

Exhibit A

Terms and Conditions

Local Conservation Corps Grant Program

35th Cycle – Fiscal Year 2020–21

General Provisions

1. Grant Authority and Term:

- A. This Grant Agreement (hereinafter "Agreement") is between the Department of Resources Recycling and Recovery, (hereinafter "CalRecycle"), and the grantee. Hereinafter, CalRecycle and the grantee collectively shall be referred to as "the Parties."
- B. The Parties mutually agree and understand that this Agreement is a legally binding document, inuring to the benefit of the public, which is authorized pursuant to Public Resources Code (PRC) section 14581.1.
- C. The signatories for this Agreement hereby certify that they are authorized to act on behalf of the Parties in approving this Agreement. If the grantee is a non-profit entity, the signatory for the grantee further certifies that the Board of Directors for the grantee has endorsed the grantee's receipt of grant funds pursuant to this Agreement and performance of activities and expenditure of funds in a manner consistent with the Grant Procedures and Requirements (Exhibit B) and Application with revisions, if any, and any amendments (Exhibit C).

- 2. Eligibility:** The grantee must be certified by the California Conservation Corps (CCC) as eligible to receive CalRecycle funds. Grantee must have been certified in the most recent annual certification in order to continue to receive funds during the current cycle. Failure to meet the certification requirements at any point during the grant term may jeopardize continued grant funding and may require a modification of the grant award.

- 3. Grant Manager:** The Grant Manager is CalRecycle's representative for this Agreement. The Grant Manager's responsibilities include monitoring grant progress, and reviewing and approving Grant Payment Requests and other documents delivered to CalRecycle pursuant to this Agreement. The Grant Manager does not have the authority to control or direct specifically how the grantee carries out activities authorized and funded pursuant to this Agreement, but may monitor grantee performance to ensure that the grantee expends grant funds appropriately and in a manner consistent with the terms and conditions contained herein. All official communication from the grantee to CalRecycle shall be sent to the Grant Manager unless directed otherwise.

- 4. Scope of Agreement:** The terms and conditions of this Agreement constitute and contain the entire Agreement and understanding between the Parties, and may not be contradicted by evidence of any prior or contemporaneous oral agreement. The Application Guidelines and Instructions and any applicable amendments thereto as well as the grantee's application for the current grant year are incorporated herein by reference. To the extent that any conflicts or inconsistencies exist between the terms and conditions of this

Agreement, including the attached exhibits, the Application Guidelines and Instructions, or the grantee's application, the terms and conditions of this Agreement shall prevail and be controlling.

- 5. Modifications-Changes:** CalRecycle may extend or otherwise amend the terms of this Agreement by formal amendment. Minor changes to the Agreement, including minor revisions to the, Budget Workbook and Grant Project Summary may not require a formal amendment of the Agreement; however, the grantee shall obtain written approval from the Grant Manager before making such changes subject to guidelines provided in the Procedures and Requirements. In emergency situations, the grantee can incur costs that require movement of funds that would otherwise require written approval if prior approval was not possible due to unforeseen circumstances (such as a vehicle repair) and if the line item is included in the budget.
- 6. Reliable Contractor Declaration:** Prior to authorizing a contractor or subcontractor to commence work under this Grant, when required in Exhibit B, the grantee shall submit to CalRecycle a Reliable Contractor Declaration (CalRecycle 168) from the contractor or subcontractor, signed under penalty of perjury, disclosing whether or any of the events listed in [Section 17050 of Title 14, California Code of Regulations, Natural Resources, Division 7](https://www.calrecycle.ca.gov/Laws/Regulations/Title14/) (<https://www.calrecycle.ca.gov/Laws/Regulations/Title14/>), has occurred with respect to the contractor or subcontractor within the preceding three (3) years. If a contractor is placed on CalRecycle's Unreliable List after award of this Grant, the grantee may be required to terminate that contract.
- 7. Subcontractors:**

