

**PRODUCTIVE LIVING BOARD**  
**Sheltered Workshops Funding Request**  
**Procedure Guidebook**



Productive Living Board

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**PRODUCTIVE LIVING BOARD**  
**Sheltered Workshops Funding Request**  
**General Information**

This information is to be provided to the PLB as part of any capital request. This workbook includes blank forms that must be completed by each sheltered workshop. A completed workbook is included for each manager's assistance. The workbook will be used by the PLB to help them assess the nature of the request and the financial implications to the PLB relating to this proposal.

Please include in the "Project Cost and Description" section on the Application Identification page a detailed timeline of the project including:

- Anticipated start date
- Anticipated end date
- Anticipated capital request needs provided by the PLB

In the example, we have identified the names of "Specific Contract Sources" in the application. When completing this information, use a confidential identifier for each contract name. Our guidebook example lists Edward Jones as one of our contract sources. In the application, this could be coded as "ABC Corporation".

Additional information relating to the workbook is as follows:

- Number all pages of the workbook sequentially
- Fill in N/A in any section of the workbook that is "not applicable" to the process
- Provide any additional support information behind each section to which it pertains. This additional support should be referenced in the narrative portion of the workbook.
- Please round all financial information to the nearest ten dollars.
- Ensure that each section of the workbook is completed before submitting to the PLB

**PRODUCTIVE LIVING BOARD**  
**Sheltered Workshops Funding Request**  
**Proposed Project Budget**

Description	Dollars
<i>(fill in every line even if the amount is "0")</i>	
<b>Costs:*</b>	
1. New Construction Costs***	\$ _____
2. Renovation Costs***	_____
<b>3. Subtotal Construction Costs (#1 plus #2)</b>	<b>\$ _____</b>
4. Architectural / Engineering Fees****	_____
5. Other Equipment (not in construction contract)	_____
6. Major Capital Equipment	_____
7. Land Acquisition Costs ***	_____
8. Consultants' Fees / Legal Fees ***	_____
9. Interest and Loan Fees During Construction	_____
10. Construction Contingencies	_____
11. Other Costs	_____
<b>12. Subtotal Non-construction Costs (sum of #4 thru #11)</b>	<b>_____</b>
<b>13. Total Project Development Costs (#3 plus #12)</b>	<b>\$ _____ **</b>
<b>FINANCING</b>	
14. PLB Grant	_____
15. Funds Provided Through Fund Raising Activities	_____
16. Short Term Loans (less than 5 years)	_____
17. Long Term Loans	_____
18. Bonds	_____
19. Leases	_____
20. Other Methods (specify)	_____
<b>21. Total Project Financing (sum of #14 thru #20)</b>	<b>\$ _____ **</b>
22. New Construction Total Square Footage	_____
23. New Construction Costs Per Square Foot *****	\$ _____
24. Renovated Space Total Square Footage	_____
25. Renovated Costs Per Square Foot*****	\$ _____

\* Attach additional pages to provide details of how each line item was determined, including all methods and assumptions used

\*\* These amounts should be the same.

\*\*\* Capitalizable items to be recognized as capital expenditures after project completion.

\*\*\*\* Divide new construction costs by total new construction square footage.

\*\*\*\*\* Divide renovation costs by total renovation square footage.

**PRODUCTIVE LIVING BOARD**  
**Sheltered Workshops Funding Request**  
**Income Statement**

**Historical Financial Data for Prior Year plus  
Projections Through Three Years Beyond Project Completion**

(Use a sufficient number of copies of this form to cover entire period.) **20** \_\_\_\_ **20** \_\_\_\_ **20** \_\_\_\_

**Revenue:**

Work Contracts	_____	_____	_____
Grants and other Contracts	_____	_____	_____
Contributions	_____	_____	_____
Fundraising Activities	_____	_____	_____
Workshop Programs	_____	_____	_____
Other Revenues	_____	_____	_____
Total Operating Revenues	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Operating Expenses:**

Staff Wages & Benefits	_____	_____	_____
Employee Wages & Benefits	_____	_____	_____
Operating Expenses	_____	_____	_____
Transportation	_____	_____	_____
Depreciation and Amortization	_____	_____	_____
Interest	_____	_____	_____
Bad Debts	_____	_____	_____
Total Expenses	<b>=====</b>	<b>=====</b>	<b>=====</b>
Income (Loss) From Operations	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Non-operating Revenue (Expense)**

