

5122:3-1-14

**State funds reimbursement.**

(A) State participation in real property.

Prior to any reimbursement of state funds to the applicant, a contract, note and mortgage prepared by the chief shall be executed and accepted by the department. The contract shall specify the dollar amount of state funds approved for site participation. Such contract shall include necessary safeguards and guarantees by the applicant regarding the participation by the state in value of property in accordance with rule 5122:3-1-13 of the Administrative Code.

- (1) In projects which involve the construction of a new facility on a site consisting of land only and/or projects which involve substantial renovation, as determined by the chief, the state participation share shall not be reimbursed to the applicant until project construction contracts have been awarded, except that in such projects which involve substantial levels of state participation, the director may approve reimbursement of the state share of the approved site value on receipt by the chief of appropriate evidence of ownership of the site by the applicant or the approved tax credit owner for which it is the approved tax credit manager.
- (2) In projects which involve the purchase and renovation of an existing facility approved by the state, the state participation share of the approved site value may be reimbursed to the applicant on receipt by the chief of appropriate evidence of ownership of the site by the applicant or the approved tax credit owner for which it is the approved tax credit manager.

(B) State participation in construction costs.

- (1) After bids for construction contracts have been reviewed and approved and contracts awarded for a project, the chief shall prepare a participation letter, a portion of which stipulates the dollar amount of state funds for project construction and equipment.
- (2) Reimbursement requests for construction may be submitted in accordance with the guidelines.

(C) The applicant shall keep records of all receipts and expenditures for a project in a separate account which shall be available for inspection or audit by the chief. The applicant shall submit approved invoices and copies of canceled checks issued in payment thereof to the chief. The chief, after appropriate review of required documentation received and determination of the percentage level of project completion, shall take necessary action to effect reimbursement of approved expenditures to the applicant.

(D) The state reimbursement funds may be released upon receipt of the complete back-up documentation as noted in paragraph (C) of this rule, until ninety per cent of the state's share has been reimbursed. The remaining ten per cent shall be held as retainage until the project is one hundred per cent complete and the proper close-out documentation has been submitted to and approved by the chief. Such documentation includes, but is not limited to, the following:

- (1) Letter from applicant stating project is complete and requesting release of ten per cent retainage;
- (2) List of all actual, final total project costs, notarized and separated into the major categories of site, construction/renovation, equipment, A/E fees, and miscellaneous expenses;
- (3) Copy of certificate of occupancy; and
- (4) Waiver of lien affidavit and prevailing wage affidavit, where applicable, from each prime contractor.