

**EXHIBIT B  
PROCEDURES AND REQUIREMENTS**

**LOCAL CONSERVATION CORPS GRANT PROGRAM  
33<sup>rd</sup> Cycle – Fiscal Year 2018–19**

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

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## INTRODUCTION

The Department of Resources Recycling and Recovery (CalRecycle) administers the Local Conservation Corps Grant Program. 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

Date	Activity
July 1, 2018	Grant Term Begins
October 31, 2018	Progress Report Due
January 30, 2019	Progress Report Due
April 28, 2019	Progress Report Due
April 30, 2019	External Audit Report Due
July 31, 2019	Progress Report Due
October 30, 2019	Progress Report Due
January 30, 2020	Progress Report Due
April 30, 2020	External Audit Report Due
April 30, 2020	Progress Report Due
June 30, 2020	Final Report and final Payment Request Due
June 30, 2020	Grant Term Ends

## GRANTS 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** – requests reimbursement.
- **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) (or subcontractor) 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](http://www.calrecycle.ca.gov/Laws/Regulations/Title14/ch1.htm#ch1a5) (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) or subcontractor(s).

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.

## When to use the Reliable Contractor Declaration

This requirement applies to "subcontract[s] with any person or entity who would provide services for the main agreement" (California Code of Regulations, Title 14, Section 17052). CalRecycle interprets the "main agreement" to be collection and recycling activities and other activities directly related to the completion of eligible projects. Anyone providing services to the main agreement must provide the declaration.

Submit the form for contracts with Consultants or Contractors for recycling related-projects and services including hauling, collecting, recycling, sorting, facility improvements, etc.

Do not submit the form for:

- A vendor who provides goods only.
- Ongoing operational and administrative services – (i.e., utilities, mechanics, building maintenance, temp help, etc.)
- Travel services (i.e., car rental companies).

### **GRANT TERM, GRANT PERFORMANCE PERIOD, AND REPORT PREPARATION PERIOD**

The Grant Term begins July 1, 2018 and ends on June 30, 2020. Eligible program costs must be incurred after the July 1, 2018 and before June 30, 2020.

The Final Report and final Payment Request are due on or before June 30, 2020.

### **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, 2018, and on or before June 30, 2020. 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 changes to the Grant Project Summary must be pre-approved by the Grant Manager. Any revision(s) to the Budget must be made according to the following guidelines:

1. Budget adjustments are allowed without Grant Manager approval for movement of funds between approved line items within a budget category, or between budget categories, unless such movement changes an objective in the Grant Project Summary (see Item 2 below). All movement of funds must be tracked in the budget workbook. Clear and specific justification for all movement of funds must be entered in the Budget Workbook.
2. Grant Manager pre-approval for a Budget Modification, or a capital expense must be obtained;
  - **Before** any movement of funds that result in a change in the Grant Project Summary objectives or key activities.
  - **Before** any capital expense (i.e., equipment or vehicles, purchase of real estate is not allowed) or capital improvement of \$5,000 or greater.
  - **Before** adding a budget line item.
  - **Before** removing a line item or any portion of a line item that will change the Grant Project Summary objectives or key activities. (For example, removing

the amount needed to buy one of two vehicles listed in your Grant Project Summary).

Caps on Indirect and Personnel benefits remain the same at 35% of the approved budget. Movement of funds between material fund awards is not allowable. Material fund allocation totals may not be changed.

Budget Workbooks and Grant Manager 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, 2018 and ends June 30, 2020.
- Personnel-staff salaries, corpsmember wages and stipends, and taxes and benefits for grant-related work (Benefits may not exceed 35 percent of wages and salaries. Calculation of benefits under this grant agreement does 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). Indirect cost methodology must be documented using an approved Federal Indirect Cost Rate or an Indirect Cost Plan Methodology (provided with application submittal) that adheres 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](https://obamawhitehouse.archives.gov/sites/default/files/omb/assets/omb/circulars/a122/a122_2004.pdf) Attachment B, paragraph 11, letters a-h ([https://obamawhitehouse.archives.gov/sites/default/files/omb/assets/omb/circulars/a122/a122\\_2004.pdf](https://obamawhitehouse.archives.gov/sites/default/files/omb/assets/omb/circulars/a122/a122_2004.pdf)), not to exceed six and two-thirds percent of acquisition cost.
- 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.

