

General Instructions for Processing Disbursement Requests

After the Order of Approval is signed by the Division Chief of the Revolving Loan and Operator Certification Section, the project manager will ensure that the borrower receives an initial supply of blank *Request for Disbursement of Funds* forms. This is a two-sided form that contains instructions for completing information necessary to request a disbursement to cover costs incurred for the period identified.

Immediately upon closing the loan with the Michigan Municipal Bond Authority (the Authority), the borrowing municipality may submit a *Request for Disbursement of Funds* to be reimbursed for expenses incurred up to that point for design work, preparation of municipal revenue systems, bonding costs, costs of a bond referendum, and any other eligible items relating to the scope of work outlined in the project plan.

In addition, MDEQ and the Authority will process a second disbursement request within the first month for additional costs incurred, if necessary. This will allow for timely payments to project contractors.

Thereafter, MDEQ and the Authority will process only one *Request for Disbursement of Funds* per calendar month. The borrower is advised to work closely with its contractors and consultants to ensure that all pay certificates and invoices are submitted in time for those costs to be included in each current disbursement request. It does not matter at what day in the month the request is submitted to MDEQ. Each month's submittal could vary in time. However, only one request per calendar month will be processed, except for the first month.

In order to receive a disbursement, the authorized representative of the project must sign the request and forward one copy directly to the following address:

Mr. Chip Heckathorn, Chief
Revolving Loan and Operator Certification Section
Water Bureau
Michigan Department of Environmental Quality
P.O. Box 30273
Lansing, MI 48909-7773

Each week staff of the Revolving Loan and Operator Certification Section will process all requests for disbursement of funds that have arrived in the office by noon of each Tuesday. If a request is received after that time, it will be batched with the following week's voucher.

Facsimiles will be accepted for all requests except the first and last. A signed original of request #1 and for the final request must be hand delivered or submitted by mail. Documentation should be provided to support the requested costs.

By Wednesday afternoon of each week, staff will hand-carry the voucher list to the appropriate parties in MDEQ and Treasury who, in turn, will continue processing the requests. Once the funds are available, the Authority will initiate a wire transfer to the borrower's bank noted on the disbursement request.

Under normal circumstances, we anticipate the borrower will have funds electronically transferred to its account within 10 working days from the date the voucher list is delivered to Treasury.

Note: It is up to the borrower to time submission of contractor pay certificates to correspond with the monthly processing of a *Request for Disbursement of Funds*. Careful scheduling will generally mean that an expeditious transfer of funds among the parties involved can take place allowing construction to continue without delays.