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# Equipment Grant-In-Aid Application

Statewide Snowmobile Trails Program (SSTP)

## Equipment Grant-in-Aid Criteria

**Club Name:**

**Equipment Grant Number** *(Assigned by VAST staff after application is submitted):*

**Contractor Name:**

**Application Date:**

What is the Make/Model of the club's current equipment?

Make/Model

Year

**Club/Contractor Address:**

Are you replacing this equipment? Explain reason:  Yes  No

Current miles groomed under contract:

Are you keeping your current equipment?  Yes  No

Does your club groom any trails for another club?

*(If yes, state reason):*

*(If yes, indicate club & miles):*  Yes  No

## Equipment to Purchase

**Power Unit:**

Describe other funding sources that will be applied towards the purchase:

**Make**

**Model**

**Year**

**Serial No.**

**Purchase Price:** \$

**Trade Value:** \$

**Grants/Other Funding** \$

**Net Purchase Price:**

*(Grant Amount Based On)* \$

Where is the equipment being purchased from?

New  Used

Manufacturer:

Private Sale:

Is the club seeking financial assistance from a lending institution?

Yes  No *If yes, please name institution:*

**Drag:**

**Make**

**Model**

**Year**

**Serial No.**

**Purchase Price:** \$

**Trade Value:** \$

**Grants/Other Funding** *(See #5)* \$

**Net Purchase Price:**

*(Grant Amount Based On)* \$

Amount of Desired Loan: \$

Estimate Yearly Payment: \$

Term of Loan:  Months or  Years

Number of Members in Club:

Club Dues: \$

Average Number of Miles Groomed/Year:

**Capital Repairs**

Repairs on the following equipment:

Model

Year

Serial or VIN #:

Please list what repairs will be made to the equipment listed above and include ALL itemized invoices associated with the repair:

Total Cost of Repairs:

**Signatures**

Club President or Contractor:

Signed

Date

County Trails Coordinator VAST Trails Administrator:

Signed

Date

The designated agent for the grooming contractor and/or the club president will be asked to sign the application. The club/contractor will be responsible to VAST for the accuracy of the information submitted on the grant application. If information contained within the submitted and signed application is found to be false/inaccurate the grant will be denied/revoked upon discretion of the VAST Trails Administrator.

VAST Trails Administrator:

Signed

Date

**VAST Equipment Financial Analysis**

Applicant may use the figures from the end of season grooming financial analysis to determine total season grooming cost.

**Grooming Cost:**

**Must be filled out.** Take total season cost for all power units.

Avg Fuel Cost/Yr:

Insurance:

Pre-Maintenance:

Major Repairs:

Annual Payment:  
*(interest, drag & PU)*

Total No. of Power Units in Formula:

Labor:

TOTAL:

**Revenue:**

VAST Payment:

Dues:

Fundraisers:

**NET Loss/Gain:**

**Total Cost:**

**Cost Per Mile:**

**Cost Per Hour:**

Notes

**a. Equipment Grant-In-Aid Criteria** (Revised 5/16)

1. Grant amount will be based on the net purchase price. The maximum purchase price for a power unit will be set at **\$215,000**. Any expense above **\$215,000** will be the responsibility of the grant applicant.
2. No equipment grant-in-aid for acquisition of equipment over 20 years old.
3. Financial capabilities of the Club/Contractor including anticipated or received funding from any grants or loans.
4. Volume of Non-Commercial Snowmobile Traffic
5. Priority Order:
  - a.) Equipment being replaced is more than 20 years old.
  - b.) Documented record of serious mechanical failure that has caused repeated/excessive down time.
  - c.) Class upgrade (Class 3 to 1 for example) (as approved by the Trails Committee & Board of Directors).
  - d.) An incremental increase in the number of miles of trail groomed resulting in current equipment no longer being sufficient for the job.
  - e.) Other.

