

DELTA REGIONAL AUTHORITY  
236 Sharkey Ave., STE 400 – Clarksdale, MS 38614  
Tel (662) 624-8600  
Fax (662) 624-8537  
[www.dra.gov](http://www.dra.gov) : [funding.dra.gov](http://funding.dra.gov)

# SEDAP ADMINISTRATIVE PROGRAM MANUAL

FY 2019

*Creating Jobs. Building Communities. Improving Lives.*

# TABLE OF CONTENTS

## Contents

Introduction	1
Process Outline	3
Table of Abbreviations	5
2019 Timeline	6
Eligibility Guidelines	7
Contact Information	21
Company Information	21
Program Guidance	22
Frequently asked questions	39

# INTRODUCTION

## Introduction

### BACKGROUND

The Delta Regional Authority works to support and improve regional economic opportunities by helping to create jobs, build communities, and improve the lives of the 10 million people who reside in the 252 counties and parishes of the eight-state Delta region. Led by the Delta Regional Authority Board - comprised of the Federal Co-Chairman, Chris Caldwell, who was appointed by President Trump and confirmed by the U.S. Senate in 2017, and the governors of the eight states - the Delta Regional Authority fosters local and regional partnerships that address economic challenges to ultimately strengthen the Delta economy and the quality of life for Delta residents.

Established by Congress in 2000, the Delta Regional Authority makes strategic investments with its federal appropriations into the physical, digital and workforce assets of Delta communities. In fact, since its initial investment cycle in 2002, DRA has invested more than \$200 million into more than 1200 projects including \$4 billion in other public and private investments. These investments are helping to yield:

- 60,368 total jobs being created and retained;
- 400,000 total families accessing safe water and/or sewer services; and
- 53,784 total individuals being trained for jobs in their area.

Through the States' Economic Development Assistance Program, referred to as SEDAP, these investments help to improve:

- Basic public infrastructure
- Transportation infrastructure;
- Business development with an emphasis on entrepreneurship; and
- Workforce development.

The 252 counties and parishes served by the Delta Regional Authority make up one of the most distressed areas of the country. As such, "Economic Development" directs and guides the decision-making process for SEDAP investments in the region. For the purposes of this program, ***Economic Development*** shall be defined as:

***Programs and projects which have a direct and quantifiable impact on employment and the employability of the working population residing within the Delta region, thus creating environments conducive to sustaining, maintaining, and improving the tax bases of local communities.***

# INTRODUCTION

## PROGRAM HIGHLIGHTS

This manual outlines for all interested parties when the SEDAP funding cycle begins, what is considered an eligible project, where to go to apply for funding and how to manage a project from application preparation through project close-out.

With the expansion of DRA's portfolio of funding opportunities, DRA will have increased flexibility to support states and communities as they address the unmet needs in the region. The key concepts for this year's SEDAP include: 1) a Tiered Application Designations, 2) an Expedited Pathway for Tier 1 projects, and 3) a direct connection to the federal priorities outlined below, to assist with project prioritization. These elements, combined with a robust web portal, serve to align the DRA's fiduciary responsibilities to maximize the impact of funds appropriated by Congress.

Briefly, the key concepts above serve to:

- alleviate choke points for high priority economic development projects;
- increase application quality;
- allow for enhanced DRA technical assistance;
- put SEDAP dollars to work more quickly;
- provide additional opportunities to conduct media outreach;
- allow award recipients to better match up to other funding partner cycles; and,
- meet the real-time needs of the individual projects.

The tiered application designation puts a spotlight on the DRA's current federal priorities, which will help frontload the funding cycle with better quality economic development applications, bearing greater impacts.

# PROCESS OUTLINE

## Process Outline

1. Eligible Entities
  - a. Participating Member States
  - b. Local Governments (city and county)
  - c. Non-Profit Entities
  - d. Public Institutions of Higher Learning
2. Funding Pathways
  - a. **Tier 1a** (includes: Participation Agreement for jobs, has a regional impact, leverages other funds)
  - b. **Tier 1b** (meets the health or safety threshold and is properly documented as such by a state or federal agency)
  - c. **Tier 2** (other eligible project applications)
3. Funding Types
  - a. Replacement
  - b. Community Infrastructure Fund (CIF)
  - c. Public Works and Economic Adjustment Assistance Program (PWEAA)
  - d. States' Economic Development Assistance Program (SEDAP)
    - i. Eligible SEDAP Projects
      1. DRA's Four Funding Categories
        - a. Basic Public Infrastructure
        - b. Transportation Infrastructure
        - c. Workforce Development
        - d. Business Development, Emphasizing Entrepreneurship
      - ii. Eligibility Priorities
        1. Federal Priority Criteria
          - a. Innovation and Small Business (to include a Participation Agreement)
          - b. Regional Impact
          - c. Multiple Funding Partners
          - d. Emergency Funding Needs
          - e. Registered Apprenticeships
          - f. Infrastructure
          - g. Merging and Consolidating Public Utilities
          - h. Broadband Infrastructure
          - i. Water or Wastewater Rate Study
        2. DRA's Regional Development Plan Goals (please see [www.dra.gov](http://www.dra.gov) for the Regional Development Plan III)

# PROCESS OUTLINE

- a. GOAL 1. WORKFORCE COMPETITIVENESS - Advance the productivity and economic competitiveness of the Delta workforce.
  - b. GOAL 2. INFRASTRUCTURE - Strengthen the Delta's physical, digital, and capital connections to the global economy.
  - c. GOAL 3. COMMUNITY COMPETITIVENESS - Facilitate local capacity building within Delta communities, organizations, businesses, and individuals.
3. States' Priorities
    - a. Specific for Each State (please see [www.dra.gov](http://www.dra.gov) for state plans)

# TABLE OF ABBREVIATIONS

## Table of Abbreviations

### ABBREVIATIONS FOUND WITHIN THIS DOCUMENT

ABBREVIATION	DEFINITION
<b>DRA</b>	Delta Regional Authority
<b>LDD</b>	Local Development District
<b>FCC</b>	Federal Co-Chairman
<b>SEDAP</b>	States' Economic Development Assistance Program
<b>OMB</b>	The President's Office of Management & Budget
<b>SF</b>	Standard Form (e.g. SF425: Financial Status Report)
<b>RDP</b>	Regional Development Plan
<b>GIS</b>	Geographic Information System
<b>EPEF's</b>	Existing Public Educational Facilities
<b>IRS</b>	Internal Revenue Service
<b>GSA</b>	General Services Administration
<b>ACH</b>	Automated Clearing House
<b>SAM</b>	Systems Award Management

# 2019 TIMELINE

## 2019 Timeline

MARCH 1<sup>ST</sup>

SEDAP funding opportunity announcement

MARCH 1<sup>ST</sup> THROUGH MAY 31<sup>ST</sup>

Deadline to submit applications to LDDs:

JUNE 1<sup>ST</sup> THROUGH JUNE 14<sup>TH</sup>

LDDs complete technical assistance work with applicants and submit final applications to DRA:

- DRA staff will review for eligibility and work with each LDD to acquire appropriate supporting documentation for those projects deemed ineligible or Tier 2;

JULY 19<sup>TH</sup>

DRA staff work complete

JULY 26<sup>TH</sup>

Chairman determines eligibility

AUGUST 9<sup>TH</sup>

Board members have met with Governors

AUGUST 16<sup>TH</sup>

Project determination calls held

AUGUST 30<sup>TH</sup>

Certification letters received, and project votes closed

Announcements, award documents, notices to proceed follow immediately upon receipt of certification letters and are coordinated through DRA communications staff

# ELIGIBILITY GUIDELINES

## Eligibility Guidelines

### PREAMBLE

The Delta Regional Authority (DRA) follows a concise set of guidelines when determining the eligibility of projects submitted for funding consideration. This document provides DRA staff with the necessary guidance to make the required recommendations and ultimately official determinations of eligibility by the Federal Co-Chairman. DRA's role in this process is to ultimately create an active list of economic development projects separated into tiered categories, which will provide the governor of each state with a list of eligible priority projects for his or her funding recommendations.

Potential applicants for DRA funding should familiarize themselves with this document and demonstrate, within the application package, how the project meets the standards outlined within this section. Any eligible application must be consistent with the definitions and/or concepts found below and must be reinforced with proper supporting documentation.

Applicants must 1) demonstrate through a sound, comprehensive plan, based on hard data, proven methodology and reasonable forecasts acceptable to DRA that the applicant is capable of maintaining the project after DRA funding to assure the sustainability of the project and achievement of the level of service outlined in the project description. 2) DRA intends to support projects, programs and entities which can deliver a return on investment (ROI) suitable to meet the committed outcomes of the project and display a pattern of success without the need for ongoing, long-term financial support from currently un-committed funding sources (such as competitive federal/state grants, bond issues, donations, etc.).

In order to elevate any eligible project to "Tier 1a" status, applicants must also clearly demonstrate how the project would meet the following three Federal Priority criteria: 1) job creation/retention utilizing a Participation Agreement, 2) having a regional impact, and 3) including other funding partners; in addition to having already met at least one of the DRA Regional Development Plan goals and at least one of the State's DRA Strategic Plan priorities, summarized below. Each application will be reviewed on its own merit.

