

# EFFECTIVE FEDERAL GRANT WRITING

A WEBINAR SERIES FOR  
MUNICIPALITIES

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**PART TWO - BENEFITS AND  
LIMITATIONS OF FEDERAL  
FUNDING**



Petroglyph Consulting, LLC

# ● Introduction



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# ○ Webinar 2: Benefits and Limitations of Federal Funding



## Objectives

- Gain a better understanding of the benefits provided by Federal funding, beyond the direct benefit of the actual \$\$.
- Learn the limitations of Federal Funding, including potential impacts to your community budget and staffing.
- Review grant funding application timelines and learn about “curve balls” imbedded in certain fund sources.



# ○ A Rose By Any Other Name...



- What is it?
  - Federal funds
  - Outside funds
  - External funds
- Beware the dreaded OPM.
  - "Other People's Money"
  - Taxpayer will say, "It's MY money"



# ● Benefits



- New External Funding to complete a project.
- Long-term Federal Funding Strategy

Fiscal Year	Budget	Federal Award	New Budget	Cumulative Benefit
2022	\$1,500,000	\$500,000	\$2,000,000	\$500,000
2023	\$1,500,000	\$1,000,000	\$2,500,000	\$1,500,000
2024	\$1,500,000	\$750,000	\$2,250,000	\$2,250,000
2025	\$1,500,000	\$2,000,000	\$3,500,000	\$4,250,000
2026	\$1,500,000	\$1,000,000	\$2,000,000	\$5,250,000



# ● Benefits



- Accelerate completion of projects.
  - Increased external funding means you can do more, sooner.
  - Reduce risk from health & safety liabilities sooner
- Expand or add new elements to planned projects.
  - Pave an additional 2,000 ft. of roadway
  - Concrete vs. wood decking on bridge; grade separated bike lane.
- Conserve existing funding for other uses.
  - Unanticipated equipment failures.
  - Excessive price increases (COVID).
  - Rapid Inflation (How is your Community's fuel budget?)



# ○ Benefits



- Personnel Budget - Staff time reimbursement.
  - Many grants allow for staff time to be reimbursed.
    - Project Manager - overseeing project
    - Construction Inspection/Observations
    - Fiscal staff - grant processing and tracking
- Check with Funding Agency and Fiscal Staff First.
- Identify specific tasks.
- Track time spent on verifiable time sheets.
  - Will be needed for reimbursement.



# ● Benefits – Economic Development



- External Funding Spent Locally
  - Design & Construction
  - Increase in Gross Receipts Tax Revenue
- Support Other Local Businesses
  - Construction Suppliers
  - Restaurants/Gas Stations
- Promote Future Projects by Others
  - Roadway Widening
  - Increased water supply or wastewater treatment



# ○ Benefits



- Additional Expertise
  - Outside review can improve project submittal.
  - Outside review helps validate project.
- Increased Public Awareness
  - Funding is Reported by Agency.
  - Opportunity for a Press Release.
- Success breeds Success
  - Establish track record of successfully using federal funds.
  - Improve reputation for other funding sources.





