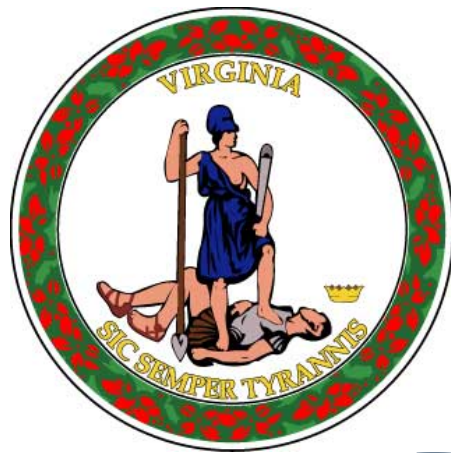


# Handy Dandy Guide to Federal Grants for Nonprofit Organizations



**Congressman James P. Moran**  
**The 8<sup>th</sup> District of Virginia**

## **Executive Summary**

The work of nonprofits touches hundreds of thousands of people in our community, state, country, and around the world. Nonprofits are critical because they focus on those with the greatest needs. They bring out what is best in our country.

This document was prepared in an effort to provide a resource for non-profits to understand how the recently enacted American Recovery and Reinvestment Act (ARRA) can assist you in your efforts. ARRA, signed into law last February, included \$787 billion in spending and tax provisions, of which some \$4.5 billion in new funding is projected to go to Virginia over the next two years.

In addition, President Obama has created a new White House Office on Social Innovation and Civic Participation, which participated in our annual Grants Conference in July. The office could transform how communities' and regions' tackle our most pressing domestic problems—and help nonprofits confronting critical challenges in education, health care, poverty, joblessness, housing, and the environment. Part of its mission involves the recently announced web site, [Serve.gov](http://Serve.gov), which encourages all Americans to volunteer – with nonprofits. The new site is intended to make it easy for any person or family to find ways to serve in communities and create and promote their own service projects.

The current recession is a double whammy for nonprofits—sharply increasing needs, while reducing charitable contributions. We all have a stake in working together to make this new law as helpful and constructive as possible. Thank you for all your efforts and care.

## Introduction

If your nonprofit hopes to find additional resources, an important place to look and learn about is the federal government. According to the OMB, an estimated \$500 billion in grants will be allocated to state and local governments in 2009, for programs including housing, community development, education, transportation, environmental protection and many others. Consequently, it is important for you to learn how the federal grants process works.

Currently, there are 26 federal agencies that award funds for more than 1,000 grant programs. Each program falls into one of 21 categories. While the expansion of entitlement programs and interest on our debt restricts the growth of funds available for grants to nonprofits (see Table I below), the relatively constant level of funding makes this an important source for your nonprofit to consider.

**Table 1: Federal Spending by Recipient (in billions of dollars)**

	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Nonprofits	\$23.3	\$22.9	\$21.7	\$23.5
Individuals	\$1,678.5	\$1,666.2	\$1,713.4	\$1,862.3
State Government	\$417.0	\$386.0	\$387.3	\$432.8
City, District and County Governments, and Indian tribes	\$35.4	\$43.0	\$34.8	\$58.7
For-Profits	\$9.8	\$10.7	\$10.4	\$26
Higher Education	\$53.4	\$43.7	\$47.2	\$45.4
Other	\$2.6	\$1.9	\$2.6	\$3.3
Total	\$2,219.9	\$2,174.4	\$2,217.4	\$2,452.0

\*FY 2007 data is not reported here, because it currently only includes the first three quarters, and FY 2008 and 2009 federal spending data is not yet available.

### **This guide will cover the following topics:**

- I. Before You Apply: Eligibility, and Organizational Planning
- II. Identifying and Applying for Grants
- III. Rating and Ranking of Competitive Grant Applications
- V. Restrictions on the Use of Federal Funds
- VI. Accountability of Grant Recipients

#### **I. Before You Apply: Eligibility and Organizational Planning**

Nonprofit organizations are eligible to receive federal grants—as are governments, businesses, educational and public housing organizations-- even individuals under certain circumstances—to do work that benefits those in need, from food banks in Ohio to malaria treatment in Angola. The grants may come directly to your nonprofit—or indirectly, through a state or local government that has received federal grant funds.

The most common types of grants are research grants, demonstration grants, project grants, block grants and formula grants.

Research Grants: explanation

Demonstration Grants: explanation

Project Grants: explanation

Block Grants: provided to states and local governments with funding for a particular purpose, such as, for example, TANF, or Temporary Assistance for Needy Families.

Formula Grants: provide funding on the basis of a specific formula or indicator, such as per capita income, population size or housing density. For example, the Grants to States program within the Individuals with Disabilities Education Act (IDEA) is administered through formula grants to states. Medicaid also uses a formula based on population and income to determine its federal reimbursement rate.

