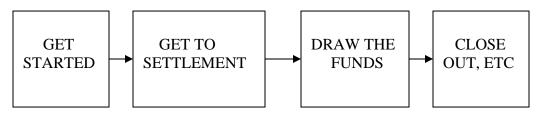
FUNDS DISBURSEMENT MANUAL (August 13, 2009)

FUNDS DISBURSEMENT (FD) is the name of the online system used to build the detailed costs for Settlement and to request the Disbursement of funds after Settlement during the draw period.

This manual will provide you (the Borrower and Engineering contacts) with an explanation of the various steps in FD. You will be provided with TIPS and NOTES that will help make the process a little easier. At the end of this document you will find a Definition of Terms.



Your Project Specialist is your primary contact for your project; however, if you have questions or they are not available you may contact Bev Reinhold, breinhold@state.pa.us 717-783-6589, up through Settlement and Steve Anspach, sanspach@state.pa.us 717-783-4486, from Settlement through Closeout for assistance.

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DEFINITION OF TERMS

CHANGE ORDERS/ADVISE OF CHANGE/CHANGE OF SCOPE_— these are all treated the same way in the Funds Disbursement system. A Change Order for Construction is what you normally think of as a Change Order, in that it changes what the original contract was for. Each of the Cost Categories Cost Sheets are changed in the same manner to allow changes in billing from what was built at the time of Settlement.

CLOSE OUT – this is the process at the end of the project where all items are finalized and holdback is released once everything is Complete. You can review the Close Out requirements on the Close Out Tab. If you see something marked Pending, you can click on the Edit to see Why.

CONTINGENCY – this is a portion of the Construction amount that is reserved for unexpected costs. To find where the Contingency amount/percentage is set, you go to the Budget Tab and on the first dark blue line that goes across the page, click on *View Contingency*. You can see the default or you can request a change here.

COST CATEGORY – each of the 10 Budget line items, such as Administration, Construction, Permits, etc.

COST SHEET - For Construction Cost Sheets, each one would be equivalent to the Schedule of Values for each contract. A Cost Sheet would be created to equal the Engineering Contract and the equivalent to each Legal Contract. Cost Sheets would similarly be build for each additional Cost Category. You can request the Schedule of Values in an Excel spreadsheet at the time of bids. This will allow you modify that spreadsheet and upload it into the system as the cost sheet detail. This will save a lot of time and effort.

ESTIMATES – these are where you bill against what was built in the Cost Sheets, equivalent to an Invoice. You enter the quantity Or dollar amount (use the radio buttons above the detail section to choose) and you adjust the Retainage (amount the Borrower holds from the Contractor). Pennvest disburses the Net amount.

FUNDING ADJUSTMENT – this is how changes to the funds that are allocated to each cost category are changed, both for Pennvest and Other Sources. When there is a Change Order/Advice of Change where you are adding or subtracting billable items to a cost category you need to also do a Funding Adjustment to move the funds to/from contingency to the specific cost category or between cost categories.

INSPECTIONS – from time to time DEP does inspections (interim) and at the end of the project (final). You can review the comments, if any, by DEP in this Tab.

REQUEST – once all the Estimates are approved by the Borrower, they are gathered together and submitted as a Request. If you have Other Sources in your project, you

indicate here, just above the Save Draft button, how much of the Other Sources you wish to use on this Request.

VENDORS – each construction contractor is a Vendor, as is the Engineering firm, and each Attorney. The Legal Entity should also be considered and entered as a Vendor for all other cost categories. Note that to enter a Vendor into the system, you must have their Federal Tax ID#.

How do I get to the Funds Disbursement (FD) website?

- 1. If you are in the Settlement Tab, on the left side of the page, click on Exhibits, then click on I-Project Cost Sheets/Breakdown.
- 2. If you wish to login and go directly to FD, once you have entered you login and password, click on Funds Disbursement, instead of Online Funding Request that you have been using.

What if I can't get logged in? It says I'm not a Authorized User.

- 1. You may have a login problem. Review the hyperlinks on the login page.
- 2. You may not be linked to the Funds Disbursement side of the project. Initially only the Borrower, the DEP Project Manager, and the PV Project Specialist are linked. (We will be adding the Engineer in the near future.) If you are not linked and need to be, the Borrower, Project Specialist, or PV Project Manager, can add you as a link. Contact them.

What does the initial FD page show or tell me?

