

EXHIBIT B PROCEDURES AND REQUIREMENTS

FARM & RANCH SOLID WASTE CLEANUP AND ABATEMENT GRANT PROGRAM Fiscal Year 2014/15

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

INTRODUCTION

The Farm and Ranch Solid Waste Cleanup and Abatement Grant Program is administered through the Department of Resources Recycling and Recovery (CalRecycle). These Procedures and Requirements describe eligible and ineligible project costs, project and reporting requirements, grant payment conditions, project completion and, records and audit requirements.

This document is attached to, and incorporated by reference, into the Grant Agreement.

All forms referenced in this document are available on [CalRecycle's forms website](http://www.calrecycle.ca.gov/Grants/Forms/), at <http://www.calrecycle.ca.gov/Grants/Forms/>.

MILESTONES

Date	
	Grant Term Begins on date indicated on the Notice to Proceed (NTP)
July 1, 2016	Pilot Grantees must have all sites approved
April 6, 2017	Final Progress Report and Final Payment Request Due
April 6, 2017	Grant Term Ends

No extensions will be granted for submittal of Final Progress Report and Final Payment Request. Failure to submit with appropriate documentation by April 6, 2017 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.

THIRD CYCLE PILOT PROJECT (PILOT)

This document contains information for both a standard grant and a Pilot project grant.

Waste & Used Tire Hauler and End Use and Disposal Facilities

If remediation of tires is a part of the approved clean-up project, grantees and/or their contractors must meet both of the following requirements in order to be reimbursed for those costs:

- a. Contact the CalRecycle Tire Management Program Hotline (Hotline) at (866) 896-0600 (toll free), prior to removal of tires from the site, to verify that the waste and used tire hauler (tire hauler) and end use facility (facility) are in compliance with applicable laws and regulations. The name and address of the tire hauler and the facility are necessary for verification. If you have any questions, contact your Grant Manager.
- b. The tire hauler and facility used by the grantee must be in compliance with applicable laws and regulations at the time the remediation work is performed.

GRANT MANAGEMENT SYSTEM (GMS)

GMS is CalRecycle's web-based grant application and grant management system. Access to GMS is secure; Grantees must log in using a WebPass. WebPass accounts are tied to a specific email address. If an email address changes, or if it becomes inactive, the grantee must create a new WebPass account to continue accessing GMS. Establish or manage a WebPass at [CalRecycle's WebPass page](https://secure.calrecycle.ca.gov/WebPass/) (<https://secure.calrecycle.ca.gov/WebPass/>).

Accessing the grant

Grantees must log into [GMS](https://secure.calrecycle.ca.gov/Grants) (<https://secure.calrecycle.ca.gov/Grants>) 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
- **Reports tab** - uploads progress and final reports and Reliable Contractor Declaration
- **Documents tab**– uploads other grant documents that are not considered supporting documents to a payment request or a report. This section also provides access to documents that were uploaded within other sections of GMS.
- **Sites tab** – Lists approved project sites

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 box check 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

After the Agreement is signed by both parties, the Grant Manager will forward to the Grantee a copy of the executed Agreement along with a Notice to Proceed. The Notice to Proceed is formal notification from CalRecycle that authorizes the Grantee to begin the Grant Project and incur costs. Costs incurred outside of the Grant Term may be eligible for reimbursement of prior cleanup sites only.

Prior to commencing work under this grant, the grantee's Grant Manager, or primary contact and authorized grant Signature Authority, should review the Terms and Conditions (Exhibit A) and the Procedures and Requirements (Exhibit B) to identify key grant administrative requirements. Evaluation of the grantee's compliance with these requirements is a major focus of grant audits.

Pilot Project Grantees must upload all required application documents into GMS before incurring cleanup costs. Required documents for each site include:

- ✓ Budget
- ✓ Work Plan
- ✓ Land Use/Zoning Designation
- ✓ Site Characterization Form
- ✓ Property Access Authorization and Non Responsibility Affidavit
- ✓ Site Photographs
- ✓ Vicinity Map
- ✓ Reliable Contractor Declaration (one for each contractor utilized)

After all documents are uploaded, the Grant Manager will review and determine site eligibility. Once approved, Grantee may begin site cleanup. All documents must be uploaded by July 1, 2016.

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](#), California Code of Regulations, Natural Resources, Division 7, has occurred with respect to the contractor(s) and the subcontractor(s), respectively. The form to be used is titled Reliable Contractor Declaration (CalRecycle 168).

If a 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 form 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.

If the cleanup is performed by the property owner or a local agency, CalRecycle 168 is not required.

Cost Guidelines

For new cleanup sites, eligible costs may be incurred only during the Grant Term, which starts on the date the Notice to Proceed is received from CalRecycle and ends April 6, 2017.