Before applying for a federal grant, it is important to conduct an initial internal assessment to determine: (a) if your program addresses a problem the government is trying to solve, and (b) whether your organization is eligible to receive a federal grant. The former issue will be discussed in the next section on identifying federal grants. In terms of eligibility, the first thing your organization must do, if it has not already, is become incorporated as a tax-exempt nonprofit organization with the IRS. Other eligibility requirements can be found in the notices themselves.

In order to apply, your organization should make sure you have:

1. An accountant or bookkeeper to manage your financial records (preferably electronically) and the auditing process required by most federal grants; and
2. An excellent history of program implementation and management in the area for which you will apply for a federal grant.

Also, as a result of the lengthy budget process, your nonprofit needs to be thinking about its programmatic needs at least one or two years into the future in order to apply for a federal grant. For example, Fiscal Year 2009 closes on September 30, 2009.

## **II. Identifying and Applying for Grants**

There are 26 federal agencies that offer more than 1,000 grant programs, which fall into 21 categories. For a list of federal agencies, see Appendix 1. For a list of categories, see Figure 1 below. There are five primary resources you need to know about if you're trying to identify and apply for federal grants:

1. The Catalog of Federal Domestic Assistance (CFDA.gov),
2. Grants.gov,
3. Congressional Offices,
4. Federal Agencies, and
5. State Administering Agencies (SAAs).

Other helpful sources include:

Government Printing Office (<http://www.gpoaccess.gov/fr/index.html>)

State Breakdown of Grants (<http://www.tgci.com/funding.shtml>)

The Council on Foundations (<http://www.cof.org/>)

The Foundation Center (<http://foundationcenter.org/>),

Michigan State University Libraries list of grant-makers

(<http://staff.lib.msu.edu/harris23/grants/priv.htm>)

USA.gov's section on grants (<http://www.usa.gov/Business/Nonprofit.shtml>)  
Grant-writing help (<http://www.npguides.org/>)  
A bibliography of grant writing aids (<http://www.house.gov/pelosi/crs1036.htm>)

CFDA.gov provides details on all federal programs. The data on this website is searchable, making it a great resource to look through as you consider whether your project might fit the description of a program or project that the federal government seeks to fund or has funded in the past. Program descriptions include:

1. Objectives (i.e. democracy promotion or global health);
2. Types of Assistance (i.e. project grants or donation of property and goods);
3. Use and restrictions (i.e. must be consistent with Food Aid Food Security policy);
4. Eligibility requirements (i.e. registered as a PVO with USAID);
5. Application and award process (i.e. must be submitted using Standard Form 424);
6. Past fiscal year obligations and future estimates;
7. Examples of previously funded and related programs;
8. Post assistance requirements (i.e. progress reports and audits); and
9. Contact information.

However, actual funding in these programs described by CFDA.gov depends on whether Congress chooses to fund them in a certain budget year or not. CFDA grant descriptions may also provide links to federal department and agency websites that also provide information, guidance and state agency contacts in relation to federal grants. For an example of a CFDA grant notice posting, please see Appendix 2.

Another source for identifying grants is Grants.gov, a federal government Web site that also serves as a centralized place for anyone to apply for federal grants using a uniform process for all agencies. Since the Financial Assistance Management Improvement Act of 1999 requires federal departments and agencies to post grants notices on Grants.gov, the site is really a one-stop-shop for anyone hoping to be a grant recipient. Grants.gov also serves as an excellent resource for information on federal grants, including an online grants tutorial.

### **Figure 1: Grant Categories**

*Source: Grants.gov*

*Agriculture • Arts • Business and Commerce • Community Development • Disaster Prevention and Relief • Education • Employment, Labor and Training • Energy • Environmental Quality • Food and Nutrition • Health • Housing • Humanities • Information and Statistics • Law, Justice and Legal Services • Natural Resources • Recovery Act • Regional Development • Science and Technology • Social Services and Income Security • Transportation*

To apply for grants on this site, registration is required (this takes 3 to 5 business days). In order to register, your nonprofit needs to (a) have a Data Universal Number System (DUNS) identification number, and (b) be registered with the Central Contractor Registration (CCR). If your organization does not already have a DUNS number, it can obtain one for free (same-day) from the Dun & Bradstreet Web site (<http://fedgov.dnb.com/webform/displayHomePage.do>). The DUNS number helps the federal government track how federal grant money is allocated, and it also helps grant applicants track their application online. Before using Grants.gov, your organization is also required to register with the CCR at [www.ccr.gov](http://www.ccr.gov). When you register, you must select a point of contact that will be responsible for the login password and for designating which staff member(s) from your organization are allowed to submit applications electronically

through Grants.gov. These staff members are called Authorized Organization Representatives (AORs). Registration with CCR may take one to three business days, and must be renewed on an annual basis.

Agency staff can usually help by providing information and answering questions about application requirements. In fact, several agencies hold pre-application meetings or conference calls to answer questions from grant-seekers. Faith-based and community initiatives can receive extra assistance in two ways. One is through the White House website ([www.fbc.gov](http://www.fbc.gov)), while the other is through the Compassion Capital Fund at the Department of Health and Human Services ([www.hhs.gov/fbc](http://www.hhs.gov/fbc)). Furthermore, states and cities often provide grant writing workshops, as do other non-profits and foundations.