- 1. My Workflow this section shows anything that is pending your action for your project(s). If you see a number beside an item, click on that item to find what it is that you need to do.
- 2. My Projects this section lists all projects you are linked to
- 3. My Projects/Project Search on the dark blue line click on this to search for a specific project by criteria
- 4. My Projects/My Account click on this to find access to your Company information, Functions and Role responsibilities, Technical Support and MOST IMPORTANTLY this is where you set up your EMAIL NOTIFICATIONS. These notifications will cause an email to be sent to you any day there is something in your workflow that you are required to do.
- 5. At the top of the page on the dark blue line, you can go to:
 - a. Pennvest Website this is the main, public website
 - b. Return to Portal this will allow you to go from FD to the Online Funding site
 - c. Home the initial FD page
 - d. Contacts who and how to contact people for assistance
 - e. Logout the proper way to closeout of the system

How do I get into My Project in FD?

- 1. When you log into FD you project will be listed on the page. Put your cursor over the project listing and it will turn yellow, then left click on it to open.
- 2. On the dark blue line, click on Project Search, enter the Loan number or other criteria, and click on Search. If searching on the project name, just enter the first couple letters.

Now I'm in my project, what is all this that I see on the Home Page/Summary Tab?

- 1. Home Tab -Alerts and Tools
 - a. On the dark blue line you will find the hyperlinks for the Annual Report Submission, ACH Forms, etc
 - b. Below that you will see hyperlinks to additional information for the items listed.
 - c. Project Summary shows at a glance how the items in each of the categories is progressing.
 - d. At the bottom of the page you will find Project Management tools that will allow everyone to see the progress being made on the project. BE SURE TO UPDATE this section. It will save us from having to call you and be a good management tool for you to keep your project moving.
 - e. When your project STATUS changes to Disbursement, your Project Management Plan (PMP) will migrate from the Settlement Tab to here. You will need to UPDATE the dates in the PMP every time you Submit a new payment Request to Pennvest (borrower submittal).

2. Contacts Tab

- a. You can see who is linked to the project and their contact information
- b. On the dark blue bar, the Borrower can "add a new contact". Alternately the Project Specialist or PV Program Manager, Bev Reinhold, can add a contact.
- 3. Budget Tab there are two sections
 - a. Section 1 Project Cost Breakdown at Settlement, the first dark blue line section, is the approved budget and the budget as it is submitted to PV and then approved at Settlement:
 - i. Columns A,B,C is the approved budget from the Funding Offer
 - ii. Columns D,E,F populate with the Cost Category totals from the Submitted Cost Sheets.
 - iii. Columns G,H,I populate once the Project Specialist approves the Cost Sheets
 - iv. The Contingency Cost Category automatically populates as a calculated field based on the % set and the amount of the Total Construction, rounded down, if using a percentage (see definitions).
- 4. Cost Sheet Tab this where you build the costs into the FD system as they are at Settlement. The amounts built here will populate into the Budget Tab.
 - a. To Start you need to build Vendors (see definitions) into the system
 - i. Click on "View Project Vendor" on the Project Cost Sheet dark blue line.
 - ii. As you add Vendors they will appear as a list on this page
 - iii. Click on "Add New Vendor" on the Project Vendor dark blue line

- iv. In the "Company Name" search box type in the first couple letters of the Company Name (do not type more than this because if you do not type it exactly as it was entered you will not locate it in the system).
- v. Click on "Search Company Database" if the Company is in our database it will appear below, put your cursor over the company information and left click when it turns yellow, click on the SAVE at the bottom left corner.
- vi. If the Company does not appear, click on "Add a New Company" and fill in the information DO NOT enter a dash "-" when entering the federal tax ID#.
- vii. Click on the SAVE on the bottom left corner.
- b. You need to add a Vendor for each of the following:
 - i. Construction EACH contractor
 - ii. Engineering the engineering firm
 - iii. Legal EACH attorney
 - iv. For all other Cost Categories, the funded Legal Entity should be used
- c. Build Cost sheet Detail once you have the vendors in the system
 - i. Click on "Add a New Cost Sheet" on the Project Cost Sheets dark blue line
 - You will see the Vendors listed click on the one you want to build a Cost Sheet for – it will then appear as the selected Vendor
 - 2. Enter the Cost Sheet Title include the Contract # as part of the title where appropriate
 - 3. Enter the Start and End dates for the contracts MM/DD/YYYY
 - 4. Cost Category click on the appropriate Cost Category for this cost sheet and click on ADD to move it to the Selected box
 - 5. Click on "Stored Materials Allowed for this Cost Sheet" if appropriate.
 - 6. Click on SAVE in the bottom left corner
 - 7. Go to the top of the page to see if there are any red "*" indicating missing information or that it Saved successfully.
 - ii. Once you have created the Cost Sheet you need to add the "costs"
 - 1. You can do this one of 2 ways:
 - a. When you have successfully created the Cost Sheet you can click on Add/Edit cost at the top of the Cost sheet OR
 - b. You can click on the Cost sheet Tab and click on "Edit Cost" to the Right of that specific Cost Sheet
 - 2. Starting at the top of the Cost Sheet you can see the information you entered above.
 - 3. Enter any information you want to share about the Cost sheet in the Comments box put your Name after the comment so we know who entered the comment.