For sites previously cleaned up by the property owner, some costs incurred prior to the date on the Notice to Proceed *are* eligible for reimbursement.

Grant monies only fund expenses directly related to the approved cleanup and abatement project as described in the Grantee's approved Work Plan and approved Budget, which are incorporated by reference into the Agreement as Exhibits C.

It is the Grantee's responsibility to ensure that all costs are eligible and appropriate by

reviewing all documents, letters, e-mails, and other information updates supplied by CalRecycle, and consulting with the Grant Manager **before incurring costs**.

Budget Changes

Proposed changes to the approved Budget and Work Plan must be requested in writing to the Grant Manager. Changes to the Budget may be allowed when the change will not materially alter the scope of the project or include ineligible costs. The Grant Manager must approve the proposed changes before the Grantee performs the related work or incurs any related costs. Once approved, the Grantee must submit a revised Budget document in GMS into the Documents tab under *Other Documents*.

Payment Methods

Payment is made on a reimbursement basis for all grantees, except enrolled Resource Conservation Districts (RCDs). To obtain reimbursement, the Grantee pays the approved costs and then files a Grant Payment Request Form (CalRecycle 87) with the appropriate supporting documentation (see **Reimbursement Method**, page 6). For enrolled RCDs see **Invoiced Payment Method**, page 6, for an alternative to the reimbursement method. Advance funds are not available under this grant. The payment request process is the same for Pilot grantees as it is for a standard or reimbursement grant.

ELIGIBLE COSTS

All grant expenditures must be for activities, products, and costs specifically included in the approved Work Plan and approved Budget. Eligible costs for new and prior clean-ups (unless indicated otherwise) include, but are not limited to:

- a) Waste removal, disposal, and related actions;
- b) Recycling, including used oil, automotive batteries and tires;
- c) Drainage control and grading improvement;
- d) Slope and foundation stabilization;
- e) Excavation;
- f) Re-vegetation incidental to cleanup;
- g) Site security, including gates and fencing, up to 15 percent of the grant funds expended;
- h) Public education to help prevent reoccurrence of the illegal disposal, if included with any of the above eligible remedial actions incidental to cleanup;
- i) Equipment rental and fuel;
- j) Removal of Chlorofluorocarbons (CFC's) from appliances;
- k) Mileage of up to 56 cents per mile, or the current rate in the State Administrative Manual (mileage available only for cleanup related activities); and
- l) Administrative/indirect/overhead costs shall not exceed seven percent (7%) of the approved total cleanup costs expended. (For more information, see **Administrative Costs**, page 5).

INELIGIBLE COSTS

Contact the Grant Manager if clarification is needed. Ineligible costs for new and prior clean-ups include, but are not limited to:

- a) For new cleanup sites, costs incurred prior to or after the “Grant Term” displayed in the table on page 1;
- b) For prior cleanup sites, costs incurred after the “Grant Term” displayed in the table on page 1 ;
- c) For Pilot grantees, cleanup costs incurred prior to site/document approval
- d) Any costs incurred for conditions for which the property owner(s), any resident, invitee, licensee, lessee, or person the property owner(s) inherited from was responsible;
- e) Costs currently covered by another CalRecycle funded loan, grant or contract;
- f) Wages paid to a landowner for time spent cleaning up his/her own property;
- g) Any expense not deemed reasonable by the Grant Manager and/or not directly related to the implementation of the proposed cleanup;
- h) Transportation costs of used/waste tires hauled by an unregistered tire hauler;
- i) Closure activities, as defined in Section 20164 of Title 27, Division 2 of the California Code of Regulations;
- j) Ground water remediation;
- k) Surface water or vadose zone monitoring systems;
- l) Removal, abatement cleanup or otherwise handling of hazardous substances [as defined in 42 U.S.C. Section 9601 (14)];
- m) Extinguishing of underground fires;
- n) Operation and maintenance of any part of a leachate system;
- o) Profit or mark-up by the Grantee;
- p) Cell phones, pagers, personal electronic assistance devices, and similar electronic and telecommunications devices, etc.;
- q) Clothing and footwear;
- r) Overtime costs (except for extreme situations that have been pre-approved in writing by the Grant Manager);
- s) Any personnel costs not directly related to salaries and/or benefits; and
- t) Any personnel costs incurred as a result of any employee assigned to the grant cleanup project for time not actually worked on the project (e.g., use of accrued sick leave, vacation).

Administrative Costs (Administrative/Indirect/Overhead)

All Administrative costs charged to the grant must be associated with grant-related activities as set out in the approved Budget.

Administrative costs are expenditures not capable of being assigned, or not readily itemized to a particular project or activity, but considered necessary for the operation of the organization and the performance of the grant. The costs of operating and maintaining facilities, accounting services, and administrative salaries are examples of these costs.

