Audit and Payment Information for State Library Construction Grants

Association Libraries

Audits and Financial Records

- Refer to your contract for Audit requirements and refer to the Office of Policy and Management's web-page on Audits of Local Governments and Non-Profit Agencies. A State Single Audit is required when a non-profit receives at least $300,000 of state funding in one fiscal year. Program-specific audits (in lieu of a State Single Audit) are allowed only if the construction grant program was the only program providing state funding during the fiscal year.

- A reminder that Financial Records must be kept for 10 years and that if your new facility does not continue to be used as a library for the next 10 years, you will be required to refund part of your grant award.

Clause in contract dealing with payments including “final payment”:

7. Payment to the Contractor under this contract is subject to receipt of state funds by the State Library. Once the funds become available, payment shall be made in accordance with the following pre-established schedule:

   (a) Fifty percent (50%) of the grant upon: 1) The State Library will issue a statutory lien required pursuant to Section ____ of S.A. ____ a true copy or original of which shall be filed on the land records of the municipality where the library is located; and 2) Contractor shall submit an Application for Payment and certification by the architect that work in place, services rendered, and equipment delivered and installed on the project represent not less than fifty percent (50%) of the total project value, i.e., of all construction, all equipment, etc. Documentation consists of AIA documents G702 and G703 and invoices for expenses listed in the Budget Information section of the application as submitted to the State Library and which are not included in the AIA documents G702 and G703 (the building contractor’s application and certification for payment).

   (b) An additional forty percent (40%) of the grant in accordance with the same provisions (except submission of a lien) when the architect certifies seventy five percent (75%) completion; and,

   (c) The final ten percent (10%) of the grant upon submission of an Application for Payment, the architect’s certification of one hundred percent (100%) completion. In those cases where there may be a significant delay in certifying 100% completion, libraries may be eligible for their last payment when they have a certificate of occupancy for the entire affected library space and they can prove they have incurred costs that are at least [“triple” or “double” depending on whether grant is 1/3rd or 1/2 of cost] their grant award. In order for the Contractor to receive its final payment it shall also furnish the following to the State Library:
(1) The final *AIA Documents G702 and G703* with “paid” written on the AIA document or payment voucher for final payment of the project.

(2) For projects of [“$3 million” or “$2 million” depending on whether grant is 1/3\(^{rd}\) or 1/2 of cost] or less, invoices for expenses listed in the Budget Information section under Project Cost Estimate in the application as submitted to the State Library excluding the expenses covered in the *AIA documents G702 and G703*.

(3) A Final Expenditure Report, example attached hereto as Attachment C.

(4) The Contractor expressly agrees and understands that the Application for Payment of the final ten percent (10%) of the grant and all required back-up documentation must be received by the State Library on or before the last day of this grant agreement before any final payment, if warranted, shall be made by the State Library. The failure to provide the Application for Payment and back-up documentation within the time required is an express waiver by the Contractor of any right to final payment under the grant.

(d) The Contractor may combine payment requests in one Application for Payment attached hereto as Attachment B.