



**Department of
Development**

**Ohio Job Ready Sites Program
Reimbursement Policies and Procedures Manual
Fiscal Years 2006 & 2007 Grant Awards**

This Reimbursement Policies and Procedures Manual (the “Manual”) applies to projects awarded under the Ohio Job Ready Sites (“JRS”) Program during fiscal years 2006 and 2007 by the Strategic Business Investment Division of the Ohio Department of Development.

Effective January 2006, Senate Bill 236 provided the statutory framework for the JRS Program.

Under authority provided in Ohio Revised Code (“ORC”) §122.085 to 122.0819, the Director of the Ohio Department of Development has developed the following policies and procedures for distribution of the grant funds under the JRS Program.

This Manual is referred within, and is therefore binding under, the grant agreement executed between the Ohio Department of Development and JRS awardees (“Grantee”).

All questions related to reimbursement requests and payments under the grant agreement, including this Manual, should be directed to the following:

Ohio Job Ready Sites Program
77 South High Street, 28th Floor
P.O. Box 1001
Columbus, Ohio 43215
(614) 466-2317
JobReadySites@development.ohio.gov

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This Manual is incorporated by reference, and therefore is binding, under the terms of the grant agreement required under ORC §122.0814 to be entered between the Ohio Department of Development and awardees approved for funding assistance under the JRS Program (the “Grantee”).

The policies and procedures set forth in this Manual, as incorporated under the grant agreement, control in all instances of reimbursing for requests of the grant of funds. Grantee is responsible for complying with all terms and conditions of this Manual as from time to time may be amended. Grantee therefore is expected to check the Program website periodically to ensure it is in compliance with the most up-to-date policies and procedures in place for the distribution of grant funds under the Program. Updates to this Manual shall be posted on the Program website at <http://development.ohio.gov/edd/obd/jrs/>.

1.0 General Funds Distribution Policy

- 1.1 Grants under the Program cannot exceed \$5 million per site improvement project, or 75 percent of the total allowable costs incurred under the site improvement project, as calculated at the time of application for Program assistance and upon completion of the site improvement project.
- 1.2 If provided under the grant agreement, 10 percent of the funds made available to Grantee may be payable in a lump sum upon execution of the grant agreement, submittal of an invoice and Reimbursement Form by Grantee, and Grantor obtaining the advance written approval of its Chief of Budget. Grantee will have to submit documentation of the expenditures made using this advance of funds. The Reimbursement Form can be downloaded at <http://development.ohio.gov/edd/obd/jrs/Grantee.htm>.
- 1.3 Eligible costs for reimbursement must be incurred after the Controlling Board approval date. Grantee will perform work at their own risk until Controlling Board approval and the grant agreement required under §122.0814 has been generated and executed between the Ohio Department of Development and the Grantee.
- 1.4 Notwithstanding Section 1.2, grant funds shall be distributed as reimbursement of allowable costs incurred after the execution of the grant agreement and prior to the Project Completion Date, as defined under the grant agreement. Further, payment will be made only to reimburse Grantee for allowable costs that have been incurred with sufficient proof of payment provided.
- 1.5 To obtain reimbursement, Grantee must submit a Reimbursement Form, copies of invoices, proof of payment, and any other information required by the Ohio Department of Development.

- 1.6 Eligible costs are those set forth under Exhibit I, "Scope of Work" of the grant agreement, and as defined under ORC §122.085(A), the latter of which is reprinted below.

Eligible costs include costs related to the following:

- a. Acquisition of land and buildings;
- b. Building construction;
- c. Making improvements to land and buildings, including the following:
 - i. Expanding, reconstructing, rehabilitating, remodeling, renovating, enlarging, modernizing, equipping, and furnishing buildings and structures, including leasehold improvements;
 - ii. Site preparation, including wetland mitigation.
- d. Planning or determining feasibility or practicability;
- e. Indemnity or surety bonds and premiums on insurance;
- f. Remediation, in compliance with state and federal environmental protection laws, of environmentally contaminated property on which hazardous substances exist under conditions that have caused or would likely cause the property to be identified as contaminated by the Ohio environmental protection agency or the United States environmental protection agency; and
- g. Infrastructure improvements, including the following:
 - i. Demolition of buildings and other structures;
 - ii. Installation or relocation of water, storm water and sanitary sewer lines, water and waste water treatment facilities, pump stations, and water storage mechanisms and other similar equipment or facilities;
 - iii. Construction of roads, bridges, traffic control devices, and parking lots and facilities;
 - iv. Construction of utility infrastructure such as natural gas, electric, and telecommunications, including broadband and hookups;
 - v. Water and railway access improvements; and
 - vi. Costs of professional services such as engineering, environmental, design, inspection, and legal services (not to exceed 10% of grant amount).

