Grantee is contributing an appropriate share of funds throughout the project. This is accomplished by properly applying the Distribution Factor (match funds divided by grant funds).

The Commonwealth prefers to provide RACP funds for construction activities over the entire project that is described in the accepted project scope and agreed to in Appendix C of the Grant Agreement. Therefore, the following is adhered to:

- Ideally, any match components that are funded solely by the Grantee should be constructed simultaneously with the components that are funded by the Commonwealth. If construction of a match component is not simultaneous with the funded component, the Grantee should at least be contractually obligated to construct the match component. The Grantee should understand that if construction is not simultaneous and occurs after the construction of the Commonwealth funded component, the release of grant funds will be limited. The intent of this requirement is to encourage the Grantee to construct the entire project and to limit the Commonwealth's risk if the entire project is not constructed.

- **A reimbursement request must include paid Construction costs before any other items will be reimbursed. Therefore, the Commonwealth will not reimburse on any other costs if construction has not started.**

RACP REIMBURSEMENT CRITERIA

The amount that the Grantee can request on any reimbursement request is dependent on the following:

- Amount invoiced & paid to date
- Approved RDA Forms (300, 301 & 302)
- Approved Funding Accumulation Schedule *[Appendix C of Grant Agreement]*
- Distribution Factor *[Appendix C of Grant Agreement]*

Approved RDA-300, RDA-301 & RDA-302 Forms. The sources and uses of funds for the project are shown on the approved RDA Forms. The RDA-300 shows the sources of

funds, the RDA-301 shows the uses of funds and the RDA-302 breaks down construction costs. The uses of funds include only RACP eligible project expenses and are broken into RACP reimbursement and match costs.

The approved (signed by the Commonwealth) RDA Forms may differ from those that were submitted in the Grant Application. Also, during the life of the project, the RDA Forms may need to be revised at the request of the Commonwealth. Therefore, the Grantee should ensure that the most recently approved RDA Forms are utilized in the project.

Reimbursable cost categories always include Construction and may also include: Interest During Construction, Permits, Equipment, and Land.

Non-reimbursable (match only) cost categories include: Legal, Architectural/Engineering and Other items.

Construction costs must be reimbursable but may also include a match component while Interest During Construction, Permits, Equipment, and Land costs can be match and/or reimbursable.

Approved Funding Accumulation Schedule. The Commonwealth develops a Funding Accumulation Schedule for each RACP project. The schedules for all projects are developed to allow the Commonwealth to attain a reasonable cash flow for the entire Redevelopment Assistance Capital Program.

The Approved Funding Accumulation Schedule for a project shows the RACP amounts that will be accumulated for the project during the months indicated on the schedule. Generally, total funding will be accumulated in equal installments over a period of time that closely mirrors the construction period. Month one (1) for the period is the month following the month the Grant Agreement is completely executed. Commonwealth reimbursements will be limited by the amount of funds accumulated for the project at the time the reimbursement request is reviewed. The approved schedule is shown in the Grant Agreement, Appendix C.

The Grantee should understand that the Approved Funding Accumulation does not show a monthly reimbursement that the Grantee will automatically receive for the project. The schedule merely shows the **funds that are available** for the project in any month during the accumulation period. The reimbursement that the Grantee is eligible to receive is also subject to the Distribution Factor.

Distribution Factor. The distribution factor is a measure of the match participation with respect to RACP participation. The factor is calculated as follows:

Distribution Factor   =   Match Funds   /   RACP Grant

A distribution factor of 2.00 indicates that for every $2 of match participation, there will be $1 of Commonwealth participation. In other words, the Commonwealth is providing $1 of grant for every $3 of total project cost.

The purpose of the distribution factor is to ensure that the Grantee is contributing the required match components to the project as reimbursements are being provided. Generally, the distribution factor will control the amount of reimbursement, if there are sufficient funds accumulated per the Funding Accumulation Schedule. This factor is derived from the Grant Agreement (Appendix C) or, more commonly, from the most recently approved RDA-301.

PROJECT MONITORING

Projects will be monitored by the Office of the Budget via a Commonwealth-assigned consultant throughout the duration of the project.

COMPLIANCE

The Commonwealth reserves the right to retain funds, in part or in whole, to ensure program and financial compliance.

RETAINAGE

The Commonwealth may withhold up to 10% of the grant value from the last payment request as retainage. The level of retainage may be reduced at the Commonwealth's discretion based on the quality of documentation and materials received to date. Any withheld retainage will be released following the successful completion of the legislatively-mandated close-out audit.

