

ALABAMA INTERGOVERNMENTAL
POLICY LETTER NUMBER 25
(Revision 1)

TO: Persons Interested in State CDBG Program

FROM: Norman B. Davis, Jr.
Director

POLICY ON DRAWDOWNS FOR CDBG
ADMINISTRATION, ENGINEERING/ARCHITECTURAL FEES
(INCLUDING INSPECTIONS)

For Total CDBG Project Administration and Engineering/Architectural Fees (including Inspections), the following general payment schedules, unless waived by the Director, will apply.

- A. Total CDBG Project Administration
1. Up to 30 percent of the total project administration costs can be paid when all conditions have been met and the grant agreement is fully executed and delivered to all parties.
 2. Upon the completion of 50 percent of project construction, as certified by the project engineer or housing inspector, an additional 45 percent of total project administration can be paid.
 3. Between the 50 percent project completion stage and the 90 percent stage as certified by the project engineer or housing inspector, an additional 15 percent of total project administration can be paid.
 4. Ten percent of approved CDBG administration costs will be held by ADECA until acceptable close out documents are submitted to and approved by ADECA.
- B. Total CDBG Project Engineering/Architectural Fees (including Inspections)
1. A total of not more than 60 percent of total engineering/architectural costs can be paid for the project design phase of construction.
 2. An additional 30 percent of total project engineering/architectural costs (including inspection fees) can be paid on a proportionate basis during project construction.

3. The remaining 10 percent of total project engineering/architectural costs (including inspection fees) will be retained until documentation that a final project inspection has been performed has been submitted to ADECA.

The above described general payment schedules are for guidance only. In no way is this format to be construed as limiting the review or recovery powers of the State on any CDBG grant fund activity or request for payment.

Effective Date: Immediately