- 4. Add Rows for detail information (skip this step if you are uploading an Excel spreadsheet)
- 5. Click on Step 1 select Cost category from the dropdown
- 6. <u>TAB</u> to Step 2 select Subcategory from the dropdown list OR enter a custom sub-category BE PATIENT it may take a moment for the dropdown list to populate.
- 7. <u>TAB</u> to Step 3 enter the number of rows you need for your Schedule of Values (or equivalent) detail
- **8.** TAB to Step 4 ten click on the Add Row(s) button
- 9. You will see a section where you can add the detailed information
 - a. "S#" is a fixed field
 - b. "Item" any number you want, can correspond to the Schedule of Values line number
 - c. IF your project is a GREEN project put a checkmark beside all items that qualify as Green activities
 - d. "Description" limit 50 characters, describe the item
 - e. "Unit type" limit 5 characters, i.e Each, LS, etc
 - f. "Unit Price" exactly that
 - g. "Quantity" exactly that
 - h. "Extension" is automatically calculated when you Tab to it
 - i. "Pennvest Funded" everything defaults to this field
 - "Non-PV Funded (Other Sources) if you have Other Sources to be used in the project you must move an amount equal to the Other Sources to this field in ANY of the Cost Sheets. It doesn't matter what you move, with the exception of Land costs for Wastewater projects. For these Land costs you must show the Land purchase amount under the Land cost sheet in the Land Cost Category. For the Legal and Engineering costs associated with the land you must put these costs in the respective cost sheets under Other Sources. If you have something that MUST be paid for only by Other Sources you can assign them here as well. NOTE: where you assign the costs in the cost sheets does NOT directly relate to where the funds are drawn when you submit a Request for funds (see Request definition for more info).
 - k. "Non-Project Eligible" any portion of a contract that is NOT part of the Project must be included in the Cost Sheet, but moved under this section. An example would be if the contract was to pave an entire street. Pennvest only considers the trench and one foot either side of the ditch to be Project eligible. The project eligible cost of the contract would be shown under

- either PV Funded or Non-PV funded (Other Sources) and the rest of the contract under Non-Project Eligible.
- 1. Below the detail there is a Subcategory Total this is the total for the cost sheet of the PV funded and Non-PV Funded items. These numbers are added to the Budget Tab once the cost sheet is Submitted
- m. The other total that is shown is the entire cost sheet total including the Non-Project Eligible costs.
- n. UPLOADING AN EXCEL spreadsheet DIRECTIONS:
- o. At the bottom of the page on the right side there is a "+ View/Hide Category/Subcategory totals for Selected Contracts" hyperlink if you click on the hyperlink you will see the budget as it is built in the cost sheets thus far, but Contingency is NOT added in. This will help you see how much is allowed to PV and Other Sources. Be sure to add Contingency to the totals.
- p. BE SURE TO CLICK ON "SAVE DRAFT" so you will not loose all your hard work. You must click on Save Draft any time you make a change to the page.
- q. When complete and you are ready to submit go to the top of the page and click on the Submit button.

