

STATE OF MARYLAND

STATE BASIC AGENCY PROGRAM FOR APPALACHIAN REGIONAL COMMISSION PROJECTS JUNE 1, 2023

This document provides the specific details as to the State of Maryland's management of Appalachian Regional Commission (ARC) funded construction projects. Specifically, these projects will be managed by the Maryland Department of Housing and Community Development (DHCD) after approval of grants by the Maryland Department of Planning (MDP) and ARC. DHCD will serve as the "State Basic Agency."

There is a specific process for the State managed projects which is identified as follows:

1. As part of the application process, upon request, DHCD will provide a letter to the ARC executive director indicating it will serve as the basic agency for an ARC project. This letter is a requirement for ARC project approval.
2. DHCD will review application for issues or concerns related to various federal compliance regulations and requirements and the impact on the application. DHCD will share any issue or concerns with MDP.
3. Upon notice of funding, the successful Grantee will receive a grant agreement directly from ARC. The agreement includes a certification regarding lobbying and a certification regarding drug free workplace requirements. These documents should be signed by the chief elected official for governments or designated official for non-profit organizations and returned to ARC who will forward executed copies of their documents to DHCD.
4. DHCD will provide the Grantee with an "ARC Fiscal Agent and Grant Agreement" which obligates the funding by the State and establishes the relationship between DHCD and the Grantee. The agreement identifies regulations, requirements and fiscal processes. The agreement also provides a two year grant period for expenditures which is standard for grants funded and/or managed at this department. Amendments for reasonable time extensions may be approved for sufficient reasons.
5. DHCD will amend the ARC Fiscal Agent and Grant Agreement if there are changes to the scope, location, outcomes, or existing budget, if it is for a new activity or for an increase to budgeted activities in excess of 10 percent of the total grant amount. The amendments must be approved in advance by DHCD and may require approval by ARC.
6. Payment requests are to be submitted using forms provided by DHCD. The State will request the payment from ARC in both the ARC grant management system (ARCnet) and the State system. The Grantee will receive payment from the State who will be reimbursed by ARC for those funds.

7. DHCD will create a progress report for the Grantee to use which is specific to their funded project. The reports are to be submitted on a semi-annual basis.
8. DHCD will provide the Grantee with technical assistance and training on compliance requirements. This includes providing manuals and specific forms to be used.
9. DHCD, in accordance with federal regulations and state policies, will monitor the Grantee to verify completion of the project, ensure compliance with regulations and requirements, audit grant financials, certify use of required leverage amount and to determine the ARC performance measures have been achieved.
10. DHCD will make all updates on grant progress, expenditures and other required items in ARCnet. Despite having access, the Grantee shall provide updates and information to DHCD.

Where there is or appears to be conflict between information in the Grantee's agreement with ARC, DHCD will determine how the Grantee is to proceed.

Compliance Requirements

All federal grants are subject to many regulations and requirements. The primary role of DHCD is to ensure the Grantee is in compliance with those that apply to the funded project. DHCD has developed several manuals and identified specific processes which are designed to ensure that grants are managed in accordance with regulations and requirements.

The following applies to all projects:

- Build America, Buy America
- Conflict of Interest
- Environmental Review
- Financial Management
- Labor Standards
- Non-Discrimination/Equal Opportunity
- Procurement and Contracting
- Recordkeeping
- Reporting

The following applies to grants in specific circumstances:

- Acquisition
- Single Audit
- Relocation

There may be additional requirements imposed specifically by ARC depending on the type of project funded. These will be highlighted in the ARC Fiscal Agent and Grant Agreement.