# QUESTIONS?

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# ○ Limitations

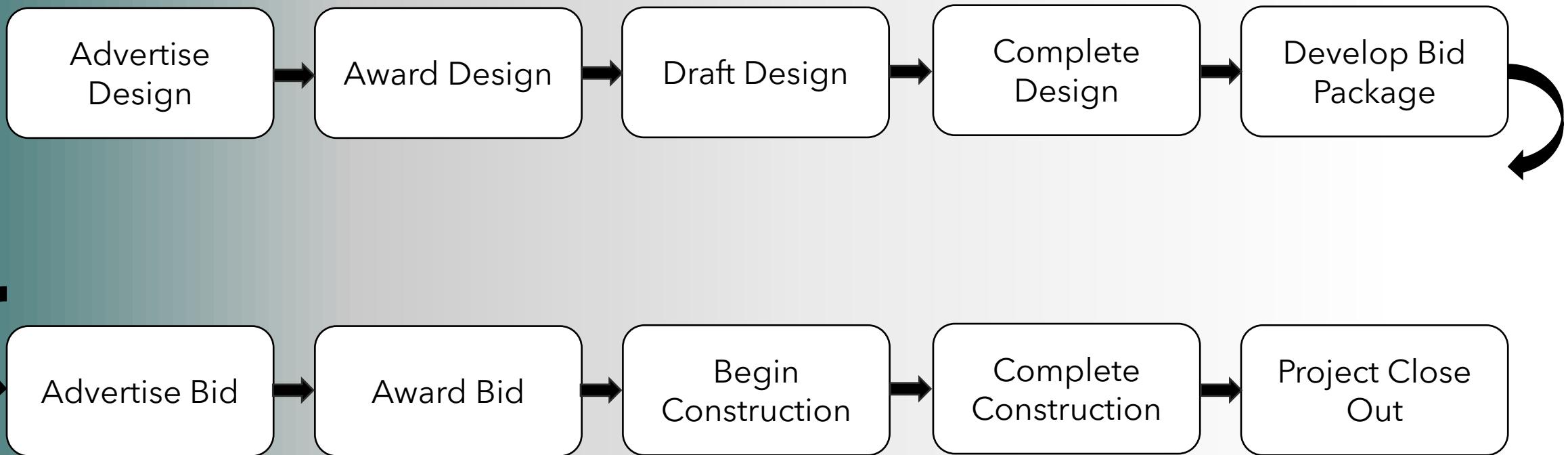


- Loss of Control
  - Change of Scope needs approval.
  - Major Milestones need approval.
  - Design Additional Services need approval.
  - Construction Changes Orders need approval.
- Failure to get approval may impact reimbursement.
- Agency may directly oversee project.
  - Lose direct control over project costs.