Finally, State Administering Agencies (SAAs) are an excellent (and local) resource for nonprofits seeking federal grants, particularly since most federal funding moves through states and local governments before making its way to nonprofit organizations. It is highly recommended that you contact someone at your SAA *after* you have identified a grant but *before* submitting a formal application. According to the CRS Report—*Resources for Grant Seekers*—“State-located federal officers often handle federal grant applications and disbursement of funds.” Below is a list from that report for locating contact information for these individuals:

**SAA Contact Information on Federal Department and Agency Web sites**

*Source: Congressional Research Service*

- Agriculture Rural Development State Contacts: [http://www.rurdev.usda.gov/recd\\_map.html](http://www.rurdev.usda.gov/recd_map.html)
- National Endowment for the Arts (NEA) Partners: [http://www.arts.gov/partner/state/SAA\\_RAO\\_list.html](http://www.arts.gov/partner/state/SAA_RAO_list.html)
- Commerce Offices and Services: <http://www.commerce.gov/statemap2.html>
- Education (ED) State Contacts: <http://www.ed.gov/about/contacts/state/index.html>
- DOE State Contacts: [http://www.eere.energy.gov/state\\_energy\\_program/seo\\_contacts.cfm](http://www.eere.energy.gov/state_energy_program/seo_contacts.cfm)
- EPA Grant Regional Office: <http://www.epa.gov/ogd/grants/regional.htm>
- FEMA State Offices and Agencies: <http://www.fema.gov/about/contact/statedr.shtm>
- HHS, Administration on Children & Families, [http://www.acf.hhs.gov/acf\\_contact\\_us.html#state](http://www.acf.hhs.gov/acf_contact_us.html#state)
- Homeland Security (DHS) State Contacts: <http://www.dhs.gov/xgovt/grants/index.shtm>
- Housing and Urban Development (HUD) State/Local Offices: <http://www.hud.gov/localoffices.cfm>
- National Endowment for the Humanities State Councils: <http://www.neh.gov/whoweare/statecouncils.html>
- Office of Justice Programs State Administering Agencies: <http://www.ojp.usdoj.gov/saa/>
- Labor, Education and Training Administration, State Contacts: <http://www.doleta.gov/regions/statecontacts/>

**III. Rating and Ranking of Competitive Grant Applications**

Whether at the federal, state, or local level, government agencies use a rating and ranking process to determine which programs they will fund in a particular fiscal year. While details may vary by agency, the rating and ranking is usually conducted by a panel of agency staff, which review and discuss the proposals/applications. In all cases, any conflict of interest must be eliminated and, ultimately, agency staff must come to a consensus on the ranking of an organization as, for example, “high priority,” “medium priority,” “low priority,” or “do not fund.” Objectivity during the process and strict confidentiality both during and after the process is required and expected of

everyone. For an example of a rating/ranking form with detailed descriptions of each question, reference Appendix 4.

#### **IV. Restrictions on the Use of Federal Funds**

In addition to the existing restrictions on tax-exempt non-profit organizations (both 501(c)(3) and 501(c)(4) organizations) with regard to allowable lobbying levels and remaining non-partisan in their political activities, there are additional restrictions on non-profits who receive federal funds.

First, grant recipients must use federal funding for the explicit/statutory purposes and programs for which the grant was awarded. This may seem obvious, but it is vital to remember during all stages as you carryout/implement your program.

Second, there are heavier restrictions on lobbying. While 501(c)(3) organizations do not lose their right to lobby, or engage in other allowable political activities, they may not use any portion of their federal grant for lobbying—both direct and indirect (grassroots) at the state or federal levels. **(Define difference between direct and indirect lobbying)** These organizations may, however, continue to use private, non-federal funds or contributions to engage in political activities. This is described in further detail in OMB Circular A-122. On the other hand, 501(c)(4) organizations which receive federal funds are not permitted to engage in any form of direct lobbying, even with their own private funds. This restriction originates from Section 18 of the Lobbying Disclosure Act of 1995, commonly known as the “Simpson Amendment.” The amendment reads as follows: “An organization described in section 501(c)(4) of the Internal Revenue Code of 1986 which engages in lobbying activities shall not be eligible for the receipt of federal funds constituting an award, grant, or loan.” The restriction applies, however, to direct lobbying efforts, not indirect lobbying.