- 1.7 Ineligible costs include but are not limited to the following

- a. Grant administrative costs are not reimbursable expenses, nor will they be included in the 25 percent local match requirement under the Program. Such costs include but are not limited to costs incurred for application preparation, for preparing reimbursement requests, administrative costs including salaries assessed to, or fees paid by, Grantee, and costs incurred by Grantee in complying with the reporting requirements under the Agreement;
- b. Construction administration costs are not reimbursable expenses, but may be included in the 25 percent local match requirement

- under the Program. Such costs include but are not limited to costs incurred for construction oversight and construction management;
- c. Bonds or other debt instruments issued by Grantee to finance completion of the site improvement project shall not be retired or otherwise serviced with funds granted under the Program;
 - d. Taxes or assessments imposed on or made against the real or personal property comprising the site improvement project shall not be paid or otherwise satisfied with funds granted under the Program. This includes a prohibition against funds granted under the Program being used to satisfy any taxes or assessments arising from any zoning changes and/or increased valuations of real or personal property improvements made under the grant agreement.
 - e. Carrying costs to maintain the real or personal property comprising the site improvement project, incurred after certification of the site under the Program, shall not be paid with Program funds;
 - f. The Ohio Department of Development will not reimburse for Requests containing *blended* hourly rates for work completed by consultants to Grantee under the grant agreement. Grantee must submit requests for reimbursement for work performed by such individuals denoting their respective unique hourly rates, accompanied by the appropriate supporting documentation; and
 - g. Interest on loans, including construction loans, is not a reimbursable expense under the Program. Interest on loans cannot be applied as local match.
- 1.8 Other state sources of funding, such as grants, loans, and tax abatements, may not be included in the 25 percent local match requirement under the Program.
- 1.9 All travel-related expenses for which the Grantee seeks reimbursement under the grant agreement must comply with the Ohio Office of Budget and Management's Travel Policy. Their policy can be downloaded at <http://obm.ohio.gov/MiscPages/TravelRule/>.
- 1.10 Program funds must be fully expended and the grant must be completed, prior to the Project Completion Date, as defined under the grant agreement. Included in this spend-down requirement is a prohibition against placing in an escrow account or similar arrangement any funds granted under the Program, for the purpose of satisfying debts, obligations or assessments incurred after the Project Completion Date. If the project will not be complete prior to the Project Completion Date, a request to extend must be received by the Ohio Department of Development at least 60 days prior to the current Project Completion Date.
- 1.11 The Ohio Department of Development reserves the right to retain up to three percent of the reimbursable grant amount awarded, until all

requirements in the grant agreement have been satisfied and the Grantee has submitted a request for final certification of the project.

- 1.12 Grantee may submit reimbursement requests pursuant to Section 3 of this Manual as the work is performed, or wait and submit a request for reimbursement for the entire amount of the grant of funds upon the completion of the project and prior to the Project Completion Date.
- 1.13 Reimbursements will be paid by the Ohio Department of Development via Electronic Fund Transfer (“EFT”). Grantee must arrange for EFT in order to receive funds from the Ohio Department of Development. If Grantee does not have an existing authorization for EFT, Grantee must submit a completed Authorization Agreement for Direct Deposit of EFT Payments Form to the Ohio Department of Development, available at <http://ohiosharedservices.ohio.gov/Vendors.aspx?Page=2>.
- 1.14 Reimbursement requests will be accepted by Grantor via only an Ohio Department of Development generated Reimbursement Form. The Reimbursement Form can be down at <http://development.ohio.gov/edd/obd/jrs/Grantee.htm>.
- 1.15 Submitted reimbursement requests must be certified by Grantee's chief elected official, chief executive officer, or another individual similarly authorized to act on behalf of Grantee.
- 1.16 Reimbursements should occur within 30 to 45 days of the Ohio Department of Development's approving the reimbursement request.
- 1.1 Requests are subject to audit by the Ohio Department of Development at any time during normal business hours upon 10 days written notice and as often as the Ohio Department of Development may deem necessary. Audits will occur in such a manner as not to unreasonably interfere with Grantee's normal business operations. Requests are also subject to audit by other appropriate state agencies or officials.