DRA investments are made to eligible entities for eligible projects, as approved. The approved project budget determines the allowable expenses for a project. Funds are not provided to eligible entities to be utilized as the awardee deems necessary and until fully expended. Funds remaining from a completed project must be de-obligated.

# ELIGIBILITY GUIDELINES

## DRA INVESTMENTS SHALL NOT BE USED BY OR FOR THE FOLLOWING:

- Youth-oriented activities with no direct connection to entrepreneurship or workforce development
- Sub-grants of any type
- Entities involved in ongoing litigation
- Pass-through efforts to support or enhance private property
- Activities which would constitute a conflict of interest or be considered less than an arm's length transaction
- Projects which do not conform to the project state's bid, procurement or contract laws
- Private university-led projects or programs
- For-profit entities or individuals
- Residential developments
- Unsustainable projects
- Financial support of philanthropic and non-profit
- Uncommitted other project funds
- Spec-buildings/pads/industrial sites
- New business/entrepreneurial incubator
- Marketing or feasibility studies or plans
- Community initiatives
- Saving or preserving landmarks (historic or otherwise)
- Emergency vehicles, equipment or accessories
- Local government facilities or equipment
- Water meters, as a stand-alone project
- Maintenance and/or deferred maintenance projects
- Work performed on private property
- Establishing or supporting educational curriculum
- Leadership programs
- Seasonal or part-time jobs
- Indirect cost rate in excess of 10%
- Operating costs, as a stand-alone project
- Project administration fees
- Eligible entity exceptions
- Conferences, symposiums, or meetings
- Backup generators, as a stand-alone project
- Stipends paid to program participants
- Office equipment or furnishings

# ELIGIBILITY GUIDELINES

## DRA INVESTMENTS SHALL BE USED BY AND FOR THE FOLLOWING:

- Agencies or entities
- Economic Development
- Category 1: Basic Public Infrastructure
- Category 2: Transportation Infrastructure
- Category 3: Business Development, with an emphasis on entrepreneurship
- Category 4: Workforce Development projects
- Registered Apprenticeship
- Preliminary site development
- Land purchase
- Equipment or other property purchased for use by a private entity
- Health improvements
- Operating costs, as one component of an overall project
- Business incubation
- Employability skills development
- Basic residential
- Geographic Information Systems (GIS) and broadband
- Fire or police stations
- Phased projects
- Opportunity Zone (OZ) planning activities
- Architectural and engineering fees

## DRA INVESTMENTS SHALL NOT BE USED BY OR FOR THE FOLLOWING:

- **Youth-oriented activities with no direct connection to entrepreneurship or workforce development** – Ineligible activities would include but not be limited to: promoting/advocating stay-in-school programs and general K-12 or post-secondary education curriculum with a goal to simply keep children in school for the purposes of obtaining an education and/or receiving a diploma.
- **Sub-grants of any type** – Sub-grants are not allowed. Contracts, for which the awardee would receive a service as identified in the approved application, are allowed.
- **Entities involved in ongoing litigation** – As a prerequisite for receiving an award, the awardee must affirm within the award document package that the entity is not a defendant in litigation pertaining to financial fraud, fraudulent business practices, or any other malfeasance which could reasonably be construed to affect the integrity of the DRA award.
- **Pass-through efforts to support or enhance private property or property owners** – Eligible entities receiving an award shall not enter into lease agreements with for-profit entities or individuals for the purpose of equipping or

# ELIGIBILITY GUIDELINES

improving facilities at a below market rate. This constitutes a pass-through situation and is not allowable. Likewise, sub-grants as described above constitute a pass-through and are not allowable.

- **Activities which would constitute a conflict of interest or be considered less than an arm's length transaction** – Any such potential circumstances must be disclosed to DRA, in writing, prior to the application approval phase. DRA will review the discloser on a case by case basis and determine the proper course of action moving forward. Perceived conflicts, identified after funds have been awarded, will result in the delay of payments until evidence can be provided to clarify the relationship(s). Actual conflicts or transactions deemed to be less than arm's length, at the sole discretion of DRA, identified after funds have been awarded may result in forfeiture of awarded funds, the repayment of expended funds and/or legal action as deemed appropriate and necessary by DRA.
- **Projects which do not conform to the project state's bid, procurement or contract laws** – Lack of familiarity with the bid, procurement or contract laws in your state will not constitute a defense argument should DRA determine the laws were ignored or not appropriately adhered to.
- **Private university-led projects or programs** – DRA will not consider private universities to be eligible to receive federal funds directly or through a pass-through relationship. If a project is determined to be managed and directed by a non-profit

foundation, affiliated with the private university, then the foundation could be considered the eligible recipient.

- **For-profit entities or individuals** – DRA will not consider for-profit entities to be eligible to receive federal funds directly or through a pass-through relationship. Eligible entities may not be conduits for private sector entities. Property purchased with DRA funding cannot, in turn, be sold or given to a private entity beneficiary. However, DRA is able to indirectly assist and support the development of for-profits by improving public infrastructure or providing needed workforce training, implemented or delivered by eligible entities.
- **Residential developments** – Ineligible activities would include: site work in a new residential development or to open additional lots in an existing development, construction of homes or spec-houses, any activity which may directly financially benefit the developer, or run utilities to the site of a future residential development.
- **Unsustainable projects** – Unsustainable, as defined by DRA, for the purposes of its funding programs shall mean: the entity conducting the project is and will be dependent upon future federal or state grants, donations, or any other (currently non-committed) funding sources for the entities' normal operating costs, including salaries, program-related travel, etc. DRA support, should the project receive funding, would be limited to one (1) funding cycle. Consideration would be given to continuing the partnership with the same entity, for one (1) additional

# ELIGIBILITY GUIDELINES

funding cycle, if the project scope applied for was substantially different from the original project's scope.

- **Financial support of philanthropic and non-profit foundations** – Applications which request funding to construct facilities designed to serve as the organization's headquarters or to support general operating costs will not be considered eligible for funding.
- **Uncommitted other project funds** – Applications which describe within the budget, a majority of funding not yet committed or applied for, may be found to be ineligible to receive DRA funding. All projects must be able to begin within 12-months of the notice to proceed and be substantially complete within 24-months.
- **Spec-buildings/pads/industrial sites** – Industrial building(s) constructed, by eligible entities, for the purpose of attracting unidentified and/or uncommitted tenants as an incentive to locate may be deemed speculative and ineligible to receive DRA funding. Consideration will be given to market-driven, site development projects which have, or have had, a 3<sup>rd</sup> party review, validation and subsequent commitment of investment to the project.
- **New business/entrepreneurial incubator** – New incubator sites or new incubator expansion projects, must demonstrate the commitment of some tenants or provide the plausible methodology for determining the number of unserved potential clientele, all of which must be acceptable to DRA.
- **Marketing or feasibility studies or plans** – Research and/or studies for the purposes

of promoting an area or industry or gathering data necessary for implementing future plans will be deemed speculative and ineligible to receive DRA funding. Studies, plans nor planning activities will be considered as part of an implementation process in projects, programs, campaigns or initiatives. Consideration will be given to Opportunity Zone planning activities.

- **Community initiatives** – Activities with no logical (direct) connection to the economic development efforts of a community such as: gardens, parks, entertainment venues, sidewalks, walking/biking trails, beautification projects, sports fields or facilities, community centers, etc. will be deemed speculative and ineligible to receive DRA funding.
- **Saving or preserving landmarks (historic or otherwise)** – Applications which describe a need to save or preserve a building, bridge or other physical structure from further deterioration or demolition with no direct connection to the economic development needs or efforts of a community will not be considered eligible for funding.
- **Emergency vehicles, equipment or accessories** – Applications for the singular purpose of purchasing emergency vehicles such as: ambulance, fire truck, police car, city/county/municipal personnel vehicles, boats, airplanes, etc. or equipping said vehicles or emergency workers will be deemed ineligible to receive DRA funding. An exception shall be made for purchases which can be directly tied to a specific economic development project within the community and the purchase will meet the

# ELIGIBILITY GUIDELINES

explicit needs of the identified industry partner(s). DRA reserves the right to identify other potential funding, for which, these type expenses may be allowable.

- **Local government facilities or equipment** – Activities including the construction or renovation of a City Hall, courthouse, library or any facility housing local (city/county/parish) government offices or the purchase of general use equipment for these type facilities, including voting machines, PCs/laptops, furnishings, etc.
- **Water meters, as a stand-alone project** – DRA will not consider applications eligible for funding which place a major emphasis on the replacement of unreliable, inoperable water meters. Consideration will be given to project applications which include water meter replacement as a minor part of an overall water system upgrade or extension, provided all work is completed on public property or right-of-way.
- **Maintenance and/or deferred maintenance projects** – Maintenance shall mean the work of keeping something in proper condition or upkeep. Deferred Maintenance shall mean to put off, postpone or procrastinate the act of conducting maintenance. However, consideration will be given to infrastructure projects like dredging of ports if demonstrated to result in job creation and/or retention. Local/state/federal road, highway or bridge maintenance projects will not be eligible to receive DRA funding.
- **Work performed on private property** – Project activities conducted on privately held property will be deemed ineligible to

receive DRA funding. To be considered an allowable expense, the property owner would be required to grant a permanent easement or right-of-way to the eligible entity and proper access to said property.

