

# Montana Coal Endowment Program

Project Administration Workshop



COMMERCE

# Chapter One

## Project Startup Grant Conditions and Contracting



# MCEP Grant Conditions

- House Bill 11 MCEP project reports are available at  
[commerce.mt.gov/infrastructure-planning/programs-and-services/montana-coal-endowment-program/reports](http://commerce.mt.gov/infrastructure-planning/programs-and-services/montana-coal-endowment-program/reports).
- The MCEP project administration manual is available at  
[commerce.mt.gov/infrastructure-planning/programs-and-services/montana-coal-endowment-program/project-grants](http://commerce.mt.gov/infrastructure-planning/programs-and-services/montana-coal-endowment-program/project-grants).



# MCEP Grant Conditions

- Other contractual obligations
  - Montana Code Annotated
  - Department of Commerce contract





# Incurring Costs

- HB 11 was signed into law on May 13, 2025.
- Notice of award, startup letter announcing funds awarded and next steps have been sent to project representatives.
- Noteworthy dates: Sept. 1, 2026, and Sept. 30, 2028
- Incurred costs are the grantee's sole responsibility if the grantee does not comply with grant conditions.

# Startup Conditions

Startup conditions must be completed prior to contract execution.

- Firm commitment of non-MCEP funding source(s) (matching funds)
- Management plan
- Accounting, auditing and reporting requirements from local government services (MCA 2-7-503)



# Startup Conditions

- Updated budget
- Updated implementation schedule
- Any special conditions if applicable





# Firm Commitments of Non-MCEP Funding

- Documentation verifying the commitment and availability of non-MCEP funds must be provided.
- Changes in funding or loss of other funds may cause access to MCEP funds to be put on hold.
- For phased projects, MCEP funds will not be available until all other funds for project phases are committed.

# Documentation of Non-MCEP Funds

- Award letters
- Contracts
- Commitment agreements
- Letters of conditions
- Adopted budgets or budget resolutions
- Results of debt election, if election required



**Exhibit I-A**

**Guidelines on Documenting Firm Commitment of Non-TSEP Funds**

The following information describes the documentation that is required for the various types or forms of matching funds:

A. Grants and Other Government Appropriated Funds  
A letter is required from the funding agency documenting the amount of funding that has been approved or appropriated and indicated when funds will be available.

B. Local Government Funds  
Local governments that have committed reserves or budgeted their own funds toward a TSEP project have documented these funds as submitted in the grantee's application and will be confirmed upon execution of the contract between the grantee and the Department.

C. Loans (Revenue Bonds, General Obligation Bonds, Special Improvement Districts, Rural Improvement Districts)

Loans to Municipalities, Counties, Districts, or Tribes, that require a vote by only the governing body	Loans that require a vote by the general population or users
<b>USDA RD loan and/or grant</b>	<b>SRF loan</b>
<ul style="list-style-type: none"><li>• "Commitment Agreement" or "Letter of Approval for State Revolving Fund Loan Program in Lieu of Commitment Agreement", adopted by Resolution</li><li>• "Letter of Conditions" from USDA RD</li><li>• "Letter of Intent to Meet Conditions" signed and returned to USDA RD FORM: RD 1942-46</li><li>• "Request for Obligation of Funds" FORM: RD 1940-1</li></ul>	<ul style="list-style-type: none"><li>• "Commitment Agreement" or "Letter of Approval for State Revolving Fund Loan Program in Lieu of Commitment Agreement", adopted by Resolution</li><li>• Successful certified debt election results (attach supporting documents)</li><li>• "Letter of Conditions" from USDA RD</li><li>• "Letter of Intent to Meet Conditions" signed and returned to USDA RD FORM: RD 1942-46</li><li>• "Request for Obligation of Funds" FORM: RD 1940-1</li><li>• Successful certified debt election results (attach supporting documents)</li></ul>

Montana Department of Commerce  
2016

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Treasure State Endowment Program  
Project Administration Manual

# Management Plan

- Will a public employee or private contractor be the grant administrator?
- The local government will need to be actively involved in the project. Its governing body must approve and sign the plan and other documents throughout the project.
- Separation of duties: A consultant cannot sign off on the consultant's own work or invoices.





# Accounting, Auditing and Reporting Requirements

- Compliance with auditing and reporting requirements (2-7-503, MCA)
- An established financial accounting system that reasonably conforms to generally accepted accounting principles



# Accounting, Auditing and Reporting Requirements

- MCEP staff will contact the local government services bureau for compliance.
- For more information, please call 406-444-9101 or visit [sfsd.mt.gov/lgsb](http://sfsd.mt.gov/lgsb).

