

EXHIBIT B PROCEDURES AND REQUIREMENTS

LOCAL CONSERVATION CORPS GRANT PROGRAM 29th Cycle – Fiscal Year 2014/15

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

INTRODUCTION

The Local Conservation Corps (LCC) Grant Program is administered through the Department of Resources Recycling and Recovery (CalRecycle). These Procedures and Requirements describe project and reporting requirements, report due dates, report contents, grant payment conditions, eligible and ineligible project costs, project completion and closeout procedures, records and audit requirements.

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

MILESTONES

July 1, 2014	Grant Term and Grant Performance Period Begins on date indicated on the Notice to Proceed (NTP)
TBD*	Cost Allocation Plan (CAP) and Advance Payment Request Package Due
October 30, 2014	Progress Report 1 Due
January 30, 2015	Progress Report 2 Due
April 30, 2015	Progress Report 3 Due
July 30, 2015	Progress Report 4 Due
October 30, 2015	Progress Report 5 Due
January 30, 2016	Progress Report 6 Due
April 30, 2016	Progress Report 7 Due
June 30, 2016	Final Progress Report and final Payment Request Due
June 30, 2016	Grant Term End

** Date to be determined: Will be due five days after trailer bill is signed*

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** – lists all approved payment requests. *Do not create a new payment request for this grant.*
- **Reports tab – uploads** required reports.
- **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.

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 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

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.

RELIABLE CONTRACTOR DECLARATION

This requirement is applicable to grantees that use a contractor on the project. 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, Division 7, has occurred with respect to the contractor(s) and the subcontractor(s). See <http://www.calrecycle.ca.gov/Laws/Regulations/Title14/ch1.htm#ch1a5>. If any of the listed events has occurred with respect to a contractor or subcontractor, please follow the instructions on the Reliable Contractor Declaration Form referenced below. If a contractor or subcontractor is placed on the CalRecycle Unreliable List after award of this grant, the grantee may be required to terminate the contract.

The grantee must provide the Reliable Contractor Declaration Form (CalRecycle 168) for all contractors and subcontractors that will perform work compensated from the grant budget. To obtain the CalRecycle 168 form, see the General Grant Forms section of the CalRecycle form web page (<http://www.calrecycle.ca.gov/Grants/Forms>).

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 link.
3. Click on the Add Document button.

4. Type a title, i.e., Reliable Contractor Declaration, then click the Browse button to search, select the document, and then Save.
5. Click the Back button to return to the previous page and then click on the Submit button.

For further instructions regarding GMS, including log-in directions, see the section below titled "Grant Management System."

If a contractor or subcontractor is placed on the CalRecycle Unreliable List (<http://www.calrecycle.ca.gov/Grants/Unreliability/List.htm>) after award of this grant, the grantee may be required to terminate that contract.

GRANT TERM The Grant Term starts July 1, 2014 and the Final Report and final Payment Request are due to CalRecycle on June 30, 2016.

ELIGIBLE COSTS

All grant expenditures must be for activities, products, and costs specifically included in the approved Work Plan and approved Budget. Eligible costs must be incurred no earlier than July 1, 2014 and no later than June 30, 2016.

Any proposed revision(s) to the Work Plan and/or Budget must be submitted in writing and pre-approved in writing by the Grant Manager prior to grantee incurring the proposed expenditure. The approval document should be retained by the grantee for audit purposes. See Audit Record/Access section of the Terms and Conditions (Exhibit A).

Eligible costs are limited to the following:

- Costs incurred during the "Grant Term" which starts July 1, 2014 and ends June 30, 2016
- Personnel-staff salaries, corpsmember wages and taxes & benefits (Not to exceed 35%)
- Purchase of recycling equipment, vehicles and materials applicable to activities from each funding source
- Recycling-related education, training and staff development
- Operating Expenses (Utilities, communication/telephone, Facility and equipment maintenance charges, office supplies, travel*)
- Indirect Costs (not to exceed 20%) Allowable with pre-approved Federal Indirect Cost Rate (FICR) or Indirect Cost Plan Methodology (property taxes, admin costs, insurance, dues, memberships)
- Depreciation for non-CalRecycle grant funded assets as part of LCC approved Federal Indirect Cost Rates (FICR). For LCCs who do not have a FICR, depreciation may be included in an Indirect Cost Rate following the use allowance method per OMB Circular A-122 Attachment B paragraph 11 not to exceed six and two-thirds percent of acquisition cost
http://www.whitehouse.gov/omb/circulars_a122_2004

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 for audit purposes.

