

Joint Funding Administration

Administrative Handbook

FY 2018



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INDEX

Overview.....	2
MOAs.....	3
Scope of Work Elements.....	4
120 – EDA	4
125 – CDBG	4
140/150 – DLG	5
130 – ARC.....	8
Reporting and Forms.....	10
Cost Allocation Plan Review	11
JFA Calendar FY 2018	12
JFA Funding FY 2018	13

JOINT FUNDING ADMINISTRATION

Overview

The Joint Funding Administration (JFA) was created as a way to unify funding to the Area Development Districts (ADDs) from multiple sources (both state and federal). It originally included federal agencies such as the Economic Development Administration (EDA), Community Development Block Grant (CDBG), the Appalachian Regional Commission (ARC) and state agencies including the Department for Local Government (DLG), the Cabinet for Health and Family Services, and the Justice Cabinet. As the years passed, various agencies have dropped out of JFA. Current participants include DLG, EDA, and CDBG. The state match for federal ARC funds are included in the JFA, but the federal funds are not.

The Kentucky General Assembly allocates a set amount of money every biennium from the General Fund to the JFA, to be distributed by DLG. Similarly, from a federal point of view, the participating agencies allocate a set amount of money every year from their general funds to Kentucky, to be distributed by DLG via the JFA. Historically, DLG applies for this money from all federal agencies in the spring of the year. Upon approval of the federal grants, DLG submits quarterly requests for disbursement and then distributes the money each quarter to the ADDs.

DLG works with the federal agencies to minimize the amount of reporting due from the ADDs, supplying most of the requirements from the ADDs quarterly financial and process reports. Only the Comprehensive Economic Development Strategies (CEDs) are sent directly from the ADDs to the federal agency (EDA).

Memoranda of Agreement (MOA)

Working together with the ADDs, DLG will develop standardized MOAs each year with attached Scope of Work (SOW) defining the services to be performed by each ADD and the dollar amount to be paid by DLG. The MOAs must be signed by both parties and are considered legally binding documents. Amendments to these agreements will be processed according to standard DLG amendment forms, and will become official upon the signature of an authorized representative of each party.

A CD-511 (Certifications Regarding Drug-Free Workplace Requirements and Lobbying) is also required at the time of MOA execution.

Scope of Work Elements

120 - EDA

Develop and implement the Comprehensive Economic Development Strategy (CEDS) for the Economic Development Administration (EDA) as per EDA's Comprehensive Economic Development Strategy guidelines. The ADD will develop a new CEDS every five years with annual updates.

1. Report to the Kentucky Department for Local Government (DLG) all community and economic development planning efforts for projects directly affecting any phase of new job creation and business/industrial investment.
2. Monitor and report action plans and implementation of objectives and strategies as set forth in the CEDS related to natural resources and physical environment.
3. Provide assistance to the Regional Business Parks and Regional Industrial Authorities including, but not limited to, conducting monthly Regional Authority meetings and maintaining Authority records.

125 - CDBG

Assist DLG in implementing the Kentucky Community Development Block Grant Program (CDBG) by providing technical assistance to local units of government and eligible communities.

1. Provide certified CDBG administrative services to local units of government participating in the CDBG program.
 - a. Meet with communities desiring to participate in the CDBG program to outline the program requirements, including but not limited to, thresholds that must be met, national objectives, competitive nature of the program, and methodology, required to determine LMI beneficiaries.
 - b. Provide direct development services to aide communities in development of CDBG eligible projects.
 - c. Assist local units of government in the preparation of CDBG pre-submission documents and applications after determining eligibility, including the design of a competitive project, and all planning required to meet the goals and objectives of the project.
 - d. Provide technical assistance in advising local units of government in the satisfactory completion of program requirements regarding citizen participation, environmental scoping, cost estimates and other requirements to the development of the project.

- e. Ensure that ADD Staff are certified CDBG administrators and attend all relative trainings required to meet and maintain certification requirements.