Third, OMB Circular A-110 on “Uniform Administrative Requirements” details a number of other provisions, or requirements, to be applied by Federal agencies to all recipients and by recipients to all sub recipients “performing substantive work.” Following are six of the major provisions of note in OMB Circular A-110:

- The recipient shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute, for as long as the Federal Government retains an interest in the equipment.
- In addition, in response to a Freedom of Information Act (FOIA) request for research data relating to published research findings produced under an award that were used by the Federal Government in developing an agency action that has the force and effect of law, the Federal awarding agency shall request, and the recipient shall provide, within a reasonable time, the research data so that they can be made available to the public through the procedures established under the FOIA.
- Recipients are required to report deviations from budget and program plans, and request prior approvals for budget and program plan revisions, in accordance with this section.
- No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved.
- Preference [will be given], to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

- If a recipient materially fails to comply with the terms and conditions of an award, whether stated in a Federal statute, regulation, assurance, application, or notice of award, the Federal awarding agency may, in addition to imposing any of the special conditions outlined in Section 14... temporarily withhold cash payments... wholly or partly suspend or terminate the current award... [or] withhold further awards for the project or program.
- In taking an enforcement action, the awarding agency shall provide the recipient an opportunity for hearing, appeal, or other administrative proceeding to which the recipient is entitled under any statute or regulation applicable to the action involved.

In addition to the OMB Circulars, nonprofit organizations should also be aware of the Cash Management and Improvement Act of 1990 (H.R.4279), which generally requires federal agencies to disburse federal funds in a timely manner (and authorizes the Secretary of the Treasury to collect a charge from any agency which does not comply) such that the time between the transfer of funds and disbursement by the grantee is minimized. Effectively, this prevents anyone except for the Treasury Department from earning interest on any cash balances (that would otherwise have been earned by the Federal government). This law also applies to both grantees and sub grantees, and extends to U.S. territories in addition to the States.

Finally, other provisions for which federal funding is not allowed include the following:

1. Costs associated with fundraising;
2. Fines and penalties incurred as a result of violations of federal, state or local laws;
3. Unnecessary travel costs, such as first-class air accommodations;
4. Costs associated with repaying an organization's debts;
5. Endowments or other contingency reserves;
6. Costs of alcoholic beverages;
7. Most advertising and public relations costs (detailed in OMB Circular A-122);
8. Entertainment activities, with some exceptions (detailed in OMB Circular A-122, Attachment B); or
9. Costs associated with interest or borrowed capital, with some exceptions (detailed in OMB Circular A-122, Attachment A)

And any nonprofit organization that receives funding from States to implement Federal programs must adhere to the requirements as described in OMB Circular A-102.

## **V. Accountability of Grant Recipients**

In general, nonprofits who receive federal grants are expected to maintain a "state of audit readiness," which means you need to have documentation on how you have spent the federal grant funds received for that year in case your organization is selected for an audit. Although, according to OMB Circular A-133, only nonprofit organizations that spend \$500,000 or more per year in federal funding are required to be audited.

Audits must be conducted by independent public accounting firms at the expense of the grantee, but are allowed to be paid for using grant funds ("they may be considered either direct costs or allocated indirect costs as determined by the Federal cost principles"). Not having the proper documentation may result in your nonprofit organization being required to refund the agency that awarded you the grant for part or even all of the amount. Nonprofit organizations should consult A-133 for further details.

This, however, does *not* mean that your organization does not have to report results or outcomes even if it receives a grant award of less than \$500,000. Monitoring and evaluation is required of all grant recipients, per OMB Circular A-110: "Recipients are responsible for managing and



monitoring each project, program, sub award, function or activity supported by the award. Recipients shall monitor sub awards to ensure sub recipients have met the audit requirements as delineated in Section 26... The Federal awarding agency shall prescribe the frequency with which the performance reports shall be submitted... [but] reports shall not be required more frequently than quarterly or, less frequently than annually.”

Circular A-110 also prescribes the due dates of these reports: “Annual reports shall be due 90 calendar days after the grant year; quarterly or semi-annual reports shall be due 30 days after the reporting period. The Federal awarding agency may require annual reports before the anniversary dates of multiple year awards in lieu of these requirements. The final performance reports are due 90 calendar days after the expiration or termination of the award.”

It also details the required contents of the reports: “When required, performance reports shall generally contain, for each award, brief information on each of the following: (1) A comparison of actual accomplishments with the goals and objectives established for the period, the findings of the investigator, or both. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs. (2) Reasons why established goals were not met, if appropriate. (3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

Finally, A-110 lists the two primary forms necessary for reporting (SF-269 or SF-269A, Financial Status Report; and SF-272, Report of Federal Cash Transactions). It states that “federal awarding agencies may make site visits, as needed,” and requires organizations to retain all financial records and supporting documents for at least three years subsequent to submitting the final expenditure report.