Administrative costs shall not exceed seven percent (7%) of the **approved cleanup costs expended over the grant term**. The amount allowed to be charged for administrative costs is on a sliding scale. If a grantee requests the maximum seven percent (7%) in the budget but at the end of the grant term the site cleanup costs are less than the amount in the approved budget, the amount the grantee can claim for administrative costs goes down as well.

Grantee's claimed Administrative costs must be consistent with Generally Accepted Accounting Principles (Accounting Principles). Grantee must uniformly apply the Accounting Principles to both grant-related activities and non-grant related activities. It is highly recommended that the Finance and/or Accounting Department verify compliance with this provision as this may be an audit inquiry. Retain your grant records for audit purposes.

- a) Direct costs shall not be included as Administrative costs.
- b) Supervision by Managers and Supervisors of personnel whose activities are directly related to the cleanup project can be included as Administrative costs but do not qualify as a direct charge to the grant. However, if a Manager or Supervisor performs an activity that is directly related to the performance of the grant (not supervision), costs associated with this activity may be included as a direct charge. Any such activity must be clearly supported by appropriate documentation.
- c) All Administrative costs must be explained/justified and verified with supporting documentation.

REPORTING REQUIREMENTS

PROGRESS REPORT

A progress report is due with each payment request. The progress report must be submitted on the Payment Request Checklist and Progress Report Form, CalRecycle 749. In addition, the Grant Manager may request a Progress Report at any time during the grant term. If only a Final Report is submitted for the grant, it is not necessary to submit a Progress Report.

FINAL PROGRESS REPORT

The Final Progress Report is due **April 6, 2017**. This report should cover grant activities for the entire grant term and must be submitted on the Final Payment Request Checklist and Final Report Form, CalRecycle 750.

All reports must be uploaded in GMS. To upload a report:

1. Go to the **Reports** tab.
2. Click on the appropriate event name.
3. Click on the **Add Document** button.
4. Type a title, click the **Browse** button to search and upload the document, and then **Save**.
 - You may upload multiple documents to complete reporting requirements.
 - The maximum allowable file size is 50MB.
5. Click the **Back** button to return to the previous page.
6. Click the **Submit** button when the report is complete.

The report forms must be complete and must be approved by the Grant Manager before any Payment Request can be processed. Failure to comply with the specified reporting requirements may be considered a breach of this Agreement and may result in the termination of this Agreement or 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. Any problems or delays must be reported immediately to the Grant Manager.

GRANT PAYMENT INFORMATION

1. A Payment Request for may be submitted at any time during the grant term.
2. A Payment Request for a site previously remediated is prepared the same, however some documents may have already been submitted.
3. There is no minimum amount that can be requested in a Payment Request. The Grant Manager will review each Payment Request for accuracy and cost eligibility. The expenditures will be compared to the approved Budget and any expenses not on the approved Budget will be removed. The Grant Manager may request additional documentation and make payment adjustments, as necessary.
4. An incomplete Payment Request will result in delay of processing and possibly denial of payment.
5. 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.
6. 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.
 - a. Reimbursement of the ten percent retention must be requested in the final Grant Payment Request.
 - b. Ten percent will not be deducted if only a Final Payment Request is made for the grant.
7. 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.

There are two types of payment requests; Reimbursement and Invoiced Payment.

Reimbursement Method

This payment method is required for all grantees *except* enrolled Resource Conservation Districts (RCD's). The Reimbursement Method requires the grantee to first pay the approved cost and then submit a Payment Request for reimbursement.

Invoiced Payment Method

This type of payment method must be requested by letter with the return of the Grant Agreement. Except for the Final Payment Request, the Invoiced Payment Method allows the enrolled RCD to submit Payment Requests for incurred, but unpaid expenses. Upon approval of the Payment Request by the Grant Manager, the RCD will receive the grant funds minus the ten percent retention. When the RCD receives the grant check they are required to pay in full all costs owed, including those covered by the ten percent retention. Grantee must make full payment on all costs owing prior to submitting the next Payment Request.

Caution: the enrolled RCD is responsible for all costs incurred. In the event an incurred cost is not eligible for payment under this Grant, it is the RCD's responsibility to satisfy the obligation.

- **The Final Payment Request cannot be processed as an Invoiced Payment, it is for reimbursement only.** All costs, including costs for goods and services, claimed in this Request must be paid for and received prior to submittal of the Final Payment Request. Provide all information required in the Final Payment Request/Final Checklist Form. Failure to submit a complete and satisfactory Final Payment Request and Final Report with appropriate documentation, by the April 6, 2017 deadline, 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.