ADVANCE PAYMENTS

Since RACP is a reimbursement program, advances **cannot** be issued.

COMPLETE AND ACCURATE PAYMENT REQUESTS

Complete and accurate payment requests can be expeditiously reviewed and processed by the Commonwealth. Failure to provide all necessary and accurate information to Office of Budget and/or the Commonwealth-assigned consultant will delay all or part of a payment.

PAYMENT REQUEST SUBMISSION

The Office of the Budget only accepts electronic Payment Request submissions.

Payment Requests are to be uploaded to the same file transfer protocol (FTP) site used to submit project documentation. If you need to secure login credentials and/or instructions, please send an email to RA-OB-RACP@pa.gov. This information is only given to the Grantee, who may choose to share this information at their discretion.

All documents uploaded to the Payment Requests folder are saved to the same folder within the Commonwealth's network (despite being uploaded at the project-specific login). Until they are moved (which occurs at least once per day), files will be visible to (but not accessible by) anyone uploading to this folder.

Please note that you must upload each file individually. You cannot select multiple files for a single upload to the FTP.

Please note that you will not automatically be notified of a successful submission. When the Payment Request is assigned to a Payment Request analyst, all of the project's associated parties (typically, those who attended, or were invited to attend, the Construction Monitoring Meetings) will be copied on the email. This email serves as notification of receipt of the file(s) submitted.

Each Payment Request submission should include at least two (2) PDF files (supporting documentation & signature page) and one (1) Excel file (Supporting Documentation Listing).

1. **PDF file(s) #1** must include all supporting documentation, including copies of invoices and proof of payment. Construction invoices should include the cover sheet (AIA Document G702) followed by all pages of the Schedules of Values/Continuation Sheets (AIA Document G703). Typical proof of payment consists of the front & back of canceled checks. Alternate proof of payment can consist of the front of a check & bank statement confirming withdrawal from the payor's account, electronic payment records (provided they clearly identify the payor, payee, dollar amount and date), or something similar.

   Items of note:
   - The filename must be in the following format:
     - ME 300-#### Project Name – PR#_, Supporting Documents
   - Please insert bookmarks for each item and each invoice & proof of payment.
     - *Failure to properly bookmark large files may result in the immediate rejection of the Payment Request.*
   - Ensure that all documents are **legible**.
   - **Do not attach payrolls, steel mill reports, insurance certificates, etc.**

2. **PDF file #2** must include the signature page and display the payee's bank name & account number's last four (4) digits. The signatures on this form can be made electronically (digital signature) or be done with ink.

    Items of note:
    - The filename must be in the following format:
        - ME 300-#### Project Name – PR#_, Signature Page
    - Ensure that all items are legible.

3. **The Excel file** must list all supporting documents and its filename must be in the format: ME 300-#### Project Name – PR#_.

REIMBURSEMENT REQUEST FORM

Reimbursement. Reimbursement will only be made when all of the following have occurred:

- A grant has been fully executed,
- Special Conditions are satisfied,
- RDAs have been submitted & approved by RACP staff,
- All compliance items are satisfactory to RACP staff, and
- All back-up documentation is satisfactory to RACP staff.

The Commonwealth has developed a standard form for the submission of all reimbursement requests. A user-friendly Excel file was created that contains both RACP-specific items that will need to be submitted. The file (named Payment Request (PR) Form) is available within the Handbooks & Forms section of the RACP website (www.racp.pa.gov).

This file includes an estimation worksheet which gives projects an opportunity to determine the approximate amount of the current reimbursement. This does not need to be filled out.

A complete reimbursement request (Payment Request) package consists of 1) all supporting documentation & payment proof (in PDF format), 2) a completed signature page (in PDF Format) and 3) a completed PR1B Form (in Excel format). These will be briefly discussed below and explained further in this manual.

Supporting Documentation. All supporting documents and corresponding payment proof (e.g., invoices/POs/front & back of cancelled checks/bank statements/wire statements, etc.) are to be submitted as a PDF file. Supporting documents and corresponding payment proof are required for all approved cost categories (as shown on the RDA-301).

Signature Page. The signature page asks projects to identify the payee's bank name & account number's last four (4) digits and is to be submitted as a PDF file. This form includes certifications that costs are accurate & construction is satisfactory and captures the grantee/sub-grantee/architect/engineer signatures, attesting to said certifications.