**Travel and per diem reimbursement is limited to a maximum of the State rate for excluded employees in effect at the time of travel, in accordance with the California Code of Regulations, Title 2, Division 1, Chapter 3, Subchapter 1, Article 2. Please consult the Grant Manager for guidance.*

INELIGIBLE COSTS

Any costs not specifically included in the approved Budget and not directly related to approved grant activities are ineligible for reimbursement. Contact the Grant Manager if clarification is needed. Ineligible costs include, but are not limited to:

- Costs incurred prior to July 1, 2014 or after June 30, 2016
- 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 or parties)
- Out-of-state travel, unless pre-approved in writing by the Grant Manager
- Any other costs not deemed reasonable or related to the purpose of the grant by the Grant Manager
- Penalty charges (late fees, parking and traffic tickets)
- Fundraising

REPORTING REQUIREMENTS

Progress Reports and a Final Progress Report are required by this Agreement; however, the Grant Manager may request a Progress Report at any time during the grant term.

All reports must be uploaded in GMS. *For further instructions regarding GMS, including login directions, see the section above entitled, Grant Management System.*

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 reports must be current, include all required sections and documents, 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.

PROGRESS REPORT

The grantee must submit **Quarterly Progress Reports** according to the following schedule:

Event Name	Reporting Period	Due Date
Progress Report 1	July – September 2014	October 30, 2014
Progress Report 2	October – December 2014	January 30, 2015
Progress Report 3	January – March 2015	April 30, 2015
Progress Report 4	April - June 2015	July 30, 2015
Progress Report 5	July – September 2015	October 30, 2015
Progress Report 6	October – December 2015	January 30, 2016
Progress Report 7	January – March 2016	April 30, 2016
Final Progress Report	July 2014 – June 2016	June 30, 2016

The first progress report shall include, but is not limited to:

- a. Baseline data from which to evaluate the outcomes of all activities funded through this Agreement, when applicable.
- b. A statement of the accomplishments implemented to date and a report on the status of each.

Each subsequent progress report shall include, but is not limited to:

- a. A review of activities implemented and a summary on the status of each.
- b. If applicable, the collection data for all recyclables by material type (beverage containers, used oil, tires and E-Waste.).
- c. A discussion of all unanticipated problems or concerns and corrective actions taken.
- d. A description of all expenditures during the reporting period.
- e. A description of all changes made to the project during the reporting period with the approval of the Grant Manager and all additional changes identified.

FINAL PROGRESS REPORT

This report should cover grant activities **from July 1, 2014 through June 30, 2016**. The following items must be included:

A. Cover Page with Disclaimer Statement

“The statements and conclusions of this report are those of the grantee and not necessarily those of the Department of Resources Recycling and Recovery (CalRecycle), its employees, or the State of California. The state makes no warranty, express or implied, and assumes no liability for the information contained in the succeeding text.”

B. Table of Contents

C. Summary of Grant Activities

1. As identified in the Eligible Activities Checklist.
2. Any baseline data collected prior to implementation of grant activities.
3. The methodology used for data collection and evaluation.

D. Total Cost of Program

1. A breakdown of actual expenditures for activities by funding source.
2. A list and estimated dollar value of support from partnerships, volunteers, and in-kind services.
3. A statement whether funds received through this Agreement was a factor in obtaining additional funding and support for the project.

E. Workplan - A summary of the actual dates of project accomplishments (milestones).

1. A summary of the actual time expended on each phase of the project (i.e., planning, start-up, operation, evaluation, and until project is self-sustaining, if applicable).
2. A summary of special staffing needs.
3. A description of criteria for selecting equipment, actual effectiveness of chosen equipment, and recommended changes in equipment.
4. A statement of time elapsed before data was representative of a stable project.
5. A discussion of problems encountered and corrective actions taken.
6. A discussion of conditions unique to this project.

F. Tonnages and Revenues Generated - For activities related to beverage container, E-Waste, used oil and used tire recycling using applicable metrics.

