

**USED OIL PAYMENT PROGRAM
Guidelines for Cycle 6 (OPP6)
Fiscal Year 2015–16**



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Submittal of a Used Oil Payment Program (OPP) Application constitutes acceptance of these Guidelines as the controlling requirements for receiving, spending, and accounting for OPP funds and for annual reporting. The application and these Guidelines shall constitute the OPP Agreement.

OVERVIEW AND STATUTORY AUTHORITY

The California Public Resources Code (PRC) §48600 et seq. describes the California Oil Recycling Enhancement Act (Act), which, among other things, provides up to \$11 million annually in payments to local governments for implementation of local used oil and filter collection programs. The Department of Resources Recycling and Recovery (CalRecycle) is responsible for administering the OPP.

These Guidelines describe the application and administrative processes to implement the OPP Cycle 6. Payment Recipients (Recipients) are responsible and accountable for ensuring that expenditures are appropriate and that proper internal supporting documentation is maintained. To ensure full compliance with OPP’s processes and requirements, OPP applicants/Recipients must adhere to these Guidelines and the program provisions set out in the Act, notably PRC §§ 48674, 48690, and 48691.

OPP applications are submitted online through the [Local Government Oil Payment Program \(LoGOPP\) system](#). A [WebPass](#) is required to obtain access to LoGOPP. If you already have a WebPass from applying for previous CalRecycle grant or payment cycles, use the same WebPass for LoGOPP.

TIMELINE AND CYCLE ACTIVITY

Dates	Activity
June 30, 2015	Application Due Date <ul style="list-style-type: none"> • Applications must be submitted in LoGOPP by 11:59 p.m. on this date. • Customer service will be available until 4:00 p.m.
July 30, 2015	Documents Due Date <ul style="list-style-type: none"> • Approved resolution must be uploaded in LoGOPP by this date.
April 2016	Payments Awarded <ul style="list-style-type: none"> • Unless an October 2015 payment is requested by the applicant and subsequently approved by CalRecycle.
July 1, 2015 – June 30, 2017	Cycle Term Dates
August 15, 2016 and August 15, 2017	Annual Report Due Dates <ul style="list-style-type: none"> • Due no later than August 15th of each year during performance period.

CHARTER CITIES

California Labor Code section 1782 prohibits a charter city from receiving state funding or financial assistance for construction projects if that charter city does not comply with Labor Code sections 1770-1782. If any applicants or participating jurisdictions are charter cities or joint powers authorities that include charter cities, the lead applicant must certify that Labor Code section 1782 does not prohibit any included charter city from receiving state funds for the project described in this application. If it is determined after award that a participating jurisdiction is a charter city prohibited from receiving state funds for their project, the award will be terminated and any disbursed OPP funds shall be returned to CalRecycle.

ELIGIBILITY

Applicants that comply with PRC §§ 48690 and 48691 are eligible to apply for and, if approved, receive payment through the OPP. Applicants must have a used oil collection program which provides either of the following or a combination of the two:

- Ensures there is at least one Certified Used Oil Collection Center for every 100,000 residents not served by curbside collection;
- Provides used oil curbside collection at least once a month.

In addition to meeting at least one of the requirements above, applicants must have a public education component that informs the public of locally available used oil recycling opportunities.

APPLICATION PROCESS

The application process requires that applicants must:

1. Submit a completed online Application to CalRecycle by the application due date and post an electronic (scanned) version of the signed Application Certification page in the online system.
2. Retain in its OPP file the original hard copy of the Application Certification page signed by applicant's Signature Authority.
3. Submit the authorizing documents by the documents due date (see the Timeline and Cycle Activity table for due date).

An important application approval requirement includes the submittal of the following:

1. Submit a complete Annual Report on LoGOPP (see Timeline and Cycle Activity for due date) for all active OPP cycles.
2. Have no outstanding debt(s) owed to CalRecycle.
Submit any unspent funds to CalRecycle by August 15 (see Unspent Funds section).

If you have any questions regarding the application process, please call (916) 324-8867 or send an e-mail to: GrantAssistance@CalRecycle.ca.gov. Technical assistance will be provided until 4:00 p.m. on the application due date.

AUTHORIZING DOCUMENTATION

Examples of Resolutions, Letters of Commitment, Letters of Authorization, and Letters of Designation can be found on our [Resolution and Letter Examples](#) webpage.

Applicants, subject to a governing body, are required to submit an adopted Resolution that: (1) Authorizes submittal of OPP Applications; and (2) identifies the name of the job title (rather than the name of a person) authorized to sign on behalf of the Applicant

(Signature Authority). Resolutions must be specific to the OPP. Resolutions for the OPP can either specify an end date or state that it is effective until rescinded.

