

EXHIBIT B PROCEDURES AND REQUIREMENTS

Local Enforcement Agency Grant Program Fiscal Year 2014/15 – 25th Cycle

Copies of these Procedures and Requirements should be shared with BOTH the Finance Department AND the staff responsible for implementing the grant activities.

INTRODUCTION

Public Resources Code Section 43230 mandates the administration of grants by the Department of Resources Recycling and Recovery (CalRecycle) to local enforcement agencies to carry out their solid waste facilities permit and inspection programs. These Procedures and Requirements, which are incorporated by reference into the Grant Agreement as Exhibit B, include but are not limited to, the instructions for obtaining payment of the grant, the advance reconciliation, and the fiscal control procedures to be followed in implementing the Local Enforcement Agency (LEA) Grant Program (program). These Procedures and Requirements and the accompanying Terms and Conditions (Exhibit A), and Approved Fiscal Year (FY) 2014/15 Application and any approved amendments (Exhibit C) shall remain in effect for purposes of implementing the LEA Grants during any interim period between the end of LEA Grant Cycle, EA 25 on June 30, 2015, and the execution of a new Grant Agreement governing the LEA Grant Cycle EA 26 for FY 2015/16.

MILESTONES

| Date | Activity |
|---------------------------------|--|
| July 1, 2014 | Grant Term and Grant Performance Period Begins |
| June 30, 2015 | Grant Performance Period Ends |
| July 1, 2015 – October 28, 2015 | Report Preparation Period |
| October 28, 2015 | Advance Reconciliation and Final Payment Request Due |
| October 28, 2015 | Grant Term End |

No extensions will be granted for submittal of Advance Reconciliation and final Reimbursement Payment Request. Failure to submit the final Reimbursement Payment Request by October 28, 2015 may result in rejection of the Payment Request and/or forfeiture by the Grantee of claims for costs incurred that might otherwise have been eligible for grant funding.

GRANT MANAGEMENT SYSTEM (GMS)

Grantees must log into [GMS](#) using their web pass. After login, locate the grant in the **Associated Grant Applications** table and select the **Grant Management** link. The **Grant Management** module includes the following sections:

- **Summary tab** – shows approved budget, paid and remaining amounts. (This section is available to the grantee in Read-only mode.)
- **Payment Request tab** - requests reimbursement or used to reconcile an advance payment
- **Reports tab**- uploads the Reliable Contractor Declaration
- **Interest tab** –reports interest earn on an advance payment
- **Documents tab**– uploads other grant documents that are not considered supporting documents to a payment request. This section also provides access to documents that were uploaded within other sections of GMS

Follow the instructions in GMS to work in the system. Use the information in the following sections to determine what reports, transactions, and supporting documents are required.

Contact Updates

Access to the grant is limited to the person who created the application and those listed in the **Contacts** tab of the **Application Module** with the access check box marked. A contact may be listed but not

granted access by not checking the box. Please note, if a contact is granted access to a grant they will be able to edit contacts, submit payment requests, upload reports, and view all documents. Those with access may update contact information for all contact types except Signature Authority. Email the assigned Grant Manager regarding any changes to Signature Authority information.

PRIOR TO COMMENCING WORK

Reliable Contractor Declaration

Prior to authorizing a contractor(s) to commence work under this Grant, the Grantee shall submit to the Grant Manager a declaration from the contractor(s), signed under penalty of perjury, stating that within the preceding three (3) years, none of the events listed in [Section 17050 of Title 14 \(www.calrecycle.ca.gov/Laws/Regulations/Title14/ch1.htm#ch1a5\)](http://www.calrecycle.ca.gov/Laws/Regulations/Title14/ch1.htm#ch1a5), California Code of Regulations, Natural Resources, Division 7, has occurred with respect to the contractor(s) and the subcontractor(s), respectively.

If a (sub) contractor is placed on the CalRecycle Unreliable List after award of this Grant, the Grantee may be required to terminate that contract. Obtain the Reliable Contractor Declaration form (CalRecycle 168) from [CalRecycle's Grant Forms web page](#).

