



ROUNDUP 

# MMS Grant Administration Manual

## Grant Administration Manual

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**Montana Department of Commerce** | [commerce.mt.gov](https://commerce.mt.gov) | [montanarelay.mt.gov](https://montanarelay.mt.gov) (711)  
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# Chapter 1

## Startup Requirements and Contracting

### I. Overview

This chapter offers background information on the Montana Main Street Grant Program and summarizes important steps each grantee must take to complete startup requirements and contract with the Montana Department of Commerce.

MMS grantees can incur eligible project costs once an award letter is signed by the governor. Project costs can only be **reimbursed** by Commerce once MMS grantees meet startup requirements and have an executed contract.

If any of the following conditions are not met, costs incurred by the grantee will be the sole responsibility of the grantee: startup requirements, other Commerce requirements, executed contract and compliance with the terms and conditions of the contract; or if the grantee incurs costs that are ineligible for the MMS Program.

## II. Startup Requirements

MMS grantees must complete the following startup requirements to contract with Commerce:

### A. Project Budget

The project budget submitted in the grantee's application must be updated to reflect current conditions at the time of contract execution. The project budget must be revised to reflect the actual amount in the construction bid or related construction costs documentation. For information on the process for amending the project budget after the contract has been executed, see Chapter 2 of this manual.

Download the Project Budget Template at [commerce.mt.gov](https://commerce.mt.gov).

### B. Project Implementation Schedule

The project implementation schedule submitted in the grantee's application must be updated to reflect current conditions at the time of contract execution. The final implementation schedule for the MMS contract should identify all key tasks. Additionally, it should define when each task must be accomplished to complete the overall project.

All MMS project activities must be completed as identified in the grantee's implementation schedule and the executed contract with Commerce. Commerce, at its sole discretion, may grant an extension to this deadline. Commerce will consider if the project is near completion and the grantee can demonstrate a good faith effort to complete the project on time and within the original budget. For more information on the process for amending the project implementation schedule after the contract has been executed, see Chapter 2 of this manual.

Download the Project Implementation Schedule Template at [commerce.mt.gov](https://commerce.mt.gov).

### **C. Demonstrated Firm Commitment of Other Funding Sources**

The MMS grantee must provide adequate documentation of the firm commitment of all non-MMS funds for the project, identified in the preliminary project budget submitted in the grantee's application.

If the MMS grantee changes one of its sources of funding after executing a contract with Commerce, or if additional funding is required, the grantee should notify Commerce immediately. Commerce, at its sole discretion, may suspend distribution of MMS funds until there is firm commitment of funds to complete the project.

### **D. Management Plan**

MMS grantees must prepare and submit a signed [management plan](#). The management plan establishes how the grantee will allocate responsibility for complying with the MMS grant and other state requirements, including but not limited to the proper financial management of MMS funds, review of contracts and requests for funds and compliance with labor standards. MMS grantees are encouraged to use the sample management plan as a guide. The sample should be adjusted to reflect the responsibilities of individuals supporting the completion of project activities.

In the management plan, the grantee must designate a grant administrator. A grant administrator may be an existing or new employee, a hired consultant through the applicable procurement process or a special purpose agency, such as an economic development corporation.

Download the Sample Management Plan at [commerce.mt.gov](https://commerce.mt.gov).

### **E. Workers' Compensation Coverage, Property and Liability Insurance**

When applicable, MMS grantees must maintain workers' compensation coverage, property insurance and liability insurance for the duration of the contract. For workers' compensation coverage, MMS grantees must provide proof of workers' compensation

coverage, an independent contractor's exemption or documentation of corporate officer status. MMS grantees and their subcontractors must provide proof of liability insurance.