Personnel expenditures must be computed on the actual time spent on grant-related activities by material fund. 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.

### **Examples of Activities Eligible for Reimbursement**

#### **E-waste**

- Collection, sorting, storing, clean-up, and transfer of E-waste
- E-waste recycling (if permitted)
- Communication and coordination with partners, local or state government or businesses regarding E-waste events and services
- Organization, facilitation, and management of collection events
- Outreach and education to the public about E-waste, events, etc.
- Internships with E-waste businesses

#### **Waste Tire**

- Collection, clean-up, hauling, and disposal of waste tires
- Communication and coordination with local and state government agencies related to remediation of waste tires at amnesty events and on public lands
- Outreach and education to the public about waste tire issues and collection events
- Internships with tire recycling businesses

#### **Used Oil**

- Certified Collection Center (CCC) signage reviews
- Establishment and operation of a CCC
- Labor for filter exchange events, filter crushing and draining
- Purchase and distribution of Do-It-Yourself used oil kits, bilge pads, or other used oil remediation and management materials as approved by CalRecycle
- Outreach and education to the public about used oil (storm drain stenciling, dockwalking, and distribution of Do-It-Yourself kits)
- Communication and coordination with state and local government and businesses related to used oil events and services
- Internships with used oil recycling businesses

#### **Beverage Container**

- Collection, clean-up, sorting, storage, and transfer of beverage containers
- Communication and coordination with local and state government agencies, businesses, schools, multi-family complexes, and large venues to implement recycling programs and services
- Operation of a recycling center
- Outreach and education to the public about beverage container recycling at events
- Internships with beverage container recycling businesses

### **INELIGIBLE COSTS**

Any costs not specifically included in the approved Budget and not directly related to the Local Conservation Corps 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, 2018 or after June 30, 2020.
- 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 or included in the Budget.
- Out of country travel.
- Costs that are unrelated to the purpose of the grant.
- Penalty charges (late fees, parking and traffic tickets).
- Fundraising in any form.
- Purchase of goods or services of \$5,000 or higher for which three competitive bids were required but not obtained, nor for which written, pre-approval of a sole source contract was required but not obtained from the Grant Manager (See Terms and Conditions, Provision 27).
- Capital Expenses of \$5,000 or greater which are incurred before approval is given in writing by the Grant Manager.
- Any pre-paid expenditures for future goods or services delivered after the end of the Grant Term. (Exception: the Grant Manager may consider approving reimbursement of products purchased in full before the end of the Grant Term but delivered after the Grant Term if the delay is caused solely by the supplier and through no fault of the grantee. The grantee must request an exemption in writing and receive written approval from the Grant Manager.)
- Any other costs not deemed reasonable by the Grant Manager.

### **Ineligible Costs Associated with Prohibited Material-Specific Activities**

#### All Materials

- Any activity deemed in violation of the statutes and regulations for collecting, handling or recycling E-waste, Used Oil, Waste Tires, or Beverage Containers

#### Waste Tires

- Collection of waste tires from commercial enterprises, waste tire generators
- Collecting tipping fees for collection of waste tires
- Collection of waste tires from private property without written permission from CalRecycle

### **MODIFICATIONS**

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

### **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, and include the CalRecycle logo. Logo graphics are available on the [CalRecycle website](#). No other acknowledgement of CalRecycle support is required on publications.

## REPORTING REQUIREMENTS

A Progress Report and a Final Report are required by this Agreement; however, the Grant Manager may request a Progress Report at any time during the Grant Term. Failure to submit the Final Report with appropriate documentation by the due date 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.

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**.
  - Select the **Back** button to upload another document and continue the process until all required documents as listed below are uploaded.
  - The maximum allowable file size for each document is 35MB.
5. Click the **Submit Report** button to complete your report submittal. The **Submit Report** button will not be enabled until all required reporting documents are uploaded.

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 upload and submit Quarterly **Progress Reports** to GMS by the dates listed in the Milestones table on page one.

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

## FINAL REPORT

This report covers grant activities **from July 1, 2018 through June 30, 2020**. If the project is complete prior to June 30, 2020, the Final Report may be submitted covering grant activities up to submittal.