A scanned copy of the signed Reliable Contractor Declaration Form must be uploaded in GMS. To upload the Form:

1. Go to the **Reports** tab.
2. Click on **Reliable Contractor Declaration** under **Event Name**.
3. Type a title, i.e. Reliable Contractor Declaration Form, click on the **Browse** button to search and upload the document, and then **Save**.
4. Click the **Back** button to return to the previous page.
5. Click on the **Submit** button

For more information regarding GMS, including log-in directions, see the section above entitled “Grant Management System.”

If a (sub) contractor is placed on the CalRecycle Unreliable List after award of this grant, the grantee may be required to terminate that contract.

GRANT TERM, GRANT PERFORMANCE PERIOD, AND REPORT PREPARATION PERIOD

The Grant Term begins on July 1, 2014 and ends on October 28, 2015. The Grant Term begins on the first day of the Grant Performance Period and ends on the last day of the Report Preparation Period, thus encompassing the entire grant cycle.

The Grant Performance Period begins on July 1, 2014 and ends on June 30, 2015. All eligible program costs must be incurred no later than June 30, 2015. Program costs incurred after June 30, 2015 are ineligible for reimbursement.

The period between July 1, 2015 and October 28, 2015, is referred to as the Report Preparation Period. During this time the Grantee should prepare an Advance Reconciliation or final Reimbursement Payment Request. Costs incurred to prepare the Advance Reconciliation or final Reimbursement Payment Request are the only costs that are eligible for reimbursement during the this period. **The final Reimbursement Payment Request is due to CalRecycle no later than October 28, 2015.**

ELIGIBLE COSTS

Eligible program costs may be incurred only during the Grant Performance Period which begins July 1, 2014, and ends on June 30, 2015. All costs must be directly related to the implementation of the solid waste facilities permit and inspection programs as set forth in the approved projected budget report. Costs must be reasonable and cost-effective. Eligible costs include, but are not limited to:

- Consulting services.
- Education.
- Purchase of equipment or materials.
- Staffing.
- Training.
- Travel within the state.

Travel and per diem reimbursement is limited to a maximum of the state rate as described in the *California [State Administrative Manual](#)*. Please consult the Grant Manager for guidance. Personnel expenditures must be computed on the actual time spent on grant-related activities. For calculating total personnel expenses for each employee, the expenditures should be broken out by the classification(s) of the employee(s), the hourly wage, fringe benefits rate, and number of hours worked on grant-related activities. These records must be available upon request for audit purposes.

INELIGIBLE COSTS

Any costs not directly related to the implementation of the facilities permit and inspection programs as set forth in the approved budget are ineligible. Ineligible costs include, but are not limited to, the following:

- Any costs that are not consistent with local, state, and federal statutes, ordinances and/or regulations.

- Any food or beverages (supplied as part of meetings, workshops, training, or events).
- Any personnel costs incurred as a result of time an employee assigned to the solid waste program does not actually work on the solid waste program (e.g. use of accrued vacation, sick leave, etc.).
- Any pre-paid expenditures for future goods or services delivered after the end of the Grant Performance Period. (Exemption: The Grant Manager may consider approving products purchased in full before the end of the Grant Performance Period but delivered after the Grant Performance Period if the delay is caused solely by the supplier and through no fault of the grantee. The grantee must request an exemption in writing and receive written approval from the Grant Manager).
- Cleanup of illegal dumping.
- Costs currently covered or incurred under another CalRecycle loan, grant, grant cycle or contract.
- Costs incurred prior to or after the Grant Performance Period, except for costs incurred to prepare the Advance Reconciliation and final Reimbursement Payment Request Form, which are eligible for reimbursement during the Report Preparation Period.
- Landfill operations.
- Out-of-state travel, unless pre-approved in writing by the Grant Manager.
- Overhead and indirect costs.
- Overtime costs (except for local government staffing during specially scheduled evening or weekend events that have been pre-approved in writing by the Grant Manager when law or labor contracts REQUIRE overtime compensation).
- Purchasing or leasing of vehicles.
- Any other costs not deemed reasonable or related to the purpose of the grant by the Grant Manager.

