January 17, 2023

Virginia Appalachian Regional Commission

How-to Apply Workshop

Project Development

Appalachian Regional Commission

ARC Invests in Projects that Are:

Strategic

Are **strategic** and encourage alignment of projects with the goals of the community and regional plans.

Impactful

Achieve the greatest **impact** possible, designing a project that has specific performance targets aimed at helping Appalachia economically prosper.

Collaborative

Encourage and reward **partnerships** to achieve common ends, with specific focus on connecting economically distressed counties and areas.

Sustainable

Partners, and grantees have a **plan** for maintaining program after the grant period has ended.

Strategic Investment Goals

Goal # 1: Building Appalachian Businesses
Strengthen and diversify the Region's economy through inclusive economic development strategies and investments in entrepreneurship and business development.

Goal #2: Building Appalachia's Workforce Ecosystem
Expand and strengthen community systems (education, healthcare, housing, childcare, and others) that help Appalachians obtain a job, stay on the job, and advance along a financially sustaining career pathway.

Goal #3: Building Appalachia's Infrastructure
Ensure that the residents and businesses of Appalachia have access to reliable and affordable utilities and infrastructure in order to successfully live and work in the Region

Goal #4: Building Regional Culture and Tourism
Strengthen Appalachia's community and economic development potential by preserving and investing in the Region's local, cultural heritage, and natural assets.

Goal #5: Building Community Leaders and Capacity
Invest in the capacity of local leaders, organizations, and communities to address local challenges by providing technical assistance and support to access resources, engage partners, identify strategies and tactics, and conduct effective planning and project execution.

Project Examples:

- Providing TA to businesses (Goal 1)
- Workforce training program (Goal 2)
- Water/Sewer Extension, Repair, or Replacement (Goal 3)
- Tourism promotion (Goal 1 or 4)
- Community Strategic Planning (Goal 5)
- Industrial Site Development (Goal 1 or 3)
- Healthcare/SUD recovery program (Goal 2)
- Trail construction (Goal 4)

ARC Residential Infrastructure Policy

Generally, ARC only funds water/sewer projects that only serve residences in distressed counties

Exceptions for an at-risk or transitional county ONLY if:

- A compelling need is shown (ex. poor water quality, distressed census tract, etc.)
- It is disaster relief
- It addresses a mandate from EPA/a state agency
- It is a self-help project

ARC Tourism/ Outdoor Recreation Infrastructure Policy

ARC supports tourism activities that fit within an overall strategy:

- Projects should be part of a strategic plan for the community or region
- Projects should have a clear connection to positive economic benefits
- *Grantees are encouraged to apply for an ARC planning grant to confirm the need for an implementation grant if no plan has been created

Issues to Remember

1. Municipal Buildings and Services
    1. ARC has always struggled with Police/fire, Courthouse repair, and Routine road maintenance/paving (Hopefully there is lots of other available funding)
2. High indirect rates are a challenge

Project Development Questions

Ask Yourself:

- What is the problem we are trying to solve, or the opportunity we are trying to meet?
- What is the solution to the problem or the plan to take advantage of the opportunity?
- Is my project in line with regional, Virginia, and ARC strategies?
- What ARC-approved measures will mean success? (or the path toward success?)
- What is the scale of my project—should I consider phasing this project?
- Can someone who knows nothing about the project review the application and provide feedback?

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Preparing an ARC Application

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ARC Project Application Checklists

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ARC Non-Construction Project Application Checklist

All applicants requesting ARC investment funding should use this checklist to develop a complete project application. The framework for the checklist is based on ARC's 2016-2020 Strategic Plan, which emphasizes strategic focus, collaboration, sustainability, and measurable impact. Words in bold identify materials that should be included as supporting materials.

List the page in your application where the required information can be found in the blank space next to each section and subsection. Submit completed applications to your state's ARC program office.

SECTION 1: Page #___ EXECUTIVE SUMMARY

Provide a two-page executive summary of project goals and strategies, purpose, key activities, strategic rationale, collaborative partnerships, project sustainability and capacity, and performance measures. See the ARC Executive Summary template for format and guidance.

SECTION 2: Page #__ REQUIRED APPLICATION FORMS

Attach the required application forms to the front of the application packet:
Federal Standard Form 424: Application for Federal Assistance (Include ARC funds and all matching funds)
Federal Standard Form 424A: Budget Information for Non-Construction Programs
Federal Standard Form 424B: Assurances for Non-Construction Programs
ARC Memorandum of Understanding
Forms required by state ARC program offices (ARC Form 3 may be required)

SECTION 3: Page #__ PROJECT NARRATIVE

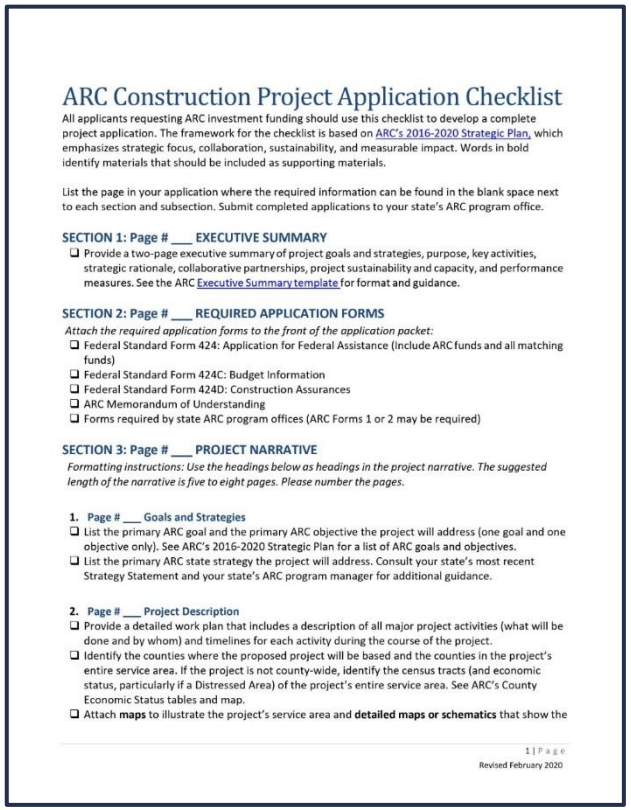
Formatting instructions: Use the headings below as headings in the project narrative. The suggested length of the narrative is five to eight pages. Please number the pages.

1. Page # ___ Goals and Strategies

List the primary ARC goal and the primary ARC objective the project will address (one goal and one objective only). See ARC's 2016-2020 Strategic Plan for a list of ARC goals and objectives.

Appalachian Regional Commission Page 1

[Non-Construction](#) Checklist



ARC Construction Project Application Checklist

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Attach the required application forms to the front of the application packet:

- ❑ Federal Standard Form 424: Application for Federal Assistance (Include ARC funds and all matching funds)
- ❑ Federal Standard Form 424C: Budget Information
- ❑ Federal Standard Form 424D: Construction Assurances
- ❑ ARC Memorandum of Understanding
- ❑ Forms required by state ARC program offices (ARC Forms 1 or 2 may be required)

SECTION 3: Page # ___ PROJECT NARRATIVE

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1. **Page # ___ Goals and Strategies**
   - ❑ List the primary ARC goal and the primary ARC objective the project will address (one goal and one objective only). See ARC's 2016-2020 Strategic Plan for a list of ARC goals and objectives.
   - ❑ List the primary ARC state strategy the project will address. Consult your state's most recent Strategy Statement and your state's ARC program manager for additional guidance.

