

## **Capital Construction Assistance Grant Reserve Request Application**

In the event unforeseen or unanticipated events occur on a BEST Grant project, the grantee may request additional funds for the project in the form of grant reserves. An application for access to such funding is required to be submitted by the grantee to the BEST Board. The BEST Board has the sole discretion to approve or deny grant reserve requests. If the request is approved, the result will be a modification of the grant amount and an amendment to the grant agreement.

Grant Reserves are intended solely for the purpose of providing aid to an awarded BEST grant project in the event significant unforeseen circumstances arise during the execution of the project, which could not have been known or reasonably anticipated at the time of the grant application, and which cannot be managed through budget contingency.

Grant Reserves are not back-up funds for cost overruns, mismanaged budgets, or additional scopes of work. Grantees are expected to have performed all due diligence before requesting grant reserves.

Grant Reserve funding cannot exceed 5% of the state grant award amount. The grantee is required to provide matching money for grant reserves. The district adjusted match percentage from the original grant agreement will be used to calculate the required matching money for the grant reserve request.

### **Approval Process**

- Grantee submits a reserve request application to division staff;
- Division staff will review request, and provide narrative for the BEST Board;
- The reserve request application; with division narrative will be submitted to the BEST Board for review;
- At the next scheduled BEST Board meeting, the BEST Board will conduct an interview and public review of the application;
- The Board will make a motion to approve, deny, or modify the reserve request.

### **Allowable usage**

- Grant reserves may only be used for the scope items approved by the BEST Board;
- Approved grant reserve funding will be tracked separately;
- Any balance remaining from reserve funding may not be used towards any other project related expenses.

### **Required documentation**

- Completed Grant Reserve Request Budget spreadsheet;
- All bids, proposals, and change orders that support the reserve request;
- A fully executed grant reserve application (submitted in MS Word);
- The signature sheet signed by the appropriate parties (submitted in Adobe PDF).

### **Definitions**

“Due diligence” means reasonable and comprehensive steps taken in order to prepare estimates and plans for a project, and provide supporting documentation; including information deemed necessary or requested by the division staff or BEST Board.



“Grant application” means the grant application the grantee submitted to the BEST Board and on which the decision for award was based.

“Grant reserve” means funds designated by the BEST Board outside the grant amount to cover unforeseen or unanticipated events not known at the time of the grant application, which may only be expended on the project upon approval by the BEST Board.

“Matching money” means the money which the grantee is required to contribute to the project based on statutory criteria and calculated at the time of the grant application. The grantee is required to contribute matching money to access grant reserves if grant reserves are awarded.

“Unanticipated events” means events which occur despite due diligence, appropriate planning and foresight, and could not have been reasonably expected.

“Unforeseen events” means events which occur due to unknown or external project conditions which could not have reasonably been anticipated.

**Instructions**

All questions of the application must be completed. Once complete, an electronic copy of the application with signatures should be sent to the Division’s regional representative. Attach all supporting documentation to the reserve request application submittal.

**Grantee Narrative**

Q1. Identify the issues which have occurred.

Q2. Explain why this was unforeseen or unanticipated. Please reference any documentation that supports the unforeseen or unanticipated issue, and explain the due diligence performed to show how the unforeseen or unanticipated issue could not have been anticipated.

Q3. What steps have consultants and the grantee taken to ameliorate or find a solution to the issue?

Q4. What steps have been taken to manage the budget and find additional cost savings in order to complete the project within budget and scope before requesting grant reserves?



Q5. How much is remaining in Owner's Contingency and what scope has it been used for?

Q6. What will the repercussions be if the grant reserve request is not awarded?

Q7. What alternative sources of funding could be made available to help cover the costs of the issue? Please include any sources, including but not limited to: premiums received from bond sales, capital reserve funds, supplemental grant dollars, etc.

Q8. What is the district's / charter school's current general fund balance (*please provide documentation*)?



**Financial Information**

Total Project Cost:

BEST Amount Awarded:

Grant Match Portion:

Grantee Adjusted Match %:

Total amount of reserve being requested:

*(Note: Grant reserve funding cannot exceed 5% of the state grant amount.)*

BEST Reserve Amount *(to be filled in by Division Staff)*:

Grantee Reserve Amount *(to be filled in by Division Staff)*:

List each scope of work and provide a dollar amount associated with each.

- 1) Unforeseen Condition: \_\_\_\_\_ Cost: \$ \_\_\_\_.
- 2) Unforeseen Condition: \_\_\_\_\_ Cost: \$ \_\_\_\_.
- 3) Unforeseen Condition: \_\_\_\_\_ Cost: \$ \_\_\_\_.
- 4) Unforeseen Condition: \_\_\_\_\_ Cost: \$ \_\_\_\_.
- 5) Unforeseen Condition: \_\_\_\_\_ Cost: \$ \_\_\_\_.
- 6) Unforeseen Condition: \_\_\_\_\_ Cost: \$ \_\_\_\_.
- 7) Unforeseen Condition: \_\_\_\_\_ Cost: \$ \_\_\_\_.
- 8) Unforeseen Condition: \_\_\_\_\_ Cost: \$ \_\_\_\_.
- 9) Unforeseen Condition: \_\_\_\_\_ Cost: \$ \_\_\_\_.
- 10) Unforeseen Condition: \_\_\_\_\_ Cost: \$ \_\_\_\_.

Please include any other comments / information the grantee wishes to provide related to the financial review:



**Signature Sheet**

Required Signatures:

- Name of the preparer of the grant reserve request application - Printed:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

- The school District Superintendent / Charter School Director - Printed:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

- A School District / Charter School Board Officer - Printed:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