## Appendix 1

### Agencies That Provide Grants

- The **Agency for International Development** is an independent federal government agency that provides economic and humanitarian assistance in more than 100 countries to ensure a better future for us all.
- The **Corporation for National & Community Service** supports Senior Corps, AmeriCorps, and Learn & Serve America.
- The **Department of Agriculture** serves all Americans through anti-hunger efforts, stewardship of nearly 200 million acres of national forest and rangelands, and through product safety and conservation efforts.
- The **Department of Commerce** fosters the nation's economic development and technological advancement through international trade policy and domestic business policy and growth.
- The **Department of Defense** provides the military forces needed to deter war and protect the security of the United States through peacekeeping and war-fighting efforts, Homeland Security, evacuation and humanitarian causes.
- The **Department of Education** ensures equal access to education and promotes educational excellence through coordination, management and accountability in federal education programs.
- The **Department of Energy's** goals are to advance national, economic and energy security in the U.S.; to promote scientific and technological innovation; and to ensure environmental cleanup of nuclear weapons.
- The **Department of Health and Human Services** protects the health of all Americans and provides essential human services, especially to those who are least able to help themselves.
- The **Department of Homeland Security** has three primary missions: prevent terrorist attacks within the U.S., reduce America's vulnerability to terrorism, and minimize damage from potential attacks and natural disasters.
- The **Department of Housing and Urban Development's** mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination.
- The **Department of the Interior** protects and provides access to the Nation's natural and cultural heritage.
- The **Department of Justice** enforces the law and defends U.S. interests, ensuring public safety against threats foreign and domestic; preventing and controlling crime; and seeking just punishment for those guilty of unlawful pursuits.
- The **Department of Labor** fosters the welfare of job seekers, wage earners and retirees by improving their working conditions, advancing their opportunities, protecting their retirement and health benefits and protecting worker rights.
- The **Department of State** strives to create a more secure, democratic and prosperous world.
- The **Department of Transportation's** mission is to ensure fast, safe, efficient, accessible and convenient transportation that meets vital national interests and enhances the quality of life of the American people.
- The **Department of Treasury** is a steward of U.S. economic and financial systems, and promotes conditions for prosperity and stability in the U.S., and encourages prosperity and stability in the rest of the world.
- The **Department of Veterans Affairs** strives for excellence in patient care and veteran's benefits for its constituents through high quality, prompt and seamless service to United States veterans.
- The **Environmental Protection Agency's** mission is to protect human health and the environment. Since 1970, EPA has been working for a cleaner, healthier environment for the American people.

- The **Institute of Museum and Library Services** supports the nation's 122,000 libraries and 17,500 museums.
- The **National Aeronautics and Space Administration** serves as the nation's forefront of such exploration and continues to pioneer in aeronautics, exploration systems, science and space operations.
- The **National Archives & Records Administration** enables people to inspect federal government records, enables officials and agencies to review their actions, and helps citizens hold them accountable.
- The **National Endowment for the Arts** is dedicated to supporting excellence in the arts; bringing the arts to all Americans and providing leadership in arts education.
- **The National Endowment for the Humanities** is an independent grant-making agency of the United States government dedicated to supporting research, education, preservation and public programs in the humanities.
- The **National Science Foundation** is an independent federal agency created to promote the progress of science, to advance the national health, prosperity and welfare, and to secure the national defense.
- The **Small Business Administration** maintains and strengthens the nation's economy by aiding, counseling, assisting and protecting the interests of small businesses and by helping families and businesses recover from national disasters.
- The **Social Security Administration** advances the economic security of the nation's people through compassionate and vigilant leadership in shaping and managing America's Social Security programs.

## Appendix 2

### CFDA Example: Renewable Energy Research and Development

Authorization (040): Department of Energy Organization Act of 1977, Public Law 95-238, Section 207; Public Law 101-218.

Objectives (050): To conduct balanced research and development efforts in the following energy technologies: solar, biomass, hydrogen, fuel cells and infrastructure, wind and hydropower, hydrogen, and geothermal. Grants will be offered to develop and transfer to the nonfederal sector various renewable energy technologies on a competitive basis.

Types of Assistance (060): Project Grants (Cooperative Agreements).

Uses and Use Restrictions (070): Assistance may be used to develop and transfer renewable energy technologies to the scientific and industrial communities, State, and local governments.

Eligibility Requirements (080)

Applicant Eligibility (081): Profit organizations, private nonprofit institutions/organizations, intrastate, interstate, and local agencies and universities may apply.

Beneficiary Eligibility (082): Profit organizations, private nonprofit institutions/organizations, intrastate, interstate, State and local agencies and universities will benefit.

Credentials/Documentation (083): Costs will be determined in accordance with OMB Circular No. A-87 for State & local governments.

Application and Award Process (090)

Preapplication Coordination (091): This program is excluded from coverage under E.O. 12372.

Application Procedures (092): The application forms must be downloaded from the specific funding opportunity announcement posted on grants.gov.

Award Procedure (093): All applications which pass an initial review will receive an objective merit review. The objective merit review will be based on evaluation criteria set forth in the competitive solicitation(s) or criteria set forth in 10 CFR Part 600 for Unsolicited Proposals. Evaluations will be conducted by Renewable Energy Technology program personnel at DOE Headquarters in DC. This responsibility may also be delegated to DOE Field Offices. Final decisions will be made by the EERE Assistant Secretary, Deputy Assistant Secretaries, and the Director of the Federal Energy Management Program.

Deadlines (094): Deadlines are identified in the solicitation.

Range of Approval/Disapproval Time (095): From 60 to 180 days.

Appeals (096): None.

Renewals (097): Renewals are subject to review by the headquarters program office and subject to the availability of funds.