2. **Page # ___ Project Description**
   - ❑ Provide a detailed work plan that includes a description of all major project activities (what will be done and by whom) and timelines for each activity during the course of the project.
   - ❑ Identify the counties where the proposed project will be based and the counties in the project's entire service area. If the project is not county-wide, identify the census tracts (and economic status, particularly if a Distressed Area) of the project's entire service area. See ARC's County Economic Status tables and map.
   - ❑ Attach **maps** to illustrate the project's service area and **detailed maps or schematics** that show the

1 | Page
Revised February 2020

[Construction](#) Checklist

Construction specific requirements will be highlighted with a star

Pro-Tip: Be *clear*, *concise*, *comprehensive*, and *consistent*.

How ARC Construction Projects Work

- ARC does not manage its own construction projects
- ARC delegates management, environmental review, contracting, and fund disbursal to Basic Agencies (BAs)
- After your project is approved, management transfers to the Basic Agency until project closes

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Basic Federal Agencies (BFAs) ★

Traditional basic agency partners, usually when they are a co-funder

- RD (Rural Development)
- EDA (Economic Development Administration)
- HUD (Housing and Urban Development)/CDBG (Community Development Block Grants) Program

Registered State Basic Agencies (RSBAs) ★

Agencies that manage ARC construction projects at the state level

DHCD is Virginia's RSBA (they provide BA letter when the project is recommended to ARC)

RSBAs are increasingly being used to manage ARC construction projects, unless there are federal agency funds in the project

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REQUIREMENT: Letter from the basic agency must be submitted.

Executive Summary

- Summary of each section of the application
- 2 pages maximum
- Template available on ARC's website

https://www.arc.gov/resource/executive-summary-template-for-arc-applications/

Pro-Tip: Complete this section last!

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Executive Summary Format

(2 pages maximum)

Project Title: Identify descriptive title of the project

Project Grantee: Identify applicant's legal name

Counties Served: Identify each county and its economic status (e.g. transitional, distressed, etc.)

Basic Agency: Identify the administering agency (construction projects only)

Goal/Strategy: Identify the primary ARC Goal and State Strategy that project will address

Purpose: 1-sentence statement describing purpose of proposed project

Funding:

	Amount	%	Source
ARC	$200,000	36%	Area Development, Distressed Counties
Federal	200,000	36%	Other Federal Grant
State	100,000	18%	State Grant
Local	100,000	10%	(Other Federal Loan, Grantee, etc.)
Total	**$560,000**	**100%**	

Project Description: (Maximum 1-2 paragraphs) Describe major activities to be conducted. The description should address who, what, where, when and how for each major activity.

Strategic Rationale: (1 paragraph max)

- Identify the problems and/or opportunities project will address.
- Explain the critical circumstances that compel project to be funded by ARC.
- Describe how project supports a regional strategy or plan.

Collaborative Partnerships: (1 paragraph max)

- Identify local, regional and/or state partnerships that will support project.

Project Sustainability & Capacity: (1 paragraph max)

- Describe capacity to undertake the proposed activity by describing previous experience with similar activity.
- Explain how the project will be sustainable once ARC support is no longer available.

Impact Measures:

- Identify quantifiable output and outcome measures, consistent with ARC guidance (include any leveraged private investment resulting from the project).

Goals and Strategies

List the primary ARC goal and primary ARC objective the project will address (one goal and one objective only), as well as the primary ARC state strategy, taken from the most recent Virginia Strategy Statement. Contact your state ARC program manager for additional guidance.

- ✓ ***Appalachia Envisioned: ARC's 2022-2026 Strategic Plan***
- ✓ ***Virginia State Strategy Statement***

Project Description

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Project Description

Describe primary purpose, main activities and expected impacts of proposed project.

Make sure there's a logical connection between activities and how they lead to desired outcomes

Must **submit a work plan** - all major project activities. Serves as project roadmap if awarded. Should include:

- Key project activities/milestones
- Corresponding start and end date (Month/year- month/year)
- Corresponding responsible party (Name and Organization)

Project Description

Counties in the service area

If not county-wide, ID the census tracts of the project's service area noting distressed areas in non-distressed counties

Attach maps of service area (particularly for water/sewer, outdoor recreation, and broadband)

Strategic Rationale

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Strategic Rationale and Project Benefits

- What is the problem to solve or the opportunity to take advantage of?
- Why is your project the best, most practical, and cost-effective way to achieve desired results when compared to alternatives?
- How does this impact the community?
- Does this project make progress toward a regional strategy?
- Is the project a continuation of an existing program? If so, explain outcomes and milestones reached so far.
- Are there other benefits likely to result from the project?

Requirement: Your application must have support letters from those who would benefit from your project (businesses, community stakeholders, etc.)

Collaborative Partnerships

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Collaborative Partnerships

- Describe any partnerships or collaborations with local, state, and regional partners in the development of the proposal
- **Must provide letters of engagement** from partner organizations that commit to undertake specific activities in support of the project
- Letters **must state key activities/contributions** of partner organization to the project goals

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Performance Measures

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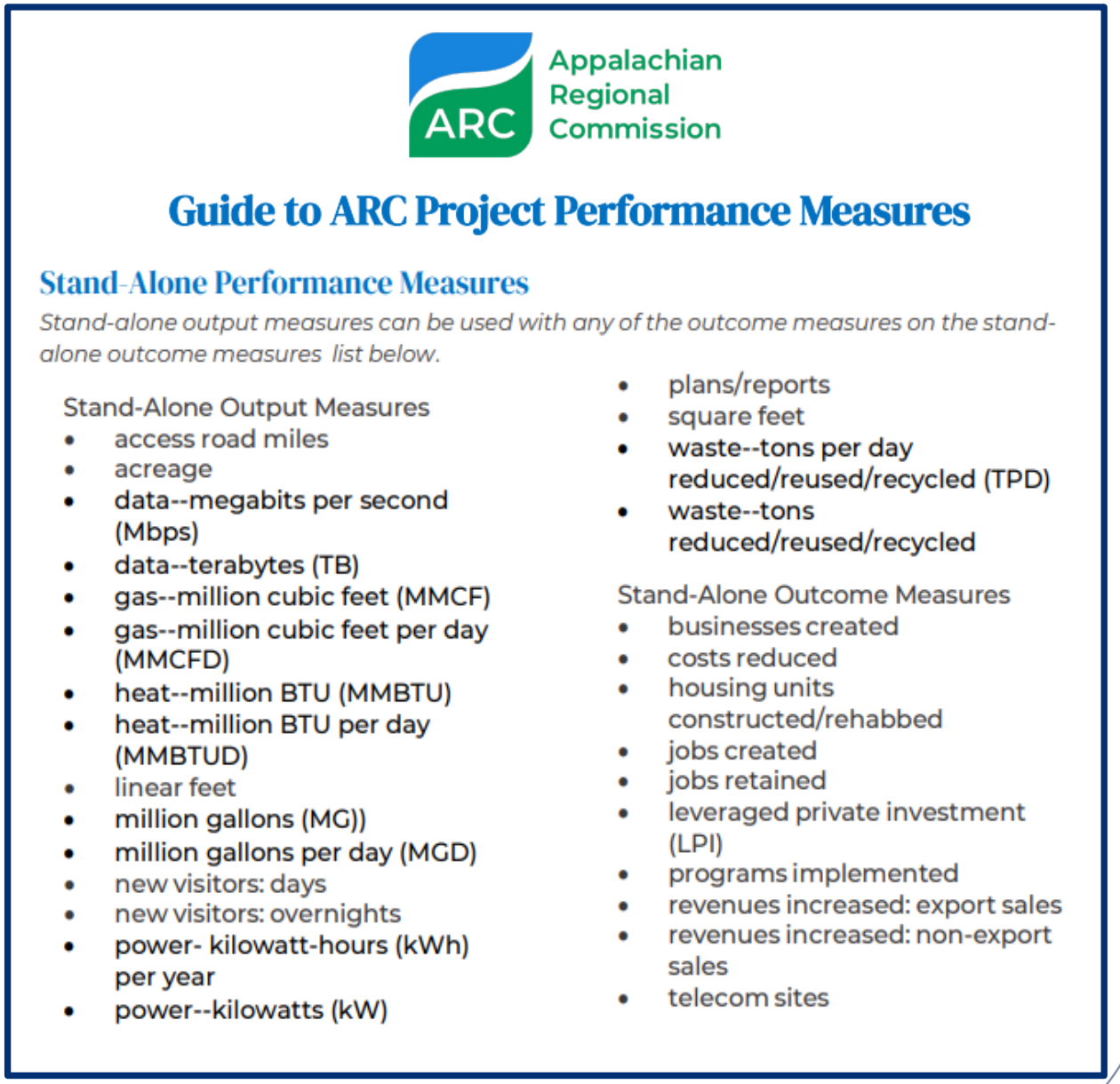
Performance Measures