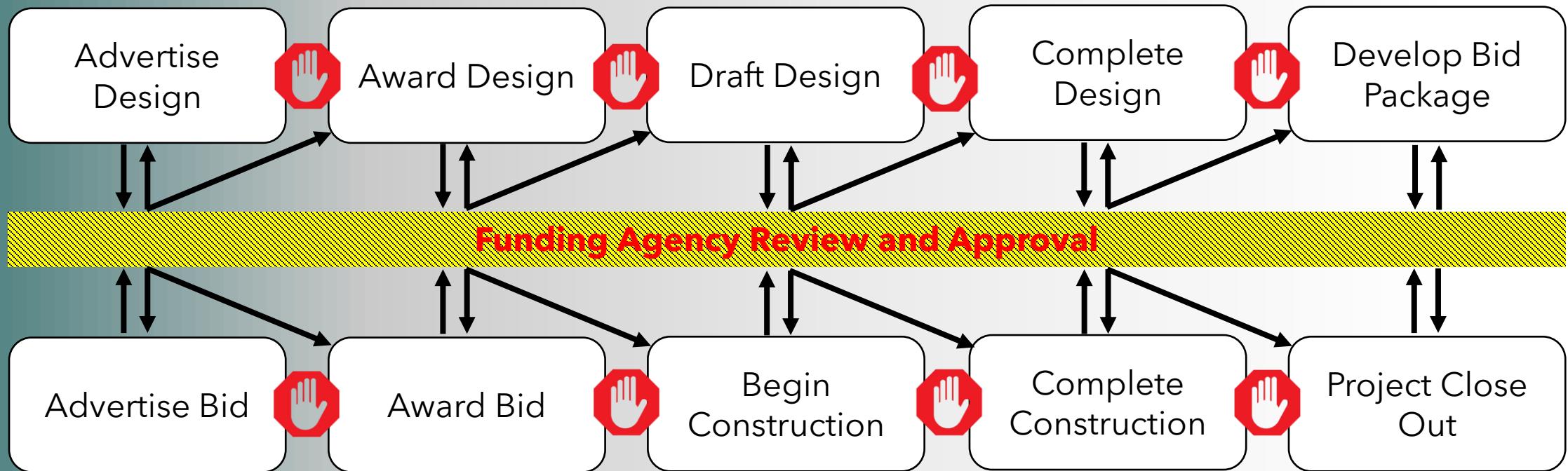
# ● Limitations

- Loss of Control



# ● Limitations

- Loss of Control



# ○ Limitations



- Additional Paperwork
  - Use of forms/databases from Agencies.
    - Monthly/Quarterly Reports
  - Documentation of expenditures, activities, etc.
    - Cancelled Checks
    - Records Archives
- Increased Staff Time
  - Someone has to complete the paperwork.
  - Someone has to be a point of contact for the funding agency.



# ○ Limitations



- State vs. Federal Procurement
  - On-Call Engineering or other existing contracts may be invalid.
  - Set up project specific advertising & award of services.
- Increased Cost
  - Additional Steps for Project.
    - NEPA Compliance
    - State/Federal Wage Rates
    - MBE/WBE Compliance
  - Federal Funds Impact
    - Contractor/Consultant additional record-keeping.



# ○ General Timeline Considerations



- Time Limitations on Availability of Funds
  - Funding will expire. Typically 3-5 years.
  - "Period of Performance (POP)"
- Increased Project Timeline
  - Additional Procedures (NEPA) take time.
  - May require longer advertisement periods.
- Agency Timeline and Priority Conflicts
  - Agency may have higher priority projects.
  - Agency may be understaffed.



# ○ Typical Grant Application Timeline

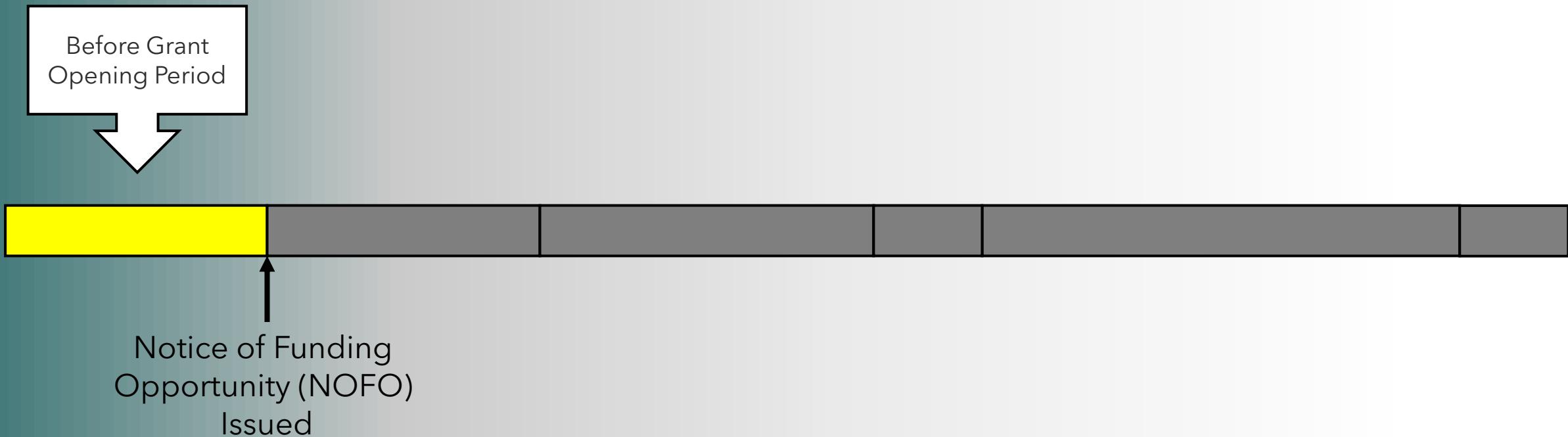


- FEMA Pre Disaster 2019 Grant issued 9/9/2019
  - Application Due 1/31/2020
- Award of Grant - 12/4/2020
- But Wait! There's More.....
  - State Deadline 11/30/2019
  - Notice of Interest Due 10/23/2019
  - Board Resolution for Project - 10/17/2019
  - Presenting to Board - September 2019
  - Preparation of Presentation - August 2019