 - A. The grantee shall be entitled to make use of its own staff and such subcontractor(s) as are mutually acceptable to the grantee and CalRecycle subject to the completion of the [Reliable Contractor Declaration \(CalRecycle Form 168\)](http://www.calrecycle.ca.gov/Funding/forms/) (<http://www.calrecycle.ca.gov/Funding/forms/>). All subcontractor(s) specifically identified in the application are considered to be acceptable to CalRecycle. Any change in subcontractor(s), or change as to how the grantee intends to use the services of a subcontractor, shall require a formal amendment of this Agreement.
 - B. It is understood and agreed by the Parties that the grantee and each subcontractor shall comprise the "grantee team." The grantee shall manage the performance of the project and shall manage the performance of the grantee team.
 - C. In carrying out activities funded under this Agreement, the grantee, its subcontractors and its employees shall exercise the degree of skill and care required by customarily accepted good professional practices and procedures. Any costs incurred due to failure to meet the foregoing standards, or due to otherwise defective services that cause redundancy, shall be borne by the grantee and not CalRecycle. Subcontractors are expected to follow the same documentation and invoicing requirements as the grantee with respect to bids and proof of purchase, etc. Grant managers may request these subcontractor documents. Failure of the grantee to ensure subcontractors follow proper documentation can result in non-payment of subcontractor expenditures.
- 8. Ownership of Property and Equipment:** The Parties agree that CalRecycle shall hold and retain throughout the term of this Agreement rights to and interest in personal property, including equipment, purchased with funds provided through this Agreement. In the event this Agreement is terminated before full performance and completion of all activities and work authorized and funded herein, the grantee shall, within thirty (30) days of Grantee's

receipt of a written demand from CalRecycle, surrender possession of and any rights to all such property specified in CalRecycle's written demand.

- A. All real and personal property, including equipment and supplies, acquired with grant funds shall be used by the grantee only for the purposes for which CalRecycle approved their acquisition for so long as such property is needed for such purposes, regardless of whether the grantee continues to receive grant funds from CalRecycle for such purposes. In no event shall the length of time during which such property, including equipment and supplies, acquired with grant funds, is used for the purpose for which CalRecycle approved its acquisition be less than five (5) years after the end of the grant term, during which time the property, including equipment and supplies must remain in the State of California.
- B. Subject to the obligations and conditions set forth in this section, title to all real and personal property acquired with grant funds, including all equipment, shall vest upon acquisition in the grantee. The grantee shall execute all documents required to provide CalRecycle with a purchase money security interest in any real or personal property, including equipment, and it shall be a condition of receiving this grant that CalRecycle shall be in first priority position with respect to the purchase money security interest on any such property acquired with the grant funds, unless pre-approved in writing by the Grant Manager that CalRecycle will accept a lower priority position with respect to the purchase money security interest on the property. Grantee shall inform any lender(s) from whom it is acquiring additional funding to complete the property purchase of this grant condition.
- C. The grantee may not transfer Title to any real or personal property, including equipment and supplies, acquired with grant funds to any other entity without the express authorization of CalRecycle.
Vehicle upgrades or trade-ins will be evaluated on a case by case basis. The grantee will need to provide CalRecycle with a justification for the upgrade required. Approved upgrades or trade-ins will not constitute a sale of their vehicle.
- D. CalRecycle will not reimburse the grantee for the acquisition of equipment that was previously purchased with CalRecycle grant funds, unless the acquisition of such equipment with grant funds is pre-approved in writing by the Grant Manager. In the event of a question concerning the eligibility of equipment for grant funding, the burden will be on the grantee to establish the pedigree of the equipment.

9. Stop Work Notice: Immediately upon receiving a written notice from CalRecycle to stop work, the grantee shall cease all work under this Agreement.