# Project Budget

## EXHIBIT B -- Sample Project Budget

ADMINISTRATION	MCEP	RRGL	SRF	Local	TOTAL
Personnel Cost				\$500.00	\$500.00
Office Cost				\$500.00	\$500.00
Professional Services	\$1,000.00		\$1,000.00		\$2,000.00
Legal Costs	\$500.00		\$500.00		\$1,000.00
Audit Fees				\$100.00	\$100.00
Travel & Training	\$500.00				\$500.00
Interim Interest			\$45,646.00		\$45,646.00
Bond Costs			\$500.00		\$500.00
					\$0.00
					\$0.00
<b>TOTAL ADMINISTRATION</b>	<b>\$2,000.00</b>	<b>\$0.00</b>	<b>\$47,646.00</b>	<b>\$1,100.00</b>	<b>\$50,746.00</b>
<hr/>					
<b>CONSTRUCTION RELATED ACTIVITIES</b>					
Land Acquisition	\$1,000.00			\$1,000.00	\$2,000.00
Preliminary Engineering Design	\$10,000.00				\$10,000.00
Final Engineering Design	\$50,000.00		\$5,000.00		\$55,000.00
Construction Inspection Eng.			\$50,000.00		\$50,000.00
Construction	\$387,000.00	\$125,000.00	\$1,000,000.00		\$1,512,000.00
Contingency	\$50,000.00				\$50,000.00
					\$0.00
					\$0.00
<b>TOTAL ACTIVITY</b>	<b>\$498,000.00</b>	<b>\$125,000.00</b>	<b>\$1,055,000.00</b>	<b>\$1,000.00</b>	<b>\$1,679,000.00</b>
<b>TOTAL PROJECT BUDGET</b>	<b>\$500,000.00</b>	<b>\$125,000.00</b>	<b>\$1,102,646.00</b>	<b>\$2,100.00</b>	<b>\$1,729,746.00</b>





# Availability of Funds

Consider the timing of the availability of other funds.

- When will other funds be available?
- When will you need to pay the engineer?
- Are you moving funds between line items in the budget? How often and why?
- What do you need contingency for?
- When will the budget be finalized?

# Project Implementation Schedule



## EXHIBIT A

## **SAMPLE PROJECT IMPLEMENTATION SCHEDULE**

# Management Plan

- Administrative structure
- Project management
  - Grant administrator
  - Project engineer
- Financial management

## Exhibit I-B

### Management Plan

The management plan adopted by the local government should reflect the actual procedures utilized by the local government and based on the duties assigned to the various people involved in the project.

**Note:** This example is provided to help create a plan that is structured upon the actual procedures utilized by the local government and based on the duties assigned to the various people involved in the project. This example may be modified to fit the actual needs and management responsibilities of the project.

#### I. Administrative Structure

The City of \_\_\_\_\_ is an incorporated city with a Mayor-Council form of government. The following persons will have lead responsibility for administering the City's FY \_\_\_\_\_ Treasure State Endowment Program (TSEP) public facilities project for \_\_\_\_\_ [type] improvements:

Mayor \_\_\_\_\_, as the City's chief elected official will have responsibility for all official contacts with the Montana Department of Commerce. The Mayor and City Council will have ultimate authority and responsibility for the management of project activities and expenditure of TSEP funds. The approval of all contracts and request for reimbursements will be the responsibility of the City Council. (Telephone \_\_\_\_\_ Email \_\_\_\_\_)

\_\_\_\_\_, Clerk-Treasurer, as the City's chief financial officer, will be responsible for management of, and record keeping for, the TSEP funds and other funds involved in the financing of the \_\_\_\_\_ [type] project. (Telephone \_\_\_\_\_ Email \_\_\_\_\_)

\_\_\_\_\_, Director of the City-County Planning Board, will be designated as Grant Manager and be responsible for overall grant management and assuring compliance with applicable federal and state requirements for the TSEP project. The Grant Manager will serve as the City's liaison with Department for the project. One-fourth of this position's time will be devoted to TSEP administration during the term of the project. (Telephone \_\_\_\_\_ Email \_\_\_\_\_)



# Management Plan

- Designates who is responsible for what action items during the project
- Creates a management plan based on how things are carried out at the local level

## Exhibit I-B

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# MCEP Contract

The contract details the following:

- The amount of MCEP funds to be provided
- The scope of work to be completed
- A detailed preliminary project budget
- An implementation schedule
- Any special conditions if applicable
- General terms and conditions associated with the grant

# Contract Execution

## Step One:

- An email from MCEP staff is sent to the grantee requesting valid email addresses for those signing the contract.
- This includes the person approving as to form (typically an attorney), the chief elected official and the attester.



# Contract Execution

## Step Two:

- An email from [docusign.com](https://docusign.com) will ask for electronic signatures.
- Signing will be electronic, and all correspondence will be through email from DocuSign.



# Contract Execution

## Step Three:

- Signatures are obtained from the grantee and Commerce.
- Commerce staff will provide a PDF of the executed contract to the grantee.





# Between Contract Execution and Access to Funds

- Certificate of insurance
- Designation of depository  
(Form 204 if new or changes  
to an account on file)
- Signature certification form



Templates are available at [commerce.mt.gov/infrastructure-planning/programs-and-services/montana-coal-endowment-program/project-grants](http://commerce.mt.gov/infrastructure-planning/programs-and-services/montana-coal-endowment-program/project-grants).

