



South Carolina
Rural Infrastructure
Authority

1201 Main Street, Suite 1600
Columbia, South Carolina 29201

Project Management Procedures

Start Up

- The grant becomes effective upon return of one copy of the grant award executed by the Chief Executive Official and another authorized representative of the Grantee. Both copies must have original signatures and one must be returned to the SC Rural Infrastructure Authority (Authority) within 15 days from the date of award.
- Forms and other information to be completed by the Grantee and submitted to the Authority within 30 days of Grant Award, unless otherwise specified, include:
 - Authorized Signatures for Payments and Checks form. This form requires designation of two authorized financial representatives (other than the Chief Elected or Executive Official) for requests for payment and disbursement of grant funds.
 - W-9 (Request for Taxpayer Identification Number), if required.
 - Documentation to address any grant conditions specified in the Grant Award.
 - Subrecipient agreement, if required, prior to finalizing the agreement.
- A Notice to Proceed will be issued by the Authority once the above documentation has been submitted and found to be acceptable. The Grantee must obtain from the Authority written Notice to Proceed prior to incurring any costs against the Grant. If the Grantee needs to incur expenses prior to the Authority's notification to proceed, the Grantee must submit a written request to the Authority and obtain prior written approval from the Authority. Otherwise, any expenditure made prior to the date of the written notice to proceed is made by the Grantee at its own risk and expense and is not eligible for payment with Grant funds.
- Once the written Notice to Proceed is issued by the Authority, the Grantee may begin incurring expenses, if such expenses are consistent with the requirements contained in these procedures and the terms and conditions of the Grant Agreement.
- The Grantee must use the grant number on all reports, requests for payment or correspondence related to this grant.

Allowable Costs

- The Grant Award shall be used only for specified activities approved in the Application, unless otherwise approved in writing by the Authority.
- Ineligible grant expenses include, but may not be limited to, any non-construction costs such as planning, engineering, administration or legal fees, acquisition of property including easements or right-of-ways, permitting, application or administrative expenses, service lines, connections or impact fees, operating or maintenance expenses, or furnishings and fixtures that are not permanently attached to improved facilities. Such costs that are related to the Project must be paid for with other funds.
- Funds obligated or expended prior to the grant award or for activities that have not received written approval from the Authority shall be considered ineligible and shall not be eligible for payment by Grant funds.
- Grant funds may not be used to reimburse in-kind labor. However, in-kind expenses may be counted toward the matching requirement if properly documented.

Financial Management

- The Grantee must maintain a financial management system using generally accepted accounting principles to provide adequate accountability for the Grant.
 - The Grantee's records must disclose accurate information about the grant award, obligations, unobligated balances, assets, liabilities, expenditures, and income.
 - The Grantee's financial management system must have budget control procedures that make it possible to compare actual expenditures with budgeted amounts for each supported activity.
 - The Grantee's financial management system must make it possible to relate financial information to performance or productivity.
 - The Grantee's financial management system must also have sound internal control procedures that cover cash, real and personal property, and other assets.
- All accounting records must be supported by source documentation. This documentation must show that expenditures occurred during the grant period, were expended only for allowable costs and approved by a responsible official.
- The Grantee must account for each new grant agreement and all grant transactions separately. It is recommended that a separate bank account be established.
- The bank and the account number must be designated by the Grantee prior to disbursement of grant funds.
- The Grantee shall designate two financial representatives who are authorized to request payments and issue checks. The Grantee's Chief Elected or Executive Official must

authorize the designated financial representatives. If one of these parties also needs to request payments or sign checks, then the next highest elected official must authorize it on the form. The person authorizing the financial representatives may not sign Requests for Payment. This is consistent with standard financial procedures.

