

Brownfield Redevelopment Grant Program

Financial Audit Guide

City of Edmonton

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City of Edmonton

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1 Introduction

The City of Edmonton's (the "City") Brownfield Redevelopment Grant Program (the "Grant Program") gives owners of eligible Brownfield sites the opportunity to potentially receive funding for preparing their sites for redevelopment. Costs to complete a Phase I, II, III, or IV environmental site assessments (ESAs) may be eligible for reimbursement. Specific details of the Grant Program are provided in "Brownfield Redevelopment Grant Program" (City of Edmonton 2017).

In order to receive grant awards, applicants must meet the eligibility criteria and follow the application process described in the City's Grant Program (City of Edmonton 2017). There is both general and specific eligibility criteria for the various grant phases and it is the applicants' responsibility to ensure all applicable criteria are met.

To potentially receive reimbursement, applicants are required to submit a Cost Reimbursement Package (CRP) to the City. The CRP provides documentation to support the reimbursement amount the applicant is applying for. At the City's discretion, the costs provided in the CRP, may be audited by a third party. If so, the auditor will review the package to ensure the eligibility criteria have been met, and to confirm what costs are eligible for reimbursement.

This document is to be used as a guide for applicants to outline what information is required from their consultants and subcontractors by the auditor to evaluate their CRP. It is the intent that this guide will help reduce requests for additional information, and the amount of time for grant fund approvals.

The objective of the Guide is to clearly outline what documents are required (and the type of information to be included in the documents) in the CRP for the auditor to reconcile eligible costs that are incurred by the applicant as per the requirements of the Grant Program.

2 Invoices and Supporting Documentation

Specific documentation verifying the costs to complete the Phase(s) must be included in the CRP. In order to verify costs, invoices and supporting documentation must include specific details.

Prior to the commencement of a project, applicants are advised to communicate these details to their consultants and subcontractors. This will ensure there is an understanding of the required documentation and details beforehand, which will reduce the requests for additional information and the time to process the applications.

All invoices that are being submitted as part of the CRP for reimbursement are to be summarized in the Invoice Summary table provided in Appendix 1. In addition to the Invoice Summary table, additional supporting documentation is also required. A summary of supporting documentation to be provided as part of CRP is given below.

2.1 Environmental Consulting Costs

2.1.1 Environmental Consulting Fees

Supporting documentation for Environmental Consulting Fees may include a timecard or similar document and must include the following Information (Table 2-1):

- Date Cost was Incurred;
- Employee Name;
- Classification or Rate; and
- Comment or Description of Task(s) Completed.

Table 2-1 Example of Timecard

Date	Employee	Classification	Project No.- Task-Cost-Key	Hours	Rate	Description
April 20, 2020	Jane Doe	Senior Engineer I	123-456-0100-PM	8.00	\$130	Project Set up, HSE, Subcontractor Booking
April 29, 2020	John Buck	Field Technician II	123-456-0100-Field Work	4.00	\$90	Supervision of Line Locates
April 30, 2020	John Buck	Field Technician II	123-456-0100-Field Work	8.00	\$90	Drilling Program
May 15, 2020	Jane Doe	Senior Engineer I	123-456-0100-Meetings	4.00	\$130	Meeting with Developer
May 18, 2020	Jane Doe	Senior Engineer I	123-456-0100-Reporting	8.00	\$130	Phase II Reporting

2.1.2 Environmental Expenses and Reimbursements

Supporting documentation for Environmental Expenses and Reimbursements may include an expense report or similar document and must include the following information (Table 2-2):

- Expense Date(s);
- Employee Name;
- Description or Purpose of Expense or Reimbursement;
- Total of Expense; and
- Receipt or Copy of Receipt.

Table 2-2 Example of Expense Report

Expense Date	Employee	Project No.-Task-Cost-Key	Description or Purpose of Expense(s)	Expense Total
April 29, 2020	John Buck	123-456-0100-Field Work	Parking	\$20.00
April 30, 2020	John Buck	123-456-0100-Field Work	Parking	\$20.00
April 30, 2020	John Buck	123-456-0100-Field Work	Per Diem	\$40.00
May 15, 2020	Jane Doe	123-456-0100-Reporting	Parking	\$20.00

Receipts (or copies of the original receipts) should be attached to the expense report.

2.2 Subcontractor Fees

Supporting documentation for Subcontractor Fees must include the subcontractor's invoice. The subcontractor's invoice must include the following information:

- Date of When Services were Completed;
- Description or Statement of Services Completed;
- Itemized list of expenses with units, rates and subtotals for each item; and
- Third party mark-ups.

Any other supporting documentation to the subcontractor's invoice must be included, i.e. field tickets, landfill waste summary table including waste manifests (to confirm volumes), chain-of-custody (COCs) forms (typically included with laboratory invoice).

An example of the details of a subcontractor's invoice is provided in Table 2-3.