5. Change Order Tab

- a. What are Change Orders in the FD system?
 - i. "Normal" change orders and change of scope exactly what you would expect on a construction contract
 - ii. Advise of Change request for extension of contract period, or to change the amounts in a non-construction cost sheet
- b. What if I have Change Order prior to Settlement?
 - i. Submit the Change Orders along with the Contracts as part of the Settlement process (preferred method).
 - ii. Build your Cost Sheets NET of the Change Orders
 - iii. If you do not have the CO to submit at settlement, build your Cost Sheets at the Contract amount and create the electronic Change Orders AFTER settlement.
- c. Do I have to submit anything to DEP for a Change Order?
 - i. For Construction Change Orders you still enter the CO in the online FD system; however, you must still submit documentation to DEP in support of the change order you can scan and email, fax, or snail mail this information
- d. How to build/create a Change Order/Change of Scope/Advise of Change
 - You can either go to the Cost Sheet Tab, click on the specific Cost Sheet and go to the bottom of the page. There you should click on the Add Change Order button OR

- ii. You can go to the Change Order Tab, click on the Add to the right of the appropriately listed Cost Sheet
- iii. Once the CO opens, complete the appropriate information at the top of the page, BE SURE TO ENTER a comment explaining the reason for the CO.
- iv. At the bottom of the page in the "white" Quantity column, adjust the quantity as appropriate (remember you are only adjusting the Details of the costs here, you will also need to create a Funding Adjustment to move funds to or from the cost category.
- v. Be sure to click on the Save Draft button when you have completed any additions, subtractions, or changes to the page. When you are ready click on the Submit button at the top of the page.
- e. Automatically created Change Orders
 - i. These are created whenever you go over budget on individual line items. They need to be Submitted by the borrower. They are indicated by an Over budget status.
 - ii. When an Estimate is marked as Final, a Change Order is created as a reconciling item. This needs to be Submitted by the borrower.
- 6. Estimates Tab this is where you bill against the expenses that have occurred for your project so they can be submitted for reimbursement.
 - a. Creating an estimate to create an estimate you must click the add link on the contract line where the expense has occurred.
 - i. Once a new estimate is created, you will need to enter the estimate name, request date, period from date and period to dates in the top section of the payment estimate.
 - ii. In the second section of the estimate, you will see all the line items that have been created under that particular cost sheet. There is a radio button to select between quantity or amount. If quantity is selected, you will bill against the units; if amount is selected, you will simply enter the amount you are billing against for each line item.
 - iii. The last section of the payment estimate is the payment estimate summary section. In this section, you can change the percent retainage for the current estimate (this will also be applied to future estimates for that cost category) or you can enter a special adjustment under the Special Retainage (optional) fields. These fields may be used if the retainage percentage changes in order to adjust the year-to-date total in line with the current retainage percentage.
 - b. Submitting an estimate once everything is complete with the estimate, you will need to hit the Save Draft (recalculate) button and assuming no error messages are received, you can hit the submit button at the top of the page.
 - i. The borrower is the final approver for the workflow process for estimates. If the engineer creates the estimate, the borrower will need to approve it. If the borrower creates the estimate, once the approve button is hit, the estimate is approved.

- ii. In the event that the engineer submits an estimate and needs to edit some of the information, the borrower will need to reject the estimate so that the engineer is now able to edit the information and resubmit the estimate.
- 7. Requests Tab this is where you create the payment request that is sent to PENNVEST to request reimbursement for expenses occurred for your project.
 - a. To create a payment request, on the requests tab, click on the Add New Payment Request link on the blue line titled Payment Requests.
 - i. In the top section enter the request title (usually indicate the number of the payment request in the title). Also, indicate the project construction complete % and if any comments are necessary, they can be added in the comments box.
 - ii. In the middle section all the approved estimates that have not been submitted should be displayed. To add these estimates to the payment request, check the select box by clicking in the box at each estimate. Once all estimates are checked to add, hit the Save Draft (Recalculate) button and hit the Print button to print the form. This signed form is to be mailed to PENNVEST (no invoices need to be included). Also, hit the submit button to submit the request electronically to PENNVEST.
 - iii. In the bottom section Payment Request Summary you can view the amounts used and available for the project. Also, there is a Request per Category section where you can see the project costs approved at settlement (by cost category), any adjustments after settlement and the completed and stored to date amounts for each category.

8. Inspections Tab

- a. The inspections tab will show any DEP inspections that have taken place for your project.
- b. Each inspection will show the date requested, the inspection date and the status of the inspection.

9. Closeout Tab

- a. The closeout tab includes the checklist items that must be completed in order to Final Amortize your project and closeout your loan.
- b. The borrower is responsible to ensure that they have submitted to PENNVEST a final Payment Request and construction reported 100% complete, current fiscal year Financial Statements, ACH Information, and resolve any outstanding Performance Audit issues. In addition, a Continuing Education Plan (CEP) (if applies to the project) must be submitted to DEP, and the project must have a Final DEP Inspection conducted and documented to PENNVEST.