10. Discretionary Termination: Either party shall have the right to terminate this Agreement at any time upon thirty (30) days written notice to the other. In the case of such "early" or "discretionary" termination, defined as termination occurring before full performance of all objectives and activities described in the Application with revisions, if any, and any amendments (Exhibit C) and authorized for funding herein, a final payment will be made to the grantee, if due, upon receipt of a final payment request covering costs incurred to termination, and a final report describing all work performed by the grantee to date of termination. Upon discretionary termination of this Agreement and upon receipt of a written demand from CalRecycle, Grantee also shall relinquish to CalRecycle possession and control of any property purchased pursuant to this Agreement.

11. Disputes: In the event of a dispute regarding performance under this Agreement or interpretation of requirements contained therein, the grantee may, in addition to any other remedies that may be available, provide written notice of the particulars of such dispute to the Branch Chief of Financial Resources Management Branch, Department of Resources Recycling and Recovery, PO Box 4025, Sacramento, CA 95812-4025. Such written notice must contain the grant number.

12. Publicity and Acknowledgment:

- A. Grantees are no longer required to acknowledge CalRecycle's support whenever activities or projects funded, in whole or in part, by this Agreement are publicized in any news media, brochures, articles, seminars or other type of promotional material with the exception noted below:
- Publications designed for distribution to the public that are paid for with Used Oil funds must include the Used Oil Logo and the CalRecycle logo.
- B. The grantee shall place the following notice, preceding the text, on draft reports, on the End of Cycle Final Report, and on any other report or publication resulting from work performed under this Agreement.

Disclaimer

"The statements and conclusions of this report are those of the grantee and/or Subcontractor and not necessarily those of CalRecycle, or its employees. CalRecycle makes no warranties, express or implied, and assumes no liability for the information contained in the succeeding text."

- C. The grantee shall provide CalRecycle with an opportunity to review materials or other publications funded in whole or in part pursuant to this Agreement before they are published.

13. Copies of Data, Plans and Specifications: The grantee shall, at the request of CalRecycle or as specifically directed in Procedures and Requirements (Exhibit B) herein, provide CalRecycle with copies of any data, design plans, specifications, photographs, negatives, audio and video productions, films, recordings, reports, findings, recommendations and memoranda of every description or any part thereof, prepared under this Agreement.

The State of California shall have the right to copy and distribute said copies in any manner when and where it may determine without any claim on the part of the grantee, its vendors or subcontractors to any additional compensation.

To the extent that they are not otherwise exempt (e.g., proprietary data), all grantee reports and other documentation are subject to disclosure pursuant to the California Public Records Act (Government Code Sections 6230, et seq.)

14. Site Visits: CalRecycle may conduct periodic site visits, at its own expense, to monitor progress during the grant term. Also, interim oral or written progress reports may be required to supplement the more formal progress reports.

15. Governing Law/Locus: This Agreement is governed by, and shall be interpreted in accordance with, the laws of the State of California. For the purpose of any litigation

related to and/or challenging any aspect of this Agreement or performance thereunder, the locus is Sacramento, California.

16. Insurance: The grantee shall obtain and keep in force for the term of this Agreement, and require its subcontractors to obtain and keep in force, the following insurance policies which cover any acts or omissions of the grantee, or its employees engaged in the provision of services or performance of activities funded pursuant to and specified in this Agreement:

- A. Worker's Compensation Insurance in accordance with the statutory requirement of the State of California.
- B. Commercial general liability insurance in the amount of \$1,000,000 per occurrence and aggregate for bodily injury and property damage.
- C. Automobile liability in the amount of \$1,000,000 for each accident for owned or non-owned or hired vehicles, whichever is applicable.

The grantee shall name the State of California, its officers, agents, employees and servants as additional insured parties for all insurance required and is responsible for guaranteeing that a copy of each Certificate of Insurance is submitted to CalRecycle within thirty (30) days of the execution of the grant.

The certificate of insurance shall state a limit of liability of not less than \$1,000,000 per occurrence for bodily injury and property damage combined.