ARC can track measures at the beginning (estimated), the project close (actual), and up to 3 years after closeout.

Requirements:
1. At least one output & outcome.
2. Explanation for how measures are estimated, collected, and tracked.

- See the Performance Measures Guide for more info: www.arc.gov/resource/guide-to-arc-project-performance-measures/



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Guide to ARC Project Performance Measures

Stand-Alone Performance Measures

Stand-alone output measures can be used with any of the outcome measures on the stand-alone outcome measures list below.

Stand-Alone Output Measures
- access road miles
- acreage
- data--megabits per second (Mbps)
- data--terabytes (TB)
- gas--million cubic feet (MMCF)
- gas--million cubic feet per day (MMCFD)
- heat--million BTU (MMBTU)
- heat--million BTU per day (MMBTUD)
- linear feet
- million gallons (MG))
- million gallons per day (MGD)
- new visitors: days
- new visitors: overnights
- power- kilowatt-hours (kWh) per year
- power--kilowatts (kW)
- plans/reports
- square feet
- waste--tons per day reduced/reused/recycled (TPD)
- waste--tons reduced/reused/recycled

Stand-Alone Outcome Measures
- businesses created
- costs reduced
- housing units constructed/rehabbed
- jobs created
- jobs retained
- leveraged private investment (LPI)
- programs implemented
- revenues increased: export sales
- revenues increased: non-export sales
- telecom sites

Performance Measures

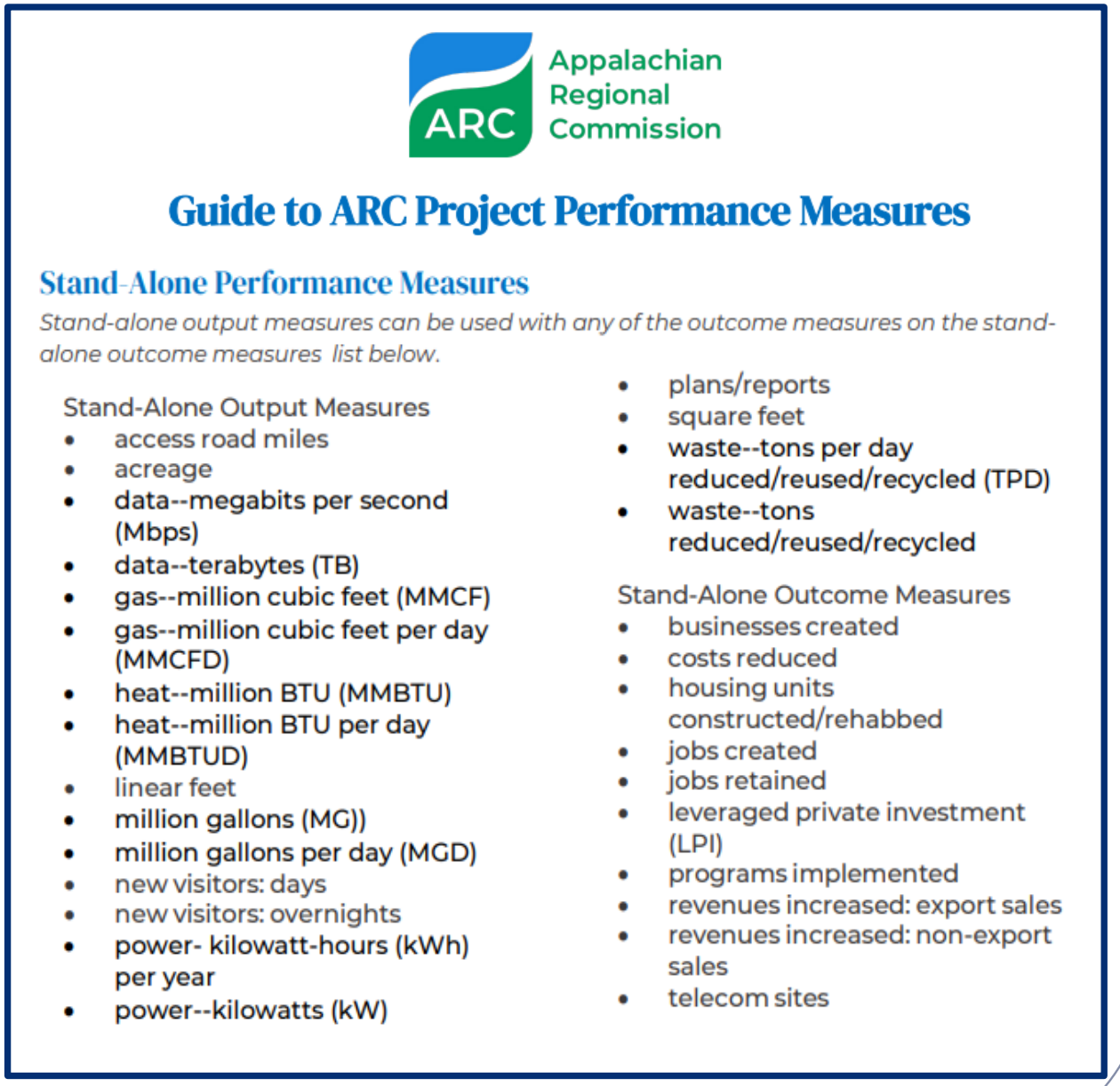
Performance Measures are how ARC tracks project performance.

Outputs are activities or results completed at project close.

Outcomes are impacts that result from the outputs 1, 2, or 3 years after the project close. Applicant selects time frame.

Requirements:
1. Have at least one output & outcome.
2. Explain how measures are estimated, collected, and tracked.

See the Performance Measures Guide for more info: www.arc.gov/resource/guide-to-arc-project-performance-measures/



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- telecom sites

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Performance Measures

Sample Stand-Alone Measures

OUTPUTS	OUTCOMES
New Visitors: Days	Businesses Created
New Visitors: Overnights	Costs Reduced
Plans/Reports	Jobs Created*Δ
Data: Megabits per second	Jobs Retained*Δ
Acreage	Leveraged Private Investment (LPI)Δ
Access Road Miles	Programs Implemented
Linear Feet	Revenues Increased: Export Sales
Square Feet	Revenues Increased: Non-Export Sales

*Jobs Created/Retained refer to permanent, Full-Time jobs as a result of the project activities, not including temporary contracting or construction positions. Part-Time jobs should be converted into the equivalent FTE positions.
Δ Require additional documentation (letters of commitment)

Sample Paired Measures

Performance Measures

OUTPUTS	OUTCOMES
Businesses Served	Businesses Improved
Communities Served	Communities Improved
Households Served	Households Improved
Organizations Served	Organizations Improved
Participants Served	Participants Improved
Patients Served	Patients Improved
Students Served	Students Improved
Workers / Trainees Served	Workers / Trainees Improved

Requirement: The number “improved” (outcome) is always equal to or a subset of the number “served” (output)

Paired

Performance Measures

What does "served" typically mean?