2.0 Reimbursement Contingencies

- 2.1 Requests may not be submitted by Grantee, and/or will not be reimbursed by the Ohio Department of Development, unless all applicable terms and conditions of the grant have been satisfied. Failure to comply with the terms and conditions of the grant may result in delayed payments or other corrective actions taken under the grant agreement.
- 2.2 Before the Ohio Department of Development will process any reimbursement requests, Grantee must satisfy the following requirements:

- 2.2.1 Grantee must provide to the Ohio Department of Development a copy of the declarations page or certificate of insurance showing Grantee's or others' comprehensive general liability insurance coverage for claims that may arise from operations and activities undertaken pursuant to the grant agreement. Grantee or others shall obtain and maintain comprehensive general liability insurance with a minimum of \$1,000,000 combined single limit, naming the Ohio Department of Development and the State of Ohio as additional insured parties. The evidence of insurance sent to the Ohio Department of Development shall contain a clause to the effect that cancellations, reductions, or restrictions shall not be made without thirty (30) days prior written notice to the Ohio Department of Development. If Grantee is self-insured, Grantee may, in lieu of the above requirement, submit to the Ohio Department of Development a letter from Grantee's auditor stating substantially that it would protect and indemnify the Ohio Department of Development and the State of Ohio in a like manner.
- 2.2.2 Grantee must provide to the Ohio Department of Development evidence of performance bonds for demolition-related or construction-related allowable costs as required under the Agreement. Reimbursement requests for non-construction-related allowable costs may be accepted without a performance bond.
- 2.2.3 Grantee must provide to the Ohio Department of Development evidence that end use site control mechanisms are in effect to limit the use of the real property comprising the site improvement project to that consistent with Program purposes. Evidence submitted of zoning ordinances, recorded deed restrictions, restrictive covenants, or land option agreements between Grantee and real property owners will satisfy this requirement. Grantee's end use control mechanisms should include a provision that not more than 10 percent of the Project site can be used for educational, retail, residential, or governmental uses.
- 2.2.4 Grantee must provide to the Ohio Department of Development evidence that price agreements are in effect with all relevant parties having ownership interests in the real property comprising the site improvement project. Such price agreements shall set forth the price ceiling amounts, in excess of which respective owners will not ask for or otherwise demand consideration in any transactions to transfer their ownership interests. Evidence submitted of land option agreements

between Grantee and real property owners will satisfy this requirement.

3.0 Submitting Reimbursement Requests

- 3.1 The following documents must be included with each submitted reimbursement request:
 - 3.1.1 Cover letter on Grantee's letterhead with the date marked when submitted to the Ohio Department of Development and the amount of grant funds to be reimbursed.
 - 3.1.2 Reimbursement Form, with original signatures, summarizing the reimbursement request according to the major funding categories under the Agreement: land, building, on-site infrastructure/site, professional fees, interim costs, and off-site infrastructure.
 - 3.1.3 Invoices showing itemized billing and/or costs in time-and-materials format with back-up documentation of costs included.
 - 3.1.4 Proof of payment (e.g. cancelled check, EFT warrant, etc.).
- 3.2 Upon receipt of Grantee's Reimbursement request, the Ohio Department of Development will review the Reimbursement Form and supporting materials and based on its review, may reimburse or deny the reimbursement request in whole or in part pursuant to Grantee satisfying the criteria set forth in this Manual, the grant agreement, the Program Guidelines, Application Procedures, and all applicable laws.