Self-insured entities must provide a copy of a Certificate of Consent to Self-Insure issued by the California Department of Industrial Relations.

The grantee shall notify CalRecycle prior to any insurance policy cancellation or substantial change of policy and shall, in the event of a substantial change, provide a copy of the new insurance certificate to the Grant Manager.

17. Liability Indemnification and Waiver:

- A. Grantee agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the grantee or its contractors, subcontractors, laborers, suppliers or employees in the performance of this Agreement.
- B. Grantee waives any and all rights to any type of express or implied indemnity or right of contribution from the State, officers, agents or employees, for any liability arising from, growing out of, or in any way connected with this Agreement.

18. Assignment: The grantee's interest in and responsibilities under this Agreement shall not be assignable by the grantee either in whole or in part without the written consent of CalRecycle.

19. Grantee Independence/Not an Agent of the State: In the performance of this Agreement, the grantee, and the agents and employees of the grantee, shall act in an independent capacity and not as officers or employees or agents of CalRecycle.

20. Severability/Unenforceable Provision: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, it shall be severable from the remainder of the Agreement. The Parties agree that all other provisions of this Agreement shall have force and effect and not be affected thereby.

21. Timeliness: Time is of the essence in the performance of this Agreement. The grantee is required to begin implementation of this Agreement as soon as possible following its execution and shall abide by the Grant Project Summary, all parts of the Application with revisions, if any, and any amendments (Exhibit C).

22. Discharge of Grant Obligations: The grantee's obligations under this Agreement shall be deemed discharged only upon acceptance of the End of Cycle Final Report by CalRecycle. If the grantee is a non-profit entity, the grantee's Board of Directors shall accept and certify as accurate the End of Cycle Final Report prior to its submission to CalRecycle.

23. Certification Clause: The grantee hereby certifies its compliance throughout the grant term with all applicable requirements contained in the grantee Certification of Compliance section of this Agreement.

24. Breach of Conditions/Remedy for Default:

- A. In the event of Grantee's breach of any conditions or terms of this Agreement, CalRecycle will give written notice to the grantee, describing the breach. Notice shall be deemed given when deposited in the U.S. Post Office, postage prepaid, addressed to Grantee, or by personal delivery to Grantee's place of business. If Grantee does not, within thirty (30) days after the notice is given, (1) cure the breach described in CalRecycle's notice or (2) if the breach is not curable within thirty (30) days, commence to cure the breach, Grantee shall be in default under this Agreement.
- B. In the event of a default under this Agreement, CalRecycle shall be entitled to all remedies available at law including, but not limited to, termination of the Agreement, withholding of amounts billed and/or recovery of funds disbursed and equipment purchased pursuant to the Agreement. Grantee may appeal such action by filing a dispute pursuant to Clause #10 above.

25. Grantee's Corporate and Charitable Status: The grantee shall at all times during the Grant Term be recognized by the California Secretary of State as an "Active" business entity. The grantee shall at all times during the Grant Term be recognized by the California Franchise Tax Board as an "Exempt Organization." The grantee shall at all times during the Grant Term be recognized by Internal Revenue Service as an exempt organization under Internal Revenue Code section 501(c)(3). Any suspensions, revocations, cancellations, or other failures to maintain these statuses shall be a breach of this Agreement and shall provide CalRecycle with the absolute right to terminate this agreement. This termination shall be effective immediately upon notice and is not subject to any restriction, waiting period, opportunity to cure, or condition imposed in Clause 23.A. of this Exhibit or elsewhere in this Agreement. This provision shall not apply to grantees that are agencies operated by a city, county, or city and county.