Requests for Payment

- Prior to the first Request for Payment, the Grantee must ensure that any subrecipient agreements and/or third party contracts have been reviewed and authorized by the Authority.
- The Grantee must submit a certified Request for Payment for eligible expenses and documentation as follows:
 - The Grantee will certify, to the best of its knowledge, information and belief that the work on the Project for which payment is requested has been completed in accordance with the terms and conditions of this Agreement.
 - Invoices or other documentation (including change orders to the contract), that the Authority may reasonably require to document the incurred expenses, must be submitted with the Request for Payment. Such invoices must be certified as valid expenses by an official representative of the Grantee.
- Requests for Payment must be submitted using forms approved by the Authority.
- Requests for Payment may be submitted on an advance or reimbursable basis. Advances will only be considered if there is an invoice for eligible work, materials or services completed that is due and payable.
- Payment requests must be approved by the Authority in accordance with the approved scope of work and budget. Payment requests will generally be processed no more than once a week. Payments are issued from the Comptroller General's office and will be sent to the Grantee's bank. The Grantee will receive notification that the payment was sent.
- The Authority may make, and the Grantee shall accept, full or partial disbursements for actual, eligible expenses up to the total grant amount as provided in this Agreement.
- The Authority may issue payments jointly to the Grantee and a vendor supplying goods or services on the project, if deemed appropriate.
- Grant funds received by the Grantee must be disbursed in a timely manner, generally within 10 days of the date of receipt.
- Disbursements of the Authority's funds should only be made for work that has been completed in accordance with the contract and any approved change orders.

- All financial documentation supporting the Grantee's Requests for Payment and the disbursements from Grant funds must be kept on file and be available for inspection at any time.
- Generally, grant disbursements should be made on a pro rata basis with the Authority's required match for construction unless the Authority's funds are specified for a specific line item or unless otherwise approved.
- In the event property or equipment is acquired in whole or in part with grant funds, the Grantee must retain ownership and ensure that such property is used solely for grant authorized purposes. The Grantee must follow state requirements for management, use and disposition of the property.

Audit

- The Grantee must include an examination and accounting of the expenditures of Grant funds in its first annual audit following the completion of the Project, and make a copy of the audit report available to the Authority or its designated representative.
- The audit must adhere to the following audit requirements, whichever is applicable:
 - Generally accepted auditing standards established by the American Institute of Certified Public Accountants (AICPA); or
 - The General Accounting Office (GAO) Standards for Audits of Governmental Organizations, Programs, Activities, and Functions, latest revised edition (Yellow Book).
- The Grantee must notify the Authority of any audit findings related to the Authority's grant or general grant management and will reimburse the Authority for unauthorized and unwarranted expenditures disclosed in the audit, if so directed by the Authority.
- Upon request of the Authority, the Grantee shall make available, and cause any Contractor to make available, for audit and inspection by the Authority and its representatives all the books, records, files and other documents relating to any matters pertaining to the Project.

Procurement

- All purchases of goods and services shall be made according to the established procurement policy of the Grantee, provided that its policies substantially conform to the South Carolina Consolidated Procurement Code and Regulations. The Grantee's procurement policy may be reviewed to assure that it is as restrictive as these standards.

Generally, local policies should ensure:

- A free and open competitive process in securing products and services.
- Purchasing activities and decisions are properly documented.
- Consistently follow established guidelines for the different types of procurements (small purchases, competitive sealed bids, competitive proposals and sole source procurements).
- Properly bond and ensure work, as appropriate, for construction contracts.
- Provide opportunities for minority business enterprises.

The objective of such policies is to ensure that Grantees get good value at a fair and competitive price.

- If the Grantee has no established procurement policy, it must follow the most current South Carolina Consolidated Procurement Code and Regulations which requires:
 - Small purchases under \$50,000:
 - Up to \$2,500 - A single quote is acceptable if price is certified, fair and reasonable.
 - Over \$2,500 - up to \$10,000 - Solicit written quotes, bids or proposals from a minimum of three (3) qualified sources. Document the solicitation of quotes.
 - Over \$10,000 - up to \$50,000 – A written solicitation for written quotes must be developed and advertised once in the South Carolina Business Opportunities or through other central electronic advertising.
 - Procurements of \$50,000 and Over:
 - Prepare an invitation for bids and solicit competitive sealed bids or proposals.
 - Bid solicitations must include specifications and all contractual terms and conditions applicable to the procurement.
 - Bids are to include itemized costs for all work to be completed.
 - A notice of the invitation for bids or proposals must be issued, allowing a reasonable time prior to bid opening, and advertised in the South Carolina Business Opportunities or through other central electronic advertising.

