Reimbursement Quick Reference Guide

**Federal Requirements**
This grant is funded by the American Rescue Plan Act (ARP). The terms and conditions of federal awards (including this grant) flow down to subrecipients. As such, Grantees must also comply with 2 CFR 200 requirements. The [ARP Non-Competitive Implementation Guide](#) provides details around 2 CFR 200 requirements or refer to section 8 (*Resources*) below for additional guidance.

**Prerequisites to Reimbursement**
Eligibility for reimbursement is based on the following criteria:

- ✓ Grantees are the only individuals eligible to submit a request for reimbursement.
- ✓ Funds will be disbursed directly to requesting Grantees. Grantees and partners should coordinate or enter agreements as needed for coordination and/or transfers of funding received from TDEC.
- ✓ Grantees can only request reimbursements once per month. Grantees should work with partners, responsible parties and other project owners on invoicing.
- ✓ Activities and costs must be part of an approved project and budget in an executed grant contract and must be tracked.
- ✓ Activities and costs must occur in the eligible performance period (on or after March 3, 2021, through September 30, 2026).
- ✓ Only approved projects with **approved procurements** in GMS are eligible for requesting reimbursement in GMS. All procurements and supplier contracts must be submitted for review in GMS and receive approval prior to being eligible for reimbursement. Guidance on what is required to obtain procurement approval can be found in the Procurement and Acquisitions section of the Implementation Guide.

**Retainage**
Per Tennessee code, construction contracts may provide for the withholding of retainage; provided, however, that the retainage amount may not exceed five percent (5%) of the amount of the contract. If retainage is required by local policy for a cost claimed for reimbursement, the Grantee must demonstrate that the retainage requirements have been met by providing the following:
• With the first reimbursement request for a project, documented proof of the retainage account including the account number, institution and balance.
• In subsequent reimbursement requests, documented proof that retainage was deposited into the established retainage bank account.
• Upon the final payment requested from the Grantee, documented proof that all retainage has been released to its contractors for the project.

**GMS Activity**
The Grantee will be required to create a Reimbursement Activity in GMS and complete the required information. Each expense must be entered at the level of detail that is broken down by procurement, Project ID and Expense Object Line-Item Category. The Grantee must also identify the amount per expense claimed for reimbursement and the amount to be applied towards the grant’s co-funding requirement.

**Co-Funding**
This grant is an allocation style grant and as such, the co-funding requirement varies from the match expectations on other grants. Co-funding minimum requirements are specified in your Grant Contract. Co-funding minimums may be met in a variety of ways:

• Cash - local ARP funds, State Revolving Fund loans, financial assistance grants and loans, cash reserves, revenue bonds, public-private partnerships or sponsors, or engineering plans and specifications developed on or after March 3, 2021
• In-kind contributions - value of non-cash contributions that may consist of goods or services, benefit a federally assisted project, and are contributed by a third-party without charge. These may consist of project owner labor, equipment services, or material contributions.
• Percentages of invoices submitted for SWIG reimbursement

Co-funding minimums must be satisfied prior to closeout and are reviewed on a grant basis, rather than a project basis. While there is no requirement that co-funding contributions be submitted on each reimbursement request, it’s best practice to submit at least quarterly, and co-funding will be reviewed on an incremental basis.

**Documentation Requirements**
Providing the appropriate level of documentation and detail in the initial request will aid in a more expeditious review of your request. Requests for information (RFIs) will be sent where
information is missing or requires clarification. Each invoice submitted to TDEC for review and reimbursement will need the following documentation:

✓ Invoice or pay application, broken out clearly by individual project and including a detailed description of the services provided
✓ All invoices require appropriate signatures for performed scope of work
  o Engineer of Record (EOR) or architect AND project owner for construction work
  o EOR for planning and design work
✓ Supporting documentation that substantiates the items included in the invoice to aid the reviewer in confirming the allowability, accuracy and reasonableness of costs claimed:

<table>
<thead>
<tr>
<th>For construction costs:</th>
<th>For lump sum contracts (that don’t require a purchase order or invoice):</th>
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<td>• Schedule of values and/or progress estimates</td>
<td>• Drawings or daily job and/or inspection reports for that project specific scope of work and containing the respective scope of work, equipment used and number of people in the crew</td>
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<td>• Project schedules</td>
<td>• Alternatively, the basis of bid for the specific scope of work</td>
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<tr>
<td>• Subcontractor invoices</td>
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<td>• Progress or inspection reports</td>
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For grant administration, engineering, or other costs:

• Time summaries
• Subcontractor invoices, where relevant

✓ Any required deliverables stated in the grant proposal
✓ Proof of payment consisting of cleared checks including both front and back of check showing endorsement, or alternate supporting documentation indicating the check or wire transfer has cleared (i.e., Bank Statement).
  o The first reimbursement may only include an invoice and the details listed above; the second reimbursement request will require a proof of payment for invoice #1 and details for reimbursement requested for invoice #2. Each subsequent reimbursement request should follow this process. Proof of payment for any prior submissions must be on file and fully substantiate the previous payment before the next reimbursement will be approved.
✓ For construction contracts, proof of retainage compliance as detailed in the “Retainage” section above.
✓ Change orders or amendments not included in the original procurement review.
There are certain contract deliverables needed prior to incremental or final reimbursement for the different project types. The maximum amount of reimbursement available will be capped at either 80% or 90% of the project budget depending on award type until all required deliverables are submitted and approved by TDEC. These requirements are specified in the Grant Contract or refer to the ARP Non-Competitive Grant Manual and the Deliverables Quick Reference Guide for more information.

Many projects identified in an ARP Non-Competitive grant application require engineering work, including a Preliminary Engineering Report (PER) and plans and specifications. PER(s) focus on an issue(s) and evaluates a suite of alternatives to address the issue(s). The grantee should refer to the PER Quick Reference Guide for the submission and expected approval process.

### Resources

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<tr>
<th>TDEC/SWIG Guidance -</th>
<th>U.S. Treasury Guidance -</th>
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<tbody>
<tr>
<td>• ARP Non-Competitive Implementation Guide</td>
<td>• SLFRF Compliance and Reporting Guidance</td>
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<tr>
<td>• ARP Non-Competitive Grant Manual</td>
<td>• SLFRF Final Rule</td>
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<tr>
<td>• Asset Management Plan Guide</td>
<td>• SLFRF Final Rule FAQ</td>
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<tr>
<td>• TDEC Grants Management System (GMS)</td>
<td>• Uniform Guidance (2 CFR Part 200)</td>
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