Applicants not subject to a governing body must submit a Letter of Commitment. This letter must: (1) be prepared on the Applicant's official letterhead; (2) authorize submittal of OPP Applications; (3) contain a specific end date or state that it is effective until rescinded; (4) identify the job title (rather than the name of a person) of the person authorized to execute all documents necessary to secure OPP funds (Signature Authority) and (5) be signed by a person with authority to contractually bind the Applicant. As discussed above for Resolutions, authorizations pursuant to this Letter may be effective until rescinded.

For regional Applications, the lead jurisdiction (Regional Lead) must submit an adopted Resolution or Letter of Commitment (as appropriate), and in addition to the above requirements, state that it is applying as a Regional Lead. Each participating jurisdiction (Regional Participant) must submit a Letter of Authorization (or other applicable document as provided in the [examples](#)) to the Regional Lead that authorized its Regional Lead to apply for the OPP, implement the program, and administer the OPP funds on its behalf. A new letter of Authorization is required from each Regional Participant for each new OPP Application cycle and will be uploaded to the application system by the Regional Lead.

The choice of the Signature Authority is very important because the individual who holds the designated job title is responsible for signing all OPP documents for the entire two-year cycle. When authorized by Resolution or Letter of Commitment, an Applicant's Signature Authority may issue a Letter of Designation, which delegates to another person (identified by job title rather than name) the authority to sign and submit required OPP documents, such as Applications, Annual Reports, or extension requests. This delegation may be done either at the time of Application or later; however, it must be uploaded (by the Applicant) into the LoGOPP system and accepted by CalRecycle staff prior to the Designee's exercise of his/her authority. A Letter of Designation must: (1) be prepared on the Applicant's official letterhead; (2) contain a specific end date or state that it is effective until rescinded by the identified Signature Authority; (3) identify the job title of the Designee; (4) identify the scope of the Designee's authority; and (5) be signed by the Signature Authority.

NOTICE OF AWARD

Upon approval of Annual Reports and applications, recipients will be notified by email that an OPP award has been made and that they are authorized to incur costs and expend funds in furtherance of their programs. A listing of the award amounts for all Recipients will be posted on the [OPP web page](#).

APPLICATION REVISIONS

Once approved, the Recipient/Regional Lead is contractually bound to carry out the used oil program in accordance with the OPP Guidelines. The Recipient and/or any regional participant that has submitted a Letter of Authorization may not withdraw or amend their application.

DENIAL OF APPLICATION

CalRecycle will notify an applicant and provide the reasons for denial of an application. In such cases, potential applicants are encouraged to contact and work with CalRecycle

to ensure that its jurisdiction meets the necessary requirements prior to the next application cycle.

TERM AND PAYMENTS

Funds for the OPP cycle are 24 months (refer to the cycle and timeline table for the cycle term dates) and must be expended or returned to CalRecycle as described in the Unspent Funds section.

Payments must be placed into an interest bearing account. Tracking and reporting of interest earned (if any) on the payment is not required for the OPP. All interest accrued and received from the OPP shall be used only for eligible expenses related to the performance of this OPP Agreement.

An applicant may request (as part of the application process) receipt of its annual payment in October. For CalRecycle to approve this request, all funds from the previous OPP cycles must be spent.

EXPENDITURE COMPONENTS

Used oil and used oil filter collection and recycling activities, educational activities, and mitigation of used oil in stormwater runoff are statutory components of local used oil collection programs (PRC § 48691). Accordingly, these activities should be the focus of OPP expenditures.

The OPP participant must spend all of the available funds from the oldest OPP cycle prior to spending any funds from more recent OPP cycle. It is acceptable to split an invoice across two separate OPP cycles in order to “zero out” all funds in the oldest OPP cycle before using funds from a more recent OPP cycle. Expenditures that are split need to be clearly identified and retained in a single file to facilitate review and retention (See the Audits, Accounting, and Records Retention section).

ELIGIBLE COSTS

All expenditures must be for the purposes of establishing and maintaining a used oil program as set forth in PRC § 48690 and 48691. Eligible costs must be incurred and/or accrued during the term for which they are reported. Preapprovals are required in writing by a Program Advisor for any expenditures not specified.