Assistance Consideration (100)

Formula and Matching Requirements (101): This program has no statutory formula, but cost-sharing is encouraged.

Length and Time Phasing of Assistance (102): Award project periods range from 2 months to 1 year.

Post Assistance Requirements (110)

Reports (111): Quarterly progress and expenditure reports, and a final report at the conclusion of the grant time period.

Audits (112): In accordance with the provisions of OMB Circular No. A-133, (Revised, June 27, 2003), "Audits of States, Local Governments, and Non-Profit Organizations," nonfederal entities that receive financial assistance of \$500,000 or more in Federal awards will have a single or a program-specific audit conducted for that year. Nonfederal entities that expend less than \$500,000 a year in Federal awards are exempt from Federal audit requirements that year, except as noted in Circular No. A-133.

Financial Information (120)

Obligations (122): FY 07 \$226,168,574; FY 08 est \$120,073,230 and FY 09 est \$235,000,000.

Range and Average of Financial Assistance (123): Varies.

Program Accomplishments (130): Under the State Cooperative Reservoir Analysis Program, a broad range of research, technical, and resource studies were carried out.

Regulations, Guidelines, and Literature (140): The following represents an overview of regulations, guidelines, and literature: EERE Federal Register notices; EERE Solicitations; DOE Financial Assistance Regulations; and DOE Guide to Financial Assistance.

Information Contacts (150): Office of Solar Energy Technologies (EE-2A); Office of Wind and Hydropower (EE-2B); Geothermal Technologies (EE-2C) and Biomass (EE-2E), Office of Energy Efficiency and Renewable Energy, U.S. Department of Energy, 1000 Independence Ave., SW, Washington, DC, 20585. Telephone: EE-2A - (202) 586-7055; EE-2B - (202) 586-7950; EE-2C - (202)586-6054; EE-2E - (202) 586-8798.

Related Programs (160): 81.079, Regional Biomass Energy Programs.

Examples of Funded Projects (170): American Institute of Architects Foundation-Determination of solar building technology research and development needs.

Criteria for Selecting Proposals (180): Selection will be based on an objective merit review, program policy factors, the availability of funds, provisions of appropriation laws, reports, and as otherwise specified in specific solicitation document(s).

### Appendix 3

#### DAVIS COUNTY RATING AND RANKING CRITERIA, 2009 PROGRAM YEAR

**Applicant Name:**

**Project Description:**

**CDBG Funds Requested: \$ Total Project Cost: \$**

**Total Score: Rank:**

1. Capacity of Project Manager to carry out the grant (10 Point Max)

**10 Points-** Previous grant administration has been very successful.

**7 Points-** Previous grant administration has been successful.

**5 Points-** Previous grant administration has been moderately successful.

**3 Points-** Unsuccessful grant administration but has documented improvement.

2. Job Creation, Retention/Training (20 Point Max)

**2 Points** for every permanent job created (# of jobs \_\_\_\_\_).

**.5 Point** for every job skills/training created (# of job skills/training \_\_\_\_\_).

3. Housing (20 Point Max)

**2 Points** for every housing unit improved or expanded; new housing units constructed, rehabilitated, or made

accessible to LMI residents (# of housing units \_\_\_\_\_).

4. Moderate Income Housing Plan Implementation (7 Point Max)

**7 Points-** Adopted Moderate Income Housing Plan AND the project is addressed in the plan.

**3 Points-** Adopted Moderate Income Housing Plan, the project is not addressed in the plan.

To What Extent does the project meet ONE of the national objectives?

**10 Points** awarded to any project that **ELIMINATES SLUM OR BLIGHT.**

**10 Points** awarded to any project that has a **URGENT HEALTH AND WELFARE NEED.**

**LMI BENEFIT- AT LEAST 51% OF THE BENEFICIARIES HOUSEHOLD INCOME IS AT OR BELOW THE AREA MEDIAN INCOME.**

Moderate Income: \_\_\_\_\_ % x 20 Points = \_\_\_\_\_.

Very Low Income: \_\_\_\_\_ % x 40 Points = \_\_\_\_\_.

Extremely Low Income: \_\_\_\_\_ % x 80 Points \_\_\_\_\_.

Presumed LMI Beneficiaries: \_\_\_\_\_ % x 45 Points = \_\_\_\_\_.

5. Project Maturity/Application Quality (6 Point Max Deductions)

**ALL PROJECTS THAT DO NOT SUBMIT THE FOLLOWING REQUIRED ELEMENTS WILL HAVE POINTS DEDUCTED.**

**-1 Point-** Detailed scope of work.

**-1 Point-** Construction Projects: (1) procurement of engineer or architect, (2) detailed engineer/architect's cost

estimate, (3) site plan, (4) map of area.

