

**EXHIBIT B
PROCEDURES AND REQUIREMENTS**

**LOCAL CONSERVATION CORPS GRANT PROGRAM
34th Cycle – Fiscal Year 2019–20**

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

Table 1. Milestones

Date	Activity
July 1, 2019	Grant Term Begins – no expenses may be incurred before this date.
October 31, 2019	Progress Report Due
January 31, 2020	Progress Report Due
April 30, 2020	Progress Report Due
April 30, 2020	External Audit Report Due
July 31, 2020	Progress Report Due
October 30, 2020	Progress Report Due
January 29, 2021	Progress Report Due
April 30, 2021	External Audit Report Due
April 30, 2021	Progress Report Due
May 30, 2021	Draft Final Report Due
June 30, 2021	Final Report
June 30, 2021	Grant Term Ends – no expenses may be incurred after this date.
August 30, 2021	Last date to submit a Final Invoice.

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 (completed by Grant Managers).
- **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, and the [online instructional videos](https://www.calrecycle.ca.gov/Funding/GMS/) (https://www.calrecycle.ca.gov/Funding/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 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](https://www.calrecycle.ca.gov/Funding/Forms) 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](https://www.calrecycle.ca.gov/Funding/Forms) (https://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 (CalRecycle 168).

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, temporary help, etc.)
- Travel services (i.e., car rental companies).

GRANT TERM

The Grant Term begins July 1, 2019 and ends on June 30, 2021. Eligible program costs must be incurred after the July 1, 2019 and before June 30, 2021.

The Final Report is due on or before June 30, 2021.

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, 2019, and on or before June 30, 2021. Invoices for goods and services must be paid by the grantee prior to a request for reimbursement.

The Grant Manager may approve an extension on the final Payment Request due date to allow for delivery of 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.

Budget Workbooks and Grant Manager approval documents/emails are to be retained by the grantee for audit purposes. See Audit Record/Access section of the Terms and Conditions (Exhibit A).

All eligible costs must support achievement of the Grant Project Summary Objectives and Key Activities and be included in the approved Budget Workbook.

Eligible costs include, but are not limited to:

- Costs incurred during the Grant Term that starts July 1, 2019 and ends June 30, 2021.
- Personnel salaries, corpsmember wages and stipends, and taxes and benefits

(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.
- Program related operating expenses (facility improvement, 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 either an approved and current Federal Indirect Cost Rate or an Indirect Cost Allocation Plan (CAP) methodology (see Applicant's Documents on page 9) that adheres to Generally Accepted Accounting Principles (GAAP).
- 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) (https://obamawhitehouse.archives.gov/sites/default/files/omb/assets/omb/circulars/a122/a122_2004.pdf) - Attachment B, paragraph 11, letters a-h, 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 and [CalHR](http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx) for current reimbursement rates (<http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>).
- Consultants - Consulting contracts of \$5,000 or more charged to the grant require solicitation of a minimum of three quotes/bids or a sole source justification approved by a Grant Manager prior to execution of a contract. The grantee shall provide a copy of all consultant contracts to the Grant Manager for review and approval.
- Costs associated with the following activities:

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 businesses
- Fee-based, non-commercial waste tire cleanup projects approved by CalRecycle

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, dock walking, 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

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 are to 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 are to be maintained and available for audits.

INELIGIBLE COSTS

Ineligible costs include, but are not limited to:

- Costs incurred prior to July 1, 2019 or after June 30, 2021.
- Costs which are inconsistent with local, state, and federal statutes, ordinances, or regulations.
- All food or beverages purchased for meetings, workshops, or celebrations.
- Out-of-state travel unless included in the approved project budget, or pre-approved in writing by the Grant Manager.
- Costs that do not support the activities in the Grant Project Summary or are unrelated to the purpose of the grant.
- Penalty charges (late fees and related interest, parking or traffic tickets).
- Fundraising (grant writing fees, cost of events, donor events or software, etc.).
- Costs not deemed reasonable or within the scope of the Grant Agreement by the Grant Manager.
- Costs incurred that required a Grant Project Summary and related budget

modification that was not pre-approved by the Grant Manager as detailed in the Procedures and Requirements.

- Pre-paid expenditures for future goods or services delivered after the end of the Grant Term. (Exception: the Grant Manager may consider approving 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.)
- Costs of \$5,000 or more charged to the grant for which neither three bids/quotes or sole source approval by the Grant Manager was obtained.

