

Financially Distressed Cities, Villages, and Townships (FDCVT) Tips

Tips regarding completion of the Fiscal Year 2024 FDCVT Application.

Application Completion Best Practices

1. The City, Village, or Township must have at least one (1) condition of probable financial distress. However, priority will be given to a City, Village, or Township with two (2) or more conditions of probable financial distress.
2. Fill in the application form fully and completely.
3. Complete separate grant applications for separate project funding requests.
4. If the project involves shared services, clearly identify all applicants participating in the project. Attach letters of support from each of the participating applicants indicating their knowledge of the grant request and support for the project.
5. If the project is not awarded full funding, explain how the project will be funded. Can the project go forward if full funding cannot be provided? What is the minimum amount of funding needed to proceed with the project?
6. For each condition of probable financial distress checked in Part 4, provide proof of existence. Examples of proof would include copies of request for a preliminary review, financial statements, court order, etc.
7. Provide a detailed description of the current state of affairs. Describe how the services are currently being provided and/or describe the current condition of infrastructure, equipment, or financial liabilities.
8. Provide a detailed description of the project, to provide clarity to the review panel. This is your opportunity to sell your idea.
9. Provide a detailed description of how the grant funding will lead the applicant toward financial stability.
10. Clearly identify the goals, measures, and business objectives of the project. What are the anticipated outcomes and how will you measure those outcomes? What is the potential benefit to each of the participating applicants?
11. Provide a detailed description of any barriers that currently exist that may have an impact on the implementation of the project.
12. Provide a detailed description explaining how the project will be funded once grant funds are exhausted.
13. If you checked "Yes" for short-term and/or long-term savings, indicate the estimated savings amounts in the boxes indicated. Attach a detailed calculation of how the savings were estimated and provide a short but detailed explanation of how the cost savings were calculated. Do not include any anticipated FDCVT grant funding as part of the cost savings calculation.
14. Provide a detailed timeline for the project. Clearly identify each of the steps from the start of the project through the completion date using specific dates or expected periods of time. Identify the projected outcomes/deliverables at each of the steps.

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15. For each budget category line item, attach a detailed list of proposed expenditures. Explain how the expenditures support and are essential to the project. Additionally, indicate the priority for each item requested and a brief justification of the chosen priority level. Make sure that items in the budget worksheet clearly relate with the project description and goals.
 - a. The totals for the Estimated Total Project Cost and Grant Budget Amount Requested in box 33 should equal the amounts in boxes 12 and 13 on page 6 of the application.
 - b. The total grant amount a local unit can receive is limited to \$2.0 million.
16. If you are unable to include a complete detailed description in any of the boxes provided on the application, please attach additional documents describing the project or other supporting documentation. Examples of supporting documentation may include copies of completed feasibility studies, engineering timelines, quotes for budgeted expenses, etc.
17. Submit an original signed application on time via email (TreasRevenueSharing@michigan.gov), fax (517-335-3298), or mail (Michigan Department of Treasury, Office of Revenue and Tax Analysis, PO Box 30722, Lansing, MI 48909). Complete applications must be received no later than 11:59 p.m. on the due date. Applications received after the deadline will not be considered for funding. Postmark dates will not be accepted for mailed applications. Incomplete applications may not be considered.

Grant Review Panel Criteria for Selection

The panel's criteria for selection include:

1. **Number of Conditions of Probable Financial Distress** – Priority is given to applicants with two (2) or more conditions of financial distress.
2. **Declared Financial Emergency in the Past Ten Years** – Priority is given to applicants that have had a financial emergency declared in the past ten years.
3. **Approved Deficit Elimination Plan for the General Fund** – Priority is given to applicants that have an approved Deficit Elimination Plan for the General Fund.
4. **Trending Decline of General Fund Balance** – Priority is given to applicants in which the fund balance of the General Fund has been declining over the past five (5) years and the fund balance is less than 3% of the General Fund revenues.
5. **Project Detail** – How clearly and descriptively was the application packet completed? Does the panel have a lot of follow-up questions for the applicant to provide clarity concerning the project?
6. **Project Potential** – Does the project indicate the potential to lead to financial stability? Is the project sustainable?
7. **Project Goals** – How clearly are the project goals and outcomes explained? Are the measures for success clearly identified in the application?
8. **Potential Barriers** – Are there barriers to starting and implementing the project?

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9. **Costs Savings/Taxpayer Benefits/Efficiencies Achieved** – Are there significant long-term cost savings as compared to the one-time start-up costs? Is there a taxpayer benefit or efficiency achieved through the project regardless of the actual cost savings?
10. **Work Plan/Timeline** – Does the work plan clearly indicate the outcomes and deliverables of each step and outline the activities to be completed for the project, start to finish?
11. **Budget** – Is the budget clear and detailed? Do the budgeted items clearly relate to the project description and goals?