

Appendix E

Sample Borrowing and Lending Agreement

Fund Transfer Agreement between RTFs

Below is an outline of required information and boilerplate language to be utilized as template for an agreement between Rural Task Forces (RTFs). Approval is required by the MDOT RTF Coordinator and Program Advisory Board Chairperson, prior to project obligation. This form may also be used for the transfer of EDD funds; however, it is not required [See Section II (Funding) d. (Borrowing and Lending of Funds)].

All transfer agreements shall address the following issues:

- Amount and Fiscal Year (FY) of funds to be borrowed/lent

- Amount and Fiscal Year (FY) of funds to be repaid

- Disposition of or responsibility for any cost (bid) savings or overages that may occur with the project being funded by the borrowed funds

- Any other potentially foreseeable issues that may affect funding repayments

Date

By execution of this agreement RTF A agrees to allow RTF B to obligate \$XXX of RTF A's federal/EDD funds during fiscal year 20XX. In return RTF B agrees to allow RTF A to obligate \$XXX of RTF B's federal/EDD funds during fiscal year 20XX.

This agreement is a voluntary agreement between the two task forces and both task forces understand that the availability of future federal aid is not guaranteed.

MDOT, in its role of program management, will strictly interpret the meaning of transfer agreements and is the sole authority for resolving disputes that may arise from a transfer agreement.

Signatures:

RTF A Chairperson

RTF B Chairperson

MDOT Rural Task Force Coordinator