PR1B Form (Supporting Documentation Listing). Using this worksheet, projects will list all documents (and accompanying payment proof) being submitted for all cost categories. This one file should be used to list all documents associated with any/all Payment Requests for a project. This allows all costs to be shown in cumulative.

SUBMISSION INSTRUCTIONS

1. Supporting documentation (submitted as one or more PDF files).

This submission must include all supporting documentation, including copies of invoices and proof of payment. Construction invoices should include the cover sheet (AIA Document G702) followed by all pages of the Continuation Sheets (AIA Document G703). Typical proof of payment consists of the front & back of canceled checks. Alternate proof of payment can consist of the front of a check & bank statement confirming withdrawal from the payor's account, electronic payment records (provided they clearly identify the payor, payee, dollar amount and date), or something similar.

Items of note:
- The filename must be in the following format:
  - ME 300-#### Project Name – PR#_, Supporting Documents
- Please insert bookmarks for each item and each invoice & proof of payment.
  - *Failure to properly bookmark large files may result in the immediate rejection of the Payment Request.*
- Ensure that all documents are **legible**.
- ***Do not attach payrolls, steel mill reports, insurance certificates, etc.***

Projects must submit invoices in their entirety (a consolidated statement of multiple invoices charged to the project will not be accepted). Ideally, invoices for construction should use an AIA Application for Payment, consisting of the cover sheet (AIA Document G702) followed by all pages of the Continuation Sheets (AIA Document G703). The G702 should be signed/dated by the Contractor and notarized. Additionally, the "Current Payment Due" should be certified by the Architect signing/dating the form.
- If at least one invoice was not certified by the architect, they (or the project engineer) will need to sign/date on the Signature Page (details below).

Proof of Payment. Proof of Payment must be provided with all invoices. Typical proof of payment consists of the front & back of canceled checks.

Alternate proof of payment can consist of the front of a check & bank statement confirming withdrawal from the payor's account, electronic payment records (provided they clearly identify the payor, payee, dollar amount and date), or something similar.

For electronic payments, the Office of the Budget requires a copy of the bank statement supporting the electronic payment.

Any documentation that does not fit into one of the aforementioned categories must be submitted for review and acceptability by the Office of the Budget prior to any RACP reimbursement. The Office of the Budget has sole discretion in determining the sufficiency of submitted documentation and may require additional documentation and/or information.

2. Signature Page (submitted as one PDF file).

Projects will use this form to 1) identify the payee's bank name and account number's last four digits and 2) capture the grantee/sub-grantee/architect/engineer signatures.

Items of note:
- The filename must be in the following format:
  - ME 300-#### Project Name – PR#_, Signature Page
- Ensure that all items are legible.

Banking data. Please note ACH is the only payment method option available to process RACP reimbursement payments.

Before entering the payee's bank name and last four digits of the account number, please make sure the banking information is currently registered with the Commonwealth of PA. You can contact your Payment Request analyst to confirm this.

If you need to register, do so as a Non-Procurement Vendor by clicking here. Please note that RACP staff are not able to make any changes to vendor records, so if you need to make any such revisions, please click here. You can find additional vendor information by clicking here or at the Help & Resources page by clicking here.

Please also note the Bank Account cannot be a taxable interest-bearing account. Do not assume that previously registered banking information is accurate. Instead, contact your Payment Request analyst for verification against the Commonwealth's accounting system.

If you know your Bank Information is correct, enter it on the signature page.

Certification by the Grantee. An authorized representative of the Grantee must digitally sign or print, sign and date the signature page. The following is being certified:

- All invoices included in this request have been paid and appropriate documentation as evidence of payment is included.
- All costs included in this request are accurate and are only for work performed on the project that is defined in the Grant Agreement.
- Project construction is satisfactory.
- The signatory is authorized to sign this form and to submit the corresponding payment request.
- This form, the corresponding payment request, and all documents submitted as part of this request are true and correct to the best of their knowledge, information, and belief.
- Any false statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Certification by the Sub-Grantee. An authorized representative of the Sub-Grantee (if there is a Sub-Grantee) must digitally sign or print, sign and date the signature page. The following is being certified:

- Project construction is satisfactory.
- This form, the corresponding payment request, and all documents submitted as part of this request are true and correct to the best of their knowledge, information, and belief.
- Any false statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Certification by the Architect/Engineer. An Architect or Engineer signature is required if the construction invoices are not certified by the project professional in their entirety. This representative is responsible to review aspects of the project and should attest the project's proper construction and reporting of costs. An authorized representative of the Sub-Grantee must digitally sign or print, sign and date the signature page. The following is being certified:

- Project construction is satisfactory.
- This form, the corresponding payment request, and all documents submitted as part of this request are true and correct to the best of their knowledge, information, and belief.
- Any false statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

3. **Form PR1B (submitted as one Excel file).**

This form lists all approved and paid project costs within the RACP scope. All supporting backup documentation (Invoices and Proofs of Payment) must be provided.