Expenditure, Payment and Recordkeeping Provisions

26. Allowable Costs and Documentation: To be allowable under this Agreement, costs must meet the following criteria:

- A. Be necessary and reasonable for the performance of the Agreement.
- B. Be determined in accordance with generally accepted accounting principles.
- C. Not be included as a cost or used to meet cost sharing or matching requirements of any other CalRecycle funded program in either the current or prior period.
- D. Be adequately documented by material fund.
- E. Indirect costs may not exceed 20 percent of the total award amount allocated according to an approved Federal Indirect Cost Rate (FICR) or an Indirect Cost Allocation Plan methodology.
- F. Fringe benefits (excluding Workers' Compensation Insurance) may not exceed 35 percent of wages/salaries.

27. Reasonable Costs: A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. Consideration will be given to:

- A. Whether the cost is of a type generally recognized as ordinary and necessary for the performance of the grant.
- B. The restraints or requirements imposed by such factors as generally accepted sound business practices, arms-length bargaining, federal and state laws and regulations and the terms and conditions of the grant.
- C. Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its members, employees, clients, and the public at large.
- D. Significant deviations from the established practices of the organization which may unjustifiably increase the grant costs.

28. Competitive Bid Requirements: Grantee shall secure at least three competitive bids or price quotes for goods (including equipment) or services authorized in the Application with revisions, if any, and any amendments (Exhibit C), where the amount charged to the grant is \$5,000 or more. Grantee shall purchase such goods or services from the lowest qualified bidder or pay the difference between the low bid and the one selected, without using funds obtained pursuant to this Agreement. Grantee shall maintain documentation of the competitive bid process used and provide documentation to the Grant Manager. This competitive bid requirement may be waived upon grantee certification and Grant Manager approval prior to the expenditure of any funds that due to the unique nature of the goods or services a sole source purchase is justified. Failure to comply with competitive bid requirements may result in CalRecycle disallowing reimbursement of some portion or all of the related costs and/or other remedies for breach pursuant to Clause 24 above.

29. Conflict of Interest, Self-Dealing, and Need for Arm's Length Transactions:

Grantee shall act in accordance with the fiduciary duty attached to the receipt and expenditure of grant monies intended to benefit the public. Consistent with that fiduciary duty, grantee shall ensure the proper expenditure of all grant monies for which reimbursement is sought pursuant to this Agreement.

All expenditures for which reimbursement pursuant to this Agreement is sought shall be the result of arm's-length transactions and not the result of, or motivated by, self-dealing on the

part of the grantee or any employee or agent of the grantee. For purposes of this provision, “arm’s-length transactions” are those in which both parties are on equal footing and fair market forces are at play, such as when multiple vendors are invited to compete for an entity’s business and the entity chooses the lowest of the resulting qualified bids. “Self-dealing” is involved where an individual or entity is obligated to act as a trustee or fiduciary, as when handling public funds, and chooses to act in a manner that will benefit the individual or entity, directly or indirectly, to the detriment of, and in conflict with, the public purpose for which all grant monies are to be expended.

30. Record Keeping Requirements: The grantee shall establish and maintain internal controls over grant funds which are consistent with *Generally Accepted Accounting Principles (GAAP)*, *The Office of Management and Budget (OMB) Circular A-122* (or applicable OMB Circular) - *Cost Principles for Non-Profit Corporations* and the *Standards and Procedures for Audits of Local Conservation Corps Receiving Grant Funds From the California Department of Resources Recycling and Recovery (CalRecycle)*. Such controls shall be documented in writing and be available for review at any time by CalRecycle, including CalRecycle auditors and grant management staff. The subject matter of such records may include, but is not limited to the following: vehicle and equipment inventory; use of grant-funded vehicles and equipment for other than grant-related purposes (e.g., personal use of grant-funded vehicles by employees of the grantee or others); depreciation; cash receipt and disbursements methodology; indirect and direct cost allocation methodology; reasonableness of general and operating expenses; documentation of corpsmember hours worked; time spent on projects specific to CalRecycle, allocated by material fund; receipt and expenditures of recycling-generated revenue including Shipping Reports, weight tickets, and CalRecycle California Electronic Waste (CEW) Collection Logs forms 198 and 198 SA; and activities requiring approval of the grantee's Board of Directors.