# Receiving Funds

<b>DEPARTMENT OF ADMINISTRATION</b> <b>STATE ACCOUNTING BUREAU</b> <b>PO BOX 200162</b> <b>HELENA, MT 59620-0162</b>		<b>294 - ELECTRONIC FUNDS TRANSFER SIGN UP</b>
<p>Questions please contact Warren Winter, E-Mail: <a href="mailto:warrantwinter@mt.gov">warrantwinter@mt.gov</a>, Phone: 444-3092, Fax: 444-2812</p> <p><b>Note: All incomplete/incorrect forms will not be processed.</b></p>		
<p><b>5) Request Type:</b> <input type="checkbox"/> Initial Request (1-16) <input type="checkbox"/> Change/Add Account (1-16) <input type="checkbox"/> Remove Account (5-16)</p>		
<p><b>2) I</b>, hereby certify that the account indicated on this form is under my direct control and access; therefore, I authorize the State Treasurer as fiscal agent for the State of Montana to initiate, change or cancel credit entries to that account as indicated on this form.</p> <p>This authority is to remain in full force and effect until the State of Montana has received written notification from either me or an authorized officer of the organization of the account's termination in such time and in such a manner as to afford the State of Montana a reasonable opportunity to act upon it.</p>		
<p><b>3) New Bank Information:</b></p>		
<p><b>Bank Name:</b></p>		
<p><b>Routing Number:</b></p>		<p><b>Account Number:</b></p>
<p><b>4) Account Type:</b> <input type="checkbox"/> Checking <input type="checkbox"/> Savings</p>		
<p><b>5) Supplier Name:</b></p>		
<p><b>6) Tax ID Number:</b> (must be 9 digits)</p>		<p>Type: <input type="checkbox"/> SSN <input type="checkbox"/> FEIN</p>
<p><b>7) Address:</b> (limited to 45 characters per line)</p>		
<p>Line 1</p>		
<p>Line 2</p>		
<p>Line 3</p>		
<p><b>City</b></p>	<p><b>State/Province</b></p>	<p><b>Postal Code</b></p>
<p><b>Country</b></p>		
<p><b>E-mail</b></p>		
<p><b>8) Confirmation of existing bank account information:</b></p>		
<p><b>Bank Name:</b></p>		
<p><b>Routing Number:</b></p>		<p><b>Account Number:</b></p>
<p><b>Account Type:</b> <input type="checkbox"/> Checking <input type="checkbox"/> Savings</p>		
<p><b>9) This authorization will remain in effect until either canceled in writing or an updated form is submitted to the Agency you currently do business with.</b></p>		
<p><b>10) Authorized Signature</b></p>		<p><b>Title (If Applicable)</b></p>
<p><b>Date</b></p>		

**Exhibit 2-C**  
**Signature Certification Form**

Montana Department of Commerce  
Community Development Division – Montana Coal Endowment Program  
301 S. Park Avenue  
PO Box 200523  
Helena, Montana 59620-0523

This is to certify that the following officials<sup>1</sup> are authorized to sign requests for payment of the Montana Coal Endowment Program (MCEP) funds for the (name of grantee: City, Town, or County of \_\_\_\_\_).  
20\_Bi MCEP grant:

1.	<hr/> Signature	<hr/> Title
2.	<hr/> Typed Name	<hr/>
3.	<hr/> Signature	<hr/> Title
	<hr/> Typed Name	<hr/> Title

It is understood that any two of the above signatories must sign each request for payment submitted.  
I hereby certify that I have witnessed the signing of the above named signatures.

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Typed Name and Title of Witness

SUBSCRIBED AND SWORN TO, before me, a Notary Public for the State of Montana, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(Notary Seal) Notary Public for the State of Montana (type or print name)  
Residing at \_\_\_\_\_  
My Commission expires \_\_\_\_\_

<sup>1</sup>Suggested signatories include the chief elected official (Mayor, Chairperson of County Commission, Tribal Chairperson and/or Tribal Council Members), city or county clerk or treasurer, or other local officials. Consultants under contract may not be a signatory.  
<sup>2</sup>Suggested witness is an elected official other than one of the three signatories.



# Liability Insurance Requirements

- Insurance coverage is a requirement for the contract with Commerce.
- The grantee must provide current proof of insurance throughout the project.
- Commerce must be named as an additional insured.

# Example Insurance Certificate



# Establish Project Files

- Good record keeping is crucial to successful management of the project.
- Original and complete documentation for the project is required to be retained in the offices of the local governing body or district and made available to the public if requested.

# Timely Project Completion

HB 11 identifies the first two important dates.

1. If startup conditions have not been met by **Sept. 1, 2026**, the project will be reviewed by the next regular session of the legislature and could potentially be withdrawn.
2. HB 11 states a grant recipient must meet startup conditions by **Sept. 30, 2028**, or the grant will automatically terminate.



# Timely Project Completion

The Commerce contract will identify the third important date.

3. MCEP grant recipients are required to incur construction costs by **Sept. 30, 2029**, or the grantee will need a written extension request.



# Questions?

We're here to help. Contact us at  
406-841-2270 or [doccdd@mt.gov](mailto:doccdd@mt.gov).

All photos were provided by the  
Montana Department of Commerce.

