

CHAPTER 3 - ECONOMIC DEVELOPMENT

Loan Closing, Requests for Funds and Job Creation Documentation Requirements

LOAN CLOSING:

It is the responsibility of the Grantee to provide properly executed loan documents for an economic development loan. The loan documents can be prepared and completed by the Grantee's attorney or by the Business receiving the loan. The Department does not provide forms or legal advice regarding loans. Depending on the nature of the project, loan documents may include some or all of the items listed under the Legal Files section of the Performance Review Monitoring Checklist located in Chapter 14 – Monitoring. A Promissory Note and Loan Agreement should be signed for any economic development loan.

REQUEST FOR CDBG FUNDS (DRAWDOWN):

Following the issuance of a Release of Funds letter, the Grantee may request funds on behalf of the Business by completing a Request for CDBG Funds (drawdown) form. Drawdown forms may be obtained from the Department's website at <http://www.neded.org>. The CDBG funds can only be disbursed in accordance with the budget established in the CDBG contract between the Department and the Grantee. Supporting documents that demonstrate payment or an obligation to purchase by the business must be submitted with the drawdown form.

JOB CREATION/RETENTION FORMS:

Job creation and/or retention are a requirement of any CDBG funded economic development project. The Business demonstrates that it is meeting this requirement by providing job creation/retention information to the CDBG Administrator. It is the responsibility of the CDBG Administrator to submit the completed job creation/retention report and the project status report to the Department. These reports are submitted semi-annually for the periods ending June 30 and December 31.

The Business must have each employee hired or retained under the terms of the project complete and sign an Employee Certification Form. Information from the Employee Certification Form is used to complete the semi-annual job creation/retention reports. Employee Certification Forms can be found in the CDBG Economic Development Application Guidelines. The Business must keep the completed Employee Certification Forms for all employees until project closeout is complete. Department staff will monitor job creation/retention information.