**-1 Point-** Non-Construction Projects: (1) detailed cost estimate, (2) map of area, (3) pictures.

**-1 Point-** Ready to proceed immediately.

**-1 Point-** Matching funds have been committed/secured.

**-1 Point-** Assigned project manager has played a major role.

6. Financial Commitment to Project (8 Point Max)

PERCENT OF NON-CDBG FUNDS INVESTED IN THE TOTAL COST OF THE PROJECT IDENTIFIED IN THE PRE-APPLICATION;

ENTIRE PROGRAM COSTS/PROFITS ARE NOT CONSIDERED.

Jurisdiction Population is 10,000 persons or less:

8 Points- More than 21%

6 Points- 11-20%

4 Points- 6-10%

2 Points- 5% or less

Jurisdiction Population is 10,000-20,000 persons:

8 Points- More than 41%

6 Points- 21-40%

4 Points- 11-20%

2 Points- 10% or less

Jurisdiction Population is 20,000 persons or more **OR** Social/Public Service/Non-Profit Organization:

8 Points- More than 71%

7 Points- 56%-70%

6 Points- 46%-55%

4 Points- 26%-45%

2 Points- 25% or less

7. Quality Growth Principles ( 10 Point Max)

**5 Points-** Community is recognized as a GOPB “Utah Quality Growth Community”.

**2 Points-** Community plans coordinate and cooperate with other governments for planning and land-use (documentation in application).

**2 Points-** Efficient infrastructure development i.e. water and energy conservation methods.

**2 Points-** Housing opportunity and affordability incorporated into community planning.

**2 Points-** Community incorporates protection and conservation of water, air, critical lands, important agricultural lands and historic resources.

Capital Improvement Plan/Consolidated Plan Conformity (6 Point Max)

**6 Points-** Project evaluates and/or updates a municipality’s General Plan.

**5 Points-** Project enhances Community Infrastructure thereby the health, safety and quality of life of lower income citizens.

**4 Points-** Project supports existing activities; part of a larger overall plan.

**3 Points-** A planning project that updates or creates a municipal Economic Development Plan.

8. Recent CDBG Funding (3 Point Max)

**3 Points-** The applicant has not received CDBG funding since 2005.

**2 Points-** The applicant has not received CDBG funding since 2006.

**1 Point-** The applicant has not received CDBG funding since 2007.

### **CDBG Rating and Ranking Application Instructions**

#### **Capacity of grantee to carry out the grant**

Poorly administered grants in the past must show improved administration capabilities through third party administration contracts to get partial credit. In order to receive new funding, previous grantees must have drawn down at least 50% of their prior years CDBG grant funds at the time of COG rating and ranking.

### **Job Creation/Training**

Credit will be given to projects that create or retain jobs, and/or job skills for Low to Moderate Income persons, 51% of jobs created have to be available to LMI persons.

□ A permanent job is considered to be any 30-hour per week entry-level position that lasts at least 50 weeks. This position must pay at least 1.5 times the minimum wage (including benefits) and would be eligible to any low to moderate-income person with or without a high school degree.

□ Job skills' training is an activity that prepares any person for a job. The project or applicant must spend 5% of their budget or staff time devoted specifically to teaching persons of low to moderate income this skill. If credit is being requested for both job and social skills training the applicant must spend 10% of their budget or staff time.

□ Social skills' training is an activity that incorporates social skills training to prepare a person for a job. The project or applicant must spend 5% of their budget or staff time devoted specifically to teaching persons of low to moderate income this skill. If credit is being requested for both job and social skills training the applicant must spend 10% of their budget or staff time.

### **Improvements or Expansion of Housing Stock**

Points based on number of units constructed, rehabilitated, or made accessible to low and moderate-income residents. Compliance with House Bill 295, Moderate Income Housing Plan Implementation. As of July 1, 2004 House Bill 295 requires all cities and counties to have a Moderate Income Housing Plan that addresses the problems associated with the availability of affordable housing in their communities. Those applicants that have prepared and adopted a plan and who are applying for a project that is intended to address some element of that plan will be given additional consideration.

### **To what extent does the project meet one of the national objectives?**

Refer to the Utah Department of Community and Economic Development CDBG "Application Procedures and Policies" Ch. 3 National Objectives, Eligible Activities and Individual Federal Compliance Requirements for a complete description of applicable activities.

□ Benefits to Low and Moderate Income Persons (LMI). Projects are awarded points based on the percentage of very low, low, and moderate-income persons directly benefiting from the project. In order to qualify for this national objective 51% of the beneficiaries have to qualify as LMI. \*Refer to Appendix C of the above-mentioned "Application Procedures and Policies" for county income data.

□ Elimination of Slum and/or Blight. A project is awarded 10 points if it performs activities on a spot basis for those areas designated as slum or blight, OR if the activity is included in the urban renewal plan.

□ Urgent Health, and Welfare Needs. A project is awarded 10 points if it improved the health and/or safety standards of the community. Federal guidelines require that "...existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs."

### **Matching Dollar Contribution**

Points are given to applicants that document that they can leverage CDBG funds by providing a cash match to the request for CDBG funding.

### **Project Maturity/Application quality**

Each application MUST include a specific detailed scope of work (narrative description of project and detailed engineer's cost estimate), explanation of other funding sources, engineering services, and have an assigned project manager. Is the proposed project ready to implement and can it be completed in a timely fashion?

