



DIRECT GRANT PROGRAMS:

- Community Relief Projects ■
- Food Bank Projects ■
- Local and Community Projects ■

Direct Grant Program Guidelines

For new projects funded in the 2022 Supplemental
Capital Budget

Come join us and learn more at our
Local & Community Projects Workshop
May 2, 2022 10:00am - 12:00pm
click [here](#) to register

Session is optional and will be recorded and
available on our [website](#).

Community Capital Facilities

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STATE OF WASHINGTON

DEPARTMENT OF COMMERCE

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Dear Grant Recipient:

Congratulations! With the signing of the 2022 Supplemental Capital Budget you have been awarded a direct grant appropriation from Commerce Community Capital Facilities. These guidelines will walk you through the final steps toward receiving your funds.

We expect that the Office of Financial Management will make Capital Budget funds available as soon as possible. If you haven't already done so, please submit the [Contract Readiness Survey](#) discussed in your award letter at your earliest convenience.

If you have any questions please don't hesitate to ask your Program Manager or anyone else here at Community Capital Facilities. Again, congratulations on receiving a capital grant award.

With best regards,

Addeline Craig,
CCF Managing Director

Five Steps to Obtaining your State Grant Funds

STEP 1: *Submit a 'Contract Readiness Survey'*

Please complete your *Contract Readiness Survey* and return it to us as soon as possible. Feel free to call your Project Manager if you have any questions as you fill out the survey.

STEP 2: *Meet our other requirements*

Projects of **\$250,000 or more** performed by nonprofits and public corporations must provide a **deed of trust or leasehold deed of trust, title insurance, promissory note, and covenant** as appropriate as security for the grant. Local Governments and Tribes may also be required to do so on a project review.

Proof of **Insurance** – Grantee shall provide insurance coverage that shall be maintained in full force and effect during the term of the contract

Construction and acquisition projects may be required to:

- Pay state prevailing wages
- Meet the LEED Silver Standard
- All projects need to complete Executive Order 21-02 for archaeological and cultural resources.

Link to [CCF Toolkit](#) a resource for all pre-contract requirements

STEP 3: *Sign a grant contract*

Once you have met all requirements we will draft a contract, which we will send to you for signature. It generally takes up to six weeks to execute a contract. Once the contract is executed you will have access to your funds.

STEP 4: *Submit reimbursement materials*

This includes an A19, invoices, status reports, and other information. This is a reimbursement-style grant. That means no advance payments, but once the contract is executed you can begin drawing down funds — or even cash out your grant as long as you have incurred and paid sufficient documented eligible costs. We may also conduct a site-monitoring visit.

STEP 5: *Close out your contract*

If your project is required to obtain LEED certification, then that must be documented

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CONTRACTING SPECIFICS

These guidelines define the legislative and administrative requirements governing the disbursement and use of grant funds. A grant contract will provide a formal and legal description of the relationship between Commerce and the grant recipient. All nonprofit grantees must follow the rules set forth in the Washington Nonprofit Corporation Act .

[\(RCW 24.03A\)](#)

1. Origins of your grant

You have been awarded funds through the 2022 Supplemental state Capital Budget. No federal dollars are involved.

We strive to administer funds expediently and with a minimum of red tape. We do so within the policies and procedures established by the Legislature, the Office of Financial Management, the Treasurer, Commerce, and the Office of the Attorney General.

2. Funding restrictions

A grant can only be spent by the designated organization for costs that fit the scope of work as contemplated by your elected officials. This information was previously submitted to the Governor, or your Senator or Representative and has been forwarded to Commerce.

3. Cost reimbursement

Funds are available on a reimbursement basis only, and cannot be advanced. Reimbursable costs are those

that a Grantee has already incurred. If the funds are being used to purchase real property, please contact us.

We may reimburse grant recipients for costs incurred prior to the date a contract is executed, and as far back as July 1, 2018.