Eligible costs include, but are not limited to:

- Maintaining a used oil and filter program.
- Used oil stormwater mitigation activities pursuant to PRC § 48691.
- Developing, purchasing and/or distributing useful educational materials informing the public about used oil and used oil filter collection and recycling. Examples include, but are not limited to, newspaper advertisements, brochures, flyers, and utility inserts.
- Developing, purchasing and/or distributing the following Used Oil Program materials that have a functional purpose associated with an environmental benefit: marine absorbent bilge pads, oil funnels, oil drain containers, oil change rags, new oil filters for exchanges, Ziploc-type filter bags, cardboard creepers, filter wrenches, dirty filter recycling containers, maps of collection centers, and tide charts. The Used Oil Program materials can be utilized for oil change kits, but each kit cannot exceed \$25.00 (excluding sales tax) and each item, whether it is included in the kit or distributed separately, cannot exceed \$12.00 (excluding

sales tax). Program Advisor approval is required for items not on this pre-approved list.

- Tablet electronic devices (typically seven inches or more in diameter measured diagonally) with a maximum price of \$500.00, used primarily for the purposes of public education or outreach. Additional costs can be spent on accessories for charging, item protection, and security at events.
- Certified Unified Program Agency (CUPA) or other agency inspection fees directly related to establishing and maintaining an effective oil and oil filter collection and recycling program.
- HAZWOPER 8-hour refresher course.
- Indirect/overhead costs up to 10 percent of the OPP eligible expenditures. (Note: This limitation applies to Recipients and consultants/contractors who administer and/or implement a program.)
- Travel, per diem, lodging, and mileage costs incurred in the course of establishing and maintaining used oil and/or filter programs. Maximum amounts are based on current travel, per diem, lodging, and mileage rates for State exempt employees.
- Reasonable costs for a consultant or contractor to administer and/or implement Recipient's OPP funded used oil program.
- Purchase or rental of storage containers or portable sheds dedicated to oil-related activities and supplies; installation of containers or sheds solely for protection of oil related equipment and/or supplies.

INELIGIBLE COSTS

Any expenditure that does not directly support used oil and/or used oil filter collection, recycling and/or educational activities, mitigation of used oil in stormwater, or expenses not directly related to Recipient's (or consultant's/contractor's) administration of the OPP are ineligible for funding.

Ineligible costs include, but are not limited to:

- Costs incurred before July 1, 2015 or after June 30, 2017.
- Developing, purchasing, or distributing strictly promotional give-away items. Examples include, but are not limited to, key chains, letter openers, squeegee toys, coffee mugs, water bottles, Frisbees, hats, t-shirts, chip clips, pens, pencils, beanie babies, screwdrivers, coloring books, small recycling containers for pencils, dried sponges, flash drives, and reusable bags.
- Purchase or lease of land or buildings.
- Costs currently covered by or incurred under any other loan, grant, or contract.
- Remediation activities (any cleanup or restoration of polluted areas).
- Purchase of data plans.
- Costs related to computer applications or software.
- HAZWOPER 40-hour and 24-hour courses.
- Enforcement activities.
- Preparation of Household Hazardous Waste (HHW) elements.
- Construction and development of any HHW facility that does not have a used oil or used oil filter collection component.
- Construction and development of any HHW permanent facility on non-local government-owned property.
- Transportation and disposal of non-oil HHW from any facility or event.

- Maintaining equipment, materials, or supplies at HHW facilities or ABOP (antifreeze, battery, oil, and paint) facilities not directly related to the collection of used oil and used oil filters.
- Fines or penalties due to violation of federal, State or local laws, ordinances, or regulations, including CUPA fines or penalties.
- Employee time off (vacation or sick leave), overtime costs, or compensated time off (except for local government staffing during specially scheduled evening or weekend events outside of staff's normal work hours when law or labor contract requires overtime compensation).
- Food or beverages (e.g., as part of meetings, workshops, or events).
- Cell phones, pagers, or cameras.
- Out-of-state travel.
- Travel costs exceeding the state-approved rates for mileage, per diem, lodging, etc.
- Audit expenses.
- Re-refined oil expenses.
- Any costs not consistent with local, state, or federal laws, guidelines, and regulations.
- Costs deemed unreasonable or not related to the project by the Program Advisor.

PUBLICITY, EDUCATION, AND OUTREACH

Used Oil publicity, education, and outreach material must directly relate to the collection and recycling of used oil and/or used oil filters, proper oil disposal practices, and/or other OPP activities. The materials must be functional, as discussed in Eligible Costs, encourage behavioral change, or provide an educational opportunity for the public. All publicity, education, and outreach must be appropriate for the target audience, durable, and not likely to be disposed of in a short time or contribute to the waste stream or hazardous waste stream (e.g., any item containing batteries, mercury, etc.).