GENERAL IMPORTANT INFORMATION:

- 1. You must be <u>CAREFUL to Save Draft</u> anything you enter into the online system.
- 2. If you are a Borrower, you Submit to Pennvest (various departments for various things. The button will tell you who you are submitting to.
- 3. If you are an Engineer (PE/Admin) you submit to the Borrower
- 4. If you DELETE something, it will stay IN the system until about 9 pm that night.
- 5. If you accidentally Delete something, simply click on Save Draft to retrieve it. It will not be deleted.
- 6. Any time you want to see the workflow for a specific item (cost sheet, change order, estimate, request, etc) in the top right corner, under the Close Out tab, is a hyperlink "workflow". Click on this and you will see who approved/rejected that item and when.

8/13/2009

PLEASE Note that we are constantly updating the FD system to make it function better, so you may note changes from these directions. They usually are self explanatory, but if you have questions feel free to contact us.

TIPS

I. When going out to bid....

- A. When possible, obtain the schedule of values in an excel file. You can then modify the file to upload the information
- B. Get the Contractor's Federal Tax ID# so you have it when you are ready to enter the Vendor information into the FD system.

II. Who to link to FD

- A. The Borrower is automatically linked to the FD project
- B. The DEP Project Mgr and PV Project Specialist are automatically linked
- C. The Engineer PE and Engineer Admin people will need to be added as a Contact by either the Borrower, the Project Specialist, or Bev Reinhold
- D. An additional person, if authorized at Settlement or by amendment, may be added as Borrower.

III. FD Workflow

- A. Workflow items start with the creator usually the Engineer or Borrower and flow forward (if submitted) or backward (if rejected)
- B. Cost Sheet/Contingency Work Flow is Engineer to Borrower to Project Specialist to Legal
- C. Change Order Work Flow
 - i. Construction Engineer to Borrower to DEP Project Mgr to PV Project Specialist to Finance
 - Engineering and Legal Engineer to Borrower to PV Project Specialist to Finance
 - iii. All other Cost Categories Engineer to Borrower to Finance

IV. Automatic Email Notifications

- A. Once in FD go to My Profile at the top of the page, click on Email Notifications
- B. Based on your role select the items that you want to be notified about
 - i. Actions that someone in the Workflow BEFORE you take that will cause you to need to do something see Work Flow above
 - ii. Some thing that happens that you want to know about when Finance approves a Payment Request for example

V. Audits

- A. Pennvest/Finance Audits
 - i. First Payment Request we will request copies of the Construction Invoices
 - ii. At least 3 times (1st plus 2 more times) throughout the life of the project we will request copies of invoice
- B. Comptroller Random, drive-by review of invoices
- C. Comptroller full Financial Audit
- D. Comptroller Construction Audit

VI. Retainage

- A. Normally retainage is held and reduced through the life of the contract
- B. FD Retainage is a percent of EACH (not cumulative) Invoice and is released on line 7A on the Estimate with a Negative number and the percentage set to Zero.

VII. Funding Adjustments

- A. Initially done when Project Status moves to Disbursement to adjust the Cost Category Budget amounts to match the Settlement Cost Category totals.
- B. As Change Orders are created to add or delete costs to be expensed a corresponding CO is created to move money between Cost Categories.

The following is all information for AFTER settlement, but so you will know what is coming and what will be needed. The first item applies to ALL projects and the rest apply only to ARRA.

- 1) ***The Project Management Plan (PMP) that is completed in the Settlement Tab will migrate to the Funds Disbursement (FD) site after the project status moves from Loan Closing status to Disbursement. It will need to be updated every time a Payment Request is electronically submitted to PV (monthly).
- The Dept of Labor (DOL) weekly wage forms are on the main PV website under What's Hot / ARRA Requirements. These need to be filled out weekly by the contractors and you collect them and submit a paper copy of them along with the Payment Request printout that is signed by the Borrower and Engineer (whoever they end up being).
- 3) As part of the Payment Request form there is a "green box" just above the Save Draft button that asks for the number of jobs created (this is in the Request Tab). This is a MONTHLY report of jobs.
- 4) In the Summary Tab, under the Alerts and Tools Section, there is a section that needs to be completed, following very specific rules for determining Full Time Equivalent (FTE) jobs. This must be completed no later than the end of each FEDERAL quarter end (9/30, 12/30, etc).
- 5) All ARRA reporting to OMB in DC is done through Pennvest for our funds. You may hear of other direct reporting, but ignore it.