MEASURE	POSSIBLE DEFINITION OF SERVED (OUTPUT)
Students served Workers/Trainees served	Enrolling in an academic or workforce training program
Businesses served	Receiving technical assistance or participate in training Gaining access to water/sewer/broadband service
Communities served	Number of communities (typically counties) in the project service area that will be impacted by the project

Definitions

Performance Measures

What does “improved” typically mean?

MEASURE	DEFINITION OF IMPROVEMENT
Students improved	Obtain employment, earn diploma, earn job skill certification, pass examination, etc.
Businesses improved	Growth in sales, acquired new capital, expanded employment, new facility, launched new product/service, access to new or expanded water/sewer/broadband service.
Communities improved	Develop/implement a plan, use results of study to implement changes, make improvements, etc.

Definitions

Performance Measures

When do I use students vs workers/trainees vs participants vs businesses?

MEASURE	DEFINITION
Students	Those working towards a diploma or degree.
Workers/Trainees	Those developing job skills and NOT in a diploma or degree seeking program.
Participants	Attendees at a conference, workshop, or field trip where it would be difficult to track improvements resulting from attendance. Aspiring entrepreneurs who do not yet own a business.
Businesses	Individual receiving grant-related services who owns a business that has been registered with the IRS/state.

Common Measures by ARC Project Type (Quick Guide) - Implementation

Water/Sewer	
OUTPUTS	OUTCOMES
Businesses Served	Businesses Improved
Households Served	Households Improved
Linear Feet	Jobs Created
Million Gallons/Day	Jobs Retained
	LPI

Outdoor Recreation	
OUTPUTS	OUTCOMES
Businesses Served	Businesses Improved
Communities Served	Communities Improved
Participants Served	Participants Improved
Acreage	LPI
New Visitors	

Entrepreneurship/ Business Development	
OUTPUTS	OUTCOMES
Businesses Served	Businesses Improved
Businesses Created	Jobs Created/Retained
Participants Served	Participants Improved
LPI	

SUD Recovery-to-Work	
OUTPUTS	OUTCOMES
Businesses Served	Businesses Improved
Communities Served	Communities Improved
Students Served	Students Improved
Workers / Trainees Served	Workers / Trainees Improved

Common Measures by ARC Project Type (Quick Guide) - Implementation

Downtown Revitalization/Industrial Site	
OUTPUTS	OUTCOMES
Businesses Served	Businesses Improved
Square Feet	Acreage
Linear Feet	

Education, Training, and Workforce	
OUTPUTS	OUTCOMES
Students Served	Students Improved
Workers/trainees served	Workers/trainees improved
Organizations Served	Organizations Improved
Programs Implemented	

Capacity Building/ Planning	
OUTPUTS	OUTCOMES
Organizations Served	Organizations Improved
Participants Served	Participants Improved
Programs Implemented	Plans/Reports

Broadband	
OUTPUTS	OUTCOMES
Businesses Served	Businesses Improved
Households Served	Households Improved
Megabits Per Second (Mbps)	Jobs Created or Retained
Linear Feet	LPI

Performance Measures Example #1

Incomplete:

- An opioid recovery training project will serve and improve 400 workers.

Better:

- 400 workers/trainees will be served **through classes and workshops** by the end of the grant period. Served is attending at least 2 or more of the 4 offered trainings. Attendance will be tracked through online registration rolls.

- 250 workers/trainees will be improved as measured by obtaining full-time employment within 1 year after the end of the grant. Workers will be followed-up via an electronic survey to confirm employment status.

Performance Measures Example #2

Your project involves making upgrades to a county-owned industrial park building. The project will allow an existing industry to expand their operations, as well as bring a new, complementary industry into the building.

- What measures might you use in an ARC application?
- What additional documentation might you need?

OUTPUTS	OUTCOMES
Businesses Served	Businesses Improved
Communities Served	Communities Improved
Households Served	Households Improved
Organizations Served	Organizations Improved
Participants Served	Participants Improved
Patients Served	Patients Improved
Students Served	Students Improved
Workers / Trainees Served	Workers / Trainees Improved

OUTPUTS	OUTCOMES
New Visitors: Days	Businesses Created
Data: Megabits per second	Costs Reduced
Plans/Reports	Jobs Created*Δ
Linear Feet	Jobs Retained*Δ
Acreage	Leveraged Private Investment (LPI)Δ
Square Feet	Programs Implemented

Performance Measures: Key Takeaways

- Tables of measures must be accompanied by a written narrative.
- Include **time frame** (i.e. achieved at project completion, or within 3 years of completion).
- Define what is meant by **“served”** and **“improved”** for paired measures.
- Describe how outcomes will be **tracked/measured**.
- If project has “jobs created,” “jobs retained,” or “leveraged private investment”, attach letters documenting job or investment commitment expectations.
- Note:
  - LPI is not project match. LPI is other investments made in the region that come about as a result of the project and typically occur after the project is completed.
  - Jobs retained refers to imminent job loss that will happen if ARC funding isn't secured.

5 Minute Break

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Budget

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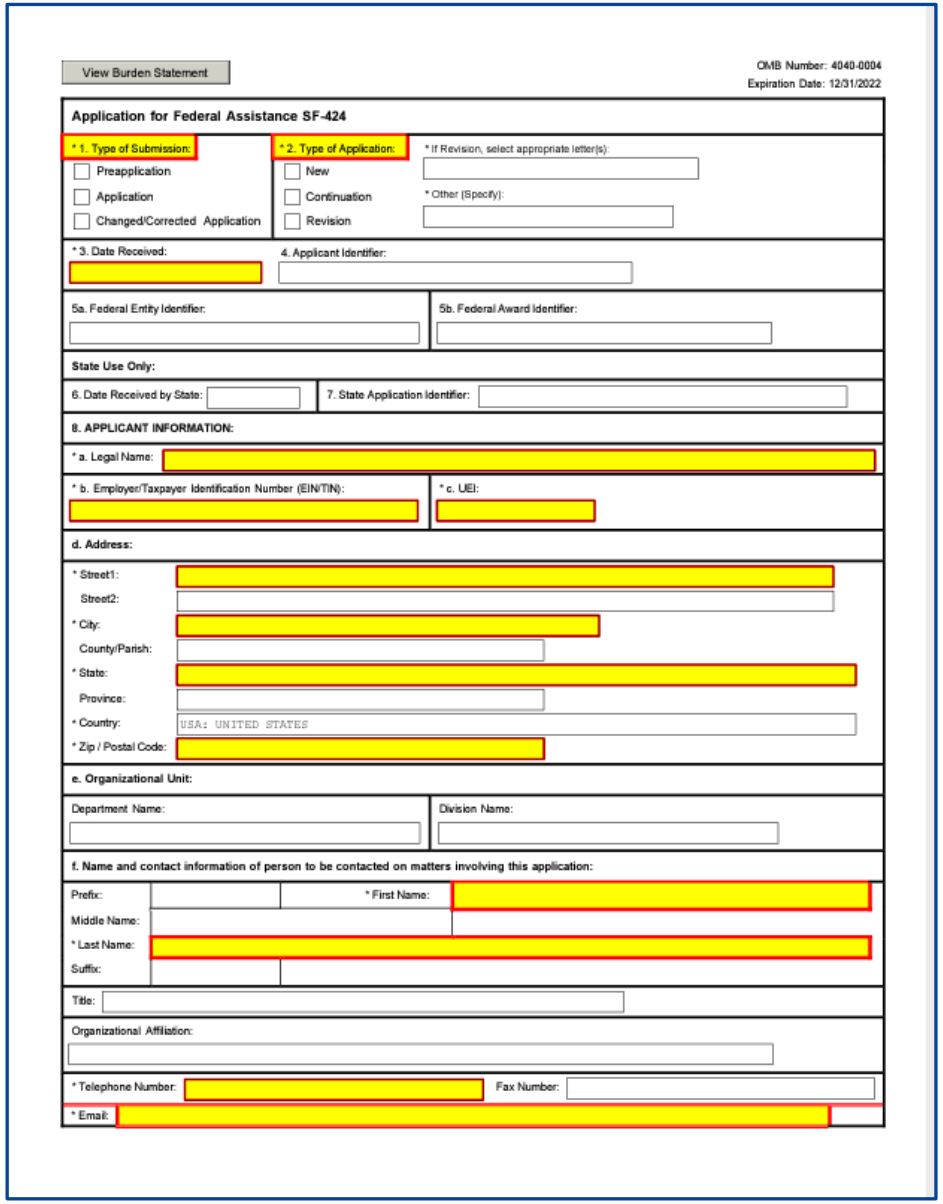
Required Application Forms