## F. Other Forms

The grantee must complete the following additional forms:

- The [Signatory Certification Form](#) designating the individuals who can sign requests for funds
- The [204 EFT Form](#), which the Montana Department of Administration requires to electronically transfer funds
- A [Form W-9](#), unless one is already on file with Commerce

## III. MMS Contract

The contract executed between the grantee and Commerce is the legal document that governs the administration of the grant. The contract will identify the following items:

- A. The award amount
- B. The scope of work
- C. A project budget for the use of MMS funds and any other funds
- D. The implementation schedule
- E. The general terms and conditions associated with the grant

At the time the grantee is ready to execute a contract, the MMS liaison will contact the grantee to confirm the grantee's authorized representatives for signatures. Commerce will prepare the contract. The contract will be transmitted to the grantee electronically for signatures. A copy of the final executed contract will be available electronically when all signatures have been obtained.

Please contact Commerce staff with concerns or if assistance is needed with the execution of the contract or meeting startup conditions. Further administrative guidance can be found in Chapter 2 of this manual.

# Chapter 2

## Project Management

### I. Overview

This chapter provides information about the management of a MMS project, including budget amendments, eligible expenses, eligible match and requirements for requests for funds. Each grantee is required to comply with all applicable local, state and federal laws and regulations throughout the project. This includes adherence to all applicable design standards and building codes.

### II. Procurement Procedures

Procurement requirements differ depending on the grantee, service and size of the contract. Title 7, Chapter 5, Parts 23 and 43, MCA, govern the procurement of construction and purchasing contracts for local governmental MMS grantees. All executed contracts or agreements for services to be paid for in whole or in part by MMS funds must be submitted to Commerce.

### III. Eligible Project and Matching Expenses

Expenses eligible for MMS funding include, but are not limited to:

- Expenses that directly relate to preservation/construction activities that implement the scope of work identified in the MMS contract
- Professional services that directly relate to design activities that implement the scope of work identified in the MMS contract
- Repayment of interim financing directly related to project activities that implement the scope of work identified in the MMS contract
- Permitting costs or fees

- Related grants, loans or investment that is related to preservation/construction activities
- Legal costs and fees including bond counsel
- Direct grant administration or planning expenses, up to a maximum 10% of the total MMS budget for the project, including but not limited to planning documents, professional planning services, personnel costs, supplies, postage, travel and procurement-related costs

Expenses that are not eligible for MMS funding include, but are not limited to:

- Costs related to refinancing, servicing or interest on any existing debt
- Any unauthorized costs incurred prior to the date identified in the award letter
- Advertising for specific businesses
- Entertainment and events
- Travel, lodging, food and drink
- Ongoing operations or general maintenance costs such as rent, utilities, personnel costs and personal expenditures
- Activities that do not deliver on the program objectives or are not related to the submitted proposal

Expenses that are eligible for MMS grantees' matching project funds include, but are not limited to:

- Match: The expenditure of any of the funds identified below on any eligible MMS expense, see above, after the date identified in the award letter are eligible as MMS matching funds:
  - General funds, cash or private donations
  - Proceeds from the sale of obligation, revenue, special assessment or other bonds
  - Loan or grant funds from a local, state or federal program other than MMS

- Previous expenditures: The expenditure of any of the funds identified above prior to the date identified in the award letter is not eligible as MMS matching funds, except when directly related to the preparation of architectural and engineering studies, reports, plans or the grantee's MMS grant application directly related to the MMS project up to one year prior to the application deadline.

## IV. Requests for Funds

### A. Requests for Funds Process

A request for funds is initiated by the grantee by submitting the following forms:

- Request for Funds Form
- Uniform Invoice Tracking Form
- Progress Report or Project Completion Report
- Applicable invoices

#### Request for Funds Form

Grantees initiate a request for funds by preparing and submitting the Request for Funds Form. MMS funds can only be disbursed for project-related, actual costs that have been incurred after the award letter and must provide adequate and sufficient documentation supporting each claim for expenses to be reimbursed.

#### Uniform Invoice Tracking Form

Each request for funds must also be accompanied by the Uniform Invoice Tracking Form. The Uniform Invoice Tracking Form provides Commerce updated information on all cumulative invoices received and paid for on the project, broken out by all funding sources involved in the project.

#### Progress Report and/or Project Completion Report

Each request for funds must also be accompanied by a Progress Report. The Progress Report provides Commerce with updated information on the project status and timeline.