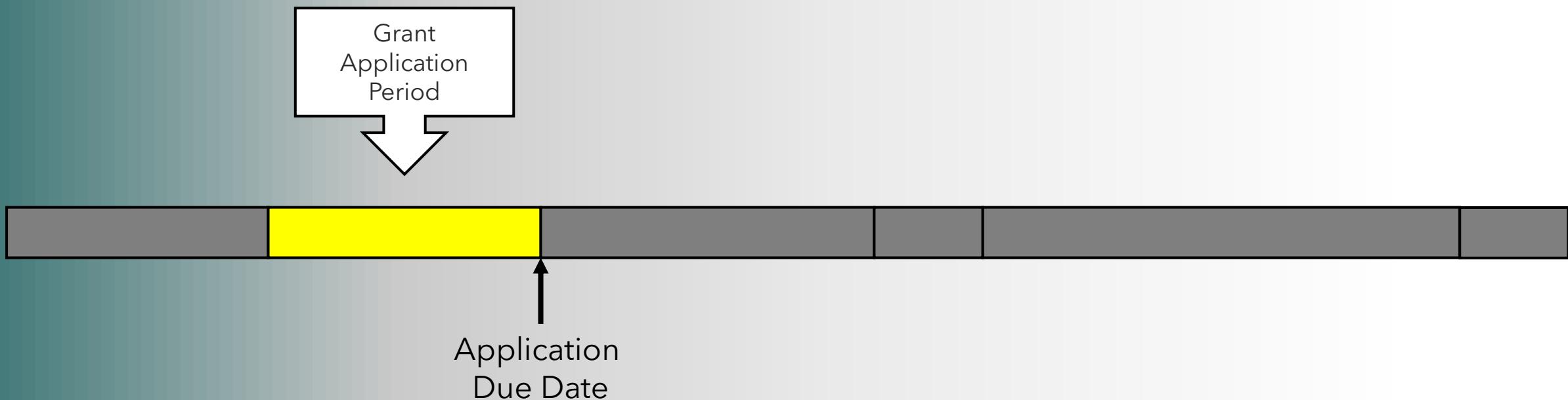
# ○ Typical Grant Timeline Example

- Grant Phases



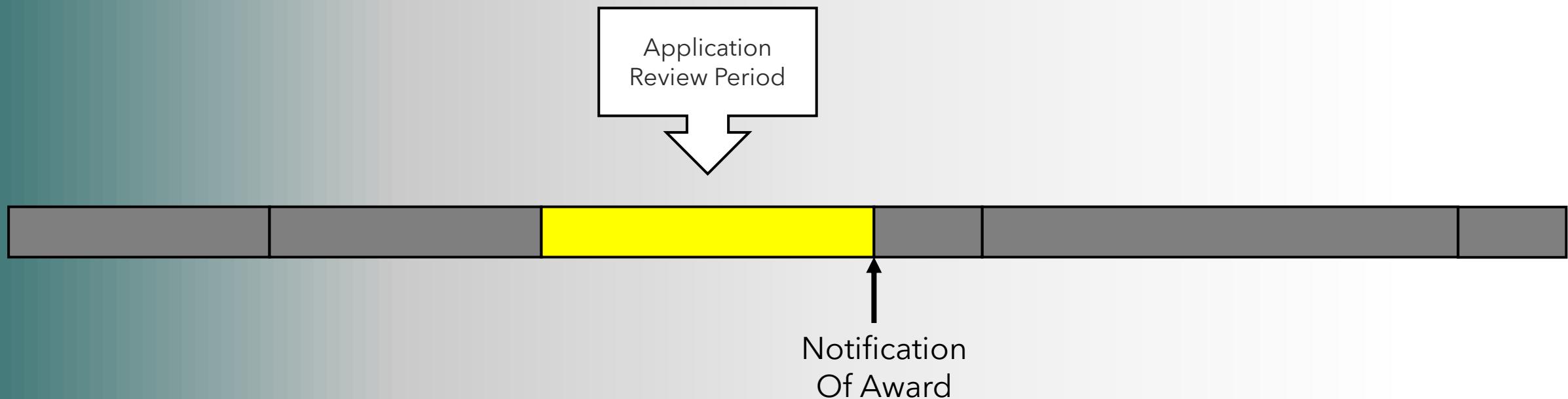
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