**b. Application Procedures**

The VAST club/contractor must submit an equipment grant-in-aid application to the VAST office by June 1<sup>st</sup>. The application should include information regarding sources of funding for the purchase. If grants have been applied for, or will be applied for, information regarding them shall be appended to the application. If loans have been applied for, all information regarding them should be included with the application. If the financial position of the club changes after submission of the application, the application shall be amended to reflect the change. When VAST acts to review the application, it should be fully informed regarding all financial circumstances surrounding the proposed purchase.

The designated agent for the grooming contractor and/or the club president will be asked to sign the application. The club/contractor will be responsible to VAST for the accuracy of the information submitted on the grant application. If information contained within the submitted and signed application is found to be false/inaccurate the grant will be denied/revoked upon discretion of the VAST Trails Administrator.

Grooming equipment grants may be approved only for grantees with an approved (current or pending) VAST grooming contract. The following are minimum contracted miles required to be eligible to apply for grant-in-aid for grooming equipment.

- Class 1: 25 miles
- Class 2: 25 miles
- Class 3: 15 miles
- Class 4: 10 miles

Grooming equipment should not be contracted for more than 60 one-way miles of trail (i.e. 60 miles x 2 ways x twice per week

equals 240 miles divided by 6 mph – 40 hours).

**c. Purchase of Equipment**

Up to 65% of the net purchase price (as defined below) for Class 1, 2 and 3 Power Units with the grant payment to be determined based on the contractual mileage and the contract weeks. The club/contractors contract weeks will determine the maximum grant allotment for the purchase of the power unit. The tables below represent the percentages divided into the two categories.

Maximum Grant Amounts are subject to change based on the following; *Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average-All Items less food and energy*; <http://www.bls.gov/cpi/cpid1401.pdf>. The percentage in the *Unadjusted 12-mos. ended Jan.* of the current year will be multiplied by the maximum grant amount from the preceding year to come up with the new maximum grant amount. Once calculated the grant amounts will be approved by the Trails Committee and Board of Directors.

*Contractual Mileage:*

25-30 Miles	65% of net
31-40 Miles	60% of net
41-49 Miles	55% of net
50+ Miles	50% of net

*The maximum grant amount is based on the contract weeks for the upcoming season\*:*

0-7.9 Weeks:	<b>\$34,300</b>
8.0-11.9 Weeks:	<b>\$51,400</b>
12.0-16 Weeks:	<b>\$68,500</b>

*Example #1: Club A has 45 miles on their VAST Tailored Grooming contract and 11.5 contract weeks.*

Cost of Power Unit:	\$165,000
Less trade:	\$(90,000)
Net Purchase Price:	\$75,000

Based on the contract weeks, the maximum grant allotment is **\$51,400**. Since the contractual mileage is 45 miles, clubs/contractors are eligible for 55% of the net purchase price. Therefore the total grant amount on this unit would be \$41,250 based on the current Consumer Price Index.

Net purchase price means the total paid for the grooming equipment after deducting the value of any trade-ins, credits, discounts, incentives, grants (whether received or pending). All amounts of potential funding shall be clearly disclosed by the applicant prior to the release of any grant in aid funding by VAST.

If grants have been applied for, a description of the grant, the amount, and the proposed date of notification of approval shall be provided to the Trails Administrator. The applying club shall provide a signed authorization for release of information to VAST which will disclose all grant information as part of the grant application process and prior to any grant funds being released.

VAST grant funds shall not be applied towards grant writing fees or any other pre or post administrative grant costs.

If a grant or other source of funding is secured by the applicant after approval, or receipt of the VAST grant VAST reserves the right to reevaluate the VAST portion of the grant and act upon the decision accordingly.

A copy of the bill of sale for all power units being traded/sold will be required. The selling price will be deducted from the purchase price of the new power unit. Net purchase price will be calculated as noted above. It will be up to the discretion of the VAST Trails Administrator to determine if the bill of sale reflects the actual fair market value of the equipment being traded/sold.