- **Establishing or supporting educational curriculum** – DRA will not consider applications eligible for funding which are designed to create or support new or ongoing educational curriculum within K-12 or the post-secondary environment. A clear distinction shall be made between standard curricula development and addressing the specific needs of industry through career and technical skills training certifications designed to promote workforce readiness in a given location.
- **Leadership programs** – DRA will not consider applications eligible for funding, under the workforce development criteria, which describes a leadership development/capacity building initiative. DRA reserves the right to identify other potential funding, for which, these type expenses may be allowable.
- **Seasonal or part-time jobs** – Project applications which create or retain only seasonal or part-time jobs will not be considered eligible for DRA funding.
- **Indirect cost rate in excess of 10%** - DRA's limited resources, when committed to a project, are best utilized for allowable direct programmatic expenses. As a result, DRA has made the determination to discourage indirect costs altogether. However, consideration may be given to allow indirect expenses and/or an approved indirect cost rate, not to exceed 10% of the total DRA investment.

# ELIGIBILITY GUIDELINES

- **Operating costs, as a stand-alone project** – DRA will not consider applications eligible for funding which only include standard operating costs. DRA investments must also be tied to other direct programmatic expenses, which can be deemed eligible under the other funding categories.
- **Project administration fees** – Fees paid to consultants or other outside parties for the express purpose of preparing the DRA application or administering the DRA project funds shall not be considered an allowable expense. However, Local Development Districts (LDDs) are identified within DRA’s enabling legislation as the principal technical assistance providers and program partners for DRA supported programs.
- **Eligible entity exceptions** – 1) entities normally deemed to be eligible, but due to prior award history are barred from receiving DRA funding; and 2) eligible entities owing any type of federal “bad debt” are precluded from applying for DRA funding until such time as the federal bad debt is paid in full. Should a scenario arise where a federal bad debt is incurred after a DRA award has been made, any disbursement of award funds will be “swept” by the federal agency and applied toward the bad debt. In this circumstance no further DRA funds would be disbursed, and the awardee would be responsible for repaying the “swept” amount and, potentially, any other DRA funds previously received.
- **Conferences, symposiums, or meetings** - DRA will not consider applications eligible for funding which place a major emphasis on conducting conferences, symposiums, meetings or the like. DRA reserves the right to identify other potential funding, for which, these type expenses may be allowable.
- **Backup generators, as a stand-alone project** – DRA will not consider applications eligible for funding which only include purchasing and installing backup generators. Consideration will be given to project applications which include backup generator(s) as a minor part of an overall utility system upgrade. Consideration may be given to this type of project application in extreme emergency and disaster situations.
- **Stipends paid to program participants** – DRA will not consider stipends an allowable expense. Stipends to cover travel, childcare, tuition and the like, paid to participants of a program will be considered a conduit to a private entity and therefore ineligible to receive DRA funding under this program.
- **Office equipment or furnishings** – DRA will not consider the following items eligible reimbursable expenses: desks, chairs, couches, tables, lamps, laptops, desktop computers, printers, scanners, mobile phones, other mobile devices, televisions, carts, stands, mobile shelving, etc. This list is not intended to be all inclusive but is provided as examples of ineligible costs.

# ELIGIBILITY GUIDELINES

## DRA INVESTMENTS SHALL BE USED BY AND FOR THE FOLLOWING:

- **Agencies or entities** – The eligible entity must be organized and legally recognized as either a non-profit, public institution of higher learning, local form of government or other local/state entity, which is eligible to receive federal funds. The entity should work closely with the LDD servicing the project area while developing and submitting the online application. The LDDs certify the project applications are complete and for eligible purposes as part of their role as the authorized technical assistance provider.
- **Economic Development** – Eligible activities should include committed industry partners, actively seeking to expand or develop new facilities within a community, retaining or hiring individuals from the available labor force and contributing to the betterment of the community and its surroundings. Economic Development activities build upon and support a communities' existing assets as well as grow and nurture new industry segments.
- **Category 1: Basic Public Infrastructure** – Projects located in distressed counties/parishes and isolated areas of distress, these projects are defined as follows: Basic Public Infrastructure shall mean water and waste water facilities, electric and gas utilities, broadband delivery and solid waste landfills, all of which are fundamental services necessary to sustain and promote growth and/or attract business(es), which have a useful life of 20 years or more.
- **Category 2: Transportation Infrastructure** – Projects for the purpose of facilitating economic development activities in the region, these projects are defined as follows: Transportation Infrastructure shall mean basic physical structures needed to support and/or create a transportation system, which shall include roadways, bridges, rail, port facilities, airports and other structures deemed central to an overall transportation system.
- **Category 3: Business Development, with an emphasis on entrepreneurship** – Business Development shall mean those areas and efforts which include small business, entrepreneurship, the creation of new businesses and the retention or expansion of existing businesses in the local community(ies).
- **Category 4: Workforce Development** – Projects for the purpose of conducting industry-driven job training or employment-related education, with an emphasis on the use of existing public institutions located in the region, these projects are defined as follows: Workforce Development shall mean job training or employment-related education for a specific employer or industry sector, to fill immediate job openings or retain current jobs, which are documented as such by that specific employer or industry expert. Delivery of such training shall be through the use of existing public educational facilities (EPEFs) located in the region. Consideration will be given to other providers where an EPEF cannot be identified.
- **Registered Apprenticeship (RA)** – According to the U.S. Department of Labor,

# ELIGIBILITY GUIDELINES

Registered Apprenticeship (RA) is a proven model of job preparation that combines paid on-the-job training (OTJ) with related instruction to progressively increase workers' skill levels and wages. Graduates of RA programs receive nationally-recognized, portable credentials, and their training may be applied toward further post-secondary education. All RA programs consist of five core components – direct business involvement, OTJ, related instruction, rewards for skill gains, and a national occupational credential. Eligible activities include but are not limited to on-the-job training, job-related curriculum development, training providers, training facility retrofitting, and job training-related equipment and materials.

- **Preliminary site development** – As needed to complete a larger, committed economic development construction project. Allowable activities may include but are not limited to engineering design, architectural planning, environmental assessments or legal work necessary to secure other funding sources and/or immediately begin the actual construction of the greater project.
- **Land purchase** – To be considered eligible for DRA funding, a committed industry willing to locate or expand operations must be involved and the eligible entity must retain ownership of the property.
- **Equipment or other property purchased for use by a private entity** – Ownership of the property must reside with the awardee and lease amounts must be based on standard market rates for a long-term lease

agreement or industry standard useful life of the asset.

- **Health improvements** – Projects which address existing health concerns for industry and/or residents as it may relate to water and sewer infrastructure deficiencies.
- **Operating costs** – Project applications which include, as part of the overall project, budget items generally considered “operating costs” shall be deemed allowable, when the operating costs are associated with the establishment of a new program or the short-term continuation of a program which is on the path to sustainability and is documented as such.
- **Business incubation** – Organizations committed to the growth and development of startup businesses by providing resources and services to help businesses succeed. These services can include: educational workshops or training on technology, business development, startup methodology, marketing/branding, exporting, direct business mentorship, access to market, access to investors, co-working space, etc. Priority will be given to programming that aims to create sustainable entrepreneurial and high-growth ventures. Funds cannot be awarded to individual entrepreneurs. Funds cannot be awarded to an organization that intends to use the funds as financial investment in entrepreneurs in exchange for company equity.
- **Employability skills** – Workforce and Business Development applications may include, as one component of a more extensive development strategy, a focus on

# ELIGIBILITY GUIDELINES

“employability skills”. The overall strategy must be inclusive of other, more traditional, industry-driven job-specific skills training and placement assistance.

- **Basic residential infrastructure** – Basic Public Infrastructure projects for communities in distressed counties/parishes, or isolated areas designated distressed in non-distressed counties/parishes may be considered, provided they meet the program requirements set out in other applicable eligibility guidelines.
- **Geographic Information Systems (GIS) and broadband** – Complete and sustainable projects, which are not speculative in nature, nor create any unfair competitive business advantage within the communities served, nor subsidize for-profit entities.
- **Fire or police stations** – Projects which construct or improve fire or police stations will be considered, provided one of the following two criteria can be met: 1) evidence shall be provided with the application that the project will have a positive net impact on the community through lower tax or insurance rates, or 2) evidence shall be provided that the facility serves a multi-jurisdictional coverage area that is presently unserved or would be unserved without.
- **Phased projects** – Applications for early phases of a larger project where projected outcomes will not be realized until a much later time, possibly after other funds are awarded in subsequent cycles, may be considered eligible with proper assurances

from relevant project partners. DRA’s involvement in early-phase projects shall not constitute a commitment on DRA’s part for future funding.