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 or 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 approved Budget which results in a change requiring the elimination or addition of line items and/or objectives and key activities must be submitted in writing and approved in writing by the Grant Manager prior to incurring the proposed expenditure. Proposed revisions must be clearly marked on the Grant Project Summary and detailed in the Budget. Once approved, the Grant Manager will upload the revised Grant Project Summary and/or Budget to GMS, Documents tab. The approval document(s) are to be retained by the grantee for audit purposes. See Audit Record/Access section of the Terms and Conditions (Exhibit A).

Revisions to the Budget must be made according to the following guidelines and final approval is at the discretion of the Grant Manager:

1. Budget adjustments are allowed without Grant Manager pre-approval if the movement does not require a change to the Grant Project Summary Objectives or Key Activities. The budget adjustment and justification for all budget line item transfers must be detailed in the budget adjustment tab in the budget workbook. When in doubt about any movement of funds, consult with the Grant Manager before incurring an expense.
2. Grant Manager pre-approval for a Budget Modification is required when:
 - There is a cost associated with a major change to the Objectives or to Key Activities in the approved Grant Project Summary.
 - Adding or removing a line item to the approved budget workbook.
 - Adding any capitol expense or improvement of >\$5,000.

Budget modifications, budget line item additions or deletions must be detailed in the budget modification tab in the budget workbook. Caps on Indirect and Personnel benefits are 20% for Indirect Costs and 35% of the approved personnel budget

excluding Workers Compensation Insurance. Movement of funds between material fund awards is not allowable. Material fund allocation totals may not be changed.

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](#).

REPORTING REQUIREMENTS

Quarterly Progress Reports 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 reports with appropriate documentation by the due date may result in rejection of Payment Requests and/or forfeiture by the grantee of claims for costs incurred that might otherwise have been eligible for reimbursement.

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.

Reports must be submitted using the CalRecycle report templates and must be approved by the Grant Manager before Payment Requests can be processed. Failure to comply with reporting requirements may be considered a breach of this Agreement and result in the termination of the Agreement or rejection of Payment Requests and/or forfeiture by the grantee of claims for costs incurred that might otherwise have been eligible for reimbursement. Any problems or delays must be reported immediately to the Grant Manager.

PROGRESS REPORT

The grantee must upload and submit Quarterly **Progress Reports** to the Reports tab in GMS by the dates listed in Table 1 (Milestones).

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). The Grant Project Summary and Certified Collection Center spreadsheet must be uploaded along with the Quarterly Progress Report.

FINAL REPORT

The grantee must upload and submit the **Draft Final Report** and **Final Report** to the Reports tab in GMS by the dates listed in Table 1 (Milestones) This report covers grant activities **from July 1, 2019 through June 30, 2021**. If grant funds are fully expended prior to June 30, 2021, the Final Report should be submitted within 30 days and describe the entire grant period from July 1, 2019 to date of completion. The Final Report template provided by CalRecycle must be used (See Resource Documents section in the Summary tab of GMS).

CalRecycle shall not release the withhold payment pursuant to this Agreement unless and until CalRecycle has received from the grantee a Final Report that complies with all requirements and is approved by the Grant Manager.

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. The final payment request must be submitted not later than 60 days after the end of the Grant Term.
4. Payment requests that are incomplete, arrive with inadequate documentation, or which comprise multiple months may result in slower processing and delayed reimbursement.
5. The grantee must submit required Progress Report/Final Reports and the Grant Manager must approve the report prior to, or concurrent with, submission of the Grant Payment Request.
6. The grantee must submit a completed Grant Payment Request and provide supporting documentation as described in the "Payment Request and Documentation" section.
7. Grant payments are made to the grantee only. It is the grantee's responsibility to pay all contractors and subcontractors for purchased goods and services.
8. 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.
9. 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.
10. 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 by the Grant Manager. See "Reliable Contractor Declaration" provision in Terms and Conditions (Exhibit A) for more information.
11. 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 will be processed in this cycle until

previous cycle advance balances are reconciled, all debts to CalRecycle are repaid, and the corps is in good fiscal standing with CalRecycle.

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 reimbursement.

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, or stamped "paid" with a check number, date paid, and initials
 - iii. 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
 - iv. bank statement(s) along with a copy of the endorsed check or invoice showing the check number
 - v. copy of an electronic funds transfer confirmation
 - vi. 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.
 - o There are multiple bona fide vendors for the service/product to be purchased.
 - o At the beginning of a contract cycle when the cost of the contract charged to the grant 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>).

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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, 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.