1. A description of how any revenue received was expended.
2. Applicable metrics (i.e. containers, lbs, gallons, count, by material type).

G. Project Effectiveness

1. The outcomes achieved as a result of grant activities (e.g., percentage increases in collection, change in knowledge and/or awareness level, etc.).
2. Statistical data to support the outcomes.
3. Volumes/tonnage data collected for 12 months.
4. Reach and frequency for all promotional and/or educational components, if applicable.
5. Outside influences that may have affected the outcomes achieved.
6. Efforts resulting in the reduction of greenhouse gas emissions.

H. Conclusions and Recommendations

1. Important findings and suggestions for improvement.
2. Any modifications that were implemented to achieve success.
3. Project Sustainability.
4. A list and description of on-going expenses for this project.
5. Photographs, Articles, Promotional/Educational Materials.
6. List of Subcontractors.

Grantee acknowledges and agrees that CalRecycle shall not release final payment pursuant to this Agreement unless and until CalRecycle has received from the Grantee a final report that complies with the above requirements, and with other applicable requirements in this Agreement.

GRANT PAYMENT INFORMATION

1. Payment to the grantee for eligible grant expenses is made on a reimbursement basis only and for only those materials and services specified in the approved grant application.
2. Reimbursement may be requested once every 30 days or more often if deemed necessary and with Grant Manager approval.
3. The grantee must submit the required Progress Report/Final Progress Report, and the Grant Manager must approve the report prior to, or concurrent with, submission of the Grant Payment Request.
4. The grantee must submit a completed Grant Payment Request and provide supporting documentation including the most recent budget detail spreadsheet as described in the "Payment Request and Documentation".
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 (10%) 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.
7. CalRecycle will make payments to the grantee as promptly as fiscal procedures permit. The grantee can typically expect payment approximately forty five (45) days from the date a Grant Payment Request is approved by the Grant Manager.
8. CalRecycle may disburse up to twenty-five (25%) percent from each funding source as an advance payment if CalRecycle determines an advance payment is essential for the effective implementation of the grant activities (Government Code section 11019). CalRecycle reserves the right to conduct a limited review or audit of information or statements offered by the Grantee in support of the advance request. Advance payments require prior approval of the Department of Finance pursuant to Government Code section 11019(a).

The following documents are required to be considered for an advance:

1. Advance justification cover letter which describes the circumstances that necessitate the advance from each funding source.
2. Proof of non-profit status.
3. A cash flow analysis with and without an advance for each funding source.
4. The most recent financial statement.

Advance payments must be fully accounted for by the end of the Grant Agreement term. After disbursing an advance, CalRecycle will deduct the advanced amount from subsequent invoices received from the Grantee, proportionate to the percentage invoiced, until the entire advance amount is repaid.

PAYMENT REQUEST AND DOCUMENTATION

Supporting Documentation

1. Email a scanned copy of the **Grant Payment Request form**. Mail only the **original** Grant Payment Request form (CalRecycle 87), with the original signature of the

signatory or his/her designee*, as authorized by grantee's Resolution or Letter of Commitment to:

Via standard mail:	Via courier/personal delivery:
Department of Resources Recycling and Recovery LCC Grant Program FiRM Branch, 17 th Floor P.O. Box 4025 Sacramento, CA 95812-4025	Department of Resources Recycling and Recovery LCC Grant Program FiRM Branch, 17 th Floor 801 K Street Sacramento, CA 95814

**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.*

2. Email copies of back-up documentation as follows:

- Invoices, receipts or purchase orders containing the product manufacturer, supplier/vendor, and/or contractor name, phone number, address, purchase amount, date and description of goods/services.
- Proof of payment for any expenditure over \$500 (e.g., copies of cancelled checks, invoices or receipts marked with date paid, name of person who authorized payment, check number, or actual check copy, accounting reports if identified by a check number, date, product manufacturer, supplier/vendor, and/or contractor name and amount, hours and rate of pay.)
- Three (3) bids or sole source justification for any purchase over \$5,000.

3. Excel budget worksheet document that breaks out expenditures by funding sources.

The Payment Request Form listed above can be downloaded from the CalRecycle Grant Forms website (<http://www.calrecycle.ca.gov/Grants/Forms/>).

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.