

Targeted Home Improvement Program (T-HIP)

Set up and Disbursement Procedures

The following instructions must be used by Local Program Administrators (LPAs) administering New York Targeted Home Improvement Program grants received from the Housing Trust Fund Corporation (HTFC). Program recipients must follow these instructions to report on project activity and to receive disbursements of funds. LPAs should also refer to the program Grant Agreement and direct all questions to the Office of Community Renewal program staff.

1. Electronic Transfer of Funds

Funds will be transferred directly into the LPA's designated account through an Automated Clearing Housing (ACH) procedure. The following two forms must be submitted with the completed Grant Agreement, and resubmitted if there are changes to the Authorized Signatory or bank account during the grant term:

- Authorized Signatory Form:
<https://hcr.ny.gov/authorized-signature-form-multi-program>
- Designation of Depository Form:
<https://hcr.ny.gov/designation-depository-direct-deposit-funds-form>

2. Project Set up Procedure.

Projects must be set up prior to LPA making disbursement requests. Completion of the project set up process requires a written executed agreement with the property owner.

The project set up process occurs in the Program Tracker Workbook (MS Excel file) located in the LPA's shared SharePoint Folder. Detailed instructions on entering data into the Program Tracker is provided in the T-HIP Manual.

Required entries to the Program Tracker to fully set up projects include the following:

- 1) Enter all administrative details including project status (Tab 2B. Project Log: Section A)
- 2) Enter all applicant information (Tab 2B. Project Log: Section B)
- 3) Enter all property information (Tab 2B. Project Log: Section C)
- 4) Complete Site Specific Environmental Review Checklist and enter date that checklist was completed, date of SHPO "No Adverse Impact" letter, describe any compliance conditions that were required (Tab 2B. Project Log: Section D) (See T-HIP Manual for details on completing Environmental Review process)
- 5) Enter information on the scope of work (Tab 2B. Project Log: Section E)
- 6) Enter key milestone dates for completed milestones (Tab 2B. Project Log: Section F)
- 7) Enter amount of accepted bid/committed funds to participant (Tab 2B. Project Log: Section G)

See T-HIP Manual for additional details on documentation that LPA is required to maintain.

3. Project Cost Disbursement Policy

It is the intent of the program to provide disbursements in a timely and flexible manner to support efficient LPA program delivery. As such, disbursements can be provided on an “advance” basis rather than on a reimbursable basis, although LPAs may still choose to use a reimbursement process.

Advance Disbursements may be requested based on the value of “Formally Committed Funds” which are funds that are committed by the LPA to a participant at the time of Participant Agreement based on an accepted contractor bid.

All Advance Funds should only be requested for **imminent project expenses** and should be expended relatively quickly once received. Future limitations on disbursements may be imposed if disbursed funds are not utilized in a timely manner.

The following procedures and limitations will apply to advance disbursements (note that disbursement procedures for Program Delivery Costs are provided separately in Section 4):

Initial Disbursement:

- An initial disbursement can be requested for **up to 50%** of funds that have been committed to homeowners.
- Only projects for which funds have been formally committed through an executed Participant Agreement based on an accepted contractor bid are (and indicated as such in the Program Tracker with a status of “Approved and Funding Committed to Property Owner”) are eligible to be considered for this disbursement request.
- Note that while funds can be requested prior to the completion of the Environmental Review, no project work can commence until the Environmental Site Certification Checklist is completed.
- The initial disbursement cannot exceed an overall **\$200,000** limit, regardless of the amount of funds that have been committed to homeowners.
- After the LPA receives the Initial Disbursement, **at least 50%** of the initial disbursement must be paid to contractors before a subsequent disbursement request may be made.

Subsequent Disbursements:

- After the initial disbursement, the LPA will be eligible to have program funds in its account that are equal to (or less than) what it has committed to participants and has not already paid to contractors. *For example, if LPA has committed \$150,000 to homeowners and has paid contractors \$50,000 to date, then the LPA is eligible to have \$100,000 in its account, which is equal to the “outstanding” balance of its current commitments.*
- However, the LPA may not at any time have more than \$200,000 in program funds in its account, regardless of the amount of funds that have been committed to homeowners.
- The LPA may make a subsequent disbursement request whenever it is eligible to do so (i.e., is eligible to have additional funds in its account than it currently does). *For*

example, after making payments to contractors and/or making additional commitments, the LPA may be eligible to have more program funds than it currently has.

Note that a disbursement calculator tool is provided in the Program Tracker, which is discussed further in Section 5 below.