CalRecycle will accept an approved Federal Indirect Cost Rate (FICR) with the following provisions:

- A. Local Conservation Corps will provide verification of a current FICR.
- B. The total indirect cost charged to the grant cannot exceed 20 percent.

If a Local Conservation Corps does not have FICR, then the following provisions apply:

- A. Local Conservation Corps will provide and submit an Indirect Cost Allocation Plan methodology that adheres to GAAP, is reasonable and acceptable, subject to approval by CalRecycle.
- B. The total indirect cost charged to the grant cannot exceed 20 percent.
- C. Back-up documentation must be maintained by the grantee to substantiate all indirect line item expenditures.

CalRecycle staff has the exclusive right to deny indirect cost expenditures inconsistent with the FICR or approved Cost Allocation Plan.

- A. Grantee shall establish an official file for the project. The file shall contain documentation of all actions taken regarding this Agreement.
- B. Grantee shall establish separate ledger accounts for receipt and expenditure of grant funds by funding source and maintain expenditure detail in accordance with the approved budget detail. Separate bank accounts are **not** required.

- C. Grantee shall maintain financial records in accordance with GAAP. Grantee shall maintain adequate supporting documentation in such detail so as to provide an audit trail of receipts, expenditures and disbursements. Grantee's records will permit tracing transactions from support documentation to the accounting records to financial reports and billings. Such documentation may include, but shall not necessarily be limited to, subsidiary ledgers, payroll records, vendor invoices, purchase orders, canceled checks, bank or other financial account records, consultant contracts and billings, volunteer rosters and work logs, and lease or rental agreements. Such documentation shall be readily available for inspection, review and/or audit by the Grant Manager or other representatives of the State.
- D. Subcontractor(s), employed by the grantee and paid with monies under the terms of this Agreement, shall be responsible for maintaining accounting records as specified above.

31. Audits: The grantee agrees that the State and its representatives, including, but not limited to, CalRecycle, the State Controller's Office and the State Auditor, shall have an absolute right of access to, and right to review and copy, all of the grantee's records pertaining to this Agreement and to conduct reviews and/or audits related to this grant. Grantee shall, for the purpose of any such review or audit, retain and provide access to all records related to this Agreement including, but not necessarily limited to, those records specified in the Record Keeping Requirements in Clause 30 above. Grantee shall also provide access to and allow interview of any employees who might reasonably have information related to such records. Such access to employees and records shall be provided during normal business hours throughout the Agreement term and for at least three (3) years after the final payment is disbursed or grant term end date, whichever is later, pursuant to this Agreement, or until completion of any action and resolution of all issues which may arise as a result of any audit or review of such records, whichever is later.

The Board of Directors of the grantee are required to provide an organization-wide audit on an annual basis that includes an audit of the funds granted under this Agreement. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in the *Governmental Auditing Standards* issued by the Controller General of the United States. This audit must meet the requirements specified in the *Standards and Procedures for Audits of Local Conservation Corps Receiving Grant Funds from the California Department of Resources Recycling and Recovery (CalRecycle)* and submitted to the Grant Manager each year by April 30th for the previous fiscal year. This date may be adjusted with Grant Manager approval.

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.

32. Payment: Except as otherwise provided herein or when deemed necessary by the Grant Manager, payments shall be made to Grantee not more frequently than once every thirty (30) calendar days in arrears for actual costs authorized in the Application with revisions, if any, and any amendments (Exhibit C) of this Agreement and incurred during the Agreement term. Payment will be made upon evidence of satisfactory progress, as determined by the Grant Manager. Such evidence shall consist of written progress reports and other documentation evidencing performance as provided for in this Agreement.

Final payment will be made only after completion of work and activities identified in the Procedures and Requirements (Exhibit B) and the Application with revisions, if any, and any amendments (Exhibit C), including receipt of the End of Cycle Final Report.