When submitting the final request for funds, the grantee must submit the Project Completion Report instead.

### Applicable Invoices

Itemized invoices for the contractor, subcontractors, consultants and vendors or suppliers typically constitute adequate and sufficient documentation for reimbursable expenses. The invoice should include:

- A description of work performed
- The number of hours worked to accomplish each item
- The amount being billed for each item
- Work performed date(s) and work items completed
- Beginning and ending billing period dates
- A description of any other eligible expenses incurred during the billing period
- The total amount being billed

Lump-sum contracts typically do not provide adequate and sufficient documentation for MMS projects, and they are generally not allowed for design and construction services. Cost plus contracts are not allowable on MMS projects.

If budget modifications are found to be necessary while preparing a request for funds, Commerce should be notified of the modification prior to the request for funds being submitted.

### **B. Photographs**

Grantees are encouraged to submit photographs to Commerce at the beginning and end of the project. Photos should evidence the improvements made during construction and the new or upgraded facilities.

## V Project Amendment

At some point during the project, MMS grantees may need to modify the scope of work or budget as identified in the legislative report, budget or implementation schedule for the project. The following process should be followed for such modifications:

### A. Budget

Modifications of less than \$5,000 to any line item of the budget can be submitted as part of the grantee's request for funds, and Commerce approval of the request for funds will constitute approval of the modification.

For modifications of \$5,000 or more to any line item of the budget, or when the sum of budget modifications exceeds \$5,000, the MMS grantee must provide a written justification to Commerce that clearly demonstrates the appropriateness and necessity of the modification. Commerce must agree in writing to any significant changes in the budget before such changes may be implemented by the grantee. If such changes are proposed, Commerce has 45 days to review and approve or deny the requested changes.

Any budget modifications made during the project should be listed and tracked on funding tracking spreadsheets continuously throughout the project.

When bids are received for construction, the amount budgeted in the project budget may be reduced by an amount proportionate to the reduction in the amount required for construction. For example, if the overall savings were 20%, the amount to be provided by MMS for construction activities would be reduced by 20%. Any savings would then be added to the contingency line-item amount. If there are any savings upon completion of the project, Commerce reserves the right to share proportionately in those savings with all funding sources.

Budgets will be approved with contingency amounts for completion of project activities. Contingency amounts are reserved for use of construction activities and will seldom be

transferred to other line items or administrative costs. Please work closely with MMS staff if your situation may require a transfer of contingency funds. The MMS grantee may request to use the difference between the final actual project costs and the original grant award to fund additional work that further enhances the project. The MMS grantee should submit a written request to use remaining MMS funds for the additional work activities, including full rationale and cost details, for Commerce review and approval. The decision to allow additional work activities to be funded with remaining MMS funds is strictly at the sole discretion of Commerce.

## **B. Implementation Schedule**

The grantee may modify the implementation schedule as necessary to reflect the timeline being followed as the project moves forward, so long as the project's completion date as listed in the executed contract is met. The grantee should submit details regarding any changes to the schedule as part of the grantee's next request for funds, and Commerce approval of the request for funds will constitute approval of the modification.

If the grantee seeks to extend the completion date of its MMS project beyond the termination date identified in the executed contract and implementation schedule, the grantee must contact Commerce as soon as possible to request an extension. Projects that encounter delays or are not completed by the contract termination date may be required to execute an amendment to their contract. Rationale for extending the contract beyond the termination date will be required.

## **C. Scope of Work**

If the grantee seeks to change any part of the scope of work of the project, as identified in the contract with Commerce, the grantee must first provide a written request with justification to Commerce that clearly demonstrates the appropriateness and necessity of the modification. Commerce, at its sole discretion, may grant a modification to the

project scope of work that does not materially alter the ranking priority, intent or circumstances under which the project was ranked and approved for funding.

## VI. Accounting and Auditing Requirements

MMS grantees must maintain all receipts and expenditures of MMS grant funds in accordance with generally accepted accounting principles and be in compliance with the auditing requirements, as applicable, including but not limited to Sections [2-7-503](#) and [20-9-213](#), MCA. MMS tribal government grantees must maintain all receipts and expenditures of MMS grant funds in accordance with the requirements provided for in [OMB Circular A-133](#).