Project Funds Disbursement Calculation Example:

Initial Disbursement

- *In an initial funding round, the LPA makes formal commitments to 11 participants of \$40,000 each (and completes the Environmental Site Certification Checklist for each).*
- *The value of Committed Funds is \$440,000.*
- *Since 50% of the Allocated Funds (\$220,000) exceeds the overall cap of \$200,000, the LPA may request and receive \$200,000.*

Subsequent Disbursement

- *Contractors complete \$110,000 in work and LPA pays contractors out of funds from the initial disbursement.*
- *Since the LPA has spent more than 50% of the initial disbursement, it is eligible to make a new disbursement request. (Note this 50% rule only applies for the first disbursement after the initial).*
- *The LPA can request a refill so that it will have funds equal to the commitments it still will owe contractors (now \$330,000 since \$110,000 in payments were made).*
- *However, this exceeds the \$200,000 cap rule. Therefore, the LPA can request \$110,000 to bring it back up to a maximum of \$200,000 of program funds in its account.*

4. Reimbursement Request Policy

The LPA may choose to request disbursements on a reimbursement basis for project costs paid out of LPA funds. There is no minimum or maximum disbursement amount for reimbursement requests. Reimbursement requests must be accompanied by detailed documentation, as further described in section 6.

5. Program Delivery Disbursement Policy

The LPA may be awarded and budget up to twelve percent (12%) of the request amount for eligible program delivery costs. An initial advance of program delivery funds can be requested up to \$30,000 through an initial disbursement request prior to the LPA incurring program delivery costs (i.e., may be requested upon execution of the Grant Agreement).

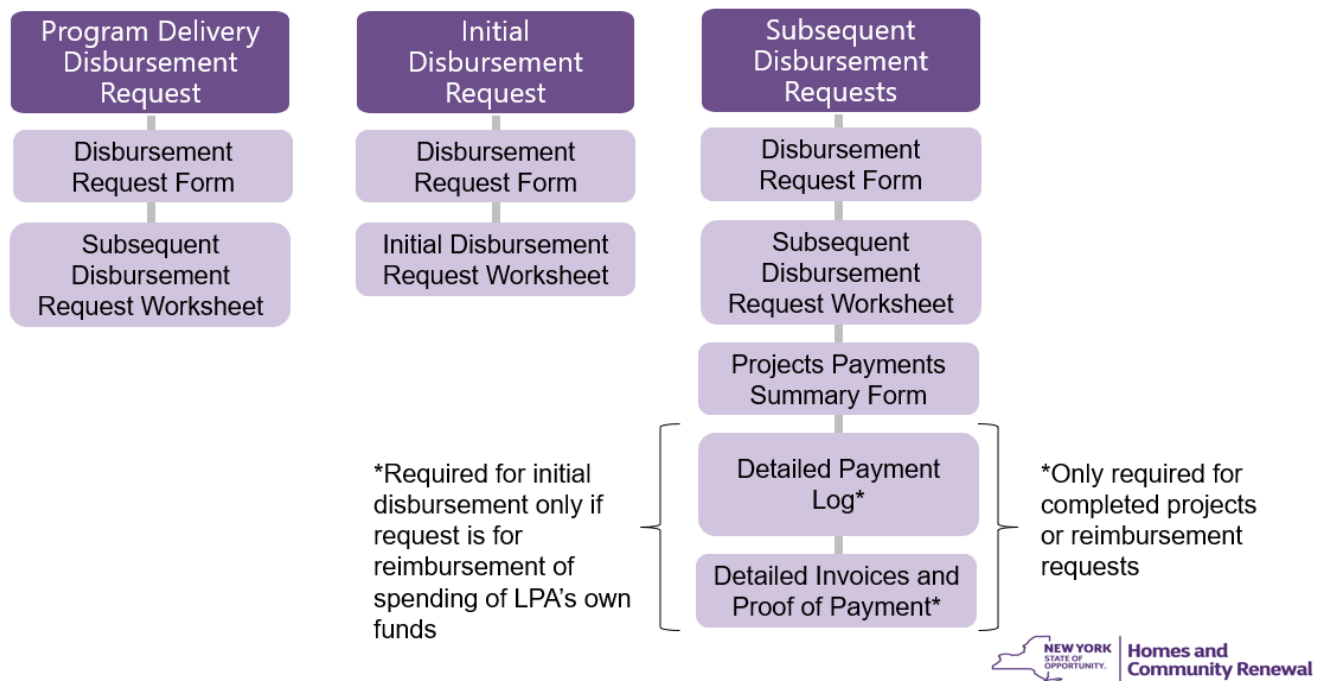
Program Delivery Disbursement Requests can be submitted independently and do not need to be submitted with a project cost disbursement request.

Subsequent disbursements for program delivery funds will be provided on an advance or reimbursable basis at the preference of the LPA.

