

Guidelines on Firm Commitment of Non-CDBG Funding

Project funding sources must be fully committed before the Montana Department of Commerce can execute the CDBG contract.

- Commerce has a statutory responsibility to ensure the CDBG matching funds requirement is met.
- Commerce must ensure that the grantee is meeting CDBG contract terms requiring a fully committed project budget prior to execution.
- The grantee must demonstrate it has funds secured to pay contractors for all project-related costs.
- Phased projects: CDBG funds will not be available until all other funds for project phases are committed.

Deadline for Documenting Firm Commitment of Funds

All CDBG startup conditions must be met within nine months of the date of the governor's award letter. This includes submitting documentation demonstrating firm commitments from each funding source in the project budget.

Extensions to the startup deadline may be requested in writing by the grantee. A startup extension request must provide background and rationale explaining the unexpected circumstances responsible for the delay in meeting startup conditions, such as an unexpected gap in funding. If the nine-month startup deadline is not met, Commerce may withdraw the CDBG award and reallocate the funds.

In some cases, project costs increase after firm funds are obtained, after startup conditions are met and/or after a CDBG contract is executed. A decrease or loss of funds or development of an unexpected funding gap may cause access to CDBG funds

to be paused until the grantee can demonstrate that it has regained a fully funded project budget.

Demonstrating Commitments from Non-CDBG Funding Sources

Firm funding commitment documentation must verify the commitment and availability of non-CDBG funds. The following are examples of acceptable documentation demonstrating commitments of funds from some of the more common local, state and federal funding sources:

- Local funds: commitment letter from chief elected official or local governing body
- Commerce
 - Coal Board Grants: governor's award letter
 - Montana Coal Endowment Program: governor's award letter
 - Home Investment Partnerships Program: governor's award letter
 - Housing Trust Fund: governor's award letter
- Montana Department of Natural Resources and Conservation
 - State Revolving Fund loan and loan forgiveness: SRF commitment letter
 - Appearing on the SRF priority list is not a commitment of funds.
 - Renewable Resource Grant and Loan Program: governor's award letter
 - ARPA water and sewer grants: governor's award letter
- U.S. Department of Agriculture Rural Development Grant and Loan: letter of intent to meet conditions
- U.S. Army Corps of Engineers Water Resources Development Act funds: copy of the signed agreement between the Department of the Army and grantee

Local Government Budget Authority

The grantee must provide a copy of the local government's budget or a copy of a budgetary authority resolution adopted by the governing body designating the use of the CDBG award specifically for the proposed project.



Other Sources of Funds

Commerce will evaluate commitment documentation for other funding sources on a case-by-case basis, depending on the funding source and level of commitment.