Note: All expenditures are subject to audit. Please contact the Grant Manager if you have any questions concerning eligible costs.

CHANGES TO BUDGET

The approved budget in the GMS represents the proposed expenditure plan of the grantee at the time of award of the grant. The grantee must obtain written pre-approval, via email, from the Grant Manager for all changes to the approved budget when the total amount of all changes equals \$5,000 or 10 percent of the grant amount, whichever is greater. A budget change is the adjustment of grant funds between the main budget categories as listed in the GMS application. The grantee must email the Grant Manager to notify her/him of all budget changes, regardless of dollar amount, prior to the grantee submitting their Final Payment Request, no later than October 28, 2015. Please retain all notifications to and approvals from the Grant Manager in your grant file for audit purposes.

GRANT PAYMENT INFORMATION

1. The grantee must submit a completed Grant Payment Request and provide supporting documentation as described in the “Grant Payment Request and Documentation” section for completed project(s) only.
2. Grant payments will only be made to the grantee. It is the grantee’s responsibility to pay all contractors and subcontractors for purchased goods and services.
3. Ten percent of each approved Grant Payment Request will be withheld and retained until all conditions stipulated in the Agreement, including submission and Grant Manager approval of the Progress and/or Final Progress Report, have been satisfied. Reimbursement of the ten percent retention must be requested in the final Grant Payment Request.
4. CalRecycle will make payments to the grantee as promptly as fiscal procedures permit. The grantee can typically expect payment approximately 45 days from the date a Grant Payment Request is approved by the Grant Manager.
5. The grantee must provide a [Reliable Contractor Declaration \(CalRecycle 168\)](#) signed under penalty of perjury by the grantee’s contractor(s) and subcontractor(s) in accordance with the “Unreliable List” provision of the Terms and Conditions. The declaration must be received and approved by the Grant Manager prior to commencement of work. See “Unreliable List” provision in Exhibit A – Terms and Conditions for more information.

GRANT PAYMENT REQUESTS

All requests must be submitted in GMS. For more information regarding GMS, including log-in directions, see the section above entitled “Grant Management System.”

In their applications, grantees requested either an advance payment or reimbursement payment.

1. If the grantee requested an **Advance Payment**:

- The advance payment will be processed by the Grant Manager in the GMS - Grant Management Module after the Grant Agreement is fully executed and the Payment Request form is approved. The advance payment transaction will be visible to the grantee after the transaction is completed by the Grant Manager.
- Upon receipt of advanced grant funds, the grantee shall deposit and maintain until expended, all grant funds in an interest-bearing account within a federally insured financial institution. Grantee shall maintain a separate accounting system for the grant funds including the earned interest. Any earned interest must be tracked for reporting purposes as discussed in the **INTEREST** section below.
- The grantee must reconcile the approved advance amount in the GMS - Grant Management Module by submitting a payment request including the final expenditure information.
 - Go to the **Payment Request** tab.
 - Click on the **Create a Payment Request** button. The payment request is broken up into three steps.

Step One

- Choose **Advance Reconcile** for the Transaction Type.
- Enter the amount spent in each budget sub category. The approved advance amount must be reconciled, which includes the 10 percent withhold.
- When the transaction is complete click the “Save” button.

Step Two

If no interest was accrued during the fiscal cycle, a written explanation that no interest was earned because grant funds were expended within 90 days must be uploaded with your payment request.

- Click the **Upload Supporting Documentation** button (located in the lower right hand side).
- Type a title, use the Browse button to search and upload the copy of the form, and then **Save**.
- Select the **Back** button to return to the payment request.

Earned interest is reported in the **Interest** tab (see Interest section below), therefore supporting documentation is not required, go to step three.

Step Three

Click the **Submit Transaction** button to complete and submit your payment request.

Note: Once 100 percent of the advance has been reconciled the Grant Manager will release the 10 percent withhold to the grantee.