Non-Construction Projects	Construction Projects
SF424 (Include ARC funds and all matching funds)	SF424 (Include ARC funds and all matching funds)
SF424A (Budget Information)	SF424C (Budget Information)
SF424B (Non-Construction Assurances)	SF424D (Construction Assurances)
ARC Memorandum of Understanding	ARC Memorandum of Understanding

SF424 – Application for Federal Assistance

- Used for both construction & non construction applications
- Follow instructions attached to form
- Use correct legal name
- Proposed grant term (1-3 years)
- List all funding sources
- Authorized rep needs to sign
- IMPORTANT–Include email of authorized representative
- IMPORTANT– Use the most recent version (2022) of SF 424 -must have UEI field



View Burden Statement

OMB Number: 4040-0004
Expiration Date: 12/31/2022

Application for Federal Assistance SF-424

* 1. Type of Submission:
- Preapplication
- Application
- Changed/Corrected Application

* 2. Type of Application:
- New
- Continuation
- Revision

* If Revision, select appropriate letter(s):

* Other (Specify):

* 3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name:

* b. Employer/Taxpayer Identification Number (EIN/TIN):

* c. UEI:

d. Address:

* Street1:
Street2:
* City:
County/Parish:
* State:
Province:
* Country: USA: UNITED STATES
* Zip / Postal Code:

e. Organizational Unit:

Department Name:

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:
* First Name:
Middle Name:
* Last Name:
Suffix:

Title:

Organizational Affiliation:

* Telephone Number:

Fax Number:

* Email:

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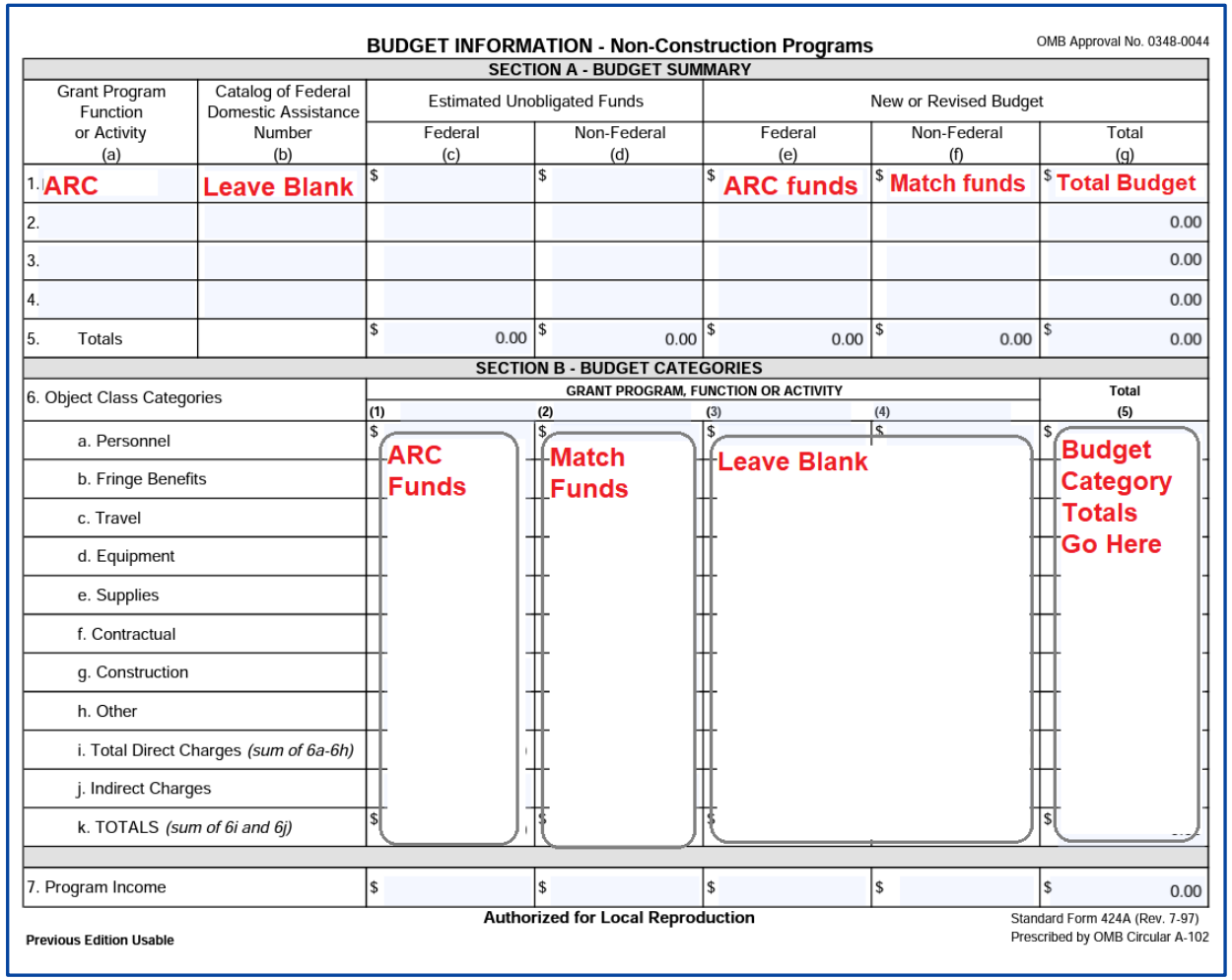
Non-Construction Project Budget (SF424 A)

- **Only for non-construction projects**
- **Section A (Budget Summary):**
  - Grant Program is ARC
  - Federal (ARC) and Non-Federal (Match) funds entered under "Estimated Unobligated Funds" section
- **Section B (Budget Breakdown):**
  - Project budget expenses must align with the scope of project activities
  - Consistent project costs across standard forms and budget narrative
  - Indirect costs **must** be included in budget submitted in application
  - Program Income (uncommon) - ordinarily deducted from award; can be counted towards match with prior approval from ARC



BUDGET INFORMATION - Non-Construction Programs OMB Approval No. 0348-0044

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds: Federal (c)	Estimated Unobligated Funds: Non-Federal (d)	New or Revised Budget: Federal (e)	New or Revised Budget: Non-Federal (f)	New or Revised Budget: Total (g)
1. ARC	Leave Blank	$	$	$ ARC funds	$ Match funds	$ Total Budget
2.						0.00
3.						0.00
4.						0.00
5. Totals		$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY (1)	(2)	(3)	(4)	Total (5)
a. Personnel	$ ARC Funds	$ Match Funds	$ Leave Blank	$	$ Budget Category Totals Go Here
b. Fringe Benefits					
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual					
g. Construction					
h. Other					
i. Total Direct Charges *(sum of 6a-6h)*					
j. Indirect Charges					
k. TOTALS *(sum of 6i and 6j)*	$	$	$	$	$
7. Program Income	$	$	$	$	$ 0.00

Authorized for Local Reproduction

Previous Edition Usable

Standard Form 424A (Rev. 7-97)
Prescribed by OMB Circular A-102

SF424A – Non-Construction Budget

Section C
- List matching funds

Section D
- List forecasted funding needs by quarter, for the FIRST YEAR broken out by ARC funds (line 13) and match (line 14).