- Sole source procurement
 - The procurement must be for a unique item or service and only be available from a single source.
 - Must be justified in writing, along with the documented reasons for the sole source.
 - Records must be maintained with other procurement documentation.
- For additional information about the SC Consolidated Procurement Code and Regulations, go to the website at <http://procurement.sc.gov/PS/PS-index.phtm>
- Solicitations must clearly explain all requirements that the bidder/offeror must fulfill in order for his or her bid/offer to be evaluated by the Grantee. Solicitations for goods and services must be based on a clear and accurate description of the material, product, or service to be procured, and cannot contain features which unduly restrict competition. Some of the situations considered to be restrictive of competition include, but are not limited to:
 - Placing unreasonable qualifying requirements on firms.
 - Requiring unnecessary experience and excessive bonding.
 - Specifying only “brand name” products instead of allowing “an equal” product.
 - Non-competitive pricing practices between firms or affiliated companies.
 - Non-competitive awards to consultants on retainer contracts.
- The Authority does not provide a standard bid package or contract agreement. Grantees should refer to the Engineers Joint Contract Documents Committee (EJCDC) standard contract documents available from the American Society of Civil Engineers (ASCE), the National Society of Professional Engineers (NSPE), the Associated General Contractors of America (AGC) or similar organizations.
- Construction contracts must be competitively bid. A minimum of 2 bidders will generally demonstrate a competitive process.
- Awards are to be made to the bidder/offeror whose bid/offer is responsive to the solicitation and is most advantageous to the Grantee, price and other factors considered. Any and all bids may be rejected when it is the Grantee’s interest to do so. The Grantee must ensure that the award is only made to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration should be given to such matters as contractor qualifications, compliance with public policy, record of past performance and financial and technical resources.

- A cost or price analysis must be performed for every procurement action, including contract modifications, and documentation to that effect must be maintained in the Grantee files. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, Grantees should make independent estimates before receiving bids or proposals.
- For construction contracts exceeding \$100,000, the Grantee should obtain:
 - A bid guarantee from each bidder equivalent to 5 percent of the bid price. The “bid guarantee” must be a firm commitment in the form of a bid bond, certified check or other negotiable instrument as assurance that the bidder is prepared to execute a contract within the time specified for the bid amount.
 - A performance bond from the (sub)contractor for 100 percent of the contract price to secure the (sub)contractor’s fulfillment of all obligations under the contract.
 - A payment bond from the (sub)contractor for 100 percent of the contract price to assure payment of all persons supplying labor and material under the contract.
- The Grantee may not award contracts to any Contractors who are ineligible to receive contracts under any applicable laws or regulations of the Authority.
- The Grantee must submit to the Authority all proposed agreements with third party contractors engaged to perform work within the scope of the Grant prior to finalizing those agreements.
 - In addition to the submission of the contract for review, the Grantee must submit to the Authority:
 - Construction bid package,
 - Evidence of bid advertisement and dates,
 - The certified bid tabulation and recommendation of award amount including any accepted alternates. An explanation of any bid discrepancies should also be provided,
 - Copy of the winning bidder’s response,
 - Contract Agreement and Specification Drawings,
 - Bonds, and

- Certification by the Grantee that all necessary ROW/property has been acquired and that any required federal, state or local permits have been secured.
- Any Notice of Contract Award should be conditioned on RIA review and approval.
- Grantees must have protest procedures in place to handle and resolve disputes relating to their procurement and in all instances report such disputes to the Authority.
- If the Grantee fails to adhere to procurement procedures required by law, the Authority may call for repayment by the Grantee for Grant funds that were expended in a disallowable manner or the Grantee may be subject to other sanctions.
- The Grantee should take all necessary and reasonable steps to ensure that minority business enterprises, as identified in the SC Code of Laws have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with funds provided under this Agreement.
- Upon request, the Grantee must make available to the Grantee's auditor, the Authority, and its representatives, and the public, the Grantee's records and other documentation of the procurement process and any sole source justification.

Contracts

- The Grantee shall obtain all necessary federal, state and/or local permits required for the construction and/or operation of grant funded improvements. Construction permits are to be obtained prior to executing construction contracts.
- Any signs installed at the Project site must be pre-approved by the Authority and must acknowledge funding by the Authority.
- The Grantee is responsible for implementation of the Project in accordance with the program requirements notwithstanding the Grantee's designation of, or contract with, any third party or parties for the undertaking of all or any part of the Project.
- A subrecipient agreement is required if an entity other than the Grantee will be responsible for implementing any portion of the project construction. The Grantee must submit a proposed subrecipient agreement to the Authority within 30 days of Grant Award and prior to execution. Subrecipients include governmental or not-for-profit water and/or sewer organizations.
- If an entity other than the Grantee will be involved in any other activity related to the project including planning, construction oversight, ownership, operation or maintenance, then an Intergovernmental Agreement may be required.
- All of the services required to complete the Project will be performed by the Grantee and/or a Contractor, under its supervision, and all personnel engaged in the work shall be

fully qualified and shall be authorized under state and local laws to perform such services. Such personnel shall not be employees of, or have any contractual relationship with, the Authority or the Grantee.