- **Opportunity Zone (OZ) planning activities** – Eligible OZ planning activities include: Development of a community, county/parish, regional, state, or multi-state OZ investment prospectus. An OZ investment prospectus must include the following (at a minimum): 1) Basic Data (e.g., geography, demographics, labor force, local economy, anchor institutions, etc.); 2) Strategic Advantages (e.g., industry spotlight, strengths of area, challenges of area, economic development strategy, additional incentives available, etc.); and 3) Investable Opportunities (e.g., specific areas or projects including type of project, size of project, location, additional incentives available, key contacts, photos/renderings, where to learn more, etc.). DRA reserves the right to evaluate and award OZ planning projects on a case-by-case basis. Up to 10% of each state’s allocation can be used to fund eligible OZ planning activities
- **Architectural and engineering fees** – A&E fees are considered an allowable expense; however, payment of these fees will be structured as follows: one-third paid upon completion and acceptance of the plans, one-third paid upon receipt of a successful bid, and the final one-third paid upon completion of the work.

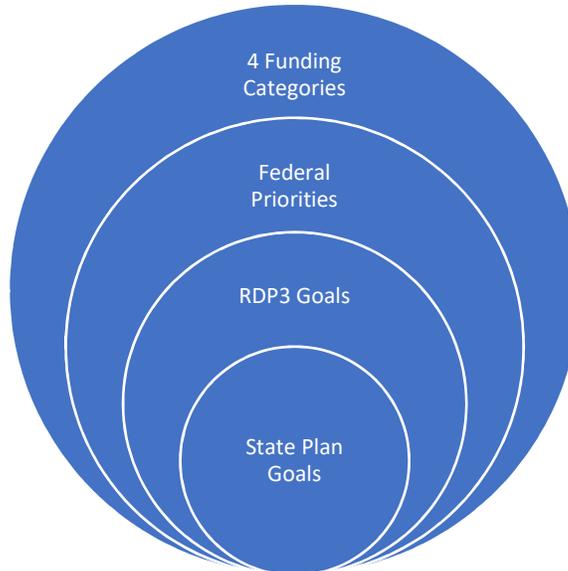
# ELIGIBILITY GUIDELINES

This list of eligible and ineligible activities is not intended to be exhaustive, it is merely provided as a guide to assist in determining typical funding scenarios.

# ELIGIBILITY GUIDELINES

## ADDITIONAL AREAS OF INVESTMENT FOCUS

In addition to the above referenced funding categories, concepts and associated clarification notes, it is also important to clearly demonstrate how the project would meet at least one of the goals and priorities from each of these additional areas of investment focus, in order to achieve “priority status”. Priority projects will be considered a more competitive application for DRA funding as compared to other projects.



## FEDERAL PRIORITY ELIGIBILITY CRITERIA

1. **Innovation and Small Business** – Projects that include business and industry prospects committed to creating, retaining or maintaining jobs, through the execution of a DRA Participation Agreement. The Participation Agreement is a common “claw-back” instrument used in economic development to guarantee outcomes. As stewards of public resources, it is advantageous to provide outcome metrics which are validated through the protection this document provides.
2. **Regional Impact** – Projects that provide benefit to constituents in multiple counties or parishes, or multiple municipalities within a single county or parish. Applications for regional water and/or waste water systems will be considered more competitive than stand-alone municipal systems.
3. **Multiple Funding Partners** – Applications for projects which include multiple funding sources (both public and/or private) and significantly leverage DRA dollars to other federal or non-federal dollars will be considered more competitive than applications which only include DRA funding or minimal investment leverage.
4. **Emergency Funding Need** – Projects that can clearly demonstrate, but for DRA funding, the negative implications of inaction would result in immediate and detrimental health and/or safety issues for the constituents served. Projects posing an immediate health or safety risk which have already met at least one of the four funding categories (listed above) will be considered for funding ahead of all other applications. Sufficient documentation must be provided from the appropriate state or federal agency (DEQ, EPA, etc.), specifically stating the cause or reason for the issue and the agency’s concurrence that an immediate health or safety concern exists.
5. **Registered Apprenticeship** – Projects supporting Registered Apprenticeship (RA) programs and sustainable career pathways with partners at the local, regional, and statewide levels will be considered a federal priority.

# ELIGIBILITY GUIDELINES

6. **Infrastructure** – DRA is congressionally mandated to expend 50% of its appropriated SEDAP dollars on Basic Public and Transportation Infrastructure projects. Projects which fall within these categories and include a direct connection to active economic development activities will receive full consideration.
7. **Merging and Consolidating Public Utilities** – Applications which describe connecting or merging systems, sharing resources and eliminating unmanageable utility services will receive full consideration.
8. **Broadband Infrastructure** – Sustainable, public projects which serve to increase local access to high speed wired or wireless internet will be considered a federal priority.
9. **Water or Wastewater Rate Study** – For Basic Public Infrastructure project applications (water and wastewater), additional consideration will be given to projects which include evidence of an accredited rate study (i.e. studies based on American Water Works Association (AWWA M1 Principles of Water Rates and/or AWWA M54 Developing Rates for Small Systems)) having been completed within the past three years and showing progress made toward implementation.

## DRA REGIONAL DEVELOPMENT PLAN (RDP3) GOALS (ABBREVIATED)

GOAL 1. WORKFORCE COMPETITIVENESS - Advance the productivity and economic competitiveness of the Delta workforce.

### Strategies & Actions

- Build on the momentum of the Re-Imagining the Delta Workforce initiative to create a strong pipeline of talent to support current and future employers in the Delta region.
- Improve the workforce readiness of the region's adult population by increasing the number of internships, work co-op programs, and other initiatives, with a focus on soft skills and employability.
- Create awareness of opportunities in Delta communities to attract talent from outside of the region.
- Continue initiatives to improve the health and wellness of the Delta workforce to elevate the productivity and competitiveness of the region's employers.
- Pursue strategic initiatives to better leverage and connect the Delta region's higher education institutions for workforce development and economic development.

GOAL 2. INFRASTRUCTURE - Strengthen the Delta's physical, digital, and capital connections to the global economy.

### Strategies & Actions

- Build and strengthen the region's basic infrastructure (water, wastewater, electricity, and gas) to stimulate job growth and capital investment.

# ELIGIBILITY GUIDELINES

- Make strategic investments in the region’s transportation infrastructure (highways, rail, water-based transport, and air travel) to support the growth of key industries.
- Expand and improve access to affordable digital infrastructure (broadband internet, cellular, and satellite access) across the region, especially in areas where it is currently deficient.
- Support state and local economic development organizations and local development districts in their efforts to put in place deal-ready sites for business recruitment and expansion projects.
- Improve capital access throughout the Delta, especially in non-urban areas where it is lacking most.

GOAL 3. COMMUNITY COMPETITIVENESS - Facilitate local capacity building within Delta communities, organizations, businesses, and individuals.

## Strategies & Actions:

- Develop new strategic initiatives and continue existing programs that build capacity among local leaders in Delta communities.
- Emphasize programs and investments to advance entrepreneurship and high-growth business development in Delta communities, ensuring the unique innovation assets found within the region’s urban areas are leveraged to benefit the entire region, including rural areas.
- Enrich the quality of place of Delta communities through catalyst projects and creative place-making.
- Create a Delta research consortium, led by the DRA and comprised of university partners
- Encourage initiatives centered on social innovation, social entrepreneurship, and social equity to address critical challenges facing Delta communities while also providing opportunities to attract and retain talent.

To access the DRA and State Regional Development Plans and to find complete listings of the objectives listed under each plan, go to: <http://dra.gov/funding-programs/strategic-economic-development-plans-by-state/>.

# CONTACT INFORMATION

## Contact Information

Clarksdale Office Phones: (662) 624-8600

Clarksdale, MS Office Fax: (662) 624-8537

Washington, D.C. Office Phone: (202) 434-4872

Washington, D.C. Office Fax: (202) 434-4871

<b>KEMP MORGAN</b> DIRECTOR, PROJECT DEVELOPMENT & MANAGEMENT KMORGAN@DRA.GOV (662) 483-8210	<b>AMANDA ALLEN</b> SEDAP MANAGER AALLEN@DRA.GOV (662) 483-8203	<b>STAR HOSKINS</b> SENIOR PROGRAM SPECIALIST SHOSKINS@DRA.GOV (662) 483-8212
<b>EMANUEL EDMOND</b> DIRECTOR, MONITORING & COMPLIANCE EEDMOND@DRA.GOV (662) 483-8206	<b>CHARLES BUCHANAN</b> DIRECTOR, FINANCE & ADMINISTRATION CBUCHANAN@DRA.GOV (662) 624-8600	<b>ANDY MOREAU</b> DIRECTOR, COMMUNICATIONS/PUBLIC ENGAGEMENT AMOREAU@DRA.GOV (202) 744-3558

## Company Information

DELTA REGIONAL AUTHORITY  
236 Sharkey Ave., STE 400 – Clarksdale, MS 38614  
Tel (662) 624-8600  
Fax (662) 624-8537  
www.dra.gov : funding.dra.gov



## Program Guidance

### Who can apply and receive funding?

Entities which are eligible to apply for and receive DRA funding include: state and local governments (state agencies, city and county/parish), other public bodies and non-profit entities with projects in the DRA region. Eligible entities owing any type of federal “bad debt” are precluded from applying for DRA funding until such time as the federal bad debt is paid in full. Should a scenario arise where a federal bad debt is incurred after a DRA award has been made, any disbursement of funds will be “swept” by the agency owed and applied toward the debt. In this circumstance, no further DRA funds would be disbursed, and the awardee would be responsible for repaying these funds to the DRA.