The Final 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 requirement 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. Payments shall be made to the 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 reimbursement.
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 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 "Reliable Contractor Declaration" 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 "Reliable Contractor Declaration" 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). No advance may be made in this cycle to a corps until previous cycle advance balances are reconciled, all debts to CalRecycle are repaid, 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 by DOF as a package.

When DOF approves the advance package, CalRecycle will send each participating grantee an Advance Acknowledgement 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.

CalRecycle's Accounting Office will schedule the advance payment requests for

payment by the State Controller's Office only after DOF approves the advance request package, the grantee's signed acknowledgement letter is received, and the Payment Request Form 87 with original signature is received and approved by the Grant Manager.

Advance payments must be fully reconciled 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. Early repayment of the advance is allowable.

## **PAYMENT REQUEST AND DOCUMENTATION**

Failure to submit the final Payment Request with appropriate documentation by the due date 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.

### **Supporting Documentation**

- A. A scanned copy of the **Grant Payment Request form** (CalRecycle 87) with the signature of the signatory or his/her designee, as authorized by grantee's Resolution or Letter of Commitment, must be uploaded to GMS.

Note: 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. Cost and Payment Documentation**

Acceptable cost and payment documentation must include at least one of each of the following.

- a) Invoices, receipts, or purchase orders must include the vendor's name and telephone number, address, description of goods or services purchased, amount due, and date
- b) Proof of payment is required for all expenses of \$1,000 and higher. Proof of payment may include one or more of the following:
  - i. copy of cancelled check(s) that shows an endorsement from the banking institution
  - ii. invoice(s) showing a zero balance accounting system report from local government if it contains the vendor name, date of invoice, invoice number, check number or internal ID, and date amount was paid
  - iii. bank statement(s) indicating payment along with a copy of the endorsed check or invoice showing the check number
  - iv. copy of an electronic funds transfer confirmation
  - v. copy of a credit card statement(s)
- c) Three (3) quotes or bids for any purchase or contract over \$5,000. A sole source request may be considered when a justification describing the circumstances that substantiate the need is submitted. The written request and justification must be submitted to the Grant Manager for approval before the costs are incurred or the cost will be deemed an ineligible expense. Further clarification of when to obtain bids is provided below.
  - i. Bids must be obtained for purchases \$5,000 and higher when:
    - o Making a single purchase from any vendor for products or services where the charge to the grant funds is \$5,000 or higher.

- There are multiple bona fide vendors for the service/product to be purchased.
- At the beginning of a contract cycle when the cost of the contract is \$5,000 or higher. After a contract bid is accepted according to the requirements of the Grant Agreement, it need not be rebid until the end of the contract term is reached.
- ii. Bids need not be obtained when:
  1. A vendor provides a bid for services that is less than \$5,000 but the actual cost of the job exceeds \$5,000 due to unexpected conditions that require additional labor or materials.
  2. A sole source justification is approved.
- d) Travel documentation including the CalRecycle Travel Expense Log Form (CalRecycle 246) and copies of receipts for:
  - Lodging
  - Travel (i.e., airline, bus, rail)
  - Car Rental
- e) Excel budget workbook document that breaks out expenditures by funding sources. The Budget workbook amounts must match GMS.

All forms listed above 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 that may arise as a result of any litigation, dispute, or audit, whichever is later.

Examples of audit documentation include, but are not limited to, competitive bids, grant amendments if any relating to the budget or work plan, copies of any agreements with contractors or subcontractors if utilized, 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.

## **External Auditor Contracts**

Grantee must change auditors within an auditing firm with multiple partners, or change auditing firms in the case of a sole proprietorship, every six years at minimum. The certified public accountants or public accountants shall be in good standing as certified by the California Board of Accountancy. In accordance with the “Standards and Procedures for Audits of Local Conservation Corps Grants Receiving Grant Funds from the California Department of Resources Recycling and Recovery”, the audit report shall be reviewed and approved by the Corps’ Board before it is submitted to CalRecycle.

CalRecycle may waive this requirement if staff finds that no otherwise eligible auditor is available to perform the audit. To seek a waiver from this requirement, a Corps must submit a request in writing to the Grant Manager that provides complete details and evidence in support of the request.

**CORRESPONDENCE**

Send all correspondence to the appropriate addresses below based on the mode of transmittal.

Via standard US 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

***Important:*** Correspondence sent to the wrong address will not be received in a timely manner.