- The Grantee and/or a Contractor shall be liable for paying all taxes required by local, state, or federal governments, which may include, but not be limited to, social security, worker's compensation, and employment security as required by law. No employee benefits of any kind shall be paid by the Authority to or for the benefit of the Grantee and/or a Contractor or his employee or agents by reason of this Agreement.
- Any disputes arising out of a contract funded in whole or in part with these grant funds are the responsibility of the Grantee and should be resolved in accordance with the process outlined in local procedures as long as they are consistent with the South Carolina Consolidated Procurement Code and Regulations and should be resolved in a timely manner.
- All change orders must be submitted to the Authority for review. If the change order involves a major change in the scope of work, costs or location of activities, a grant amendment may be required. Such change orders should not be executed until RIA has reviewed and approved the grant amendment.

Progress

- The Grantee must take appropriate action to implement the project in a timely manner.
- The project must be substantially underway within 90 days of the Grant Award. If the Grantee does not begin the Project within ninety days of the Grant Award, the Authority reserves the right to rescind the Grant, require the repayment of any Grant funds provided to the Grantee and terminate the Project.
 - The Grantee shall be considered substantially underway if the Grantee has incurred contractual obligations for goods or services in connection with the Project, to the satisfaction of the Authority, to indicate that the Project will be completed within the grant period.
- The Grantee must complete, or cause to be completed, the portion of the Project to be funded in whole or in part with Grant funds within 18 months of the Grant Award.
- The Grantee must return surplus Grant funds that result from project cost underruns, and provide monies from its own resources for cost overruns required to complete the Project.
- Any unexpended grant funds on hand at project completion shall be returned to the Authority.
- Any remaining grant funds will be deobligated from the grant prior to project close out.

- Completion is defined as the completion of all approved activities associated with the project and the submission of a final report and documentation of Grant funds expended, accomplishments and any other information required by the Authority.
- The Authority will issue a notification in writing of the closure of the Grant.

Grant Amendments and Extensions

- Grant amendments are required if there are:
 - Requests to extend the grant period (typically, no more than six months).
 - Major revisions to the grant scope of work including addition or deletion of activities or customers, or changes in capacity or location of activities.
 - Any change in the grant budget which is greater than ten percent (10%).
- A grant amendment request must be submitted in writing and in advance to the Authority by the Grantee's Chief Executive Official. The request must include a detailed description of the change, the reasons for the change, a detailed cost justification and revised map, if appropriate. The Authority has no obligation to approve such a request.

Reports

- The Grantee agrees to submit quarterly progress reports that provide a status update and identification of any significant issues affecting the Project.
- Progress reports are due on the first day of the first full quarter after commencement of the Project.
 - Quarters begin on January 1, April 1, July 1 and October 1
- Failure to submit progress reports will make the Grantee subject to the sanctions identified in the Grant Agreement.
- The Grantee must provide other reports as may be requested by the Authority.

Record Keeping and Monitoring

- The Grantee must maintain all project/grant related records for review by the Authority or other State agency as may be required to ensure timely completion of the Grant and compliance with the terms and conditions of the Grant Agreement, and program procedures.
- Suggested files include the following:

- Application and Grant Agreement
 - ✓ Approved Authority Application
 - ✓ Grant Announcement Letter
 - ✓ Grant Agreement Letter
 - ✓ Grant Agreement
 - ✓ Documentation of clearance of any grant conditions
 - ✓ Grant Checklist
 - ✓ Approved amendments
 - ✓ General correspondence

- Financial
 - ✓ Bank Signature Form
 - ✓ W-9 Form (if required)
 - ✓ Project Budget
 - ✓ Grant Requests for Payment
 - ✓ Back-up documentation of expenditures (invoices, construction draws, purchase orders, etc.)
 - ✓ Documentation of expenditure of matching and other funds for the project
 - ✓ Separate Bank Account and Monthly statement
 - ✓ Ledgers
 - ✓ Property Inventory
 - ✓ Audit

