

EXHIBIT B
PROCEDURES AND REQUIREMENTS
Revised August 2016

LOCAL CONSERVATION CORPS GRANT PROGRAM
31st Cycle – Fiscal Year 2016 – 2017

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 Local Conservation Corps 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, 2016	Grant Term Begins
October 31, 2016	Progress Report Due
January 30, 2017	Progress Report Due
April 28, 2017	Progress Report Due
July 31, 2017	Progress Report Due
October 30, 2017	Progress Report Due
January 30, 2018	Progress Report Due
April 30, 2018	Progress Report Due
June 30, 2018	Final Report and final Payment Request Due
June 30, 2018	Grant Term Ends

Failure to submit the Final Report and final Payment Request with appropriate documentation 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)

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 **My Awarded/Open Grants** table and select the **Grant Management** button. 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

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), 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 form web page](#) (www.calrecycle.ca.gov/Funding/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** under **Report Type**.
3. Click the **Add Document** button.
4. Select **Reliable Contractor Declaration** in the **Document Type** drop down box, enter a document title, click the **Browse** button to search and upload the document, and then **Save**.
5. Click on the **Submit Report** button.

For further instructions regarding GMS, including login directions, see the section above titled Grant Management System.

GRANT TERM

The Grant Term begins July 1, 2016 and ends on June 30, 2018. The Final Report and final Payment Request are both due to CalRecycle on or before June 30, 2018.

ELIGIBLE COSTS

All grant expenditures must be for activities, products, and costs specifically included in the approved Grant Project Summary and approved Budget Workbook. To be eligible for reimbursement, costs must be incurred on or after July 1, 2016 and on or before June 30, 2018. Invoices for goods and services must be paid by the grantee prior to the inclusion of those goods or services on a payment request.

Exception: the Grant Manager may consider approving an extension on the Final Payment Request due date to allow for delivery of a produced product(s) contracted for before the end of the Grant Term. The grantee must request the extension in writing and receive written approval from the Grant Manager.

Any proposed revision(s) to the Budget or Grant Project Summary must be submitted in writing and pre-approved in writing by the Grant Manager. Budget modifications are subject to the following restrictions:

- **Movement of funds between line items within a category.**
 - Movement of funds between line items within a budget category are allowable without Grant Manager approval. All such movement of funds must be reflected on the budget workbook and described in the progress report.
 - Movement of balances that would zero-out a line item requires pre-approval of the Grant Manager.
 - Adding new line items requires pre-approval of the Grant Manager.
- **Movement of funds between line items across budget categories.**
 - Movement of ten percent or less of the total allocated to a category in the approved budget to another budget category is allowable without Grant Manager approval. This limitation is cumulative so in a category wherein \$100,000 was allocated, it is allowable to move a total of \$10,000 without Grant Manager permission to another category during the grant term. Movement of more than \$10,000 requires Grant Manager pre-approval.
 - Funds moved across categories must be moved into an existing line item, or a new line item pre-approved by the Grant Manager. All budget modifications must be reflected in the budget workbook and described in the progress report.

- Movement of greater than ten percent of the funds allocated to any category shall require pre-approval of the Grant Manager.
- **Movement of funds between material fund awards.**
 - Not allowable. Material fund award totals may not be changed.

Budget modification approval documents/emails must be retained by the grantee for audit purposes. See Audit Record/Access section of the Terms and Conditions (Exhibit A).

All eligible costs must be directly related to the Grant Project Summary and included in the approved Budget Workbook.

Eligible costs include, but are not limited to:

- Costs incurred during the Grant Term which starts July 1, 2016 and ends June 30, 2018.
 - Personnel-staff salaries, corpsmember wages and stipends, and taxes and benefits (Benefits are not to exceed 35 percent of wages and salaries. Benefits do not include Workers' Compensation Insurance).
- Purchase of recycling equipment, vehicles, and materials.
- Program-related education, training, and staff development.
- Operating expenses (utilities, communication/telephone, facility and equipment maintenance charges, office supplies).
- Indirect costs (not to exceed 20 percent of the total grant award) allowable with pre-approved Federal Indirect Cost Rate or Indirect Cost Plan Methodology that adhere to Generally Accepted Accounting Principles.
- Depreciation for non-CalRecycle grant funded assets as part of Local Conservation Corps approved Federal Indirect Cost Rates (FICR). For those Local Conservation Corps who do not have a FICR, depreciation may be included in an Indirect Cost Rate (ICR) following the use allowance method per Office of Management and Budget Circular A-122 Attachment B, paragraph 11, letters a-h, not to exceed six and two-thirds percent of acquisition cost. http://www.whitehouse.gov/omb/circulars_a122_2004
- Travel with supporting documentation including but not limited to CalRecycle Travel Form 246. Travel and per diem reimbursement is limited to a maximum of the state rate for Bargaining Unit 1 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.
- Consultants - Consulting contracts in excess of \$5,000 require solicitation of a minimum of three quotes/bids or sole source justification approved by a Grant Manager. The grantee shall provide consultant contracts to the Grant Manager for review and approval prior to executing the contract.

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.

INELIGIBLE COSTS

Any costs not specifically included in the approved Budget and not directly related to the Local Conservation Corps Grant Program and the approved Grant Project Summary 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, 2016 or after June 30, 2018
- Any costs not consistent with local, state, and federal statutes, ordinances, 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.
- Costs that are unrelated to the purpose of the grant.
- Penalty charges (late fees, parking and traffic tickets).
- Fundraising.
- Expenses incurred before a required budget modification is approved by the Grant Manager.
- Any other costs not deemed reasonable by the Grant Manager.