#### **d. Purchase of Equipment – Additional Units**

VAST recognizes that special circumstances may arise and that additional grooming equipment is necessary in order to maintain the trail system within a contracted area. VAST clubs and contractors that have a grooming contract for 60+ miles may be eligible for an equipment grant for multiple power units. The contracted miles will be divided into equal segments, equaling no less than 30 miles and the grants will be distributed according to the approved amount of grooming mileage and the contract weeks. Clubs that require multiple units for a grooming contract that is less than sixty miles may apply for an equipment grant; however a subcommittee will review their request. The members of the subcommittee shall include the VAST Trails Administrator, Trail Committee Chair and Co-Chair and one member from the Trails Committee. The member from the Trails Committee may not be from the same county as the club whose application is being reviewed. The subcommittee will approve or deny the special request according to eligibility and need.

*Example # 2: Club has 64 miles and 12.6 contract weeks, divide the contract into two (64/2 = 32 miles)*

At 32 miles, club is eligible for 60% of the net, grant not to exceed **\$68,500** based on the current Consumer Price Index.

*Example #3: Club has 78 miles and 8.0 contract weeks, divide the contract into two (78/2 = 39 miles). At 39 miles, club is eligible for 60% of the net, grant not to exceed **\$51,400** based on the current Consumer Price Index.*

#### **e. Class 4 Equipment**

Clubs applying for an equipment grant for Class 4 equipment shall be eligible for 50% of the net purchase price (as defined above).

If the club/contractor has more than 20 class 4 contract miles they may be eligible for an additional power unit.

#### **f. Grooming Drags**

VAST equipment grants of 50% of the purchase price are available for clubs or contractors wishing to purchase new approved manufacturer side-rail style grooming drags. Used side-rail grooming drags will be funded at 50% of fair-market value as determined by the VAST Trails Administrator taking into consideration drag condition, age and size.

Approved side-rail drag manufacturers are: Mogul Master, Mountain Grooming and other drags approved by the VAST Trails Administrator.

#### **g. Capital Repairs of Existing Owned Equipment**

Capital Repairs Grants for multiple power units shall be submitted separately per minimum (for each power unit) below.

50% of documented purchased parts and labor per minimum below will be reimbursed at the Trails Administrators discretion. The Trails Administrator shall have the right to any and all information deemed by him/her to be relevant to the decision, including but not limited to, the need for the repair, the cause of the need for repair, the age of the equipment and expected useful life of the equipment, and the financial ability of the owner of the equipment.

Total not to exceed 50% of fair market value of equipment.

The total grant amount per power unit will be capped at \$15,000 per year.

Class 1 = \$2,000

Class 2 = \$1,500

Class 3 = \$1,000

Class 4 = \$800

Glass, fluids, filters, batteries, paint, and body work or add on accessories and equipment or any repairs that could be considered annual routine maintenance will not be considered for reimbursement.

Capital Repairs Grants will not cover tracks, track belts, grousers and cleats for any equipment less than 10 years old.

Power units that are minimum of 10 years old may be eligible for a capital repairs grant for expenses incurred, due to normal wear and tear, on tracks, track belts, grousers, as priority and funding allow and at discretion of the Trails Administrator. All other capital repairs of existing owned equipment polices shall apply.

A minimum of \$25,000 will be set aside from the equipment grants line item to be used for emergency repairs to power units during the winter months. Funding for emergency repairs will be on a first come, first serve basis determined by the date a completed application is received at the VAST office. The amount of this funding that is not used in a given fiscal year will be carried forward into the next fiscal year to be used for the same purpose.

#### **h. Lien Period for Service Payback**

1. VAST Clubs and contractors that purchase *new* Class 1, 2 and 3 power units will be eligible for another equipment grant once the power unit in service which is proposed to be traded or sold for a new unit has groomed 2,500 hours and five seasons following the receipt of the initial grant. This policy is in effect starting with the FY 15 grants and will apply to all subsequent grants thereafter.