- Contracts and Agreements
 - ✓ Subrecipient agreements
 - ✓ Grantee procurement policy
 - ✓ Procurement documentation for all goods and services (advertisement, method of procurement, bid package, bid tabs, minutes, recommendation to award, notice of intent to award, protests, etc.)
 - ✓ Executed copies of all project related contracts
 - ✓ Contracts for construction and approvals
 - ✓ Permits
 - ✓ Acquisition documentation to show ownership
 - ✓ Bonding and insurance
 - ✓ Change orders and approvals

- Reports
 - ✓ Quarterly progress reports for each quarter

- Monitoring
 - ✓ Monitoring letter
 - ✓ Response and clearance of any issues

- Close Out
 - ✓ Close Out Report
 - ✓ Documentation of Accomplishments

- ✓ Digital photos (recommended)
 - ✓ Certified “as built” drawings
 - ✓ Equipment Control Record Form
 - ✓ Final Waiver of Liens
 - ✓ Permit to Operate
 - ✓ Letter of Final Close Out from the Authority
- Project/grant records shall be made available for random audit and review by the State but generally the Authority will provide at least 24 hour advance notice of any review and such review will be done during normal work hours.
 - The Grantee shall retain records for property purchased totally or partially with Grant funds for a period of three years after its final disposition.
 - The Grantee shall maintain records relating to procurement matters for the period of time prescribed by applicable procurement laws, regulations and guidelines, but no less than three years.
 - All other pertinent Grant and Project records including financial records, supporting invoices, receipts or other financial documentation, contracts, agreements, reports and other records shall be retained for a minimum of three years after notification in writing by the Authority of the closure of the Grant.
 - However, if any litigation, claim, or audit is initiated before the expiration of any such period, then records must be retained for three years after the litigation, claim, or audit is resolved.
 - If the Grantee fails or refuses at any time to comply with any of the terms and conditions of the Grant Agreement, the Authority may take, in addition to any relief that it is entitled to by law, any or all of the following actions:
 - Require repayment of all or a portion of any Grant funds provided;
 - Cancel, terminate, or suspend, in whole or in part, the Grant and this Agreement; or
 - Refrain from extending any further assistance or Grant funds to the Grantee until such time as the Grantee is in full compliance with the terms and conditions of this Agreement.

Close Out

- A final close out report of expenditures and accomplishments must be submitted at project completion which may include the following information or other information as may be required by the Authority.

- The Grantee must provide documentation for all Grant expenditures in accordance with the approved Project Budget and Scope of Work.
- The Grantee must submit certification of all expenditures for matching funds or other leveraging spent on the Project prior to close out of the Grant.
- The Grantee must submit as-built drawings or certification by the project engineer that the project was constructed in accordance with the application or amended scope of work approved by the Authority.
- An equipment control record form must be submitted at project close out for all non-expendable property costing \$5,000 or more paid in whole or in part with grant funds. If property acquired in whole or in part with grant funds is no longer needed by the Grantee following project close out, it should be used for similar qualified activities.
- The Grantee must describe and quantify the Project accomplishments and impact.
- The Grantee must agree to provide maintenance of facilities, structures, or other improvements paid for in whole or in part with Grant funds.
- The Grantee must submit the following additional documentation:
 - ✓ Final Waiver of Liens
 - ✓ Permit to Operate
 - ✓ Digital photos (recommended)

Project Management Forms

- The Authority will provide forms for use in the implementation of Authority grants. Such forms may be updated from time to time or additional forms may be added. The Grantee must use the most current form unless otherwise instructed which are available at www.ria.sc.gov.
- The following forms are made a part of these procedures.
 - Grant Checklist – This form is for Grantee use only and should be kept with project records to document required submissions to the Authority and timelines for implementation
 - Authorized Signatures for Payments and Checks – This form designates authorized signatures for Requests for Payment on the Grant and also identifies the bank account to which grant payments will be sent. The form must be completed and returned within 30 days of Grant Award.
 - W-9 Request for Taxpayer Identification Number and Certification – This form is available upon request if required by the Authority. The Grantee must complete the W-9, which will ensure that grant payments are processed accurately.

- Request for Payment – Requests for grant funds must be made on this form and signed by one of the persons authorized by the Grantee on the Authorized Signatures for Payments and Checks form.
- Quarterly Progress Report – This report must be submitted on the first day of each quarter to provide an update on the progress of the grant and to provide an explanation for any delays.
- Grant Amendment – This form should be used to request changes in the approved scope of work, budget line item changes of 10% or greater and extensions of the 18 month grant period.
- Close Out Report – A final close out report of expenditures and accomplishments must be submitted at project completion and approved by the Authority prior to grant close out.