140/150 – DLG

1. Provide technical assistance and coordination in the pursuit of investments designed to provide sustainable community and economic development initiatives that ensure the region's competitiveness.
 - a. Provide technical assistance to divisions of local government and other eligible applicants for State, Local, Federal and Private Investments; loans and grant programs to include, but not limited to, KIA, ADF, CDBG, EDA, ARC, Coal Severance, Homeland Security, Renaissance on Main, Recreational Trails Program, Land and Water Conservation Fund Grant Program, Kentucky Rails to Trails Program, and other grants programs targeting recreation and/or conservation both public and private.
 - b. Monitor and report number of completed, submitted, and successful loan and/or grant applications submitted on behalf of divisions of local governments and/or other eligible applicants – to be attached to the quarterly report to DLG.
2. Assist DLG with community development and community enhancement initiatives/projects that further develop the region's "quality of life" goals for sustainable growth.
 - a. Notify all potential applicants throughout the region (through a uniform, formal, consistent manner), of grant availability and funding cycles for all Federal and State grants programs which specifically include, but are not limited to, Recreational Trails Program, Land and Water Conservation Fund Grant Program, and Kentucky Rails to Trails Program.
 - b. Assist in the monitoring of open projects, provide technical assistance to grants recipients to ensure contracts are met, ensure proper utilization and expenditure of funds, and provide project completion assistance including progress reports and final close out reports.
 - c. The ADD shall develop and carry-out a plan focusing on promoting Kentucky Wired and the benefits it will bring to communities across the state. This plan will include providing support from the ADD in assisting the Kentucky Communications Network Authority to utilize the public right-of-way; obtain property easements, city/municipal pole attachment agreements, permits, and other third-party agreements; and to foster the Kentucky Wired build and advance the ADD's mission.
3. Assist DLG with coordinating the efforts of divisions of local governments in planning, implementation and procurement of funding for projects and initiatives related to disaster and

emergency assistance, preparedness and public safety, which promote safe and secure communities.

- a. Assist divisions of local government and other eligible applicants with planning, development, submission of applications for funding, and implementation of projects related to, but not limited to, emergency management, disaster, FEMA, NRCS, and homeland security/public safety.
 - b. Provide technical assistance to local units of government when conducting public meetings, explaining local government and community responsibilities regarding public funding for projects.
 - c. Provide qualified ADD staff as liaison contacts for the Division of Emergency Management and provide documented technical and administrative support to Area Managers.
4. Provide technical assistance to local units of government and special districts in financial administration and general administration, including, but not limited to, the following:
- a. Provide and maintain inventories of Special Purpose Governmental Entities (SPGES) including, but not limited to, County location(s), District Name, Statute functioning under, and Contact information.
 - i. Update (electronically) the DLG Office of Financial Management and Administration annually by January 15, with any contact changes as well as new, merged, and/or dissolved SPGES.
 - ii. Provide technical assistance as needed to carry out the provisions of KRS Chapter 65A.
 - iii. Provide technical assistance as needed to carry out the provision of KRS Chapter 65.065-.070 and the sections of KRS 65, 65.900-.925 relating to the Uniform Financial Information Report (UFIR).
 - b. Assist DLG with compliance and non-compliance for Cities and SPGES.
 - c. Assist local governments and special districts in general administration, including, but not limited to:
 - i. Establishing sound procurement policies and purchasing procedures.
 - ii. SAM registration and annual renewal updates.
 - iii. DUNS number and FEIN number registration and updates, as needed.
 - iv. Provide assistance, as needed, with unique or special projects undertaken by local units of government or special districts.
 - v. Personnel Policy establishment, amendments or updates.
 - vi. Human Resources.

- vii. Disseminate information on State Price Contracts and Mutual Cooperative agreements for purchase of goods and services.
 - viii. Disseminate information about the availability of surplus property, equipment, materials and supplies.
- d. Provide technical assistance in financial administration and uniform financial reporting to local governments and special districts.
- i. Assist local governments and special districts with budget preparation, and accompanying activities such as preliminary work, public notices, public hearings, adoptions, amendments and administration, as needed.
 - ii. Assist city officials with tax rate calculations.
 - iii. Assist DLG with SPGE Financial Disclosure Training and Tax Rate Calculation Training annually.
 - iv. Assist local governments and SPGEs with all technical assistance with obtaining the required audits, completion of financial statements and uniform financial information reports required by DLG, other government agencies, and/or by statute, and other such financial issues as deemed necessary and appropriate.
- e. Assist DLG in conducting and/or providing training or workshops as appropriate, and as needed for city, county and SPGE officials.
- i. Make available such facilities, rooms or meeting space as it reasonably may provide to DLG or its designees to conduct training and/or provide other assistance to SPGEs.
 - ii. Provide notices of meeting facilities, necessary equipment and materials and the necessary means to assure attendance.
 - iii. Provide follow-up support assistance by responding to inquiries and requests, and by on site visitation as needed. Contact DLG's Office of Financial Management and Administration for their on-site assistance when warranted.
- f. Assist DLG with any special projects that may develop as a result of legislation or new programs.
- g. Provide quarterly narrative progress reports in regards to activity and outcomes to DLG including any special reports as deemed necessary and beneficial.
5. Perform the functions of a regional clearinghouse pursuant to Presidential Executive Order 12372 including coordination of federally assisted projects and programs with local and area plans; soliciting input from area wide and local agencies that area authorized to develop and enforce environmental standards; providing agencies charged with enforcing or furthering civil rights laws with the opportunity to participate in the review process; and to encourage an expeditious process of intergovernmental coordination and review of proposed projects.