For-profit entities, while not eligible to apply directly, are a key component of economic development and in many circumstances the ultimate beneficiary of the project funding. An eligible entity, who owns the property, may lease the property, at standard market rates for a long-term lease, to a for-profit for the entity’s benefit. DRA will move to acquire property liens where it is in the best interest of DRA to do so. Should the awardee ever decide to dispose of the property purchased, in whole or in part with DRA project funds, it is the awardee’s responsibility to seek DRA’s approval prior to disposal. At the DRA’s discretion, the return of project funds may be required after the sale of said property.

### What components make up a quality application?

An application that meets Tier 1 requirements but lacks in other specific details will only delay the review and approval process. A good portion of applications reviewed by DRA staff for eligibility, inevitably will require additional work to further elaborate on the project narrative. Applicants are encouraged to work closely with and heed the recommendations of the LDD assigned to the project. LDDs are contractually obligated to ensure a thorough review of the application is conducted and a complete application is submitted to DRA. By focusing on the following details, higher quality applications should result (these areas of focus are not intended to be a complete and comprehensive list):

- How will the DRA funds be spent/what will the DRA funds purchase?
- How will the activities described - for DRA funding - fit within the overall project?
- Was the budget prepared using preliminary engineering/architecture plans or completed plans?
- Are all other funds committed; if not, what is the status of each identified funding stream?
  - Awardees will have 6-months to confirm with DRA all other funding for the project is committed before the issuance of the Notice to Proceed;
  - At the end of 6-months, the award may be rescinded and de-obligated;
- Do not repeat, restate, or copy and paste from one section of the narrative to another.

# PROGRAM GUIDANCE

- The “Summary” section should be a short description (one sentence or two) which describes the project activities as it pertains to the DRA funding.
- The “Description” section should further elaborate on how the DRA funds will be used, what will be purchased, how DRA funds fit into the overall project and a timeline for completion.
- The “Purpose” section can include some background information which is relevant to the need for the proposed project. Basically, how the community/applicant got to this point and how this project will address the situation.
- The “Outputs/Outcomes” section should clearly state the number of new jobs created, existing jobs retained, number of families affected, or number of individuals trained through the execution of the program/project.
- The “Budget Narrative” section should list each budget category and thoroughly explain the anticipated costs associated with each. Particular attention should be paid to explaining funds in budget categories such as: “other”, “indirect”, “misc.” or any category which could be considered a catch-all.
- Do not simply state, “see attached”.
- Do not claim a health or safety risk exists without current supporting documentation from a state or federal agency.
- If providing photographic evidence, make sure the photos are clear and the reviewers can identify what is in the picture and/or the source of the problem.

## **How does the SEDAP process work?**

DRA will announce the opening of the annual SEDAP cycle. However, funding for projects will depend upon the receipt of DRA’s appropriation and passage of the DRA budget at the annual Governor’s Quorum Meeting which takes place in late February each year. Each state’s allocation of SEDAP funding shall be made available for eligible projects, provided the state assessed dues have been remitted in full.

Eligible applicants should work with Local Development District (LDD) offices to prepare and submit applications to the Authority. Subsequently, a review and recommendation of project eligibility is made by DRA staff, and projects are then divided into tiers of eligible projects or are considered ineligible to receive funding. DRA staff will work with LDDs and applicants to address weaknesses found in lower tier and ineligible applications until the DRA staff work is complete (see timeline on page 6).

Tier 1a projects must meet each of the following three (3) federal priorities, as outlined in the Eligibility Guidelines: 1) job creation and/or retention, which are guaranteed by the execution of a DRA Participation Agreement, 2) DRA funds will leverage other sources of public and/or private funds, and 3) the project will have a regional impact. Tier 1b projects must meet the stringent criteria used to identify projects describing an imminent health or safety threat. Proper documentation and support provided by the appropriate state or federal agency (i.e. Department of Environmental Quality, Environmental Protection Agency, etc.) shall

# PROGRAM GUIDANCE

accompany any such application for DRA funding consideration. Finally, projects considered to be state economic development priority projects, by the Governor's office, can be considered as a Tier 1 project without meeting all three required federal priorities for Tier 1a status – provided the Governor's office: 1) recommends the project for funding, 2) certifies the project, 3) requests a waiver of the unmet Tier 1a criteria and 4) provides appropriate justification for the waiver to the Federal Co-Chairman. Tier 1 projects may be recommended for funding by the state at any time during the announced funding window. This will provide an expedited pathway for the highest priority projects.

**IMPORTANT:** Each state will be required to utilize fifty percent (50%) of the state allocation on Tier 1 projects before recommending Tier 2 projects for funding.

Tier 2 projects will encompass all other eligible projects. Should the state not receive enough Tier 1 applications to consider for funding recommendations, Tier 2 projects will be allowed to exceed fifty percent (50%) of the state's allocation. Tier 2 projects shall be considered at any point after fifty percent (50%) of funds have been applied to Tier 1 projects or during the last week of the published funding cycle.

The months of September through December each year will be considered an "administrative dead period" for SEDAP application activity. Other funding opportunities and the associated eligibility reviews may continue during this time.

## **How are SEDAP projects selected for funding?**

The selection process is a collaborative effort between DRA's Federal Co-Chairman and each state's Governor or designee, which is referred to as the Project Determination Meeting. The actual determination of eligibility for SEDAP investments is made by the Federal Co-Chairman, who bases the decision on the Eligibility Guidelines.

The state is encouraged to recommend Tier 1 projects, which include fully committed funding from all sources, at any time during the funding cycle. The state's role is to recommend eligible project applications to the Federal Co-Chairman for funding consideration. With the Chairman's concurrence and approval, projects can receive funding. This will ensure all priorities, both state and federal, are given due consideration and fully funded projects result from the process.

DRA and each state must agree on the final project allocation amount before any award documents can be delivered. Applicants must address and accept any change to the budget before a Notice to Proceed can be issued.

## **What role do the LDDs play?**

All projects, whether Replacement, Community Infrastructure Fund (CIF) or SEDAP are developed in coordination with the appropriate LDD. Project applications are submitted electronically either by or through

# PROGRAM GUIDANCE

the LDD whose territory includes the home county/parish of the applicant and/or the county/parish being served.

LDD staff will review and certify that each project is legitimate and meets the parameters of the DRA program. Ultimately, the DRA makes the final determination of eligibility. However, LDDs will also acknowledge their role and responsibility as project managers for each project and ensure each project is implemented and regulations adhered to in a timely manner. In the event an application is deemed ineligible by the DRA, the LDD also serves as the local economic development agency that should also be knowledgeable of other state and federal funding sources. Applicants are encouraged to work closely with the LDD in identifying the best available resources for the project.

To compensate the LDDs for the administrative work performed, project administrative fees will be paid from the awarded funds. The formula for determining project administration fees is five percent (5%) of the first \$100,000 and one percent (1%) of all dollars in excess of \$100,000. By example, a \$200,000 award would include \$6,000 in LDD project administration fees, thereby making \$194,000 available for the approved project. Further details of this arrangement and other alternatives can be found in the LDD Memorandum of Agreement.

It should be noted, the appropriate time to consider the project administration fee is when the application is being prepared. This should be discussed with the applicant and the fee included in the DRA requested amount. If the award is made for a lesser amount, all parties should be aware that the awarded amount (project funds) will also include the project administration fee. The administration fee is **ONLY** paid to the LDD and will not be allowed for consultants or other project managers. Should the LDD choose to waive their administration fee, all funds will be considered project funds.

## **In emergency situations, when time is critical, how quickly can DRA complete the process?**

The expedited process will be initiated by the state when an immediate Tier 1 need occurs. In certain situations, there may be legitimate reasons for heightened confidentiality and need to respond immediately to ensure the success of a project.

The DRA communications staff will contact awardees to coordinate potential project press events. **It is vital that no press announcements are released without the prior approval of the DRA.** This includes, but is not limited to, newspaper articles, television or radio interviews, or any other printed, electronic or recorded media.

# PROGRAM GUIDANCE

## What other types of funding are available?

A “**Replacement**” project takes the place of a project that fails to materialize within the current SEDAP funding cycle. To encourage timely economic development efforts, a state may choose to utilize project funding from the current cycle in order to fund a more viable project if a project fails to materialize or begin work within 12-months from the Notice to Proceed delivery date. The project will receive a 30-day period to provide the necessary documentation to successfully request DRA funds for eligible, reimbursable expenses. If the project has not materialized by the end of the 13<sup>th</sup> month, the state will have 30 days to submit a replacement project online for review of eligibility and tier status by DRA. Provided the project meets DRA eligibility requirements, the project will be voted on by the DRA board and award documents will be issued upon an affirmative vote. Replacement projects should be “shovel-ready” and DRA reimbursements should begin within the first 90 days of the delivery of the new project’s Notice to Proceed.

