

STATE AID FOR LOCAL TRANSPORTATION

STATE AID PROGRAMS – Bond Funds

GRANT AGREEMENT INSTRUCTIONS

SECTION ONE – INSTRUCTIONS FOR COMPLETING PAGE 1

It's important to pay close attention to the instructions in the Funding Letter sent by the State Aid Programs Engineer or his/her designee prior to completing the grant agreement.

Before filling out the agreement, enter the MnDOT assigned Agreement Number and either the SP or SAP in the upper right corner **of all pages** of the agreement. The agreement number can be found in the Funding Letter.

- 1.1 Insert the name of the public entity, the address, and contact person for the recipient of the grant on line 1.
- 1.2 The chart in line 2 allows agencies to process multiple projects **if all the projects have been assigned the same agreement number.**
 - A. Insert the corresponding State Project (SP) or State Aid Project (SAP) and if applicable, the old bridge number in the first column underneath the section titled "Name of Project".
 - B. Insert the dollar amount of the grant for each corresponding project in the second column. **Make sure to use the dollar amount given in the Encumbrance Letter from State Aid finance.** NOTE: This dollar amount will match 1) the amount in line 3 – "Total Amount of LBRP/LRIP Grant" and 2) the subtotal for the "Items Paid for with LBRP/LRIP Grant Funds" in Exhibit A.
 - C. Insert the total matching dollar amount for each corresponding project from the Encumbrance Letter for non-eligible items in the third column. This dollar amount will match the subtotal of the "Items Paid for with Non-LBRP/LRIP Grant Funds" in Exhibit A.
 - D. Insert the expected completion date for each corresponding project in the last column. The date should match the completion date provided in Exhibit B. **Make sure you allow enough time for final pay requests to be processed by the State Aid Finance division when entering the completion date.**
- 1.3 Enter the total funding amount on line 3. If there is more than one SP/SAP, insert the sum of the LBRP/LRIP grant.
- 1.4 Line 4 might be changed if there is more than one SP/SAP included in a single agreement.
 - 1.4.1 There could be multiple Exhibit A's, one for each project, or a single Exhibit A that concisely itemizes costs for each project.
 - 1.4.2 There should be a single Exhibit B that includes schedules for all projects.
 - 1.4.3 There should be a single Exhibit C that includes a property certification that cover all projects. There can be multiple figures included under Attachment 1 to Exhibit C.

- 1.4.4 There should be separate Exhibit D's for each project.
- 1.4.5 There could be multiple Exhibit E's, one for each project, or there could be a single resolution approving grant agreements for multiple projects. In either case, the dollar amounts must add up correctly.
- 1.4.6 There will never be more than one Exhibit F.

As an example, if there are two State Aid Projects under a single agreement number, Line 4 could be listed as follows:

Exhibit A-1 & A-2	Completed Sources and Uses of Funds Schedule
Exhibit B	Projected Completion Schedule
Exhibit C	Bond Financed Property Certification
Exhibit D-1 & D-2	Grant Application
Exhibit E-1 & E-2	Grantee Resolution Approving Grant Agreement
Exhibit F	General Terms and Conditions

Please see chart in Section Nine for further instruction regarding changes to Exhibit F.

SECTION TWO – INSTRUCTIONS FOR COMPLETING PAGE 2

2.1 Insert any additional requirements that are specific and/or unique to the project on line 5. *If there are no specific and/or unique project requirements then the word "NONE" should be inserted.* Keep in mind that any additions or revisions must be approved by State Aid prior to submitting the grant agreement.

2.2 Line 6 states that any changes to the agreement must be in writing and signed by both parties. If applicable use this space to note modifications to the agreement.

SECTION THREE – INSTRUCTIONS FOR COMPLETING PAGE 3

3.1 Insert the names and titles of all persons who will execute the grant agreement on behalf of the recipient under the caption marked "Public Entity (Grantee)". Obtain original signatures from the proper authorities. The State Aid Program Engineer, Grants Supervisor, and the Contract Administrator will sign and date under the section entitled "Department of Transportation". Note: This section no longer needs to be notarized.

SECTION FOUR – INSTRUCTIONS FOR COMPLETING EXHIBIT A

NOTE: The Agreement number and SP/SAP number should be referenced on all the Exhibits. EACH EXHIBIT NEEDS TO INCLUDE THE COVER SHEET (FOUND IN THE TEMPLATE). Agreements without the correct cover sheet in each exhibit will be returned. Please place the cover sheet in front of any supporting documents.

4.1 Sources of Funds

- In the left columns, under SOURCES OF FUNDS, itemize the funding sources for the project.
- LRIP/LBRP funds will be listed under **State Funds**.
- Other non-state funds will be listed under **Public Entity Funds**.
 - For projects that have a grant agreement between the state and a single local agency, which will be the case the majority of the time, local agency funds will typically be combined into a single “Local Match” line. You may need to combine CSAH, MSAS, local city, and/or local county funds from the encumbrance letter into this single “Local Match” line.
 - For projects that require the grant agreement to be between MnDOT and more than one local agency, there may be multiple “Local Match” lines, one for each local agency.
 - Include a line under “Other” for Federal Funds if applicable.

4.2 Uses of Funds

- In the right columns, under USES OF FUNDS, provide a description of the items and expenses paid for with LRIP/LBRP funds and with non-LRIP/LBRP funds. Make sure items paid for with LRIP or LBRP funds include only those items that are bond eligible. Non-eligible items need to be included under **Items Paid for with Non-LRIP/LBRP Grant Funds**.

4.3 The subtotals in the left column **must** match the subtotals in the right column.

4.4 The amount shown on the **TOTAL FUNDS** line in the left columns must match the amount shown on the **TOTAL PROJECT COSTS** line in the right columns. Please see below for a sample of Exhibit A.

