

# CIP Grant in Aid

Department of Accounting and General Services

July 31, 2022

## Definition of CIP

- ▶ Capital improvements are non-recurring in nature. They are generally intended for long-term use or possession and are relatively permanent in nature. State authorizations for CIP may include land acquisition and planning, design, construction, and equipment costs related to a project. Bond-funded projects should mirror the life of the bond – 15 to 25 years or greater in length.
- ▶ CIP does not include supplies, utilities, staff payroll, incidental furnishings and equipment, and other operational expenses

## Grant in Aid Process

- Application to the Legislature (Grantee) - January
- Departmental Review (Various State Departments) – March/April
- Legislative Appropriation (Legislature) – Effective July 1<sup>st</sup>
- Grantee Request to Release Funds (Project Initiation Request)
- Contracting (DAGS). **Contract must be executed by June 30, 2023.**
- Invoicing (Grantee\DAGS)
- Contract Closeout (DAGS)

## Grantee Request to Release Funds

- ▶ Grantee writes letter to the Governor requesting the release of the funds
- ▶ This initiates the process for DAGS/Representative Grantor to begin working with the Grantee to draft a contract.
- ▶ Letter to include:
  - ▶ Written on Grantee's letterhead. Must be the licensed non-profit's letterhead and not any dbas
  - ▶ The source of the funding. For this year's Grants it is Act 248, Session Laws of Hawaii (SLH) 2022
  - ▶ Short description of your project including project status, scope of work, timeline, project outcomes and budget
  - ▶ Attach checklist information

## Items DAGS Requires for Contracting

- Scope of Project
  - What will the funds be used for? List of specific task items.
  - Is the scope consistent with the appropriation language?
  - Is the scope consistent with the grant application?
- Budget
  - Is the project fully funded by the grant appropriation?
  - If not fully funded, options include:
    - Providing other sources of financing to cover the balance of the project
    - Phasing the project scope in discrete, complete jobs that can be fully funded.

## Items DAGS Requires for Contracting (cont.)

- ▶ Items validated for the contract
  - ▶ Design/Construction Schedule
  - ▶ Grantee Self-Sufficient
    - ▶ State to ensure Grantee will be solvent
  - ▶ Project Viability
    - ▶ Can this project be built with the grant and all other available sources of funds?
  - ▶ Project Sustainability
    - ▶ Will the project improvements and the program operations last through the life of the bond and beyond?
  - ▶ Project Serves a Public Good

# Contracting

- Contract Terms Include:
  - Final Project Scope, Schedule, and Budget
  - Contract Duration
    - Contract execution begins when the contract is signed by all parties. Execution date will be specified in the contract
    - Contract ends, unless otherwise specified, on the completion date shown in the project schedule
    - Contract time may be extended upon Comptroller's approval of written request to DAGS. Requests due at least 90 days prior to the end of the contract. Note: Extensions are not automatic
  - Budget
    - Cost breakdowns are listed by phases and tasks

## Contracting (cont.)

- Compensation
  - All payments are for goods and services completed/received
  - **Payments are Reimbursement of Expenses incurred during the contract duration**
  - Reimbursement not allowed if claimed expenditures occur before contract is executed or after contract completion date
  - **Payments are for Capital Improvement Program (CIP) costs only.** CIP does not include supplies, utilities, staff payroll, incidental furnishings and equipment, and other operational expenses
  - In accordance with scope and cost breakdown
- General Terms and Special Conditions
  - Applicable to all CIP grants
  - Meets existing laws



## Contracting (cont.)

- General Terms and Special Conditions (cont.)
  - Compliance with Laws. The Grantee shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the Grantee's performance of this Agreement
    - Chapter 104, Hawaii Revised Statutes (HRS)
      - Prevailing Wages
      - Certified Payroll
        - Email to [dlic.wsd.104@hawaii.gov](mailto:dlic.wsd.104@hawaii.gov)
    - Chapter 103-50, HRS
      - Disability and Communication Access Board review
    - Chapter 343, HRS
      - Hawaii Environmental Policy Act

## Invoicing and Contract Closeout

- Invoicing the State
  - Invoice to be submitted on Grantee letterhead
  - Indicate amount to be reimbursed
  - Include:
    - Certification Statement and Original Signature
    - Supporting Documentation
    - Project Status/Update (percentage completed)
    - Three additional copies of signed request (original signature not required)
- Closing the Contract
  - Final Payment
    - All funds expended or statement that balance of funds are not required
    - Hawaii Compliance Express Compliant