6. Disbursement Request Procedure

LPAs may request disbursement of program funds by submitting the required forms and applicable supporting documentation to Disbursements@hcr.ny.gov. The Project Manager should be copied at TargetedPrograms@hcr.ny.gov. A disbursement request must be submitted in its entirety including all the documentation as indicated below:

Disbursement Form Requirements Overview



Detailed instructions for disbursement request forms are provided below:

1) Disbursement Request Form (Tab 3A):

This form serves as the cover sheet for each disbursement request and identifies the total request amount (including both project funds and program delivery funds being requested). This form includes certifications that should be reviewed carefully. Authorized signatories, designated on the submitted Authorized Signature form, must sign to confirm accuracy of the request.

2) Initial Disbursement Request Worksheet (initial disbursement request only) (Tab 3B):

This worksheet should be provided for the LPA's initial request for Project Funds only. The worksheet includes financial fields that are automatically linked to the Program Tracker and will auto-fill. The following fields are included on the worksheet:

- **Funds Committed in Homeowner Contracts:** The total value of committed funds for all Projects in the Program Tracker with a status of “Approved and Funding Committed to Property Owner.” The amount of funds that LPA is eligible to request is based on this total.
- **Maximum Disbursement Request for Project Funds Allowed at this Time:** This value is 50% of the Funds Committed in Homeowner Contracts, which represent the most the LPA can currently request for project funds at the current time, based on the program’s cap rules for initial disbursement. Note that this maximum limit will not apply if the initial request is a request for reimbursement of LPA’s own funds that have already been spent.
- **Project Costs Requested:** The LPA should enter the project costs it is currently requesting, which must be equal to or less than the maximum allowed.
- **Program Delivery Costs Requested:** The LPA should enter the program delivery costs it is currently requesting. The program delivery cost is not subject to the same *project* cost disbursement rules. However, if this is the first program delivery disbursement request, the maximum request amount is limited to \$30,000. If a program delivery request is being made, a detailed invoice must also be submitted (see #2 above).
- **Total Disbursement Request:** The sum of the project cost and program delivery requests, which will automatically calculate.
- **Amount that will need to be paid to contractors before a subsequent disbursement can be requested:** This is the amount that the LPA will need to pay out to contractors after receiving the initial disbursement before it will be eligible to make a subsequent disbursement request. Based on the program rules, this is equal to 50% of the initial project cost disbursement.

3) Subsequent Disbursement Request Worksheet (*subsequent disbursement requests only*) (Tab 3C):

This worksheet must be included for all project funds disbursement requests after the initial disbursement request. The worksheet has a number of data fields that are linked to the Program Tracker and will automatically populate. The purpose of the worksheet is to help indicate and calculate the amount of funds that the LPA may request at the current time based on the program rules. Note that Section B “Advance Funds Eligibility” is not applicable for reimbursement requests as there is no maximum amount that can be requested for reimbursement disbursements.

The worksheet includes the following:

- **Request Type:** Select “Advance Funds” if requesting funds that will be used to pay contractors directly. Do not select Advance Funds if LPA is using own funds to pay contractors and is requesting reimbursement. If requesting reimbursement of payment of LPA’s own funds to contractors, select “Reimbursement.”

Section A: Financial Information

- **Funds Committed in Homeowner Contracts:** This is the combined total of committed funds based on all homeowner contracts to-date. The total is automatically calculated based on projects in the Program Tracker with a status of “Approved and Funding Committed to Property Owner”, “Partial Payment Released”, or “Project Complete.”
- **Total Amount Disbursed to LPA to-Date:** In this section, the LPA should enter the total project funds and program delivery funds that have been disbursed to LPA to-date, excluding the current request. The amounts should be entered for their respective lines. The “total amount disbursed to LPA to date” will automatically calculate as the sum of the two values.
- **Total Funds Paid to Contractors To-Date:** This is the combined total amount of all contractor payments that the LPA has made over the life of the program. This is based on the payments indicated for each project in the Program Tracker and will automatically calculate.
- **Balance Owed to Contractors:** This is the amount of funds committed in homeowner contracts that has not yet been paid to contractors. Note that this is not what contractors have invoiced but represents commitments for which it is known that LPA will need to pay contractors for. This field will automatically calculate.
- **Balance of Funds Disbursed by HTFC Sitting with LPA:** This value indicates the funds that have previously been disbursed to the LPA but have not yet been paid to contractors (and is therefore currently “sitting” with LPA). This field automatically calculates by subtracting “Total Funds Paid to Contractors to Date” from “Total Amount Disbursed to LPA to Date.”

Section B: Advance Funds Eligibility (Advance Requests Only)

- **Maximum Balance of Funds LPA is Eligible to Have:** This is the amount of program funds that the LPA is allowed to have at the present time based on the program rules (the lesser of “balance owed to contractors” and \$200,000). The maximum balance will calculate automatically.
- **Maximum Disbursement Request for Project Funds Allowed at this Time:** This value is the most that the LPA can request for project cost funds at the present time (this does not limit what can be requested separately for program delivery funds). The maximum request represents the most that can be requested to reach the maximum the LPA is currently eligible to hold. It is automatically calculated as the “Maximum Balance of Funds LPA is Eligible to Have” minus the “Balance of Funds Disbursed by HTFC Sitting with LPA.”