2. VAST Clubs and contractors that purchase *used* Class 1, 2 and 3 power units will be eligible for an equipment grant once the

power unit in service which is proposed to be traded or sold for another unit has groomed an additional 1,500 hours or seven seasons following the receipt of the initial grant. This policy is in effect starting with the FY 15 grants and will apply to all subsequent grants thereafter.

3. VAST Clubs and contractors that purchase *new* Class 4 power units will be eligible for an equipment grant once the power unit in service, which is proposed to be traded or sold has groomed 3,500 miles and five seasons following the receipt of the initial grant

4. VAST Clubs and contractors that purchase *used* Class 4 power units will be eligible for an equipment grant once the power unit in service which is proposed to be traded or sold has groomed 1,750 miles or five seasons following the receipt of the initial grant.

5. Additional units for a contracted area will be considered as new units and will not require payoff of depreciation liens held by VAST on other units.

6. VAST clubs and contractors that receive a Capital Repairs Grant will not be eligible for a grant to replace the power unit they received the grant for based on the following;

- Up to \$5,000 Grant Amount - 1 Years
- Up to \$10,000 Grant Amount - 2 Years
- Up to \$15,000 Grant Amount - 3 Years

When equipment is purchased or repaired, using any of the above listed grant in aid programs, a lien will be placed on said equipment based on the expected useful life of the equipment which is outlined in 1 through 6 above. If the grooming club/contractor holds the equipment for the specified number of miles, hours and/or seasons as outlined in 1 through 6 above following the receipt of the initial grant there is no proration

of the Grant-in-Aid amount. In the event that the equipment is sold, traded or any interest in ownership is transferred before the specified number of miles, hours and/or seasons as outlined in 1 through 6 above, the owner will be obligated to repay VAST for the remaining prorated amount, or that amount will be deducted from any successive Grant-in-Aid approved.

No equipment grants will be awarded based on the above criteria unless the club/contractor is eligible for a grant for multiple units. Hour meter readings will be tracked through the submission of the grooming log sheets during the snowmobile season and verified by the County Trails Coordinator or VAST Trails Administrator. If hour meter readings are not available the number of seasons the equipment has groomed will be used to determine eligibility for the grant.

Provided, however, that in the event that the owner proposes to sell equipment purchased with the benefit of any of the listed grant in aid programs prior the expected useful life of the equipment which is outlined in 1 through 6 above, VAST shall have the Right of First Refusal to purchase the equipment on the same terms as are proposed for the sale or transfer by the owner. VAST shall have thirty days from the written notification to VAST by the owner of the proposed transfer, and the terms of the proposed sale. VAST shall have the right to deduct the prorated amount of the grant remaining from the price paid by it under this Right of First Refusal.

In the event that any equipment which was purchased or repaired with the use of funds from or through any VAST program is proposed to be sold or traded the VAST Trails Administrator shall be notified and shall be given any and all information requested regarding the proposed transfer.

A Release signed by the VAST Trails Administrator and VAST Executive Director shall be required in order to release VASTS interests in any equipment being sold or transferred for which Grant-in-Aid funding was received in which a lien still applies. This policy is in effect starting with the FY 17 grants and will apply to all subsequent grants thereafter.

Class 3 and 4 equipment for which grant in aid funding is sought that is titled according to Vermont law shall have VAST listed as a lien holder in the second position in the event that bank financing has been a source of funding, or as the first lien holder in the event that there is no bank financing involved in the purchase. A copy of the title listing VAST as a lien holder shall be provided to VAST prior to any funding being released for the said equipment.

**i. Filing Equipment Grants under the UCC-1 Codes**

All equipment grants shall be filed with the Secretary of State under the UCC-1 code. After the equipment grant is awarded, it will be the responsibility of the VAST Trails Administrator to file the lien with the Secretary of State.

**j. Grooming Contractors**

All VAST Grooming Contractors shall establish a business name for their VAST grooming contract and the business shall be registered with the Vermont Secretary of State. This must be accomplished before the grooming contract goes into effect for the season.