Table 2-3 Details of Subcontractor Invoices

Date	Services Completed	Project No.-Task-Cost-Key	Hours/Units	Rate	Subtotal	Markup (if applicable)	Total

Subcontractors include but are not limited to the following:

- Laboratory;
- Locate/Survey contractor;
- Drilling contractor;
- Earthworks contractor; and
- Waste Management contractor.

3 Other Costs Potentially Eligible Under the Grant

In some instances, site development activities may be completed simultaneously with remediation activities, such as the excavation of material for the purpose of the development of an underground structure (i.e. sub-levels floors, underground parking facilities, etc.). Completing programs in such a manner, where possible, is efficient and cost-effective and the City encourages brownfield development in such a manner. However, the Grant Program will only cover costs for the environmental/remediation portion of the development. As such, the costs associated with the Grant Program must be clearly separated and itemized from the overall construction project.

It should be noted, that disposal and or removal of material meeting the guidelines approved by Alberta Environment and Parks (AEP) will not be reimbursed; unless the removal is required to remediate material below. Disposal of material meeting the guidelines approved by the AEP, is not eligible under the Grant Program unless a rationale is provided and approved by the City.

In some cases, additional geotechnical stability and or structural modification to the design of a building may be required. Examples of such may include but not limited to the following:

- Increasing the depth of retaining walls due to the depth of impacted material vs the depth of the designed underground structures.
- Installing a subfloor vapour system as part of a Risk management Plan.

If such as case arises, the City encourages the applicant to engage the City to determine what cost would be eligible under the program. A signed and stamped letter from the design engineer/architect providing rationale on how the remedial activities affected the development, will be required by the auditor.

Costs that would have been incurred as part of a development project, had the site not been a brownfield, are not eligible under the Grant. Hence, the City and auditor require a detailed breakdown of costs related to the remedial activities with rationale for additional cost incurred due to geotechnical and requirement of a risk management plan.

If applicants are applying for reimbursement of both environmental and construction costs, costs must be separated and included in the Invoice Summary table (Appendix 1).

4 Reimbursement Package Checklist

Applicants must complete the checklist provided in Appendix 2 to ensure all required documents are included in the CRP.

5 Submission Format

Ensuring consistency in the documentation that is being submitted to the City, will reduce requests for additional information, decrease the amount of time for grant fund approvals; and therefore, result in more efficient audits.

A summary of the required documents (and order) to be included in the CRP is given below.

1. Invoice Summary Table
2. Invoices:
 - a. Environmental Consulting Costs (Supporting Documentation);
 - b. Subcontractor Fees (Supporting Documentation); and
 - c. Other Costs Eligible Under the Grant Program (if applicable).
3. Completed Reimbursement Package Checklist

6 Frequently Asked Questions

A summary of some frequently asked questions is given below and may provide additional information for applicants.

- **My Phase I and II are being done concurrently to save costs and time, how do I/or must I create specific costs for each of the two reports?**

To ensure maximum reimbursement for each grant Phase, separating costs between the two Phases is advised. The environmental consultant should be instructed to separate costs and supporting documentation between the Phases to ensure eligibility criteria have been met.

- **I use subcontractors and by sharing their invoices and my own, it will be clear what my markup/margin is. Can this be avoided?**

No, determining markup/margin is contingent on determining the value of grant fund approval.

- **Some of the excavated material is contaminated, some is not, what documentation is necessary to be credited appropriately?**

Contaminated material associated with the remediation of the site, will need to be segregated and/or tracked separately from the non-contaminated material. A landfill waste summary, including waste manifests, should be requested from the landfill and included in the CRP.

- **I am constructing and remediating at the same time, how will I know what percentage of construction costs might be grant eligible (e.g. shoring/excavation for parkade while removing contaminated material)?**

A breakdown of costs related to remediation and construction activities should be completed by the subcontractors. Subcontractors and/or engineers and/or architects need to provide rationale on how the remedial activities affected the development and overall costs of the project. In some instances, it may be necessary to obtain a signed and stamped letter from a professional engineer or architect.

- **Can I submit subcontractor quotes or change orders as proof of project costs?**

No, only actual invoices will be accepted as verification of project costs. Subcontractor quotes or changes orders may be used as supporting documentation to an invoice, but they do not replace the requirement for an invoice.

- **How do I challenge findings?**

Where there is a dispute to the auditor findings, program applicants can provide a response including context and additional detail to the Grant Program coordinator. The final decision on eligible costs where interpretation is required, is at the discretion of the Grant Program coordinator.

- **Why is this audit necessary?**

An independent examination ensures eligibility criteria have been met and reimbursement decisions are accurate and fair.

Grant approval is also subject to budget availability. If grants are awarded incorrectly, this reduces the amount of budget available to other applicants.

7 References

The City of Edmonton 2017. Brownfield Redevelopment Grant Program. In Effect June 28, 2017.



Appendix 1

Invoice Summary



Appendix 2
Reimbursement Package Checklist