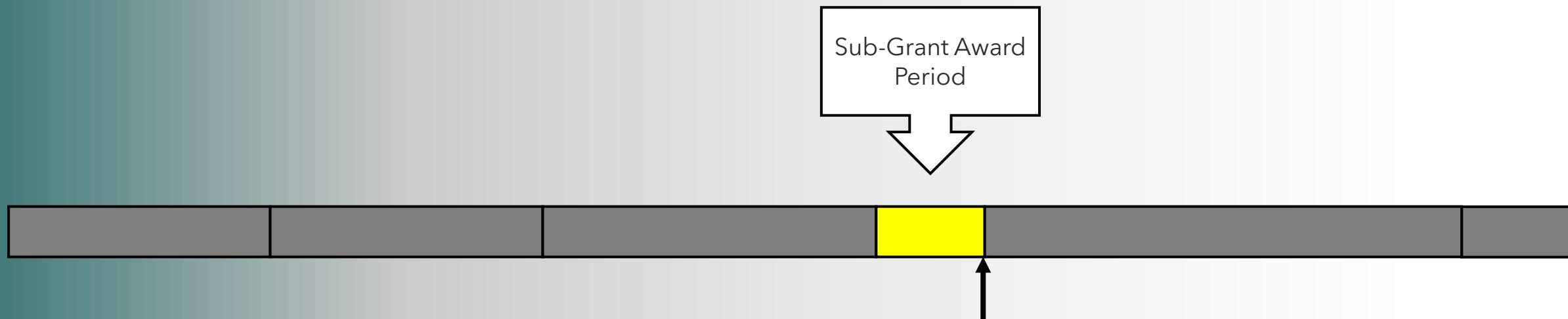
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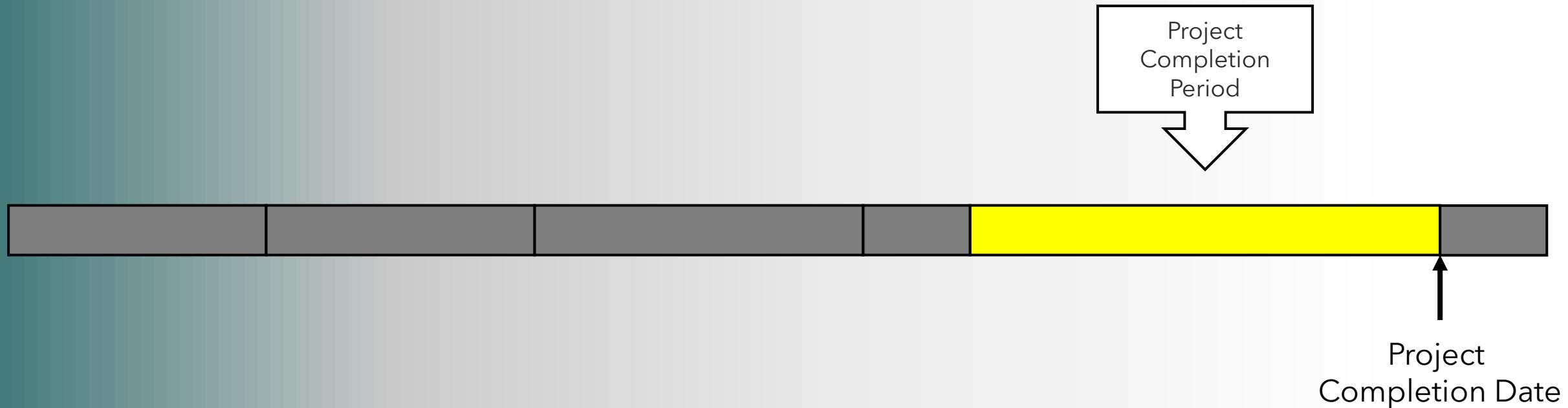
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