ACKNOWLEDGEMENTS:

Publications, advertising materials, outreach materials, and educational materials paid for with Used Oil Recycling Funds must use the “Used Oil Drop” logo with the words “Recycle Used Oil” or “Recycle Used Oil and Used Oil Filters” as appropriate. Used oil graphics are available on the [CalRecycle web site here](#). No other acknowledgement of CalRecycle support is required on publications.”

REPORTING REQUIREMENTS

Progress Reports are due thirty days after the end of each fiscal quarter, and a Final Report is 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 Report Type.
3. Click on the **Add Document** button.
4. Choose the Document Type, enter a document 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 35MB.
5. Click the **Submit** button when the report is complete.

Grantees are to use the CalRecycle report templates. 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 **Progress Reports** by the dates listed in the Milestones table on page one.

The Quarterly Progress Reports must be submitted using the Quarterly Report template provided by CalRecycle (see Resource Documents section in the Summary tab of GMS). Reports must be complete and include all components therein. Each progress report shall include, but is not limited to:

- A review of activities implemented and a summary on the status of each, including any project adaptations.
- Collection data for all recyclables by material type (Beverage Containers, Used Oil, Waste Tires, and E-waste).
- A discussion of all unanticipated problems or concerns and corrective actions taken.
- An expenditure summary using the budget workbook provided by CalRecycle (see application documents).
- A description of any project or budget modifications approved during the quarter.

FINAL REPORT

This report covers grant activities **from July 1, 2016 through June 30, 2018**.

The Final Progress Report must be submitted using the Final Report template provided by CalRecycle (See Resource Documents section in the Summary tab of GMS).

Grantee acknowledges and agrees that CalRecycle shall not release the retention payment pursuant to this Agreement unless and until CalRecycle has received from the grantee a Final Report that complies with the template requirements, and with other applicable requirements in this Agreement.

GRANT PAYMENT INFORMATION

1. Payment to the grantee for eligible grant expenditures is made on a reimbursement basis only and for only those materials and services specified in the approved grant application with revisions.
2. Payments shall be made to Grantee not more frequently than once every thirty (30) calendar days unless otherwise authorized by the Grant Manager.
3. Payment requests that are incomplete, arrive with inadequate documentation, or which comprise multiple months may result in slower processing and delayed payments.
4. The grantee must submit the required Progress Report/Final Report, and the Grant Manager must approve the report prior to, or concurrent with, submission of the Grant Payment Request.
5. The grantee must submit a completed and signed original Grant Payment Request and provide supporting documentation as described in the "Payment Request and Documentation" section.
6. 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.
7. 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 Report, have been satisfied.

8. 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.
9. The grantee must provide a [Reliable Contractor Declaration \(CalRecycle 168\)](http://www.calrecycle.ca.gov/Funding/forms/) (<http://www.calrecycle.ca.gov/Funding/forms/>) 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 (Exhibit A). The declaration must be received and approved by the Grant Manager prior to commencement of work. See "Unreliable List" provision in Terms and Conditions (Exhibit A) for more information.
10. Government Code section 11019 authorizes CalRecycle to make advance payments to corps if it is determined that an advance is essential for the effective implementation of the program activities. CalRecycle may advance up to 25 percent of the total funds awarded in each material fund (used oil, waste tires, beverage containers, E-waste). As stated above, no advance may be made in this cycle to a corps until previous cycle advance balances are reconciled and the corps is in good fiscal standing with CalRecycle.

Advance payments require approval by the Department of Finance (DOF). All advance requests must be approved at DOF together as a package that is assembled by the Grant Managers.

When DOF approves the advance package, CalRecycle will send each grantee requesting an advance a letter that describes the approval and terms of advance repayment. This letter must be signed by the Signature Authority/designee and returned before an advance payment request may be processed. After DOF approves the advance requests, CalRecycle's Accounting Office processes the advance payment requests for payment by the State Controller's Office.

Advance payments must be fully accounted for by the end of the grant term. After disbursing an advance, CalRecycle will proportionately deduct the advanced amount from subsequent invoices until the entire advance is reconciled. A corps always has the option to repay the advance amount early.

PAYMENT REQUEST AND DOCUMENTATION

Supporting Documentation

1. 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. Send all correspondence to the addresses below.

Via standard mail:	Via courier/personal delivery:
CalRecycle Attn: (Grant Manager Name) Grant Unit 4, 13th Floor P.O. Box 4025 Sacramento, CA 95812-4025	CalRecycle Attn: (Grant Manager Name) 13th Floor, Mail Stop 13A 1001 I 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 \$1,000 that are clearly identifiable as to the date and payee (e.g., copies of cancelled checks, EFT confirmations, bank statements, and invoices or credit card statements that show a zero balance).
 - Three (3) quotes or bids for any purchase or contract over \$5,000. A sole source justification may be submitted when only one viable vendor is available; however, a request and justification must be submitted to the Grant Manager for approval before the costs are incurred.
 - Travel documentation including the CalRecycle travel form and copies of receipts for:
 - Lodging
 - Travel (i.e., Airline, bus, rail)
 - Car Rental
3. Excel budget workbook document that breaks out expenditures by funding sources.

The Payment Request Form (CalRecycle 87) can be downloaded from the [CalRecycle Grant Forms website](http://www.calrecycle.ca.gov/Funding/Forms) (<http://www.calrecycle.ca.gov/Funding/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.