EXHIBIT A

SOURCES AND USES OF FUNDS SCHEDULE

SOURCES OF FUNDS		USES OF FUNDS	
Entity Supplying Funds	Amount	Expenses	Amount
State Funds:		Items Paid for with LRIP Grant Funds:	
LRIP Grant	\$1,000,000.00	Reconstruction of Smith Ave, stormwater, trails, signals	\$1,000,000.00
Other:			
Subtotal	\$ 1,000,000.00	Subtotal	\$ 1,000,000.00
Public Entity Funds:		Items paid for with Non-LRIP Grant Funds:	
Local Match	\$ 1,500,000.00	Reconstruction of Smith Ave, stormwater, trails, signals, water main, sanitary sewer	\$ 3,500,000.00
Other:			
Federal	\$2,000,000.00		
Subtotal	\$3,500,000.00	Subtotal	\$3,500,000.00
TOTAL FUNDS	\$4,500,000.00 =	TOTAL PROJECT COSTS	\$4,500,000.00

SECTION FIVE – INSTRUCTIONS FOR COMPLETING EXHIBIT B

5.1 The Project Completion Schedule should include the construction schedule end date and also the project completion date. **The project completion date should allow enough time for requesting final payment and project close out.** This date should be the same date as the last column in the chart on the first page of the agreement.

SECTION SIX – INSTRUCTIONS FOR COMPLETING EXHIBIT C

The certification of Right of Way (Exhibit C) requires original authorized signatures. The exhibit is sent to Minnesota Management & Budget (MMB) who waives the requirement that a declaration be recorded at the county recorder's office. The MnDOT agreement number and SP/SAP number should be referenced on the exhibit. The following information should be inserted into the certification at the specified locations:

6.1 Insert the name of the county entering into the agreement *located in the first paragraph* of the certification.

6.2 Leave the date in paragraph B blank. It will be filled in by MnDOT.

6.3 Obtain the necessary signatures for the block located in the lower right corner of this exhibit and ensure the date below paragraph C is filled in.

6.4 Attachment 1 to Exhibit C: Please provide a short statement describing property. You may include a visual in addition to the written description.

SECTION SEVEN – INSTRUCTIONS FOR COMPLETING EXHIBIT D

7.1 The Application for Bridge Funds, if applicable, is required to be signed by the MnDOT District State Aid Engineer and should be provided to the District with your plan for review and for approval. The LRIP application will not be signed, but should be attached here, if applicable. In the case of an earmarked project, the local agency should complete the latest State Aid application form from the website.

SECTION EIGHT – INSTRUCTIONS FOR COMPLETING EXHIBIT E

8.1 Sample resolutions can be found on the various State Aid webpages for each program:

- Local Bridge Replacement Program:
<http://www.dot.state.mn.us/stateaid/local-bridge-replacement-program.html>
- Local Road Improvement Program:
<http://www.dot.state.mn.us/stateaid/lrip.html>

Attach the county board or city council resolution agreeing to the terms of the bond grant here.

IMPORTANT: If a local agency chooses to draft its own resolution, be sure that the specific officers who are authorized to execute the agreement in the resolution are the exact officers who sign the agreement; otherwise the agreement will be returned. For example, the agreement will be sent back if a resolution indicates signatures from the Chair and the City Administrator, but the agreement is signed by the Chair and the County Engineer. In the same fashion, if the resolution states that “X” (Chair) and “Y” (City Administrator) are authorized to execute, then MnDOT requires both officers to sign.

SECTION NINE – INSTRUCTIONS FOR COMPLETING EXHIBIT F

9.1 Make sure to print out all of the pages included in the template for Exhibit F. The agreement will be returned and initials of those authorized to sign the agreement will have to be obtained on any missing pages.

There are several sections that must be modified if extra attachments to Exhibits are added and/or there is more than one SP/SAP included in the agreement. For example, say there are several projects/attachments for Exhibit A: mark the first **Exhibit A-1**, the second **Exhibit A-2**, etc., then make sure to reference **all** of them in the corresponding sections. *This means changing the wording to include not just Exhibit A, but Exhibit A-1, A-2, A-3, and so on.* In this example, Section 5.14 should read:

*Section 5.14 Sources and Uses of Funds. The Public Entity represents to MnDOT and the Commissioner that the Sources and Uses of Funds Schedule attached as **Exhibit A-1, A-2, & A-3** accurately shows the total cost of the Project and all of the funds that are available for the completion of the Project. The Public Entity will supply any other information and documentation that MnDOT or the Commissioner may request to support or explain any of the information contained in the Sources and Uses of Funds Schedule. If any of the funds shown in the Sources and Uses of Funds Schedule have conditions precedent to the release of such funds, the Public Entity must provide to MnDOT a detailed description of such conditions and what is being done to satisfy such conditions.*

Below is a chart that outlines the sections that may be affected in Exhibit F.

Section	Affect Exhibits	Title
1.01	Exhibit D	“Grant Application”
4.01	Exhibit A	“The Advances”
5.14	Exhibit A	“Sources & Uses of Funds”

➔ **Prior to obtaining local agency signatures, please send a draft of the agreement to Olga Kruglova (contact information below) for her review.**

➔ **Please provide State Aid with one copy of the grant agreement that includes local agency signatures. Exhibit C and the signature page must contain original signatures. An agreement that fails to follow these guidelines may be returned for corrections and new signatures causing significant delay.** *If you need additional help in completing the agreement or have further questions contact:*

Olga Kruglova, Transportation Program Specialist
Office phone: 651-366-3806, Email: olga.kruglova@state.mn.us

Marc Briese, State Aid Programs Engineer
Office phone: 651-366-3802, Email: marc.briese@state.mn.us