Section E
- List ARC funding needs for each year (12-month period) of the grant

Section F
- Line 22 total should match total indirect in Section B of this form

Find the SF 424A here.

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SECTION C - NON-FEDERAL RESOURCES				
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8. **ARC**	$ **applicant match funds**	$ **state match funds**	$ **all other sources of match**	$ **Total Match**
9.	$			
10.	$			
11.	$			
12. TOTAL *(sum of lines 8-11)*	$	$	$	$

SECTION D - FORECASTED CASH NEEDS					
	Total for 1st Year	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**
13. Federal	$ **total ARC funds for 1st year**	$ **ARC funds for 1st quarter year 1**	$ **ARC funds for 2nd quarter year 1**	$**ARC funds for 3rd quarter year 1**	$**ARC funds for 4th quarter year 1**
14. Non-Federal	$ **total match funds for 1st year**	$ **Match funds for 1st quarter year 1**	$ **Match funds for 2nd quarter year 1**	$**Match funds for 3rd quarter year 1**	$**Match funds for 4th quarter year 1**
15. TOTAL *(sum of lines 13 and 14)*	$	$	$	$	$

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT				
(a) Grant Program	FUTUR FUNDING PERIODS (Years)			
	(b) First	(c) Second	(d)Third	(e)Fourth
16. **ARC**	$ **total ARC funds for 1st year**	$ **total ARC funds for 2nd year**	$ **total ARC funds for 3rd year**	$
17.				
18.				
19.				
20. TOTAL *(sum of lines 16-19)*	$	$	$	$ 0.00

SECTION F - OTHER BUDGET INFORMATION	
21. Direct Charges: **Leave Blank**	22. Indirect Charges: **Section B, Line J Total Budget Entered Here**
23. Remarks: **Leave Blank**	

Construction Project Budget (SF424C)

Only for construction projects

Cost Classification:

- Only enter data in Columns A & C
- Grantees are expected to incur admin and engineering expenses to comply with federal laws and regulations
- These expenses should be reflected in the construction budget
- Construction and equipment expenses are the most common budget line items
- Contingencies are expected to be accounted for in times of supply chain disruptions
- Find the SF 424 C here.

OMB Approval No. 0348-0041

BUDGET INFORMATION - Construction Programs

NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.

COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Columns a-b)
1. Administrative and legal expenses	$ .00	$ .00	$ 0.00
2. Land, structures, rights-of-way, appraisals, etc.	$ .00	$ .00	$ 0.00
3. Relocation expenses and payments	$ .00	$ .00	$ 0.00
4. Architectural and engineering fees	$ .00	$ .00	$ 0.00
5. Other architectural and engineering fees	$ .00	$ .00	$ 0.00
6. Project inspection fees	$ .00	$ .00	$ 0.00
7. Site work	$ .00	$ .00	$ 0.00
8. Demolition and removal	$ .00	$ .00	$ 0.00
9. Construction	$ .00	$ .00	$ 0.00
10. Equipment	$ .00	$ .00	$ 0.00
11. Miscellaneous	$ .00	$ .00	$ 0.00
12. SUBTOTAL *(sum of lines 1-11)*	$ 0.00	$ 0.00	$ 0.00
13. Contingencies	$ .00	$ .00	$ 0.00
14. SUBTOTAL	$ 0.00	$ 0.00	$ 0.00
15. Project (program) income	$ .00	$ .00	$ 0.00
16. TOTAL PROJECT COSTS *(subtract #15 from #14)*	$ 0.00	$ 0.00	$ 0.00
FEDERAL FUNDING			
17. Federal assistance requested, calculate as follows: (Consult Federal agency for Federal percentage share.) Enter the resulting Federal share.	Enter eligible costs from line 16c Multiply X _____% To autocalculate, press TAB key after entering percent. These instructions will not print.		$ 0.00

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Prescribed by OMB Circular A-102

Appalachian Regional Commission

Assurances

OMB Approval No. 0348-0040

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

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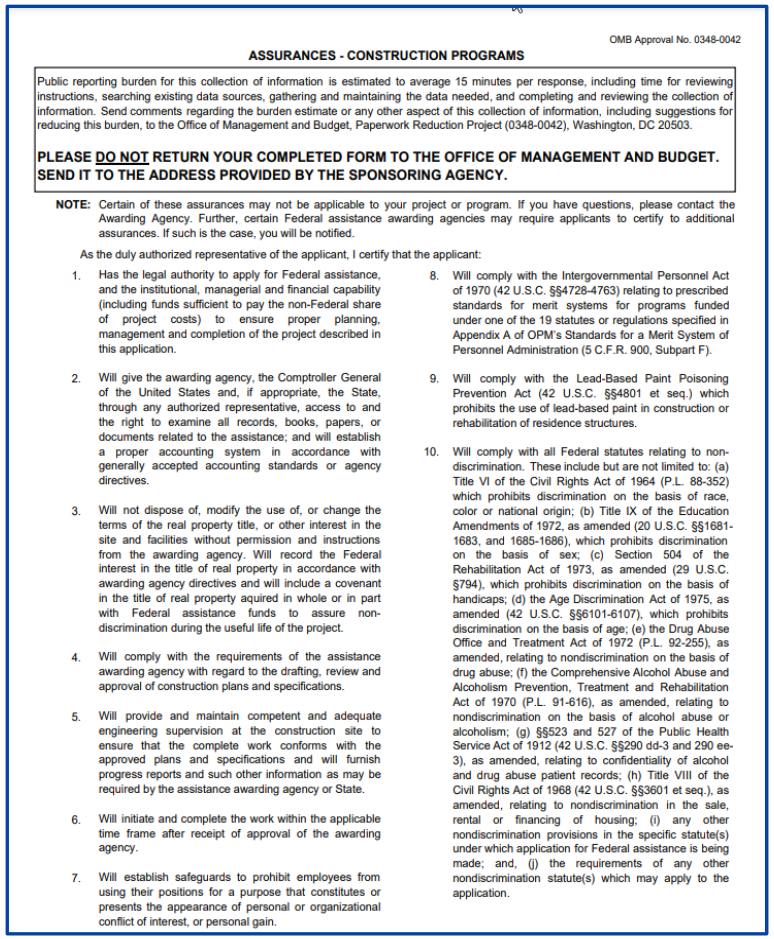
SF 424B- Non-Construction Assurances (Non-construction Projects only)



OMB Approval No. 0348-0042

ASSURANCES - CONSTRUCTION PROGRAMS

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PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property aquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