- Grant funds must be spent in the following order:
 - 1) Advance payment
 - 2) Reimbursement payment [10 percent withhold]
 - 3) Interest earned on advance payment, if approved by the Grant Manager
- Any unspent grant funds or unspent earned interest must be returned to CalRecycle by the end of the Grant Term. Contact the Grant Manager to initiate this process.

2. If the grantee requested **Reimbursement Payment**:

When funds are expended before or at the end of the grant term, the grantee must:

- Download the Grant Payment Request form (CalRecycle 87) from CalRecycle's [Grant Forms website](#). Complete the grantee sections of the form (check box labeled "Final") and obtain a signature of the person authorized in the Resolution or Letter of Designation.
- In *GMS-Grant Management Module* click on the **Payment Request** tab.
- Click on the **Create a Payment Request** button. *The payment request is broken up into three steps.*

Step One

- Choose **Reimburse** for the Transaction Type
- Enter the amount spent in each budget sub category.
- When the transaction is complete click the **Save** button.

Step Two

- Click the **Upload Supporting Documentation** button (located in the lower right hand side).
- Type a title, Payment Request Form (CalRecycle 87), use the Browse button to search and upload the copy of the form, and then **Save**.
- Select the **Back** button to return to the payment request.

Step Three

Click the **Submit Transaction** button to complete and submit your payment request (in the upper right side of the page).

- Mail the Payment Request Form (CalRecycle 87) with original signature to the Grant Manager at:

Department of Resources Recycling and Recovery
LEA Grant Program
ATTN: Gwen Oliver
FiRM Branch, MS-17-01
801 K Street
Sacramento, CA 95814

The final Payment Request for reimbursement of the 10 percent withhold and/or reimbursement of grant-eligible expenditures is due **October 28, 2015**.

Expenditure information enables CalRecycle to determine specific uses of all grant funds. The grantee may enter the final expenditure information when grant funds have been expended but no later than October 28, 2015. Failure to comply with these reporting requirements may result in termination of this Grant Agreement or suspension of any or all outstanding Payment Requests and may jeopardize future grant awards.

INTEREST

Grantees that request an advance payment must account for all interest accrued and received. All interest accrued and received from the grant funds shall be used only for eligible expenses related to the performance of this Agreement.

- Interest earned may not be spent until the full grant award has been expended.
- The earned interest must be reported in the **Interest** tab within the **GMS – Grant Management Module**.
- To report interest earned:
 - 1) Go to the **Interest** tab and click on the **Create an Interest Record** button.
 - 2) Complete required fields by selecting "**Earned**" as the Interest Type, select the Budget Category where the interest will be spent; enter the date, and the amount of interest earned in the Report Amount filed.
 - 3) Click the **Save**.

Once interest is spent, create another Interest Record by following the same steps as above except choose **Reconcile** as the Interest Type.

If no interest was accrued during the fiscal cycle, a written explanation that no interest was earned because grant funds were expended within 90 days must be submitted with the Advance Reconcile Transaction, see Payment Process for Advance Payments section. The grantee is highly encouraged to immediately reconcile their advance payment if it was fully expended within the 90 days.

All unused interest or unspent grant funds must be returned to CalRecycle at the end of the Grant Term. Contact the Grant Manager to initiate this process.

RECORDS AND AUDIT REQUIREMENTS

As more fully described in the attached Terms and Conditions "Audit/Records Access" provision, this grant is subject to a desk or field audit. The grantee must retain all financial and grant program documents including, but not limited to, statistical records, supporting documents, source documents, expenditure ledgers, payroll register entries, time sheets, paid warrants, contracts, change orders, invoices, and canceled checks that substantiate the expenditures claimed. These documents must be available at the time of an audit.

If an audit reveals that CalRecycle funds are not being expended, or have not been expended in accordance with this Agreement, in addition to any other rights of CalRecycle, the grantee may be required to forfeit the unexpended portion of the funds, and/or repay CalRecycle for any improperly expended monies. Additionally, future grant awards to the grantee may be jeopardized.