Investment Income (Expense)	_____	_____	_____
Gain (Loss) on Disposition of Assets	_____	_____	_____
Other Revenue (Expense)	_____	_____	_____
Net Non-operating Gains	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Excess (Shortage) of**

**Revenue Over Expenses**

	<b>=====</b>	<b>=====</b>	<b>=====</b>
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**PRODUCTIVE LIVING BOARD**  
**Sheltered Workshops Funding Request**  
Specific Contract Sources

Income Source	Number of Projects	Gross Sales	Cost of Direct Sales	Net Sales
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Customer:

			(-)		(=)	
			(-)		(=)	
			(-)		(=)	
			(-)		(=)	
			(-)		(=)	

\* Include top five contracts by sales volume.

**PRODUCTIVE LIVING BOARD**  
**Sheltered Workshops Funding Request**  
**Application Identification**

Workshop Name

Address (Street/City/State/Zip Code)

1. Project Cost and Description

2. What is the workshop's need for the proposed project?

3. What is the immediate and long-term financial feasibility of the project?

**PRODUCTIVE LIVING BOARD**  
**Sheltered Workshops Funding Request**  
**Application Identification (Page 2)**

4. Discuss your customer demands and required services.

5. Demonstrate that the proposed project is the most cost effective alternative.

6. Demonstrate how the proposed project will affect the employee waiting list.

**PRODUCTIVE LIVING BOARD**  
**Sheltered Workshops Funding Request**  
**Equipment Bidding**

<b>Description of Equipment</b>	<b>Vendor</b>	<b>Bid Quote</b>	<b>Source Used to Substantiate Bid</b>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

CHECKLIST AND PROCEDURES FOR SHELTERED WORKSHOP  
CONSTRUCTION/RENOVATION PROJECTS

A Project/Construction Manager shall be hired who is independent of the Construction Contractor.

The Invitation (or Request) for Bids\* (refer to invitation to Bid Template) shall be submitted to the PLB for approval prior to issuing and shall include:

- Bonding requirements
- Copy of the Annual Wage Order showing the prevailing wage
- Statement of bidder/contractor's qualifications
- Reservation of Rights by Owner to accept or reject any or all bids
- Final working drawings and specifications

All Contractor responses (minimum of three) will be submitted to PLB when available to identify potential deficiencies \*/\*\*

The contractor's contract shall be submitted to the PLB for approval prior to signing and shall include:

- Binding arbitration provision which may be enforced by both parties
- Bid specifications
- Bonding requirements
- Corporate entity status
- Indemnification of Productive Living Board from all claims
- Evidence of comprehensive general liability and other insurance
- Stipulation that not less than the prevailing hourly rate of wages specified shall be paid
- Time frame and liquidated damages

The sheltered workshop shall obtain the following documents and submit to the PLB when available:

- \_\_\_\_\_ Site survey showing all utilities, easements, and current/proposed improvements, and a legal description of the property\*/\*\*
- \_\_\_\_\_ Contractor's contract and final cost breakdown (Standard AIA Form)\*/\*\*
- \_\_\_\_\_ Map indicating location
- \_\_\_\_\_ Applicable building inspections \*
- \_\_\_\_\_ Evidence that surrounding land uses are compatible
- \_\_\_\_\_ Sales contract that includes contingency of PLB approval or warranty deed if workshop currently owns property\*\*
- \_\_\_\_\_ Appropriateness of building design for proposed use (if existing building)\*
- \_\_\_\_\_ Proximity to public transportation and analysis of the impact expansion and/or relocation will have on transportation, including any projected increased costs and the source of revenue for these increased costs.
- \_\_\_\_\_ Assurance that pedestrian routes are safe and accessible
- \_\_\_\_\_ Phase I environmental study\*
- \_\_\_\_\_ Preliminary Architectural Drawings including floor plans, exterior elevations, specifications\*

