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MODIFICATIONS AND AMENDMENTS**

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I. MODIFICATIONS

Due to unforeseen circumstances, Recipients may need to request program and/or budget modifications. Recipients must submit the appropriate documents to their Office of Community Renewal (OCR) Community/Economic Developer requesting authorization for a modification. All modifications are to be submitted to OCR for approval using the modification form and must include a written request signed by the CEO.

Recipients must not proceed with any program or budget changes until they have received written approval from OCR. New York State Community Development Block Grant (NYS CDBG) funds expended without the appropriate authorization will be disallowed and the Recipient will be solely responsible for those costs.

A. Budget Modifications

During the administration of a grant, Recipients may need to modify the OCR approved program budget in order to more effectively administer the grant and to meet the needs of the community and project. A formal budget modification request is required for any budget modifications.

1. If the budget modification represents more than 25% of the overall budget, a program amendment is required.
2. Formal budget modifications require Recipients to submit a written request from the Chief Elected Official explaining the reason for the modification and the impact of the modification to the project and to the proposed accomplishments of the project.
3. In addition to the written request, a Budget Modification Form 7-1 must be submitted to the Recipients' OCR Community/Economic Developer.
4. Only under certain circumstances will OCR consider a modification that consists of an increase in administration and/or program delivery budget line items and a decrease in activity budget lines.

B. Schedule Modifications

Every six months, Recipients must review the OCR approved project schedule to determine if they are making the progress necessary to ensure project completion by the deadline and if they are adhering to the approved project schedule.

If Recipients have concerns regarding adherence to their project schedule, they must contact their OCR Community/Economic Developer immediately for consultation.

Recipients should be extremely concerned when their project falls 90 days behind schedule. In the event that the Recipient is unable to meet its schedule, OCR will

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provide technical assistance to assist the Recipient with the issues that are delaying the project.

Although OCR strongly encourages completion of the NYS CDBG project according to the initial approved project schedule, extenuating circumstances may require an alteration to the program schedule. In such cases, Recipients must discuss the need for a schedule change and the revised schedule with their OCR Community/Economic Developer.

Requests for additional time must be submitted on grantee letterhead and signed by the Chief Elected Official. The request must include:

- Description of the current status of the program;
- Documentation of the conditions causing the delay;
- Documentation of efforts to complete the contract on schedule;
- Proposed steps to ensure completion by the proposed extended deadline; and
- Impacts on the project budget

Recipients will be notified in writing of the status of their request within 30 days of OCR's receipt of the request. Recipients should be aware that non-compliance with a project schedule may result in the termination of the grant agreement and the reallocation of funds.

II. PROGRAM AMENDMENTS

If a Recipient has determined their project has changed significantly and a program amendment may be required, the Recipient must contact the OCR Community Development Program Director or Economic Development Program Director immediately to discuss the project changes.

Only after consultation and recommendation from the OCR should a Recipient submit a program amendment. Program amendments are typically recommended for the following, but other issues may necessitate other actions be taken:

- The Recipient is proposing to change the type of activity detailed in its original approved application;
- The location of the activity has changed;
- Actual results are less than 80% of the goals outlined in the original approved application; or
- If the Recipient finds it necessary to move funds of 25% or more from one activity to another.
 - ✓ This rule also applies to the cumulative total of all changes over the term of the Agreement.

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- ✓ This rule does not apply to the reduction or elimination of administrative funds.

If a program amendment is recommended, Recipients must submit:

1. A written request signed by the Chief Elected Official explaining the amendment, including the reasons for the amendment and the actions taken to prevent the need for an amendment.
2. Resolution by the governing body approving submission of the amendment.
3. Revised NYS CDBG Application Forms, maps and certifications as required.

A re-evaluation under environmental review regulations may be required if:

- The revision would result in substantial changes in the nature, magnitude or extent of the project, including adding new activities not anticipated in the original scope of the project;
- New circumstances and environmental conditions may affect the project or have a bearing on its impact, such as concealed or unexpected conditions discovered during the implementation of the project or activity which is proposed to be continued; or
- The recipient proposes the selection of an alternative not in the original finding.

The re-evaluation of the environmental assessments must be undertaken and referred to NYS OCR for approval or a new or supplementary Release of Funds prior to approval of any changes.

Program amendments will be rated in accordance with the selection criteria applicable at the time the original application was submitted.

- The rating of the program or projects proposed, which include the new or altered activities proposed by the amendment, must be equal to or greater than the lowest rating received by a funded project or program during that cycle of ratings.