



Tobacco Region Revitalization Commission

Grant Guidelines for Advance of Funds

In order to avoid undue hardship, the Commission, **in its sole discretion**, may advance funds upon the written request of Grant Recipients. Except in the most extraordinary case¹, the advance should not exceed 25% of the total grant award. Thereafter, the Commission shall continue to exercise its sole discretion to determine if undue hardship exists in requiring reimbursement for expenditures versus advancement of funds. Generally, after an initial advancement, the Grant Recipient will be paid the remaining grant award on a reimbursement basis on a quarterly basis as set forth in the disbursement guidelines.

While the determination whether to advance funds remains within the discretion of the Commission, the following factors may be considered in determining undue hardship:

1. The inability of an organization such as a regional industrial facilities authority or an industrial development authority to make advances because it is thinly capitalized.
2. The inability of a local government to make a substantial advance because of cash flow deficits.
3. The nature of the project – will a Grant Recipient be invoiced for work and have time to submit a request for funds or will funds for the project be required on delivery such as with a land purchase.
4. Will the advance of the Commission grant facilitate the ability of an organization to access other grant programs that do not have any flexibility.²
5. Any other factors that the Commission may deem relevant.

Any entity receiving a Commission grant and seeking an advance of funds will be expected to work closely with Commission staff to substantiate the need for advances and to avoid any advances in excess of the amount necessary to keep the project on track.

THERE IS NO RIGHT UNDER ANY CIRCUMSTANCES TO AN ADVANCE OF FUNDS IN CONNECTION WITH A GRANT AWARD. ALL ADVANCES ARE MADE AT THE SOLE DISCRETION OF THE COMMISSION.

Authorization to make all determinations and payments under these guidelines is hereby delegated to the Executive Director.

Effective June 5, 2002

¹ An example of an extraordinary case would be a new entity. A newly formed regional industrial facilities authority with no funds could have access to a DHCD grant AFTER it had matching funds and purchased the land to be developed. If the Commission is not willing to advance the full purchase price, which might be the entire grant amount, a grant would be meaningless. However, the funds could be advanced to the grant recipient just prior to closing.

² It may be that a thinly capitalized organization has two or three grant sources that require reimbursement and the project will fail for lack of cash flow unless the Commission is willing to provide a portion of its grant award to help with the cash flow. For example, if a project has a Commission grant, a VDOT grant, a DHCD grant and an EPA grant and no funds from any other source, there will be significant invoices that cannot be paid in a timely manner (30-day turn around is what contractors will require).