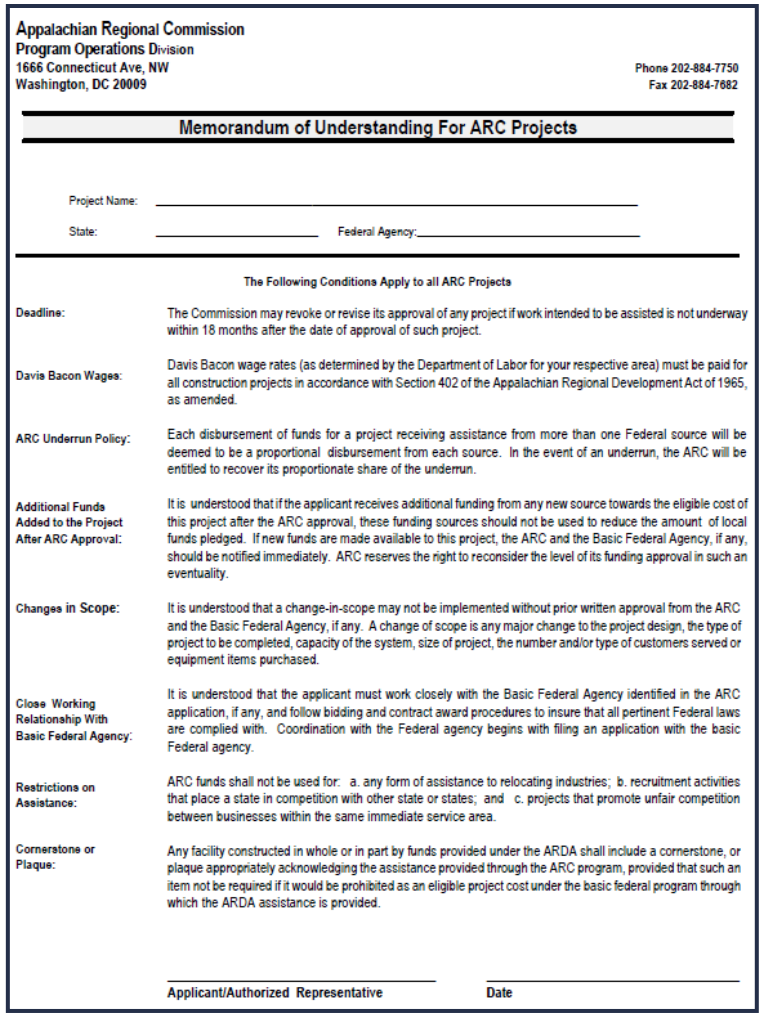
SF 424D- Construction Assurances (Construction Projects Only)

Appalachian Regional Commission

arc.gov

ARC Memorandum of Understanding

- For both non-construction and construction projects
- Outlines conditions that apply to all ARC grants
- Davis Bacon Wages
- Changes in Scope
- At least some ARC funds must be spent within 18 months.
- Find the ARC MOU here.



Appalachian Regional Commission
Program Operations Division
1666 Connecticut Ave, NW
Washington, DC 20009

Phone 202-884-7750
Fax 202-884-7682

Memorandum of Understanding For ARC Projects

Project Name: _____

State: _____ Federal Agency: _____

The Following Conditions Apply to all ARC Projects

Deadline: The Commission may revoke or revise its approval of any project if work intended to be assisted is not underway within 18 months after the date of approval of such project.

Davis Bacon Wages: Davis Bacon wage rates (as determined by the Department of Labor for your respective area) must be paid for all construction projects in accordance with Section 402 of the Appalachian Regional Development Act of 1965, as amended.

ARC Underrun Policy: Each disbursement of funds for a project receiving assistance from more than one Federal source will be deemed to be a proportional disbursement from each source. In the event of an underrun, the ARC will be entitled to recover its proportionate share of the underrun.

Additional Funds Added to the Project After ARC Approval: It is understood that if the applicant receives additional funding from any new source towards the eligible cost of this project after the ARC approval, these funding sources should not be used to reduce the amount of local funds pledged. If new funds are made available to this project, the ARC and the Basic Federal Agency, if any, should be notified immediately. ARC reserves the right to reconsider the level of its funding approval in such an eventuality.

Changes in Scope: It is understood that a change-in-scope may not be implemented without prior written approval from the ARC and the Basic Federal Agency, if any. A change of scope is any major change to the project design, the type of project to be completed, capacity of the system, size of project, the number and/or type of customers served or equipment items purchased.

Close Working Relationship With Basic Federal Agency: It is understood that the applicant must work closely with the Basic Federal Agency identified in the ARC application, if any, and follow bidding and contract award procedures to insure that all pertinent Federal laws are complied with. Coordination with the Federal agency begins with filing an application with the basic Federal agency.

Restrictions on Assistance: ARC funds shall not be used for: a. any form of assistance to relocating industries; b. recruitment activities that place a state in competition with other state or states; and c. projects that promote unfair competition between businesses within the same immediate service area.

Cornerstone or Plaque: Any facility constructed in whole or in part by funds provided under the ARDA shall include a cornerstone, or plaque appropriately acknowledging the assistance provided through the ARC program, provided that such an item not be required if it would be prohibited as an eligible project cost under the basic federal program through which the ARDA assistance is provided.

_____ _____

Applicant/Authorized Representative **Date**

Additional Project Budget Components

- Indirect Costs
- Budget Narrative
- Procurement Policy
- Match Requirements and Supporting Documents

Appalachian Regional Commission

Indirect Costs

- **Costs not directly related to the project, but necessary for general operations - rent, utilities, accounting, record keeping, etc.**
- **If you do not have an established indirect cost rate, you may use 10% of the modified total direct costs**
- **Please see 2 CFR 200 for how to calculate the MTDC:**

*All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC **excludes** equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000...*

Budget Narrative

- Provide written explanation of expenditures and how they align with the project scope.
- More detail needed for Personnel & Fringe Benefits, Equipment, Supplies, and Other. Include subtotals **for each category**.
- Must align with SF-424A and SF 424.
- Recommend **preparing in Excel** or other software
- **For construction projects,** budget narrative should draw from the PER (Professional Engineer Report). Must have Engineer seal.

Check your math!

Line Item	Description	ARC	Match	Total
Personnel				
Coffee Brewer	100 hours x $15/hour	$ 1,000	$ 500	$ 1,500
Senior Go-Getter	30 hours x $25/hour	$ 275	$ 475	$ 750
Problem Solvers	10 staff x 40 hours x $20/hour	$ 6,000	$ 2,000	$ 8,000
Big Boss	$60,000 @ 5%	$ 1,500	$ 1,500	$ 3,000
Subtotal Personnel		**$ 8,775**	**$ 4,475**	**$ 13,250**
Supplies				
Toolkits	10 kits @ $3,500 each	$ 25,000	$ 10,000	$ 35,000
Computers	10 laptops @ $1,000 each	$ 7,000	$ 3,000	$ 10,000
Office Supplies	papers, pens, telephones		$ 1,000	$ 1,000
Subtotal Supplies		$ 32,000	$ 14,000	$ 46,000
Total Project		**$ 40,775**	**$ 18,475**	**$ 59,250**

Budget Narrative

- Include information on procurement procedures
- Provide details of your match funding

Non-ARC Funding Commitments

Match	Kind	Type	Status	Total
Scarlet Letter Works	Cash	Local	Committed	$10,000
McCory & Schuster Points	Cash	Local	Committed	$30,000
AmeriCorps	Cash	Federal	Committed	$9,500
St. Patty's Coalition	In-kind	Local	Committed	$500
2 volunteers @ 25hrs each @$10/hr, registration support at 10 events				
SUBTOTAL MATCH				**$50,000**

Match Type Subtotals	Type	Status	Total
Federal	-------	---	$9,500
Local	-------	---	$45,500
SUBTOTAL MATCH			$50,000

- **Identify match sources**
- **Kind of funding (grant, loan, cash, in-kind)**
- **Type of match (federal, state, local, private, foundation)**
- **Status**
  - **Committed (confirmed & documented)**
- **Total amount committed**
  - ✓ ***Provide calculation for in-kind sources.***
- **Provide subtotals by type of match**

Construction Project Budget Considerations

Provide a detailed, recent engineer or architect construction budget [Professional Engineer's Report (PER), opinion of probable cost, architectural estimate, etc]

- A PER is usually the basis for the construction budget narrative

Separate out ARC project budget from larger multi-phase construction budget

Consistent project cost totals on standard forms, detailed budget, and basic agency letter

Match

Appalachian Regional Commission

What is Match?