CalRecycle will not reimburse costs incurred under this agreement after June 30, 2022.

Only those items identified in the Application with revisions, if any, and any amendments (Exhibit C), are eligible for reimbursement. Any change to the Budget must be approved by the Grant Manager before expenditure for that item is made. Under no circumstances shall the grantee seek reimbursement, pursuant to this Agreement, for a cost or activity that has been or will be paid through another funding source.

CalRecycle will withhold payment equal to 10 percent of approved amount of each Payment Request until completion of all work and other requirements to the satisfaction of CalRecycle.

33. Advances: 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 corps recycling programs. 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.

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

When the 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.

CalRecycle's Accounting Office will process the advance payment requests for payment by the State Controller's Office only after DOF approves the advance request package, the signed acknowledgement letter is received, and the signed Payment Request Form 87 is received and approved by the Grant Manager.

The following documents must be submitted with the application documents to request an advance.

- a. Advance justification cover letter which describes in specific detail the circumstances that necessitate the advance from each funding source.

- b. Proof of non-profit status (if applicable).
- c. A cash flow analysis:
 - i. With an advance for each funding source.
 - ii. Without an advance for each funding source.
- d. The most recent financial statement.

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.

34. Reimbursement Limited to Net Costs: All costs charged against the Agreement shall be net of all applicable credits. The term “applicable credits” refers to those receipts or reductions of expenditures that operate to offset or reduce expense items that are reimbursable under this Agreement. Applicable credits may include, but are not necessarily limited to, rebates or allowances, discounts, credits toward subsequent purchases, and refunds. Grantee shall, where possible, deduct the amount of the credit from the amount billed as reimbursement for the cost, or shall deduct the amount of the credit from the total billed under a future Payment Request.

35. Travel: Reimbursement of travel is not permitted unless expressly provided for in the Application with revisions, if any, and any amendments (Exhibit C). If provided in the Agreement, employees or subcontractors of the grantee traveling from another state to the State of California or within the State of California, shall be reimbursed according to the prevailing rates for State of California employees. Travel outside the State of California will not be reimbursed unless it is part of the approved project Budget, or without prior written authorization of the Grant Manager or unless otherwise expressly provided for in the terms of this Agreement.

- A. For travel necessary to the performance of this Agreement, the grantee shall be reimbursed as follows:
 - 1. Travel by common carrier, airline coach class or equivalent, in accordance with receipts or vouchers verifying expenditure.
 - 2. Travel by private or Grantee-owned automobile at the state mileage rate. To obtain the current [state mileage rate](http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx), see <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. However, if travel by common carrier is more economical than by automobile, the rate for the common carrier will be reimbursed.
 - 3. Travel by private car to and from the common carrier shall be reimbursed at amount consistent with the state mileage rate.
 - 4. Travel by rental car, if less expensive than taxi service, in accordance with receipts verifying expenditure. Grantee will note that insurance coverage is not reimbursable.
- B. Per Diem rates apply to travel more than 50 miles away from the grantee’s headquarters and are reimbursable as follows:
 - 1. Date and time of departure and return shall be indicated in order to establish appropriate per diem rates. Place where the travel originates and destination shall also be stated.

2. To access the most recent travel allowances, please refer to the [California Department of Human Resources website](https://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx) (<https://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>)

For travel consisting of a total of fewer than 24 hours, there is no reimbursement for lunch or incidentals; reimbursement for breakfast and dinner follows the rules on the California Department of Human Resources website. Travel expenditures not listed therein cannot be reimbursed.

36. Documentation of Time Spent: The grantee shall maintain reports or other detailed records (e.g., activity logs or timesheets) documenting time spent by each employee, agent, contractor or volunteer whose work in support of this Agreement is billed under the Agreement or used as match. Records used to meet this requirement shall identify the individual performing the work, the date on which the work was performed, the material-specific grant activities or objectives to which the individual's time was devoted, rate of pay and the amount of time spent. Such records shall reflect actual time spent, rather than that which was planned or budgeted.