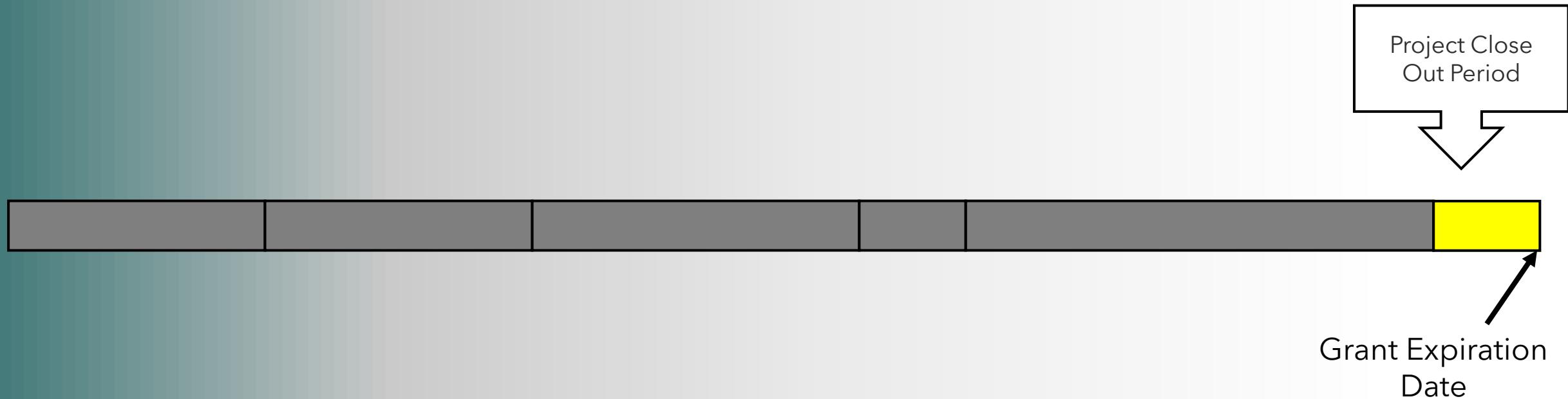
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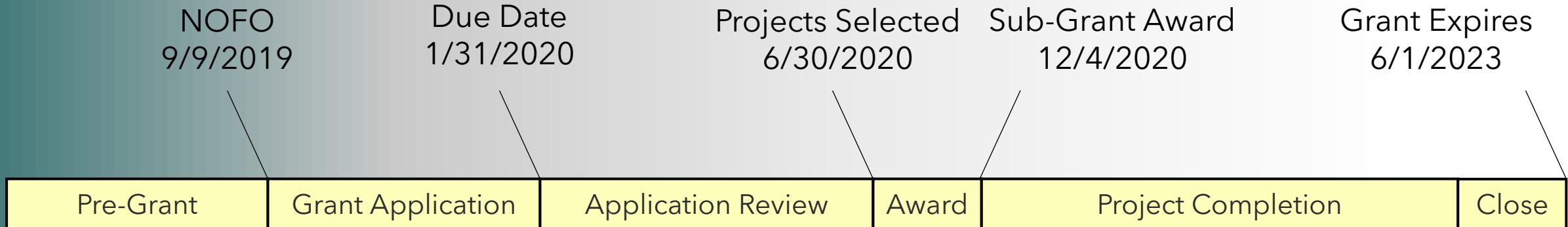
- Grant Phases