Stormwater and HHW recycling program messages may be incorporated with the used oil recycling message on publicity, education, and outreach items. The funding level for the publicity and education portion for these programs is 50 percent for any item which contains a reasonable mention of used oil and/or used oil filter collection and recycling; and, 100 percent if over half of the text or image(s) relates to used oil and/or used oil filter collection and recycling.

Acknowledgement

Recipients are not required to acknowledge CalRecycle's support when activities or projects funded, in whole or in part, by this Agreement are publicized in any news media, brochures, articles, seminars or other type of promotional material.

Advertising and Public Education

Materials must provide:

- Information on used oil and used oil filter collection and recycling/disposal.
- A list of used oil collection centers within the targeted community or a local telephone number or website to obtain further information on local collection centers. (Use the 1-800-CLEANUP number or [earth911](http://earth911.com) website if your jurisdiction does not maintain its own 24-hour hotline.)

- The “Used Oil Drop” logo with the words “Recycle Used Oil” or “Recycle Used Oil and Used Oil Filters” as appropriate. On any material produced in four or more colors, use the State colors (blue oil drop on yellow background) for this logo. (The color designation for professional printing is Yale Blue-Pantone 286C; Golden Yellow-Pantone 123C.)

Oil program related [graphics and signs](#) are available on CalRecycle’s website.

CERTIFIED COLLECTION CENTER (CCC) SITE VISIT REQUIREMENTS

For Recipients who administer their used oil program in coordination with a CCC, it is a program requirement that a site visit be made annually to a minimum of one CCC site per 100,000 residents being served by the used oil program. When a site visit is conducted, the jurisdiction needs to complete a site visit checklist form. One of the three available forms may be used—CalRecycle 664, CalRecycle 664-SP, or CalRecycle 665—as appropriate for the jurisdiction. The newest versions of these forms may be found under “[Used Oil Recycling](#)” on the Grant Forms web page. The completed forms are to be retained in the cycle file and jurisdictions will report the total number of site visits made by the jurisdiction in the online Annual Report.

ANNUAL REPORTING

Annual Reporting is a statutory requirement for ongoing eligibility for all OPP. Recipients must meet CalRecycle’s online reporting requirements. The Annual Reports for this Cycle must be submitted no later than August 15 of each calendar year. When a due date falls on a Saturday or Sunday, the online report must be submitted by the following Monday. Failure to meet this reporting due date may result in the denial of future funding.

Upon completion of the online Annual Report (including the expenditures portion of the report), the Report Certification page is to be printed out and given to the Signature Authority for approval and signature. The signed Annual Report Certification page is to be uploaded to the online system (by the Recipient) and the original signed hard copy is to be retained in the Recipient’s cycle file. If the Recipient is unable to upload the signed Annual Report Certification page, they should scan and email or fax it to their Program Advisor for uploading. Program Advisors will review and approve the submitted reports.

All expenditures shall be reported through the LoGOPP system. Failure of Recipient to properly spend or account for OPP funds may result in denial of future OPP funding for Recipient, requiring reimbursement from Recipient and/or Recipient’s forfeiture of funds. Definitions for the OPP expenditure categories can be found on the [Definitions for the OPP Fiscal Expenditure Categories](#) page.

UNSPENT FUNDS

Funds that are unspent at the end of the OPP term must be reimbursed by check to CalRecycle within 45 days of the cycle end term date, which is June 30. Checks must contain the OPP number (i.e., OPP4-13-xxxx), specify “OPP Unspent Funds,” and be mailed to:

CalRecycle, Accounting
OPP Unspent Funds
P.O. Box 4025

If there are questions or other issues related to expenditures, work with your Program Advisor to resolve these issues. Unspent funds due to CalRecycle but left unpaid may result in a Recipient not being eligible for future OPP funding.

AUDIT, ACCOUNTING, AND RECORDS RETENTION

Recipients are responsible and accountable for ensuring that expenditures are appropriate and that proper internal supporting documentation is maintained to provide clear separate tracking of OPP funds and related transactions for fiscal program management and audit purposes. To ensure full compliance with OPP's processes and requirements, OPP applicants/Recipients must adhere to these Guidelines and the program provisions set out in the Act, notably PRC §§ 48674, 48690, and 48691.

Recipients must account for all OPP funds in a manner that provides for clear tracking of expenditures in accordance with Generally Accepted Accounting Principles. Proper business procedures dictate that OPP supporting documentation (including, but not limited to, the original signed Application Certification and Annual Report summary pages, invoices, payroll registers/logs, travel expense claim forms, etc.) be retained in a single file to facilitate review and retention, as well as maintenance of a clear paper/audit trail. Recipients must follow their jurisdiction's purchasing and/or contracting policies/requirements and ensure the proper and exclusive use of items purchased with OPP funds.