LPA Disbursement Request

- **LPA Disbursement Request:** In this section, the LPA should enter the Project Costs and Program Delivery Costs being requested in the respective fields. The total disbursement request will automatically add the two values.

4) Project Payments Summary Form (for subsequent disbursement requests only) (Tab 3D):

This form is used only for *subsequent* disbursement requests and should not be submitted with LPA's *initial* disbursement request as it is not applicable. For subsequent disbursement requests, this form is used to report payments for project activities for any project that payments were made for. Note that payments for project soft costs should be reported on this form (but not program delivery costs).

Use Section A "Project Payments Made from Advance Funds Previously Disbursed to LPA" to report all payments for projects that were made directly from program funds previously disbursed to the LPA.

Use Section B "Payments Made Using LPA Funds (Reimbursement Being Requested)" only for project payments that were made using LPA's own funds. For any project payments being reported on the form under Section B, the LPA must also complete the Detailed Payment Log for that project and submit detailed invoice and proof of payment documentation.

Active projects for which no payments were made during the reporting period do not need to be included on the form. One project should be added per line. If multiple payments have been made to one or more contractors, the amount reported should be the combined total of all payments made during the reporting period.

Follow the instructions below for each of the fields:

- **Project ID:** Enter the unique project ID that was assigned to the project in the Program Tracker
- **Total Committed Funds:** Enter the total value of funds that LPA has committed (awarded) to the project (including both hard and soft costs).
- **Expenditures Since Last Request:** Enter the combined total of payments that were made for each project since the previous disbursement request. Include both hard and soft costs.
- **Total Expenditure to Date:** Enter the combined total of all payments made for each project over the entire life of the project (including both hard and soft costs).
- **Project Now Complete/Final Payment Made:** Check box if the final payment(s) was made for a project during the reporting period and the project is now fully complete. If this box is checked, LPA must provide additional detailed information for that project (see #6, #7, and #8 below).

5) Detailed Payment Log (for completed projects or reimbursement requests only) (Tab 3E):

This form is intended to itemize invoices that LPA has already paid. This form should be completed for:

- **Projects that are being reported as complete on the Project Payments Summary Form in Section A (advance funds)**
 - For Section A project payments (paid out of Advance Funds) this form should not be completed for which LPA is requesting final disbursement to pay final invoices. The form should only be submitted

for projects after final payments have been made.

- **All project payments being reported in Section B on the Project Payments Summary Form (reimbursement)**

This form should include both hard (construction) costs and soft costs. Project soft costs incurred by LPA (e.g., Declaration of Interest filing fees) must still be documented on this form and supporting documentation must be provided. Overall Program Delivery costs (i.e., costs not tied to specific projects) incurred by LPA should not be reported on this form.

The template includes spaces to enter up to three invoices per project with four total projects per page. Please add additional rows for additional invoices and attach additional sheets as necessary.

Instructions for each field are provided as follows:

- **Invoice Date or Number:** Provide the date or number for the first invoice or receipt included in the disbursement request. One row should be completed for each invoice, multiple check numbers may be entered on one row to support one invoice.
 - **Proof of Payment/Check #:** Proof of payment must be included for all supporting documentation. Provide the check number(s) used to pay the invoice.
 - **Certified M/WBE:** Select Yes or No to identify if the contractor or vendor is a NYS Certified M/WBE. If Yes, additional information will be requested.
 - **Contractor/Vendor Name:** Use this field to identify the contractor or vendor that issued the receipt or invoice. The contractor or vendor name listed must match the supporting invoice(s) provided.
 - **Trade or Work Performed:** Indicate the general type of construction activities provided by contractor, e.g., install windows, repoint brick façade. Brief responses only.
 - **Invoice Amount:** Enter the amount charged by the contractor or vendor indicated. This amount should directly match the invoice(s) provided.
 - **Soft Cost:** Check the box to indicate if the invoice is documentation for a Soft Cost, e.g., filing fees, environmental testing, architectural or engineering.
- 6) Supporting Documentation for Project Costs (Invoices/receipts): This form should be filled out for projects being reported as complete in Section A of the Project Payments Summary form (projects paid using advance funds) and all project payments for which reimbursement of LPA's spending of its own funds is being requested. Receipts/invoices for construction activities and soft costs related to the project. Detailed invoicing must be provided for ALL project costs.
- 7) Proof of Payment (for all project invoices on Detailed Payment Log): Cancelled checks must be provided to document payment for each of the invoices.