**Section 524.650 Review of Grant Applications**

a) Application Screening. The Department shall screen all grant applications to determine that all elements of the application package have been addressed. Applicants will be notified of deficiencies in applications and given the opportunity to correct those deficiencies. Complete applications will be reviewed and evaluated by Department staff in accordance with the criteria listed in subsections (b) through (f) of this Section. This review and evaluation process will be completed within 45 working days after the due date for applications.

b) Basic Eligibility Evaluation. Each grant application will be reviewed to assure compliance with the Act and this Part.

c) Evidence of Need

1) The applicant must document need for the proposed redevelopment project. For example, the applicant may show need based on absence of infrastructure, potential opportunity for economic benefit, etc.

2) The applicant must provide proof of the project's inability to acquire financing in an amount adequate to complete the project, such as a letter of partial funding or indication that other program funding has been considered.

d) Costs. The applicant must demonstrate that the project costs are eligible program costs under the Act and this Part and can be substantiated given the amount of work to be undertaken and the results expected.

e) Program Objectives and Methodology. The applicant must demonstrate that the activities and outcomes of the project can be accomplished, in that:

1) objectives are measurable and describe benefit to the area being served; and

2) methods and sequence of activities logically address the problems or opportunities identified and achieve the objectives that have been set.

f) Financial Evaluation Component. The Department will conduct a financial analysis of each application received. The financial evaluation will include an analysis of the applicant's financial statements, including the annual balance sheets and profit and loss statements, for the past three years; the most recent 90 days and a three year projected balance sheet and profit and loss statement; and a one year monthly cash flow statement. A comprehensive business plan or company annual reports may be submitted in lieu of these materials. These statements will be reviewed through a standard credit analysis that will determine the: liquidity and debt coverage of the project; ability of the company to manage debt; business trends; and projected earnings. This data will be compared to similar data for companies in the same industry using the 2006-2007 edition of "RMA Annual Statement Studies" published by the Risk Management Association, 1801 Market Street, Suite 300, Philadelphia PA 19103-1628 or by email at customers@rmahq.org, or comparable source that more closely matches the applicant's business operation if the applicant's industry is evaluated by such sources. This standard credit analysis will determine the financial stability of the business organization.