- \_\_\_\_\_ Owner-Architect Agreement on standard American Institute of Architects (AIA) Contract Forms\*/\*\*
- \_\_\_\_\_ Evidence of proper zoning\*\*
- \_\_\_\_\_ Flood letter
- \_\_\_\_\_ Verification that proposed renovation/construction meets applicable BOCA building codes and requirements\*
- \_\_\_\_\_ Verification that proposed renovation/construction meets applicable OSHA and ADA requirements\*
- \_\_\_\_\_ Final working drawings and specifications\*
- \_\_\_\_\_ Soils tests (if new construction)\*
- \_\_\_\_\_ Builder's risk insurance and worker's compensation
- \_\_\_\_\_ Evidence of 100% Performance and Payment Bond
- \_\_\_\_\_ Title Insurance naming PLB\*\*

\*PLB consulting architect review and approval required.

\*\*PLB legal counsel review and approval required.

PLB funds will be disbursed through a title company.

## ***CLOSING, DISBURSEMENTS, AND COST CERTIFICATION***

### Closing:

Closing can refer to the time when the agency buys a piece of property, enters into a loan agreement with a lender, or both. When receiving funds from the PLB, two closings may occur and at each time specific documents will be required by both the agency and the PLB. It is important to emphasize that coordination as well as serious consideration be given to the closings and documents that are required. All documents should be available and reviewed at least two weeks prior to closing.

When closing on land or property, the following documents (at a minimum) will be required:

1. Title Insurance Policy (amount of insurance must cover all loans, lenders, and PLB, as well as agency)
2. Survey (must have legal description)
3. Evidence of Proper Zoning, if not contained in the title insurance commitment.
4. Flood Letter
5. Resolution of Agency Board to purchase property and enter into an agreement with the PLB
6. Certificate of Corporate Good Standing of agency from Secretary of State
7. Property Insurance Binder
8. Lender note and Deed of Trust (if involved)
9. General Warranty Deed (recorded)

When closing on a loan or grant for construction or renovation purposes, the following additional documents are needed:

1. Construction Contract
2. Final working drawings and specifications (including soils tests in case of new construction)
3. Evidence of 100% Performance and Payment Bond
4. Builder's Risk Insurance
5. Building Permits
6. Utility availability letter (new construction)
7. Security Agreements and Uniform Commercial Code forms (in case of rehabilitation)
8. Lender's Note and Deed of Trust (if involved)
9. Disbursing or Escrow Agreement

Special notes on closing for property acquisition:

1. The title insurance policy must insure the lender's position, the PLB, as well as the agency. Therefore, the insurance amount must be equal or greater than the amount of loan or purchase amount, whichever is higher. In getting estimates for the title insurance cost, this information must be given to the title company.
2. Title Company should be given the survey with the legal description as soon as possible so that the description and coverage can be consistent and clear.

3. Tax exemption will not be granted until after the property is put in use and is done only on an annual basis. Therefore, in calculating budgets and closing cost, the Agency must recognize a period in which real estate property taxes must be paid.

### ***DISBURSEMENT***

If renovation or new construction is proposed, then after closing there will be a series of additional disbursements based upon the work performed. The PLB will disburse funds through a Title Company.

Each disbursement agreement may be slightly different and the agency, PLB, and disbursing agent will work out the details prior to closings. Some elements of disbursement will be common to all projects.

1. Funds will be disbursed based upon completion of work (no advances) and a 10% retainage on each draw required.
2. Lien waivers will be collected from the general contractor as well as all subcontractors and material suppliers.
3. The PLB will review and approve all disbursements, even if disbursing agent is used.
4. With the draw request from contractor, the agency will submit a PLB invoice with the original vendor/supplier invoice and written statement from agency attesting to satisfactory delivery of services.
5. Inspecting architect (agency) must approve all Certificates of Completion (AIA Form)
6. When other funds or financing is involved (e.g. conventional loan, agency funds), the details regarding which funds are disbursed first will be specified in the Disbursing Agreement. The PLB reserves the right to review and approve disbursements of other funding/financing.

### ***COST CERTIFICATION***

The PLB reserves the right to require the agency to submit a cost certification of the project by a Certified Public Accountant. The cost certification must include all soft costs disbursed by Agency such as architect fees, surveys, title insurance, etc. Additionally, the contractor must certify his work. Cost certifications are due within four months following completion of construction.