Funds or resources contributed to the project outside of ARC
All ARC projects require match, and must be verified with a commitment letter from the match source

Acceptable match sources:

- Applicant
- Foundations
- Public Sector (including other federal grants)
- Private Sector

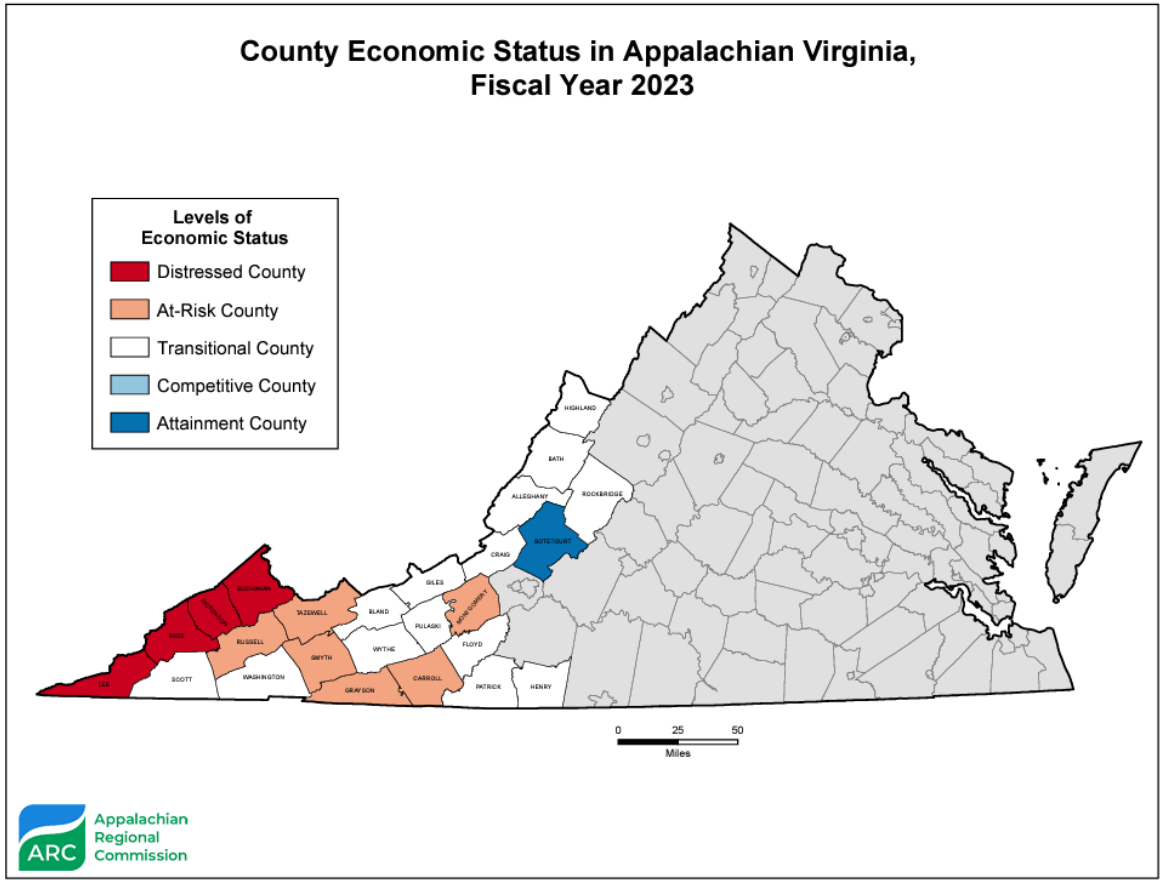
Types of match:

- Cash
- Loans
- Grants (including other federal awards with agency approval)
- In-kind donations (grantee-donated services and property, third-party donations, equipment and supplies)

Match Requirements

- ARC match rates are determined by county economic status designations

County Designation	Max ARC	Min Match
Distressed	80%	20%
At-Risk	70%	30%
Transitional	50%	50%
Competitive	30%	70%
Attainment	0%	100%



Appalachian Regional Commission

arc.gov

Virginia FY 2023 County Designations

Transitional (14) – Alleghany, Bath, Bland, Craig, Floyd, Giles, Henry, Highland, Patrick, Pulaski, Rockbridge, Scott, Washington, and Wythe

ARC funding is limited to 50% of the entire project cost, with a required 50% match (at minimum)

At-Risk (6) – Carroll, Grayson, Montgomery, Russell, Smyth, and Tazewell Counties

ARC funding is limited to 70% of the entire project cost, with a required 30% match (at minimum)

Distressed (4) – Buchanan, Dickenson, Lee, and Wise Counties

ARC funding is limited to 80% of the entire project cost, with a required 20% match (at minimum)

Calculating Match for Multi-County Projects…

For multi-county projects, the required match can be determined in the following ways:

- **If at least half of the counties are distressed – ARC funding may cover up to 80% of total project costs.**
- **If at least half of the counties are some combination of distressed and at-risk – ARC funding may cover up to 70% of total project costs.**
- **Otherwise funded at the average percentage applicable to the various counties in the project, excluding attainment counties.**

How to calculate the average match rate if less than half of the counties in the project service area are distressed and/or at-risk…

County	Economic Designation
Carroll	At-Risk
Smyth	At-Risk
Bath	Transitional
Bland	Transitional
Henry	Transitional

Maximum ARC Percentage
70%
70%
50%
50%
50%
= 290% divide by 5 = 58% ARC Funding; 42% Percent Match Funding

For a $100,000 total project cost:

- **(Up to) $58,000 may be covered by ARC funds**
- **$42,000 in match required**

Match Commitment Letters

- All match must be documented through a commitment letter from the match source
- On letterhead or by copy of official document
- Must include:
  - Dollar amount (or value of in-kind donation) committed to the project
  - Signature of authorized individual
  - Description of in-kind donation and how value was determined
  - If match is in-kind real estate, must attach copy of MAI appraisal

**Note – once project starts, you must track in-kind match (i.e. time sheets for personnel hours etc).

Sustainability

Appalachian Regional Commission

Project Sustainability & Organizational Capacity

Appalachian Regional Commission

ORGANIZATIONAL CAPACITY

- Previous experience with similar activities
- Organizational experience managing federal or state grants
- Briefly describe qualifications of key individuals including staff, consultants and contractors. Please attach resumes of key staff.
- Attach position descriptions for unfilled positions

SUSTAINABILITY

- Strategy for long-term financial and operational sustainability (e.g., organizational partnerships, other funding sources, plan for self-sustainability)
- Be specific –what funding sources will be pursued?
- For Goal 1, (e.g incubators, retail space etc) – business plan and five-year pro forma required. Feasibility study and/or market demand analysis may also be requested.

Construction Projects: Sustainability Plan

- Preliminary engineer's report (PER) identifying who will own and maintain construction improvements
- Asset management plan that demonstrates technical sustainability
- Feasibility studies or business plans
- Five-year pro forma financial projections that demonstrate financial sustainability (business projects)
- Other independent assessments of sustainability like feasibility studies or business plans
- Planning grant could precede implementation grant
- If business component, then a marketing plan for tenants or customers