37. Reports: The grantee shall submit to the Grant Manager progress reports and an End of Cycle Report according to required timelines detailed in the Procedures and Requirements. Reports shall include information requested in the CalRecycle report templates.

Failure to comply with the reporting requirements specified above shall constitute a breach of this Agreement and may result in CalRecycle taking action pursuant to Clause 24 of this Agreement.

Grantee Certification of Compliance

38. Americans with Disabilities Act: Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

39. Nondiscrimination Clause: During the performance of this Agreement, the grantee and its subcontractor(s) shall not discriminate, harass, or allow harassment against any employee or applicant for employment because of age, sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), sexual orientation, marital status, and denial of family care leave. Grantee and its subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from discrimination and harassment. Grantee and its subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Government Code, Section 12900 et seq.), and the regulations promulgated, there under (California Administrative Code, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990(a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated herein by reference and made a part hereof as if set forth in full.

Grantee and its subcontractor(s) shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Grantee shall include the nondiscrimination and compliance elements of this clause in all subcontracts to perform work under the Agreement.

40. Recycling Certification: CalRecycle has a procurement policy that sets purchase goals for, and favors the purchase of, products containing recycled content, both post-consumer and secondary waste. When using grant funds to purchase recycling bins, paper products, fine printing and writing paper, plastic, glass, oil, compost and co-compost, solvents and paint, tire-derived products, and retread tires, the grantee shall make a reasonable effort to purchase products containing recycled content.

41. Drug-Free Workplace Requirements: Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

A. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

B. Establish a Drug-Free Awareness Program to inform employees about:

1. The dangers of drug abuse in the workplace.
2. The person's or organization's policy of maintaining a drug-free workplace.
3. Any available counseling, rehabilitation and employee assistance programs.
4. Penalties that may be imposed upon employees for drug abuse violations.

C. Every employee who works on the Agreement will:

1. Receive a copy of the company's drug-free workplace policy statement.
2. Agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Grantee may be ineligible for award of any future State agreements if CalRecycle determines that the grantee has made a false certification, or violated the certification by failing to carry out the requirements as noted above.

42. Labor Code/Workers Compensation: Grantee needs to be aware of the provisions, which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and grantee agrees to comply with such provisions before commencing performance pursuant to this Agreement (Labor Code Section 3700).

43. Child Support Compliance Act: For any Agreement in excess of \$100,000, the grantee acknowledges accordance with the following:

A. The grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with

earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code.

- B. The grantee, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

- 44. Resolution of Support:** A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body, which by law has authority to enter into an agreement, authorizing execution of an agreement.
- 45. Air or Water Pollution Violation:** Under State laws, the grantee shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to a cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.
- 46. Compliance with Other Laws, Including CEQA:** The grantee shall comply fully with all applicable federal, state and local laws, ordinances, regulations and permits and shall secure any new permits required by authorities having jurisdiction over the project(s), and maintain all presently required permits. The grantee shall ensure that any applicable requirements of the California Environmental Quality Act are met in carrying out the terms of the Agreement.
- 47. Use of State Funds to Assist, Promote or Deter Union Organizing:** Grantee shall not use state funds, including grant funds, to assist, promote or deter union organizing. Government Code Section 16645.1(d) provides that Grantee shall be liable to the State for the amount of any funds expended in violation of this prohibition, plus a civil penalty equal to twice the amount of those funds. If Grantee makes expenditures to assist, promote or deter union organizing, Grantee shall maintain records sufficient to show that state funds have not been used for those expenditures. The grantee shall provide those records to the Attorney General upon request.
- 48. Public Resources Code section 14581.1 Compliance:** This grant shall not comprise more than 75 percent of the annual budget of the grantee.
- 49. Payee Data Record Form (Std. 204):** This form must be completed by all grantees that are not another state agency or governmental entity.