- a. The ADD, in its role as Regional Review Agency (RRA), must designate and maintain an Intergovernmental review process and coordinator to ensure the proper and timely flow of information to in house ADD reviewers and between agency and state clearinghouse. All Kentucky State Clearinghouse Intergovernmental Review processes are to be completed online at <https://eclearinghouse.ky.gov>
 - b. Provide the chief elected officials of a community/county (e.g., mayors and county judge executives) with the opportunity to review, request additional information or ask questions all projects that have impact on their areas prior to submission.
 - c. In those cases where the applicant is a special purpose unit of local government, the RRA's designated Intergovernmental Review Process Coordinator will insure that any unit of local government having jurisdiction over any area in which the proposed project is located has an opportunity to confer, consult and comment upon the proposed project.
 - d. RRA will follow the developed internal review procedures by utilizing the e-clearinghouse system, which allows input to be provided to the Single Point of Contact within the review periods.
 - e. Evaluate the significance of the proposed federally assisted programs to area wide and local plans and programs.
 - f. The RRA must provide interstate metropolitan planning districts, which share common territory with the RRA, a copy of any proposal affecting its jurisdiction. If the interstate body desires to provide input on these proposals it must utilize the officially designed state Single Point of Contact to forward comments to the Kentucky State Single Point of Contact.
 - g. The RRA must maintain official records of the action of the RRA concerning individual proposals.
 - h. The RRA shall conduct training as needed to ensure functional committee persons and the Board of Directors maintains an adequate level of knowledge to perform efficiently and effectively.
6. Expenditures relating to maintenance or capital expense of the ADD as well as any non-JFA personnel costs are expressly prohibited. All salary-related expenses must be documented by time sheets and the required JFA Quarterly Reports.

130 – ARC

Implement and maintain, in conjunction with DLG, a program to focus on investments designed to provide basic community services, upgrade the quality of life, spur employment, and improve the economic viability of the region.

1. Planning: Planning activities that are proposed over the fiscal year period. These activities could be related to the agency; to a particular county (counties); to a particular project (solid waste; community/regional strategic planning, etc.).
2. Community and Economic Development Activities: Identify projected activities with projects or programs over the 12-month period. These activities should be grouped according to the four ARC goals of: Business Development and Jobs Creation; Education / Workforce Development and Adequate Health Care; Infrastructure Development; and Completion of the Appalachian Development Highway System.
3. Technical Assistance: List ways that technical assistance will be given to local communities during the up-coming fiscal year. You may wish to show examples that have taken place in the past and may be requested again. Show flexibility in case unexpected needs arise.
4. Performance Measure: Report on the results or impact of the funds received. Include "output/out-come" measures relative to the four ARC goals and specific approved ARC projects.
5. Agency Administration: The total ARC program broken out by object-class categories: Personnel, Fringe, Travel, Supplies, Equipment, Other, Indirect, and Total. Include how many staff and what percentage of time will be supported with the ARC program.

Reporting and Forms

ADDs are required to submit the forms and reports listed below according to the JFA FY 2018 Calendar (see page 12). Forms for reporting are available for download on DLG's website. ADDs are responsible for submitting the following reports electronically, unless otherwise specified:

- Certification Regarding Lobbying (Form CD-511) – Must be submitted with the JFA MOA. No payments will be processed without this form.
- Homeland Security Grants Update (SEFA 7) – Annual – Due August 1, 2017.
- Financial – Quarterly – Due on the 15th of October, January, April, and July.
- Activity – Quarterly Due on the 15th of October, January, April, and July.
- JFA Request for Reimbursement – Should accompany the JFA Quarterly Activity and Financial Reports. Must be submitted in order to receive quarterly reimbursement payment.
- Community Economic Development Strategy (CEDS) – Annual – regulated by the EDA – Completion/Update – Email notification that it is available on the ADD's website (with hyperlink to site) is due December 1, 2017.
- Personnel/Contacts – Annual – Should include all staff who work with JFA program activities. Update due December 1, 2017.
- Certification of Funds and Closeout Spreadsheet – Annual – FY 2017 due February 1, 2018.
- Cost Allocation Plan and CAP Documentation Form – Annual – FY 2017 due May 31, 2018.
- Financial Audit – Annual – Email notification that the audit is uploaded to the SPGE portal is due by June 30, 2018.