## Are there more federal priorities than the three mentioned in the Tier 1a discussion?

- i. **Innovation and Small Business:** Projects include business and industry prospects committed to job creation and/or retention through the execution of a DRA Participation Agreement. This category also includes projects addressing healthy workforce solutions as a component of Business Development which can clearly demonstrate measurable results in health metrics and improved employment data for a specific employer or business sector.
- ii. **Multiple Funding Partners:** Projects that achieve desired outcomes through a collaborative effort with other funding sources, thereby increasing the leverage ratio of DRA dollars to other project dollars. In-kind contributions can be considered leverage.
- iii. **Regional Approach:** Projects providing benefits to constituents in multiple counties or parishes, or multiple municipalities within a single county or parish.
- iv. **Emergency Funding Need:** Projects must clearly demonstrate with supporting documentation provided by the appropriate state or federal agency, but for the DRA funding, the negative implications of inaction would result in immediate and detrimental health and/or safety issues for the constituents served. This type project will carry the highest priority and the highest threshold for meeting this guideline.
- v. **Registered Apprenticeship** – Projects supporting Registered Apprenticeship (RA) programs and sustainable career pathways with partners at the local, regional, and statewide levels will be considered a federal priority.
- vi. **Infrastructure** – DRA is congressionally mandated to expend 50% of its appropriated SEDAP dollars on Basic Public and Transportation Infrastructure projects. Projects which fall within these categories and include a direct connection to active economic development activities will receive full consideration.
- vii. **Merging and Consolidating Public Utilities** – Applications which describe connecting or merging systems, sharing resources and eliminating unmanageable utility services will receive full consideration.

# PROGRAM GUIDANCE

- viii. **Broadband Infrastructure** – Sustainable, public projects which serve to increase local access to high speed wired or wireless internet will be considered a federal priority.
- ix. **Water or Wastewater Rate Study** – For Basic Public Infrastructure project applications (water and wastewater), additional consideration will be given to projects which include evidence of an accredited rate study (i.e. studies based on (American Water Works Association) AWWA M1 Principles of Water Rates and/or AWWA M54 Developing Rates for Small Systems) having been completed within the past three years and showing progress made toward implementation.

## How to ensure the project meets the overall goals and priorities of the DRA and State...

### DRA REGIONAL DEVELOPMENT PLAN GOALS

Please refer to the DRA Regional Development Plan III (RDP3) for a complete listing of the objectives listed for each of the three (3) goals below. Visit [www.dra.gov](http://www.dra.gov) and download the RDPIII to help ensure project applications are successful. The following list provides a summary of the RDP objectives:

- GOAL 1. WORKFORCE COMPETITIVENESS - Advance the productivity and economic competitiveness of the Delta workforce.
- GOAL 2. INFRASTRUCTURE - Strengthen the Delta's physical, digital, and capital connections to the global economy.
- GOAL 3. COMMUNITY COMPETITIVENESS - Facilitate local capacity building within Delta communities, organizations, businesses, and individuals.

# PROGRAM GUIDANCE

## STATES' DRA STRATEGIC PLAN PRIORITIES AND GOALS

To review individual state plans, visit [www.dra.gov](http://www.dra.gov).

Each state plan is designed to dovetail into the Authority's RDP3 and is reviewed and revised with each new administration or every five (5) years. Because each state's plan is unique, the priorities and goals for each are not listed here.



### How can an application be completed and submitted?

## ONLINE PROJECT APPLICATION PROCESS

The Authority has developed an application portal which helps simplify the application process. Information is entered once, with appropriate fields populated throughout. The site is an interactive resource that all groups can utilize as an invaluable management tool.

The bullet points below provide a brief tutorial on the DRA funding portal. As previously stated, eligible applicants include state and local governments (state agencies, city and county/parish), public bodies, and non-profit entities with projects in the DRA region.

Applicants are strongly encouraged to work with and through the LDD, whose territory covers the applicant's home county/parish, to fill out the online application materials. All applications will be electronically transmitted to the appropriate LDD, if not generated by the LDD, for review and approval prior to being sent to DRA for eligibility review. The LDD is committed to manage and provide technical assistance to the applicant/awardee during this phase of the application process.

After logging in to [funding.dra.gov](http://funding.dra.gov), the applicant and/or LDD will follow the steps below:

- Establish a login with secure credentials;
  - Applicants will be able to create, view and edit project information – however, once an application has been submitted to DRA it will be hidden from the applicant and LDD views to ensure only changes approved by DRA are allowed;

# PROGRAM GUIDANCE

- Once a project is funded, the application will again be visible to the awardee and LDD;
    - LDDs will have access to all projects within their district;
    - Other parties granted access to the site will be able to view general information about projects within each state or the region;
- Submitted applications are electronically directed to the appropriate LDD office for review and certification (certification means the application is in substantial compliance with the eligibility guidelines, as noted within this manual). Applications can also be prepared by the LDD on behalf of an applicant.
- Certified applications are kept in an electronic database for viewing, editing and/or printing;
- Electronic notification is sent to DRA indicating completed/certified projects are ready for DRA review;
- DRA staff will review for eligibility and priority designation. Using the online management tools, DRA staff will indicate opinion(s) of eligibility and priority declaration;
- The FCC will make the final determination of eligibility and priority designation;
- Electronic notification is then sent to the LDD, board member(s) and applicant;
- Upon the recommendation of the state and approval of DRA, eligible Tier 1a or Tier 1b projects may be selected at this time;
- Ineligible projects and projects lacking priority designations are provided an appeal opportunity. By providing additional/supplemental information, DRA will again review and provide opinion(s) and final determination;
- The LDD, board member(s) and applicant are again notified electronically of the final determination with no further recourse;
- Any appeal reversals, which are deemed to be Tier 1a or Tier 1b may be immediately considered for funding by the state;
  - Tier 1a, Tier 1b and Tier 2 projects will be shown separately on the list, including status;
  - Tier 1a and Tier 1b projects must be considered for funding prior to any eligible Tier 2 projects, until 60% of the state's allocation is expended for Tier 1 projects;
  - The state's allocation and balance will be provided to assist in the selection process;
  - Tier 2 projects may be funded if (1) there are no Tier 1 projects, (2) funds remain after all Tier 1 projects have been funded or (3) the project is mutually agreed upon by both the state and federal counterparts after a successful waiver request by the state;
  - Project funds can only be decreased a maximum of 25% below the requested amount, other funds should be identified to offset the difference and an affidavit must be signed by the applicant to this effect. DRA funds cannot be increased to remove or decrease a leveraged amount;
- DRA will proactively meet with each state individually, to jointly determine the state's project selection recommendations;
- Each project is submitted for a board vote as it becomes available;

# PROGRAM GUIDANCE

- Upon approval of the FCC, award documents are generated for each selected project and electronically sent to the LDD and/or applicant;
- LDDs will work with the pre-awardees to provide necessary technical assistance;
- Award documents will be printed, signed and uploaded to DRA via the funding portal;
- Once the award documents are received, DRA will utilize the funding portal to date/time stamp the receipt of documents; DRA staff will review and (if complete) will issue a Notice to Proceed to the LDD and/or awardee;
- Project events, such as Notice to Proceed signings may take place during this time; DRA communications staff will coordinate these events or determine, on a project per project basis, that an event is not necessary; and
- Upon receipt of the Notice to Proceed, awardees may now begin incurring expenses for the project or DRA portion of the project, if so structured.

## **What happens to a project deemed ineligible?**

Should a project be determined ineligible, the following steps will occur:

- Contact will be made with the LDD and/or applicant, outlining reasons for ineligibility, pursuant to the Eligibility Guidelines; other comments and necessary information will be included by DRA staff to assist applicants with strengthening the application;
- Applicants will have time to submit additional documentation or supplemental information for review by DRA staff, which may satisfy all eligibility requirements;
- Upon receipt of the additional information the DRA project development team will review and provide an opinion of eligibility;
- Projects will then be sent to the FCC for review and determination of final eligibility; and,
- The applicant and team members will receive the appeal results notification before the end of the funding cycle.

Should a project be determined Tier 2 eligible, the following steps will occur:

- A notification outlining the reasons for the lack of a Tier 1 designation will be sent to the LDD and/or applicant; additional comments will be included by DRA staff to assist applicants with strengthening their application;
- Applicants will have time to submit additional documentation or supplemental information which will justify elevating the project's designation;
- Upon receipt of the additional information, the DRA project development team will review and provide an opinion of the appropriate priority designation;
- Projects will then be sent to the FCC for review and determination of final priority designation; and,

# PROGRAM GUIDANCE

- The applicant and team members will receive the appeal results notification before the end of the funding cycle.

## **What happens next after a project is funded?**

Once projects are funded, official announcements are coordinated with each Governor's office and press events may be held in person with the Governors, via conference call or written press release. Award documents will be issued according to the type of project being funded. As the award document signature page is returned, via upload through the funding portal and all documentation is found to be in order, a Notice to Proceed will be issued and the awardee will be authorized to begin accruing expenses toward the project. The DRA reserves the right to select any awarded project for individual press events. The DRA communications staff will contact the awardee and LDD directly to make each party aware of the special event. Until the Notice to Proceed has been issued, no local press coverage is allowed.

No expenses accrued prior to the date of the Notice to Proceed will be allowed unless prior approval was obtained in writing from DRA.

Projects funded at a lower amount by DRA must address the needed budget modifications to the satisfaction of DRA. This process will include the completion of a budget modification form and scope of work modification form if necessary. All modifications must be approved prior to the issuance of the Notice to Proceed.