### **Quality Growth Principles**

Communities that demonstrate their desire to improve through the use of these programs will be given additional points. Also those communities that participate in the Quality Growth Communities Program will be given additional credit.

### **Overall Benefit**

Points awarded for projects that augment or enhance existing programs or plans. Extra points are allowed for those projects that result in a greater good by spreading a positive impact beyond the border of the specific project area or the community in which they are located and in fact may have countywide or even regional influence.

### **Eligible Applications/Applicants**

The Davis County COG accepts and reviews all eligible applications, but places an emphasis on three types of CDBG eligible activities, based on the determined Rating and Ranking Criteria. These activities include supporting the development and expansion of social services and affordable housing throughout the county, revitalizing the existing downtown area to prevent urban blight, stimulate economic development, and improve the quality of life. Other projects that create new low-income jobs, improve community standards, are a part of a comprehensive Master Plan, and are supported by other funding sources have priority as well, and lastly are those projects that involve infrastructure replacement in LMI areas. Each year the Davis County priorities will be re-evaluated to ensure and maintain county needs.

### **Required Information:**

Federal and State guidelines for CDBG applications require that various types of information are provided with the applications. While it would be beneficial for applicants to have as much of this information prepared as early as possible, the Davis County COG will not be concerned with seeing that all Federal and State required details for applications be provided. Applicants should be aware, however, that these details will need to be provided to the Utah DCD when the applications are forwarded to that office. The information that will be required by the Davis County COG for CDBG applications is as follows:

- A completed Utah HCD application form found in the State's CDBG "Application Procedures and Policies".
- A determination from WFRC indicating the eligibility of the proposed project.
- All projects must meet one HUD National Objective described in the State's CDBG "Application Procedures and Policies".
- A summary, no longer than three pages, describing the proposed project including an architect and/or engineer's estimate, if a construction project.
- All projects must be included in the Consolidated Plan under the "Capital Investment Plan" for Davis County. The Capital Investment Plan must be formally adopted by fall and submitted to WFRC no later than October 1.
- Written documentation/evidence needs to be included in order to receive points for each of the 10 Rating and Ranking Criteria.

### **Application Review Process**

The full COG shall appoint a subcommittee composed of local government leaders (mayors and/or county commissioners) whose jurisdictions do not submit applications for CDBG funding. The subcommittee shall be appointed by the December or January COG meeting. The subcommittee, typically composed of five COG members, will review any applications received and will recommend to the COG which, if any, should be funded based on Rating and Ranking Criteria. The subcommittee shall meet in January or February of each year in order to review the



applications and determine recommendations to the COG. The Davis County COG staff, and any other staff that the subcommittee members may desire to have participate, shall work with the subcommittee in gathering information, compiling, and assisting as necessary. The subcommittee shall review and prioritize all eligible projects based on the Davis County COG - CDBG Rating and Ranking Criteria worksheet and policy document. These criteria are intended to help implement the CDBG funding priorities outlined above. The subcommittee may recommend modifications to the Criteria for future funding cycles. Any modifications must be approved by the full COG. The subcommittee shall recommend to the full COG by February which applications should be funded and to what extent. After receiving the recommendations from the subcommittee, the full COG will then determine the final allocation of funds.

### **Applicants**

Only Davis County local government bodies may apply. Clearfield City, Layton City, and any other organization determined by HUD to be an entitlement body, may not apply. A local government body may sponsor another organization that meets the HUD eligibility requirements, but only if the proposed project benefits Davis County residents and/or is located within Davis County. As these funds are allocated for the benefit of Davis County residents, the COG may reject outright any petition from a body that does not have a physical presence in Davis County. Those applicants requesting funds for operation costs will be considered at a lesser priority. Only 1 (one) project per municipality will be eligible per funding cycle, exceptions may apply. Applicants, when asked, will be invited to meet with the Rating and Ranking Committee and staff to make a brief (under 10 minute) presentation of the proposed project. These applicants will need to be prepared to answer questions related to the project i.e. scope of work, status of matching funds, project significance and how it benefits the community. Interviews will take place in February. Each sub-committee member may visit at least two applicant project sites in order to better understand each project. The subcommittee member will randomly choose two projects that are in their geographic area.

### **Allocation**

Grant requests shall be limited to \$150,000 dollars per funding cycles, per eligible entity. No grant shall be awarded for less than \$30,000 dollars per funding cycle. Multi-Year projects will be limited to a maximum of a 2-year allocation. No more than 10% of the grant can be designated for administration costs, all administration costs must be broken out from the rest of the project costs when preparing the budget.

### **Project Report**

At the completion of every project, awarded applicants are required to prepare and present a Project Report to the Davis COG (possibly to other committee's or agencies as requested by the COG). This report will need to include a project summary, before and after pictures, and a quantitative summary of the populations that benefited from the project. Those grantees that fail to give a project report following project completion will be docked 15 points in all future applications until report is given.