If any due date falls on a weekend, please submit by the close of the next business day.

Any delay in the submission of these reports may cause a delay in JFA payments.

Cost Allocation Plan Review

ADDs must submit their annual audit, Cost Allocation Plan (CAP) and CAP Documentation Form to DLG by no later than **May 31, 2018**. Only electronic copies of these documents are required. An email to the Office of State Grants with a link to the documents on the ADD website will suffice.

Most, if not all, ADDs reference the CAP in their audit report as to what regulations the ADD is following and a description of the cost associated. If all audits have these descriptive pages and the associated costs and add the following footnote to the Notes to the Financial Statements, DLG will accept the CAP from the ADDs. The footnote is as follows:

XXXXXX Area Development District is required by the Department of Local Government, to operate under a cost allocation plan that conforms with 2 CFR Part 200. A summary of the cost allocation plan begins on page XX. The ADD is in conformity with 2 CFR Part 200.

**JFA Calendar
FY 2018**

<u>JULY 2017</u> 15 – 4 th Quarter Reports Due (Activity and Financial)	<u>AUGUST 2017</u> 1 – SEFA-7 Reports Due	<u>SEPTEMBER 2017</u>
<u>OCTOBER 2017</u> 15 – 1 st Quarter Reports Due (Activity and Financial)	<u>NOVEMBER 2017</u>	<u>DECEMBER 2017</u> 1-CEDS Completion/Update Notice Due to EDA and DLG (Hyperlink to ADD website is sufficient. No hard copy.) 1 – Personnel/Contacts Update Due to DLG
<u>JANUARY 2018</u> 15 – 2 nd Quarter Reports Due (Activity and Financial)	<u>FEBRUARY 2018</u> 1 – 2017 Certification of Funds Received and 2017 Closeout Report Due	<u>MARCH 2018</u>
<u>APRIL 2018</u> 15 – 3 rd Quarter Reports Due (Activity and Financial)	<u>MAY 2018</u> 31 – 2019 Cost Allocation Plan and Documentation Due	<u>JUNE 2018</u> 30 – Audit Due (Notification that FY 2017 Audit has been uploaded to SPGE portal is sufficient. No hard copy.)

JFA Funding FY 2018

The 2017-2018 biennium budget (HB 303) provides an appropriation of \$2,116,300 for the JFA program in each fiscal year. Of that amount, \$1,248,400 is necessary for the required match of federal funds, which have differing scopes of work for each federal funding source.

The remaining balance of \$867,900 is to be used to provide defined services according to the JFA Scope of Work Elements 140/150. These funds are distributed through a formula allocation based on a method that was adopted in March 1976 by the Kentucky Association of Area Development District Directors, and re-presented with updated factors by the ADD directors to DLG in November 2016.

FY 2017 JFA Excess State Funds will be distributed as follows:

- Seventy (70) percent is distributed equally among the ADDs.
- Twenty (20) percent is distributed based on population, using the most recent Census data (2010).
- Ten (10) percent is distributed based on jurisdictions, according to the Kentucky Secretary of State (as of May 2017).

In addition, each ADD is compensated for its time, effort and for the provision of meeting space as provided for in the JFA Scope of Work with a separate one-time payment of \$5,000, paid from non-JFA funds.

The total JFA funding allocation for FY 2018 is found on the following page.