OPP funds are subject to audit. CalRecycle, the Department of Finance, the Bureau of State Audits, or their designated representative(s) shall have the right to review and to copy any records and supporting documentation pertaining to the use of OPP funds and shall have the right to interview staff relevant to the audit. Recipient shall include this provision in all contracts and subcontracts funded in whole or in part from OPP funds.

Examples of documentation subject to audit include, but are not limited to, expenditure ledgers, payroll register entries, time sheets, travel logs, paid warrants, contracts and change orders, samples/pictures of items and materials developed with OPP funds, invoices, receipts, and canceled checks. All such records shall be maintained for possible audit for a minimum of three (3) years after the OPP term end date, or until completion of any action and resolution of all issues, which may arise as a result of any litigation, dispute, or audit, whichever is later.

Audit findings against Recipients can result in the need for reimbursement of OPP funds, and/or ineligibility for future OPP funds.

DISCRETIONARY TERMINATION

The Director of CalRecycle or his/her designee shall have the right to terminate this Agreement at his/her sole discretion at any time upon thirty (30) days written notice to the Recipient. Within forty-five (45) days of receipt of written notice, the Recipient is required to:

1. Submit a final written report to the appropriate Program Advisor describing all work performed by the Recipient and provide an accounting of all funds expended up to and including the date of termination; and,
2. Reimburse CalRecycle any unspent funds.

TERMINATION FOR CAUSE

In the event the Recipient fails to comply with the requirements of these Guidelines at the time and in the manner herein provided, CalRecycle may terminate the OPP Agreement.

Recipients are encouraged to discuss any problems they may have in complying with these Guidelines with their Program Advisor to determine if CalRecycle can be of assistance.

INDEMNITY

Recipient agrees to indemnify, defend and save harmless the State and CalRecycle, and their officers, agents, and employees from any and all claims and/or losses accruing or resulting from the performance of OPP.

COMPLIANCE

Recipient shall comply fully with all applicable federal, state, and local laws, ordinances, regulations, and permits.

DEFINITIONS

For purposes of the OPP, the following definitions apply:

Consultant: A professional who advises on or manages the OPP on behalf of an OPP Recipient.

Contractor: An individual, business, or company with which the Recipient enters into an agreement to perform program-related services or activities including providing materials or supplies for oil and oil filter collection/recycling projects. (Note: Also refer to the Subcontractor definition).

Indirect/Overhead Costs: These costs are expenditures not capable of being assigned or not readily available to a particular project or activity but considered necessary for the operation of the Recipient's business and the performance of the OPP. Examples include costs of operating and maintaining facilities, accounting services, and administrative salaries.

Letter of Authorization: A letter submitted by a Regional Participant to authorize another jurisdiction (Regional Lead) to apply for and to act on its behalf in the implementation and administration of the OPP.

Letter of Commitment: A letter from an applicant, not subject to a governing body, that authorizes submittal of OPP applications.

Letter of Designation: A letter submitted by an applicant's Signature Authority that delegates his/her authority to another individual (identified by job title not name) as authorized in the Resolution or Letter of Authorization. The person to whom this authority is delegated is the "Authorized Designee."

OPP: The acronym means the Used Oil Payment Program (see Used Oil Payment Program definition below).

Program Advisor: The CalRecycle staff person responsible for monitoring the OPP and related program activities for a particular jurisdiction.

Payment Recipient or Recipient: The recipient of funds pursuant to PRC § 48690 et seq. The recipient may be a local government (which includes any chartered or general law city, chartered or general law county, or any city and county) and/or a public agency/entity or special district that has been given the authorization to act on behalf of a local government.

Signature Authority: The title of the person authorized by an adopted Resolution, Letter of Commitment, or Letter of Designation to sign all grant-related documents on behalf of the authorizing entity.

Subcontractor: An individual, business or company with which the Recipient's Contractor enters into an agreement to perform program-related services or activities, or provide materials or supplies for oil and oil filter recycling/collection-related projects, services or activities.

Used Oil Payment Program (OPP): The Used Oil Program established pursuant to PRC § 48690 et seq., that provides payments/funding to eligible participants for establishing and maintaining an effective local used oil and used oil filter collection/recycling program. Contact your assigned Used Oil Program Advisor if you have questions about the application process or other questions during the payment term.