



DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

801 K STREET, MS 19-01, SACRAMENTO, CALIFORNIA 95814 • (916) 322-4027 • WWW.CALRECYCLE.CA.GOV

July 7, 2011

RE: Use of Grant/Program Funds for Purchase of Promotional Items

Dear Grantee:

As the primary contact for one or more open grants/direct payment programs ("grant") with the Department of Resources Recycling and Recovery (CalRecycle), we are sending you this letter as guidance regarding restrictions on the use of state funds for the purchase and distribution of certain previously authorized giveaway items. Please include this letter and the attached Question and Answer sheet in your grant file for easy reference.

On February 18, 2011, Governor Jerry Brown's Office instructed all state agencies to "...immediately review the use of all promotional items and disallow further purchases of such items..." In recognition that some items have a functional purpose associated with an environmental or public health and safety benefit, CalRecycle requested and received an exemption from this directive for certain items. The following describes giveaway items that are now ineligible and also types of functional items that remain eligible for state funding under CalRecycle's grants.

Ineligible Expenses - Promotional Giveaway Items

As of April 11, 2011, the purchase of promotional giveaway items are no longer an eligible expenditure and distribution of these items is prohibited; expenditures made prior to April 11, 2011 are eligible pursuant to the terms of the grant agreement. Ineligible giveaway items *include but are not limited to* key chains, letter openers, squeeze toys, coffee mugs, water bottles, Frisbees, hats, t-shirts, chip clips, pens, pencils, Beanie Babies, screwdrivers, coloring books, calendars, pencil holders, magnets, dried sponges, flash drives, reusable bags, etc. If you have any questions regarding these or other items, please contact your CalRecycle grant manager/program advisor.

Eligible Expenses – Functional Items

Program items that have a functional purpose associated with an environmental or public health and safety benefit remain eligible expenditures. Examples *include but are not limited to* marine absorbent bilge pads, oil drain containers, oil funnels, oil shop rags, new oil filters for exchanges, cardboard creepers, dirty filter carrying containers, maps of collection centers, tide charts, beverage container collection equipment and materials (for applicable beverage container recycling grants), tire gauges (for applicable tire grants), etc. If you have any questions regarding these or other items, please contact your CalRecycle grant manager/program advisor. Note: expenditures for functional items must be in compliance with the terms of the grant agreement.

Publicity and advertising such as newspaper ads, brochures, fliers, and utility inserts remain eligible activities.



This guidance is issued in order to comply with the Governor's directive and we recognize that it may present an inconvenience in implementing your grant project. You may contact your CalRecycle grant manager/program advisor or the grant program manager to explore other options for expending your grant funds. We appreciate your commitment to implementing programs that promote recycling, cleanup and enforcement programs, and the proper management of special waste streams, as well as your understanding in this matter.

Sincerely,



Shirley Willd-Wagner
Chief, Financial Resources Management Branch

Attachment