JFA Funding FY 2018

	General Fund Allocation****		EDA		CDBG		ARC*		Total JFA** Federal	Required State Match	Additional State Funds	SPGE State Funds	Total JFA State	Total ** JFA Funds	FY18*** All Funds
	Federal	State	Federal	State	Federal *	State	Federal	State							
Barren River	\$70,000.00	\$17,500.00	\$21,600.18	\$40,632.00	\$40,632.00	\$40,632.00	\$91,600.18	\$79,732.18	\$79,732.18	\$5,000.00	\$142,228.31	\$233,828.49	\$274,460.49		
Big Sandy	\$70,000.00	\$17,500.00	\$9,292.26	\$82,830.00	\$82,830.00	\$82,830.00	\$79,292.26	\$109,622.26	\$109,622.26	\$5,000.00	\$164,020.83	\$243,313.09	\$326,143.09		
Bluegrass	\$70,000.00	\$17,500.00	\$19,738.48	\$93,455.00	\$93,455.00	\$93,455.00	\$89,738.48	\$130,693.48	\$130,693.48	\$5,000.00	\$215,211.34	\$304,949.82	\$398,404.82		
Buffalo Trace	\$70,000.00	\$17,500.00	\$15,446.22	\$47,612.00	\$47,612.00	\$47,612.00	\$85,446.22	\$80,558.22	\$80,558.22	\$5,000.00	\$130,891.11	\$216,337.33	\$263,949.33		
CVADD	\$70,000.00	\$17,500.00	\$13,584.52	\$116,347.00	\$116,347.00	\$116,347.00	\$83,584.52	\$147,431.52	\$147,431.52	\$5,000.00	\$206,406.37	\$289,990.89	\$406,337.89		
FIVCO	\$70,000.00	\$17,500.00	\$13,015.66	\$78,011.00	\$78,011.00	\$78,011.00	\$83,015.66	\$108,526.66	\$108,526.66	\$5,000.00	\$162,758.98	\$245,774.64	\$323,785.64		
Gateway	\$70,000.00	\$17,500.00	\$9,292.26	\$56,050.00	\$56,050.00	\$56,050.00	\$79,292.26	\$82,842.26	\$82,842.26	\$5,000.00	\$134,021.48	\$213,313.74	\$269,363.74		
Green River	\$70,000.00	\$17,500.00	\$35,045.78	\$105,045.78	\$105,045.78	\$105,045.78	\$105,045.78	\$52,545.78	\$52,545.78	\$5,000.00	\$112,052.01	\$217,097.79	\$217,097.79		
KRADDD	\$70,000.00	\$17,500.00	\$17,876.77	\$114,741.00	\$114,741.00	\$114,741.00	\$87,876.77	\$150,117.77	\$150,117.77	\$5,000.00	\$203,746.57	\$291,623.34	\$406,364.34		
KIPDA	\$70,000.00	\$17,500.00	\$9,292.26	\$106,222.00	\$106,222.00	\$106,222.00	\$83,015.66	\$26,792.26	\$26,792.26	\$5,000.00	\$129,144.52	\$208,436.78	\$208,436.78		
L.C.ADD	\$70,000.00	\$17,500.00	\$13,015.66	\$13,584.52	\$13,584.52	\$13,584.52	\$83,015.66	\$136,737.66	\$136,737.66	\$5,000.00	\$194,227.28	\$277,242.94	\$383,464.94		
Lincoln Trail	\$70,000.00	\$17,500.00	\$19,738.48	\$19,738.48	\$19,738.48	\$19,738.48	\$89,738.48	\$31,084.52	\$31,084.52	\$5,000.00	\$93,138.20	\$176,722.72	\$176,722.72		
NKADD	\$70,000.00	\$17,500.00	\$25,892.43	\$25,892.43	\$25,892.43	\$25,892.43	\$95,892.43	\$37,238.48	\$37,238.48	\$5,000.00	\$110,092.05	\$199,830.53	\$199,830.53		
Pennyrile	\$70,000.00	\$17,500.00	\$13,584.52	\$13,584.52	\$13,584.52	\$13,584.52	\$83,584.52	\$31,084.52	\$31,084.52	\$5,000.00	\$88,782.47	\$172,366.99	\$172,366.99		
Purchase	\$70,000.00	\$17,500.00	\$250,000.00	\$735,900.00	\$735,900.00	\$735,900.00	\$1,300,000.00	\$1,248,400.00	\$1,248,400.00	\$75,000.00	\$2,191,300.00	\$3,491,300.00	\$4,227,200.00		
TOTAL	\$1,050,000.00	\$262,500.00	\$250,000.00	\$735,900.00	\$735,900.00	\$735,900.00	\$1,300,000.00	\$1,248,400.00	\$1,248,400.00	\$75,000.00	\$2,191,300.00	\$3,491,300.00	\$4,227,200.00		

* The ARC Federal column is the amount contracted directly between the ADDs and the ARC

** The Total JFA Federal and Total JFA Funds do not include the ARC Federal amount.

*** Including ARC Federal funds

**** Total General Fund available: \$2,116,300