4. Contracting conditions

In the absence of special legislative instructions, six requirements must be met before grantees can begin drawing down their grant funds.

- Grantees must demonstrate the financial capability to complete the project, or a distinct phase of the project that is usable to the public. This means documenting that any needed non-state funds have been committed to the project.

- Grantees must provide written evidence of site control, for a minimum of 10 years after final payment, either through outright ownership of the subject property, a deed or a long-term lease. This does not apply to awards designated solely for preconstruction activities or property acquisition.

Prevailing wages and your project

Construction projects that receive any of our grants are required to pay state prevailing wages (including landscaping) beginning March 31, 2022.

Acquisition-only projects are exempt from state prevailing wage law (RCW 39.12). Note that these projects must result in a usable facility.

The *Contract Readiness Survey* has a number of questions related to prevailing wages. If you have not paid, or were not planning to pay, prevailing wages we will contact you to discuss your situation.

If you need technical information about prevailing wages, please contact the Department of Labor and Industries at 360-902-5335 or PW1@Lni.wa.gov.

■ Projects performed by nonprofits and public development corporations for construction, acquisition and renovation of \$250,000 or more in state funds must list Department of Commerce on the deed of trust or leasehold deed of trust, promissory note, provide title insurance and as appropriate provide a covenant. The deed of trust, leasehold deed of trust, or covenant must be recorded before reimbursement can begin.

■ Projects will require consultation by affected Tribes and the state Dept. of Archaeology and Historical Preservation (DAHP). This review must be satisfactorily completed before a contract can be developed (see Section 6).

■ Capital construction projects that are required to meet high-performance building standards must document that they have entered the LEED certification process.

■ Grantees must provide proof of insurance coverage that may include Liability and Fidelity insurance in an amount to cover the grant award.

5. Non-state funds

Grantees must have and document all funding to complete the project. Non-state funds may consist of cash on hand, previously expended, credit, documented pledge commitments, a legal commitment of funds from a governmental entity, the value of land acquired for the project, and in-kind contributions when properly documented (see

box on Page 6).

Grantees may also include the proceeds of a letter of credit or other *binding* loan commitment as part of their non-state matching funds. The value of land used as a match must be supported by a current appraisal (one year) performed by a certified professional appraiser.

6. Archeological review

All projects need to be reviewed for archaeological and cultural resources per [Executive Order 21-02](#). This is required of projects not undergoing a Section 106 review under the National Historic Preservation Act.

7. Design contracts

In certain instances, Commerce may determine that project funds may be prudently invested by committing up to 10 percent of an appropriation for design costs in order to minimize disruptions in a project's timeline. Examples include, but are not limited to:

■ Instances where grantees are experiencing delays or other difficulties in raising the non-state share of funds necessary to complete a project; or

■ Instances where unexpected or unpredictable circumstances dramatically alter the fundraising environment.

In such cases, grantees must demonstrate that they have sufficient funds to complete the design phase.

State (as opposed to federal) prevailing wages are required of your project as of March 31, 2022 if it includes construction labor.

This publication is available in an alternative format upon request. Events sponsored by Commerce are accessible to persons with disabilities. Accommodations may be arranged with a minimum of 10 working days notice by calling (360) 725-3075.

Grants are subject to an administrative fee

Commerce Community Capital Facilities is authorized to retain funds from each award to cover all administration costs—this is our sole source of funding. We will be deducting a three percent fee (capped at \$50,000) from 2022 Supplemental Capital Budget grants. The project budget included in your grant contract will use this *net grant amount* rather than the full appropriation.

Funds will lapse at the end of the biennium, on June 30, 2023. We will request a reappropriation of any unspent funds but cannot guarantee that the Legislature will agree to do so.

8. Contract development

We will draft a contract when a grantee meets all contracting requirements. The first step in that process is to fill out our [Contract Readiness Survey](#). This form will help us determine if your project is ready to begin the contracting process.