Item of note:
- The filename must be in the format: ME 300-#### Project Name – PR#_.

Instructions for completion:

Banner section. The section at the top of the form is called the banner and contains some of the official information related to the Grant Agreement. Only the fields shaded light blue are available for entry.

Details section. Completely populate this section with the information requested in each column heading. *Please do not leave any blank rows when listing documents.* There is a simple example shown below.

- **PR #**: Enter the Pay Request number the cost is associated with. This one file should be used to list all documents associated with any/all Payment Requests for a project, which allows all costs to be shown in cumulative across multiple Pay Requests.
- **Line Item #**: Using the drop down, select the RACP cost category (as shown on the approved RDA Forms) the cost is associated with.

- **Payee**: Enter the payee the cost is associated with.
- **Contract**: If applicable, enter the contract name. Typically, this would only apply to construction costs and is to be used when 1) the same contractor performs work for more than one contract and/or 2) when the contractor's name does not clearly identify the contract worked on.
- **Invoice #**: Enter the number of the invoice the cost is associated with.
- **Invoice Date**: Enter the date of the invoice.
- **Invoice Amount**: Enter the amount from the invoice.
- **Check #**: Enter the number of the check used to pay the invoice. If using an alternate proof of payment [electronic payment records (provided they clearly identify the payor, payee, dollar amount and date), or something similar], be sure to enter the unique identifying number of the electronic transfer.
- **Check Date**: Enter the check date or the date of the electronic payment transfer record.
- **Check Amount**: Enter the amount shown on the check or electronic transfer record. Be sure to enter the amount exactly as it appears (even if one payment was used to pay multiple invoices or was used to pay for a portion of work not associated with the RACP project). If more than one payment was used to pay for an invoice, simply list the additional records in the next row and enter all of the same information for the invoice except for the invoice amount.

Form PR1B Example: Since Dwight's Plumbing handled both the plumbing and HVAC contracts, the Contract field was used to identify which invoice was for each. Check # 1003 ($50,000.00) was used to pay for both of Dwight's Plumbing invoices #2 (plumbing & HVAC contracts for $40,000 & $10,000 respectively). Two checks (1002 & 1004) were used to pay it in its entirety Invoice #1 for Toby's Electrical.

Form PR1B Supporting Documentation Listing Version: September 2023.1			Commonwealth of Pennsylvania Governor's Budget Office Redevelopment Assistance Capital Program				Application for Payment Payment Request #		
Grantee:			Project Name:						
Sub-Grantee:			Project No. ME 300-						
						$280,000.00			$330,000.00
PR #	Line Item #	Payee	Contract	Invoice #	Invoice Date	Invoice Amount	Check #	Check Date	Check Amount
1	1. Construction	Dwight's Plumbing	plumbing	1	6/1/2023	50,000.00	1000	6/15/2023	50,000.00
1	1. Construction	Dwight's Plumbing	plumbing	2	7/1/2023	40,000.00	1003	7/15/2023	50,000.00
1	1. Construction	Dwight's Plumbing	HVAC	1	6/1/2023	100,000.00	1001	6/15/2023	100,000.00
1	1. Construction	Dwight's Plumbing	HVAC	2	7/1/2023	10,000.00	1003	7/15/2023	50,000.00
1	1. Construction	Toby's Electrical		1	6/1/2023	25,000.00	1002	6/15/2023	20,000.00
1	1. Construction	Toby's Electrical		1	6/1/2023		1004	7/15/2023	5,000.00
1	7. Architectural/Engineering	Pam's Architecture		4501	1/1/2023	12,500.00	1005	7/15/2023	12,500.00
2	7. Architectural/Engineering	Pam's Architecture		4502	8/1/2023	12,500.00	1006	8/15/2023	12,500.00
2	1. Construction	Toby's Electrical		2	8/1/2023	30,000.00	1007	8/15/2023	30,000.00