# ○ Typical Grant Timeline Example



- Dates from 2019 Pre-Disaster Mitigation Example



- The Period of Performance (POP) is 36 months
  - Actual timeframe is 27 months



# ● Budget Considerations



- Advance Spending
  - Preparation of application materials may require up-front expenditures.
    - Preliminary Engineering Report.
    - Benefit-Cost Analysis.
  - Costs may be ineligible for reimbursement.
- Reimbursement Process
  - Most federal funding operates as a reimbursement process.
  - Submit proof of payment and wait for approval.
  - Reimbursement can take up to one year.

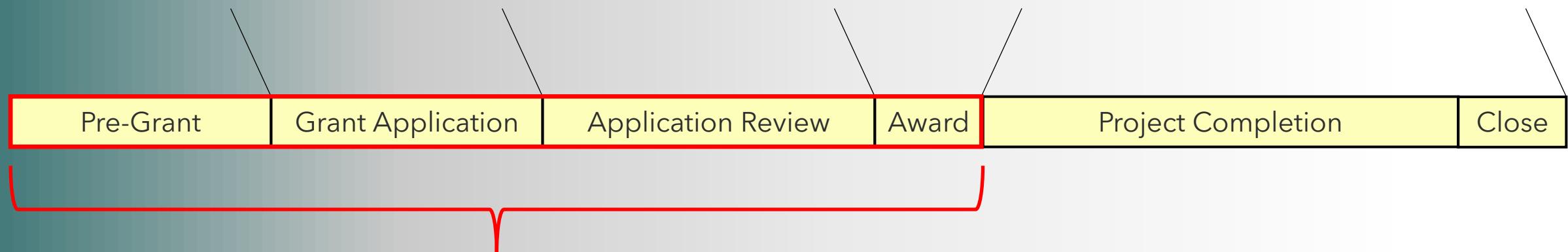


# ○ Reimbursement Eligibility



- Dates from 2019 Pre-Disaster Mitigation Example

NOFO 9/9/2019	Due Date 1/31/2020	Projects Selected 6/30/2020	Sub-Grant Award 12/4/2020	Grant Expires 6/1/2023
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- Expenses during this timeframe are ineligible for reimbursement\*



# ○ Reimbursement Strategies



- Identify areas of Budget to cover shortfall
  - Do not use other grant funds.
  - Do not use operating budget funds, e.g. personnel budget.
  - May need to delay or alter timing of other capital projects.
- Defer Consultant/Contractor Payment
  - Submit invoices to agency for direct payment to third party.
  - Review of reimbursement occurs prior to payment.
  - Can negatively impact bidding of current or future projects.



# ● Budget Considerations



- Federal Agency Audits
  - Project Audits
  - Close Out Audits
- Community Audits
  - Federal Funds may impact your Annual Audit requirements
  - Single Audit needed for expenditure of federal funds > \$750,000





# QUESTIONS?

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# Webinar Schedule



## Grant Writing Webinar Series Schedule

Day	Date	Time	Topic
<b>Wednesday</b>	9-Mar	10 - 11 AM	Introductory Session/Overview of Funding Sources
<b>Wednesday</b>	23-Mar	10 - 11 AM	#1. What Makes a Good Project?
<b>Tuesday</b>	5-Apr	10 - 11 AM	#2. Benefits/Limitations/Considerations of External Public Funding
<b>Tuesday</b>	26-Apr	10 - 11 AM	#3. Project Scoping for Funding
<b>Tuesday</b>	17-May	10 - 11 AM	#4. General Project Development
<b>Thursday</b>	9-Jun	10 - 11 AM	#5. Identifying Matching Funds & Partners
<b>Tuesday</b>	21-Jun	10 - 11 AM	#6. You Got the Money - Now What?



# ○ Key Contacts



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