PAYMENT REQUEST AND DOCUMENTATION

Payment requests must be submitted in GMS. *For further instructions regarding GMS, including login directions, see the section on page one entitled, Grant Management System.* To submit a Grant Payment Request:

1. Go to the **Payment Request** tab.
2. Click on the **Create a Payment Request** button.
 - Choose **Reimburse** for the Transaction Type and enter the amount spent in each budget sub category.
 - When the transaction is complete, click the **Save** button.
 - After the transaction is saved, the **Upload Supporting Documentation** button will appear in the lower right corner.
3. Click the **Upload Supporting Documentation** button.
 - Type a title, click the **Browse** button to search and upload the document, and then **Save**.
 - Select the **Back** button to upload another document and continue this process until all required supporting documents as listed below are uploaded.
 - The maximum allowable file size for each document is 50MB.
4. Click the **Submit Transaction** button, located on the transaction page, to complete your payment request (including uploading all the documents listed below).

Supporting Documentation

The following is a list of the documents to be uploaded to support a Payment Request.

- A. A scanned copy of the **Grant Payment Request form (CalRecycle 87)**.
 - The **original** Grant Payment Request form is the only part of the Payment Request that should be mailed to CalRecycle. It must have the original signature of the signatory or his/her designee*, as authorized by grantee's Resolution or Letter of Commitment. Mail the form to:

Via standard mail:

Via courier/personal delivery:

Department of Resources Recycling and Recovery Farm & Ranch Grant Program FiRM Branch, 9 th Floor P.O. Box 4025 Sacramento, CA 95812-4025	Department of Resources Recycling and Recovery Farm & Ranch Grant Program FiRM Branch, 9 th Floor Carla Repucci Sacramento, CA 95814
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*A designee may sign on behalf of the grantee if a) authorized by the Resolution or Letter of Commitment, and b) a Letter of Designation has been provided to the Grant Manager.

- B. A Farm and Ranch Grant Expenditure Itemization Form (CalRecycle 224), which complies with the following requirements for each site remediated:
- All expenses are on the approved Budget;
 - Arrange expenses in the same budget categories as the approved Budget;
 - Itemize sufficiently to allow the Grant Manager to match a receipt/cancelled check to each expenditure;
 - All expenses claimed must be dated, or initiated, after the date on the Notice to Proceed
 - certain expenses for prior clean-ups may have been incurred before the Notice to Proceed;
 - Cap administrative costs at seven percent (7%) or less of the **approved cleanup costs expended**. Call the Grant Manager for clarification.
 - Provide subtotals for each budget category.
 - If the Payment Request is for the cleanup of more than one site, include an additional Expenditure Itemization showing the entire amount spent for the current Payment Request on all grant related activities.
- C. Evidence of payment/work completed
- Reimbursement Method:** Legible copies of all invoices/receipts that support each purchase and show proof of payment. Purchase orders alone are not sufficient to evidence incurred costs.
- Invoiced Payment Method:** A legible copy of all invoices that support each incurred, but unpaid cost.
- D. Legible copies of invoices/receipts from each business (landfill, transfer station, metal recycler, etc.) documenting that the waste removed from the site was properly disposed or recycled.
- For used/waste tires, include a tire manifest documenting transportation of the tires by a registered tire hauler to an authorized facility.
- E. Personnel Expenditure Summary (CalRecycle 165) for all claimed personnel expenses for actual time spent on activities directly related to this grant, and the actual amount paid to the employee.
- F. **Invoiced Payment Method:** Documentation, such as invoices/receipts, showing that all parties authorized for payment in the previously approved Invoiced Payment Request have received full payment including the ten percent retained by CalRecycle;

The following items are required to be submitted at the same time as a payment request but should be uploaded into the Reports tab.

- A. A Farm and Ranch Grant Report Form (CalRecycle 248) if waste has been removed from the site(s). Use one form for each site remediated. For the Final Payment Request, include an additional report form with the total amount of waste removed from all sites for the entire grant term;
- B. A Progress Report Form/Checklist or Final Report Form/Checklist as detailed above, and
- C. Photographs demonstrating the site has been remediated.

All forms listed above can be downloaded from the [CalRecycle Grant Forms website](#).

AUDIT CONSIDERATIONS

The grantee agrees to maintain records and supporting documentation pertaining to the performance of this grant subject to possible audit for a minimum of three (3) years after final payment date or grant term end date, whichever is later. A longer period of records retention may be stipulated in order to complete any action and/or resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later.

Examples of audit documentation include, but are not limited to, expenditure ledger, payroll register entries, time sheets, personnel expenditure summary form, travel expense log, paid warrants, contracts and change orders, samples of items and materials developed with grant funds, invoices and/or cancelled checks. Please refer to the Terms and Conditions (Exhibit A) for more information.