

## MANAGEMENT OF APPALACHIAN REGIONAL COMMISSION GRANTS

## CHAPTER 1. GENERAL PROGRAM INFORMATION

- 1-1 PURPOSE This Handbook provides procedures and guidance for HUD's administration of Appalachian Regional Commission (ARC) funds when requested to so by ARC.
- A. ARC transfers funds to HUD for activities consistent with the Appalachian Regional Development Act of 1965, as amended; the ARC Code; and the State Appalachian Development Plans. Funds may be used only in accordance with activities approved by the basic Federal agency that will administer the grant for ARC (in this case the Department of Housing and Urban Development), by the State Alternate, and by the Commission.
  - B. All ARC projects administered by HUD are funded under Section 214, "Supplements to Federal Grant-in-Aid Programs", (Title II of the Appalachian Regional Development Act of 1965, as amended).

## 1-2 BACKGROUND

- A. The Appalachian Regional Commission (ARC) is a Federal-State Government agency concerned with the economic, physical, and social development of the Appalachian Region (consisting of parts of 12 states -- Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia -- and all of West Virginia).
- B. The Commission consists of a Federal Co-Chairman and the Governors of each of the thirteen states in the Appalachian Region. The Federal Co-Chairman is appointed by the President, and a second Co-Chairman is elected from among the state members of the Commission. Each state member may appoint an Alternate from among the members of the Governor's cabinet or the Governor's personal staff.

- C. The Commission provides financial assistance to the Appalachian Region to assist in the development of a diversified economic base and the creation of a self-sustaining economy to increase employment opportunities and income

levels of the people of the Region.

- D. The Commission helps create jobs and foster private sector investment by funding development facilities such as water and sewer systems, sewage treatment facilities, and economic development projects in areas designated by ARC as "distressed".
- E. The Department of Housing and Urban Development (HUD) and the Appalachian Regional Commission (ARC) signed a Memorandum of Agreement in 1976 in which they agreed that HUD would administer some funds transferred from ARC consistent with the provisions of the Community Development Block Grant (CDBG) Program, authorized under Title I of the Housing and Community Development Act of 1974, as amended (see "Memorandum of Agreement Between ARC and HUD" in Exhibit 1-1).

1-3 RESPONSIBILITIES Overall responsibility for the management of Appalachian Regional Commission (ARC) grants administered in conjunction with the Community Development Block Grant (CDBG) Program is assigned to the Assistant Secretary for Community Planning and Development. This official, either directly or through a designee, exercises management oversight of the program and takes appropriate measures to ensure compliance with statutory and regulatory requirements and administrative procedures applicable to the CDBG Program. The following officials have responsibilities as outlined below:

- A. Director, Office of Block Grant Assistance
  - 1. Acknowledges acceptance of interagency transfer and agrees to administer the ARC funds in conjunction with CDBG funds;
  - 2. Ensures that certifications are included with the ARC package with respect to statutory and regulatory requirements applicable to the CDBG Program;

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- 3. Requests the Office of Finance and Accounting to prepare an Interagency Transfer Voucher (IOTV) to the appropriate Field Office;
- 4. Requests the Office of Finance and Accounting to transfer funds to ARC when project costs change and/or projects are cancelled; and

5. Periodically provides ARC any CDBG regulatory and administrative policy changes affecting the ARC program.

B. Director, CPD Field Office Division

1. Prepares for the Field Office Manager's signature a statement certifying that all statutory and regulatory requirements are met under the HUD Administered CDBG Small Cities and the Entitlement CDBG Programs;
2. Ensures, through the monitoring of the State CDBG Program, that the certifications from state officials have been obtained with respect to applicability of statutory and regulatory requirements under the State CDBG Program; and
3. Periodically reports to ARC any information about the approved projects that comes within the office's purview.

C. Director, Office of Finance and Accounting

1. Accepts ARC funds on behalf of the Department;
2. Assigns ARC funds to the Regional Office on an Interagency Office Transfer Voucher for further subassignment to the Field Office;
3. Recaptures ARC funds from the Field for cancelled projects and returns to ARC; and
4. Periodically reports to ARC approved projects, contracts executed, changes in project costs, cancellations, and disbursements.

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D. State ARC Alternate

1. Accepts proposals/applications submitted under the ARC program for funding consideration.
2. Does preliminary screening of the proposal/application to determine acceptability. Issues authorization to applicant to file application with State/HUD to obtain certifications on proposed project/application.

3. Upon receipt of the final application and certification, reviews, rates, and ranks the application for ARC funds in accordance with policies and procedures established by each individual state.
4. The State ARC Alternate submits the application which includes the certifications along with the state's recommendation for funding (in accordance with individual state policy) to the ARC Commission for funding consideration.
5. The State ARC Alternate shall be the primary contact at the state for the ARC program.