Quarterly reports will also commence on the first calendar quarter after the date of the Notice to Proceed. Reports are due each calendar quarter thereafter whether project funds have been expended or not. Quarterly reports consist of a financial status report (SF-425) and a comprehensive report narrative (SF-PPR). This report can be completed and submitted online through the funding portal.

Project start and end dates are derived from the information provided in the form SF-424 (Application for Federal Assistance). Receipt of the Notice to Proceed shall determine the actual start date, for all projects. For example, a project has requested an 18-month completion time; the project must be completed within 18 months of the Notice to Proceed date.

## **What can an award recipient expect as a result of DRA's compliance requirements?**

### COMPLIANCE

By executing the award documents, the awardee is affirming he or she will be accountable for the way the funds are spent and for meeting the target outcome measures. When a private entity is involved in the project, with the creation and/or retention of jobs, DRA requires the company (or some responsible third-party) to be held accountable for attaining those metrics through the use of the Participation Agreement (PA).

# PROGRAM GUIDANCE

At every level, accountability is vital to the success of the project and ultimately the resurgence of this region. The DRA award agreement provides for several other DRA-specific requirements for submitting reports, contracting procedures and disbursements of funds to name a few.

LDDs play a key role in ensuring accountability at the local level. As part of the technical assistance provided by LDDs, each district shall ensure awardee compliance with the various DRA award requirements as well as state laws. Some federal requirements such as the Civil Rights Act and Americans with Disabilities Act are mandatory for all federal funding.

The federal and DRA-specific requirements pertain to all counties and parishes. State laws, however, are specific to each state and when necessary may supersede DRA-specific requirements. It is the responsibility of the awardee to follow all state laws during the bidding and contracting portion of the project. This is an area where LDDs can provide essential compliance oversight as part of the technical assistance package.

## MONITORING

DRA Project Monitors will work with and through the LDD to schedule site visits. These monitoring visits will be similar to mini-audits, as the Project Monitor will be looking for evidence of compliance and accountability. The visit will include such items as a review of financial records, procedures, contracts and overall awardee capabilities. If deficiencies are found, it is the LDD's responsibility to work with awardees to implement the corrective action plan and bring the project into compliance.

To implement these visits in a timely and efficient manner, the Authority has developed the Site Visit Monitoring and Compliance Checklist (see [dra.gov](http://dra.gov)). Typically, the LDD will be notified that a project has been selected for a site visitation. As a courtesy, the awardee will then receive no less than 10 business days to compile all requested information, prior to the pre-scheduled visit by DRA staff. The actual visit will commence, and a written appraisal will be forwarded to the LDD within 30 days.

## REPORTING

The most important aspect of the monitoring process is providing timely, accurate and comprehensive quarterly reports. It is the responsibility of the awardee to provide this information, although some LDDs include this activity as part of the technical assistance package.

**Project Compliance** (team members: Kemp Morgan – [kmorgan@dra.gov](mailto:kmorgan@dra.gov) and Anita Stasher – [astasher@dra.gov](mailto:astasher@dra.gov))

1. All quarterly and final reports will be emailed to the Monitoring and Compliance team;
2. Any deficiencies in reporting will be communicated by Emanuel or Anita and approval from Monitoring and Compliance will be necessary before reports are officially accepted;
3. Any questions or feedback regarding actions taken by Monitoring and Compliance should be directed back to Monitoring and Compliance staff;

# PROGRAM GUIDANCE

4. This email or attachment(s) shall not include any reimbursement or modification requests; and
5. As a reminder the quarterly report should include the SF-PPR and SF-425 (standard forms) and thoroughly describe what actions took place in the previous quarter, what problems or challenges were experienced during the previous quarter, how those challenges were/will be overcome, and what actions will take place in the next quarter – all of which should tie directly to the approved scope, budget and timeline.

Quarters are described as calendar quarters and reports are due to DRA by the 15<sup>th</sup> of the month following the end of each quarter. (Due by: January 15<sup>th</sup>, April 15<sup>th</sup>, July 15 and October 15<sup>th</sup>).

These reports and the information therein are vital to helping DRA and LDD staffs understand the status of each project. There should never be an instance where a project reports “no activity”. If for that quarter, there was no progress towards completion there must be an explanation as to why there was no progress and what tasks are expected to occur next quarter. Further, the report shall state how the awardee expects to meet the approved timeline. Project monitors need this information to make sound decisions regarding change of scope requests, timeline extensions and project site visits.

Final reports are due at project closing and should reflect the actual outcomes of the project as compared to the outcomes projected in the application materials. An introspective assessment of the project’s perceived success or failure is also required. If a printed document is produced with DRA funding, an electronic copy should be included.

## REIMBURSEMENTS

Funds are reimbursed to awardees for eligible expenses as determined by 2 CFR 200. The required documentation includes form SF-270, the DRA Worksheet and all other supporting documents. Supporting documents could include itemized bills, invoices and receipts, detailed accounting of personnel costs, copies of contracts and/or a contractor’s partial pay estimate. As outlined in the DRA Worksheet, there could be DRA costs as well as non-DRA costs; invoices should be provided for ALL costs. All funding sources should be drawn down at their pro-rata share as determined in the application material, unless prior approval has been awarded in writing by DRA to do otherwise.

### **Project Management** (team member: Amanda Allen – [aallen@dra.gov](mailto:aallen@dra.gov))

1. All reimbursement requests, scope changes, modifications, etc., will be emailed directly to the Project Management team member using the proper forms;
2. Reimbursement requests will not be paid unless the project is in compliance with reporting requirements or any other deficiency, such as, a project that is beyond its performance period;
3. Any questions or feedback regarding actions taken by Project Management should be directed back to Project Management staff;
4. This email or attachment(s) shall not include any quarterly or final reporting documents.

# PROGRAM GUIDANCE

Upon receipt, review and approval of the request funds will be transferred electronically to the account established for the project by the awardee and as identified in the Automated Clearing House (ACH) form (SF-3881), provided by DRA. The information provided on all ACH forms must match the banking information which is registered in SAM.gov. Further information for SAM.gov is listed below. The reimbursement process generally takes seven to ten business days to complete. However, if errors in the documentation are found or there is a lack of sufficient supporting details, the DRA staff will work with and through the LDD to make necessary corrections.

## SYSTEM FOR AWARD MANAGEMNET (SAM.GOV) AND CENTRAL CONTRACTOR REGISTRATION (CCR)

It is imperative that awardees keep information in the System for Award Management, better known as SAM.gov updated. Awardee information, in SAM.gov, must be updated yearly. Failure to update information in SAM.gov will result in the return of payments by the U.S. Treasury. It is the responsibility of the awardee to update all information. Neither the DRA nor LDD has access to the awardee's SAM.gov information. Step by step instructions can be found on [www.dra.gov](http://www.dra.gov). There are several important items to remember for SAM.gov registration. They are as follows:

- Registration is FREE at [www.sam.gov](http://www.sam.gov). Beware of imposter sites or companies that will complete your registration for a fee.
- An active SAM.gov registration is required in order to be awarded a contract with the federal government and to be paid for work performed.
- If you had an active record in CCR, you have an active record in SAM.gov. To update or renew your records in SAM.gov you will need to follow the instructions in the guide. Your CCR log-in will NOT work in SAM.gov.
- You must have a DUNS number to register in SAM.gov. If you already have a DUNS number and need to update information on file with Dunn and Bradstreet, do so at least 24 hours prior to updating information in SAM.gov.
- You must have a Tax Identification Number (TIN or EIN) in order to register a business.
- Your business is referred to as an "entity" by SAM.gov.
- If your CCR profile is linked to an email address that is no longer active within your firm: contact the Federal Help Desk after completing the migration, contact the SAM.gov hotline to submit your registration. You must review and save the entire SAM.gov record in one sitting.
- Due to IRS validation, it will take 3-5 business days for your registration to become active.

## CHANGE OF SCOPE REQUEST

# PROGRAM GUIDANCE

Occasionally, an awardee would like to make subtle changes to the original project scope, which will require prior written approval from DRA. A written request should be submitted to DRA detailing the proposed request (see form DRA-216 on [www.dra.gov](http://www.dra.gov)). Upon receipt, DRA staff will review and make the appropriate administrative decisions.

Change of Scope requests include but are not limited to the following examples: no-cost budget modification within budget categories, timeline extension, size of the overall project, expansion/reduction of services, etc. Any change in the size of a project, due to other funding sources withdrawing from the project, must result in a viable, fully funded and eligible project.

Any request which would result in a different project or project purpose, other than the originally approved project, would not meet the guidelines for a change of scope. SEDAP funds are made available for specific project purposes, not to awardees to use until expended. Requests determined to be more than a change of scope will be declined and an explanation of the decision will be provided to the awardee.

## PROJECT CLOSEOUT

DRA recognizes that de-obligation of funds is occasionally required at the end of a project, which may occur upon completion of all necessary work or when an awardee does not live up to the expectations to which they committed. De-obligation can occur in one of two ways: 1) administratively, or 2) by rescission of funds.

Administrative de-obligations occur upon the successful completion of a project. Once the final report is received and all administrative payments have been made, any remaining funds shall be de-obligated. The awardee should provide written notice to DRA that the project is complete and remaining funds are no longer needed for the project. When fully approved, these funds will be de-obligated with the U.S. Treasury and available to the state for future project funding.