Contracts take about six weeks to execute once all needed information is provided to us.

9. Accessing your funds

Funds are available once a contract is executed. Copies of each invoice and proof of payments that clearly document the expenses claimed must accompany all requests for payment. A Status Report and sub-contractor information are also required.

After the contract is executed you will receive instructions on how to submit a reimbursement request. For many projects this will be done electronically through the Secure Access Washington (SAW) [portal](#). You will need to create a SAW account if you do not already have one.

Grantees are responsible for maintaining clear and accurate project records, and making them accessible to Commerce and the State Auditor. Site visits during construction and after completion may be scheduled.

10. Amending a contract

A contract may be amended if proposed changes operate within the legislative intent of the appropriation, however amending the scope of your contract may not be possible if the proposed changes vary significantly from your original project. Changes may require legislative approval.

11. Reappropriations

Washington operates under a biennial (or two-year) budget. Each appropriation in the 2022 Supplemental Capital Budget must, by law, lapse at the close of the biennium (June 30, 2023).

Since many projects take more than two years to complete, Commerce will automatically request a reappropriation of any unspent funds. However, we cannot guarantee that the Legislature

How should in-kind donations be handled?

In-kind donations may be applied to a non-state match requirement. Eligible donations include property, labor (except when donated by an applicant's paid staff), materials, or equipment as long as their value can be properly assessed and documented.

We treat in-kind professional and nonprofessional labor differently. Professional labor is calculated at the rate a volunteer would normally charge for his

or her services (be sure to document these costs with invoices).

Nonprofessional labor is calculated at \$15 per hour. This can be documented with a memo itemizing the type of work done and number of hours worked by your volunteers.

We reserve the right to make the final determination regarding the acceptability of in-kind contributions and their estimated value.

will agree to extend funding, nor can we legally obligate funds from one biennium to another.

Grant recipients are advised to discuss pending reappropriations with their legislators prior to the beginning of the legislative session in which the reappropriation is expected to occur.

12. Change of ownership

Most capital projects must be held by the grantee for a minimum of 10 years from the date of final payment and be used for the same purpose expressed in the application and/or contract. Under certain conditions a facility may be sold if proceeds from the sale are used to purchase another facility that will be used for the same purpose.

13. Eligible costs

These funds may generally be used to pay for the following construction-related expenses incurred as far back as July 1, 2018:

- design, architectural, and engineering work;
- building permits/fees;
- archeological/historical review;
- construction labor and materials;
- demolition/site preparation;
- capitalized equipment;
- information technology infrastructure (cables and wiring);
- construction management (*from external sources only*)*;
- initial furnishings**;
- landscaping; and
- real property when purchased specifically for the project, and associated costs.***

14. Ineligible costs

Our grants are intended to fund bricks and mortar unless otherwise

designated in the budget or supporting legislative materials. This is why the following costs are not eligible for reimbursement and *cannot be used to match state funds*:

- internal administrative activities;
- mortgage or loan payments;
- project management (from any source);
- fundraising activities;
- feasibility studies;
- computers or office equipment;
- rolling stock (such as vehicles);
- lease payments for rental of equipment or facilities;
- any maintenance or operating costs;
- property leases (including long-term); and
- the moving of equipment, furniture, etc., between facilities.

* **Construction management and observation** is on-site management and/or supervision of the work site and workers thereon. This is an eligible project cost. Construction management does **not** include work performed by off-site consultants or consultant organizations, grant writers, project managers, or employees of the grantee, unless the employee is hired solely and specifically to perform on-site construction management as defined above.

** **Furnishings and equipment** are considered eligible project costs as long as the average useful life of the item purchased is 13 years or more.

*** **Costs directly associated with property acquisition** include appraisal fees, title opinions, surveying fees, real estate fees, title transfer taxes, easements of record, and legal expenses.

Our grants are intended to fund “bricks and mortar” type expenses unless otherwise designated in the Capital Budget or supporting legislative materials.