## VII. Records Creation and Retention

The grantee must create and maintain all records of project activities funded with MMS grant funds, including but not limited to financial records, supporting documents and such other records as are required by law or other authority, for five years after either the completion of the contract or the conclusion of any claim, litigation or exception relating to the project taken by the State of Montana or any third party, whichever is later. The grantee must provide Commerce, the legislative auditor or their agents access to all project records upon request.

## VIII. Ethics and Code of Conduct

Title 2, Chapter 2, Sections [7-3-4256](#), [7-3-4367](#), [7-5-2106](#) and [7-5-4109](#), MCA, govern the code of conduct and conflicts of interest by all local governmental entities, public employees and persons under contract with Commerce including elected officials, district board members and district employees. These laws must always be followed by local governments, public employees and persons under contract with the State, regardless of their participation in the MMS Grant Program.

## IX. Public Notice and Participation

Sections 8 and 9 of Article II of the Montana Constitution; Title 2, Chapter 3, Parts 1 and 2, MCA; and Title 7, MCA, require MMS governmental grantees to hold regular and special public meetings, provide public notice of those meetings and allow the public the opportunity to participate in the grantee's decision-making process. These laws must always be followed by MMS governmental grantees, regardless of their participation in the MMS Grant Program. Grantees should be prepared to provide information to Commerce about the public process for its MMS project, including but not limited to a copy of public meeting agendas and any comments submitted by the public and responses provided during administration of the project. All press releases related to the MMS project must be submitted to Commerce for review and approval prior to release.

## X. Nondiscrimination Laws

MMS grantees must fully comply with all applicable federal, state, or local nondiscrimination laws, rules, and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973, in performing any project or portion thereof using MMS funds. All subcontractors performing work on the project are subject to the same provision. The hiring of all persons to perform work on the project must be made on the basis of merit and qualifications, and the district shall not discriminate based upon the race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, vaccination status, or national origin of the persons performing the project.

## XI. Prevailing Wage Requirements

Montana's Prevailing Wage Act ([Section 18-2-401, et seq., MCA](#)) applies to all public works contracts let by MMS grantees (all construction contracts and non-construction contracts in excess of \$25,000). These laws must always be followed by MMS local government and district grantees, regardless of their participation in the MMS Grant

Program. Grantees should be prepared to document the payment of prevailing wages in all applicable contracts related to the MMS project.

Certain MMS projects may not be considered “public works contracts.” Therefore, Montana’s Prevailing Wage Act would not apply.

## XII. Project Monitoring

Recipients of MMS funding are responsible for administering their MMS projects in accordance with all applicable local, state and federal laws. Commerce will assist and support grantees in successfully implementing their project activities from startup through completion of the project in compliance with these requirements.

To accomplish these goals, in addition to reviewing information submitted with progress reports and requests for funds, Commerce may schedule a monitoring visit with each MMS grantee. A monitoring visit usually involves a visit to the grantee’s offices to review records, inspect project activities and meet with the local officials. The MMS staff liaison may contact the grant administrator concerning the timing and scope of the monitoring visit. After a monitoring visit, the MMS liaison would provide written monitoring comments to the grantee. Commerce will advise the grantee of any specific areas of concern and, if necessary, provide the grantee an opportunity to take corrective actions to address Commerce’s concerns.

## XIII. Project Completion

Project completion means the MMS project has been completed in accordance with the terms and conditions of the MMS contract.

The grantee must submit a final Project Completion Report for approval by Commerce with the last draw request. The report provides Commerce with information on the total costs incurred for the project, the final completion date and any significant problems



encountered in carrying out the project. Please work closely with MMS staff if delays occur. Within 30 days of approving the Project Completion Report, Commerce will issue the notice of project completion. Once the notice of project completion is issued, the MMS grant project is considered complete, and the file is closed. No more requests for funds will be accepted on the project after the project is closed.