Rescission of funds occurs when an awardee allows 12 months to pass without a reimbursement request for eligible expenses, not including LDD administrative fees. The rescission of funds is now a federal mandate, as outlined in the GONE Act. The goal of the Grants Oversight and New Efficiency (GONE) Act is to close out expired grants. The GONE Act requires the Office of Management and Budget (OMB) to instruct each agency, in coordination with the Department of Health and Human Services (HHS), to submit to Congress and HHS by December 31 of the first calendar year beginning after this Act's enactment a report that:

- Lists each federal grant award held by such agency
- Provides the total number of federal grant awards, including the number of grants by time period of expiration, the number with zero-dollar balances, and the number with undisbursed balances
- Describes the challenges leading to delays in grant closeout

# PROGRAM GUIDANCE

- Explains, for the 30 oldest federal grant awards, why each has not been closed out

The covered grants are those within an agency's cash payment management system that have been expired for two or more years and have not been closed out. No later than one year after the head of an agency submits its report, the agency head will notify HHS whether the agency has closed out the covered grants discussed in its report. HHS is required to compile this information and provide it to Congress.

# PROGRAM GUIDANCE

## FISCAL YEAR 2019 STATES' ECONOMIC DEVELOPMENT ASSISTANCE PROGRAM ALLOCATION FORMULA

---

The DRA enabling legislation requires the Authority to update distressed county designations annually. The following calculations reflect these updates.

### 2019 Allocation Methodology

Factors used in determining 2019 Allocation:

Factor	Factor Percentage
Equity Factor (divided equally among eight states)	50%
Population Factor (DRA counties/parishes only)	10%
Distressed Population (DRA counties/parishes only)	20%
Distressed County Area (DRA counties/parishes only)	20%

The model included factors using 2019 Distressed Counties data (based on 2017 Per Capita Income from the Bureau of Economic analysis and average from November 2016 to October 2018 National Unemployment Rate) to determine each State's allocated percent of the total budgeted for SEDAP. The table below shows the Fiscal Year 2019 States' Allocations.

Table -- FY19 States' Allocations

State	Percentage	Total States' Allocations
Alabama	10.33%	\$1,280,015.55
Arkansas	14.73%	\$1,825,801.93
Illinois	8.05%	\$997,776.23
Kentucky	9.39%	\$1,163,634.96
Louisiana	19.89%	\$2,465,089.46
Mississippi	15.57%	\$1,930,011.64
Missouri	11.45%	\$1,419,707.68
Tennessee	10.59%	\$1,313,068.56
<b>Totals</b>		<b>\$12,395,106.00</b>

For additional information regarding the DRA's annual budget that is explained in detail in the agency's Performance and Accountability Report completed at the end of each fiscal year, visit the DRA website at [www.dra.gov/transparency](http://www.dra.gov/transparency).

# PROGRAM GUIDANCE

## Total Project Investment Dollars

• 2019 SEDAP Allocations	\$12,395,106.00
• 2019 Community Infrastructure Fund	\$10,000,000.00
• <u>2019 EDA/DRA Public Works Program</u>	<u>\$ 3,000,000.00</u>
• TOTAL PROJECT INVESTMENT DOLLARS	\$25,395,106.00

# FREQUENTLY ASKED QUESTIONS

## Frequently asked questions

### Find answers to common questions asked by applicants and awardees?

**1. *Who is eligible to apply?***

Any person representing a legally organized non-profit or local/state government entity who is recognized by that entity, through a board resolution, to apply for DRA project funding; this representative would also be bonded and/or insured by the applicant entity against employee theft.

**2. *How do I apply?***

First contact the Local Development District (LDD) office that covers the county/parish of the project's location. Working with the LDD and through [funding.dra.gov](http://funding.dra.gov), an online application can be completed and submitted.

Applications completed by the applicant will be submitted to and approved by the LDD before the DRA eligibility and priority review. LDDs can also submit applications on behalf of applicants who may not have access to internet service.

**3. *What is an LDD?***

Local Development Districts (LDDs) are sub-regional organizations DRA works with to provide technical assistance to applicants and awardees. These organizations go by different names in different states (i.e. Planning and Development Districts, Planning Commissions, Regional Commissions, etc.). They can cover one or more counties or parishes. DRA works with 45 different LDDs in the eight-state region. A complete list can be accessed on the DRA website at [www.dra.gov](http://www.dra.gov).

LDDs are a great resource for project development. In addition to the assistance they provide with DRA funding, LDDs can also provide guidance on other funding opportunities and impart invaluable practical knowledge on moving your project forward.

**4. *What forms and documents are required to be completed for a construction project?***

Standard forms (424c and 424d) are the only unique forms required for construction projects during the application phase. The online funding portal will automatically provide the appropriate forms based on the answers to the appropriate questions.

When an award has been made, copies of all contracts and engineering reports shall be provided to DRA for review and inclusion into the award file.

**5. *What forms and documents are required to be completed for a non-construction project?***

# FREQUENTLY ASKED QUESTIONS

Standard forms (424a and 424b) are the only forms required for non-construction projects during the application phase. The online funding portal will automatically provide the appropriate forms based on the answers to the appropriate questions.

**6. *Are awardees required to contribute matching funds?***

Awardees applying for Business Development or Workforce Development funding are required to contribute at least a 10% match in distressed or non-distressed counties or parishes. However, to meet Tier 1a criteria, additional funds would help to raise the priority ranking of the application.

**7. *Can DRA funds be used as the local match for other federal funds?***

Not technically; as stated in DRA's enabling legislation, the Federal Co-Chairman may increase the federal share of a project to 90% in non-distressed counties or parishes and only in distressed counties or parishes may that be increased to 100% for Basic Public or Transportation Infrastructure projects. In effect, a match is no longer required.

**8. *Which activities are not allowable and cannot be funded?***

Reference the DRA Eligibility Guidelines on [www.dra.gov](http://www.dra.gov) or within the Administrative Program Manual.

Eligible entities may NOT be conduits for private sector entities. Property purchased with DRA funding cannot, in turn, be sold to the private entity beneficiary.

NO financial assistance will be authorized to assist any relocation from one area (of the region) to another, except as authorized, to attract businesses from outside the DRA region to the DRA region, or to prevent a business from leaving the DRA region.

DRA funding CANNOT be used to "supplant" existing funding streams. Other funding sources shall not be reduced with the addition of DRA funding.

All other listed activities found within the Eligibility Guidelines.

**9. *How do I determine the actual start date of my project?***

The funding portal will ask "how long it will take to complete the project". When the award documents are signed, and uploaded to DRA, a Notice to Proceed will be issued to the awardee. The actual start date will be the date of this notice and will last the length of time provided in the application.

**10. *What is the maximum amount of time I have to begin spending award funds?***

DRA reserves the right to withdraw funds from projects that have not begun within 12 months of the award. Awardees are encouraged to begin and end their projects on time. If, due to unforeseen

# FREQUENTLY ASKED QUESTIONS

circumstances, the project is no longer feasible, the awardee should contact DRA to de-obligate the awarded funds and apply again at a later date.

**11. *If an awardee does not complete its project within the stated project end date, may an extension be awarded?***

Yes; DRA should be able to discern from quarterly reports that the project has experienced unforeseen problems which would necessitate a no-cost timeline extension. The awardee should prepare and submit a letter to DRA requesting the extension which is based on reasonable forecasts for completing the project.

**12. *How do awardees collect their award funds?***

The awardee should complete an ACH form SF-3881 and submit to DRA. Funds will be electronically transferred to the bank account listed on this form, so long as, this number matches the account number registered in SAM.gov.

Actual requests for reimbursement/advance should include form SF-270 and all supporting documentation. Supporting documents could include itemized invoices, time accounting for personnel, contracts, receipts, etc.

**13. *When may an awardee begin charging against the award?***

Funds may be expended after a Notice to Proceed has been issued, unless written prior approval was obtained from DRA.

**14. *What is the CFDA number for DRA?***

The CFDA, or Catalog of Federal Domestic Assistance, number for DRA is 90.201. Each federal program has a unique CFDA number.

**15. *What is the purpose of the Participation Agreement?***

The Participation Agreement was developed to demonstrate the private entity's commitment to creating and/or retaining jobs and injecting capital investment into a project. Congress looks to DRA to track certain metrics which include jobs created, jobs retained, families affected and people trained. DRA also tracks private leveraged investments in addition to the other public investments (other project funds).

When DRA reports to Congress the results of the prior fiscal years, there needs to be a certain level of confidence in the metrics being reported. In the case of a project that benefits a private entity and allows that entity to expand or locate a facility, DRA is asking that partner to show its commitment by agreeing to the terms of this "claw-back" document.

# FREQUENTLY ASKED QUESTIONS

There are provisions within the document which protect DRA's investment, as well as provisions which protect the private entity. It is not DRA's intention to burden a business during an unforeseen economic downturn by leveling financial penalties against the firm. However, depending on the circumstances and the economic climate in the area at the time, DRA may exercise its right to enforce the terms of the agreement.

**16. *What type of documentation can be provided to demonstrate a federal bad debt has been paid?***

The IRS (or other agency) can provide an account statement showing a zero balance. Please contact the debtor agency to discuss options.