

Exhibit B

Procedures and Requirements

Local Enforcement Agency Grant Program

31st Cycle – Fiscal Year 2020–21

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 Enforcement Agency 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, 2020	Grant Term and Grant Performance Period Begins
June 30, 2021	Grant Performance Period Ends
July 1, 2021- October 28, 2021	Report Preparation Period
October 28, 2021	Final Report and final Payment Request Due
October 28, 2021	Grant Term End

Grants Management System (GMS)

GMS is CalRecycle's web-based grant application and Grants 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** link. 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.
- **Interest.** Reports earned interest on an advance payment.
- **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.

Stop Work

CalRecycle may issue a Stop Work Order when an LEA fails to comply with all statutory requirements for Enforcement Program Plan certification or fails to comply with the terms of the Grant Agreement ([PCR 43200 and Title 14, California Code of Regulations, Chapter 5, Article 2.3, LEA Grants](#)). When a Stop Work Order is issued, all unspent grant funds Advanced, and interest earned, must be returned to CalRecycle. Grantees that did not request an Advance may request reimbursement for expenses incurred only up to the date of the Stop Work Order.

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](#) (<https://www.calrecycle.ca.gov/Laws/Regulations/Title14/>), 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/Unreliability/>) 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/>).

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 Grants Management System.

Grant Term, Grant Performance Period, and Report Preparation Period

The Grant Term begins July 1, 2020 and ends on October 28, 2021. Eligible program costs must be incurred after July 1, 2020 and before the Grant Performance end date. The Grant Performance Period begins on July 1, 2020 and ends on June 30, 2021.

The Report Preparation Period is from July 1, 2021 to October 28, 2021. **Costs incurred to prepare the Final Report and final Payment Request are the only costs that are eligible for reimbursement during the Report Preparation Period.**

The Final Report and final Payment Request are due on October 28, 2021.

Eligible Costs

All grant expenditures must be for activities, products, and costs specifically included in the approved Work Plan and approved Budget. To be eligible for reimbursement, costs must be incurred after July 1, 2020 and before June 30, 2021. All services must be provided and goods received during this period in order to be eligible costs. Invoices for goods and services must be paid by the grantee prior to the inclusion of those goods or services on a payment request.

Eligible costs are limited to the following:

- Analysis/Evaluation/Testing/Demo (expenses related to analysis and testing, equipment calibration, certification, demonstrations, site studies, and consultants).
- Compliance/Inspection/Visit/Enforcement (expenses related to legal counsel, inspection, enforcement, compliance, and consultants).
- Education (expenses related to providing education and outreach materials to local jurisdictions, businesses, and the public).
- Equipment (expenses related to the purchasing of tools, instruments, equipment, personal protection gear, tablets, and laptops as well as the maintenance of equipment essential for the inspection of solid waste facilities).
- Personnel (staff expenses related to conducting inspections such as salaries, benefits, physicals, and vaccinations).
- Training (expenses related to the training of LEA staff such as training materials, publications, periodicals, memberships, CalRecycle trainings, solid waste management conferences, and related costs).
- Transportation (expenses related to inspections such as maintenance of LEA vehicles, fuel expenses, and mileage).
- Expenses related to preparation of the Final Report and the Final Payment Request during the Report Preparation Period identified in the Milestones table above.

Personnel expenditures must be computed on the actual time spent on grant-related activities. For calculating total personnel expenses for each employee, the expenditures should be broken out by the classification(s) of the employee(s), the hourly wage, fringe benefits rate, and number of hours worked on grant-related

activities. These records must be available upon request for audit purposes.

Travel and per diem reimbursement is limited to a maximum of the state rate as described in the [Travel Reimbursements section](http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx) (<http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>) of the California Department of Human Resources website. Please consult with the Grant Manager for guidance.

Ineligible Costs

Any costs not specifically included in the approved Budget and not directly related to EA31 and the approved grant project 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, 2020 or after June 30, 2021, (except for costs incurred during the Report Preparation Period, July 1, 2021–October 28, 2021, to prepare the Final Report and reimbursement Payment Request).
- Any costs that are not consistent with local, state, and federal statutes, ordinances, or regulations.
- Any food or beverages (supplied as part of meetings, workshops, training, or events).
- Any personnel costs incurred as a result of time an employee assigned to the solid waste program does not actually work on the solid waste program (e.g. use of accrued vacation, sick leave, etc.).
- Any pre-paid expenditures for future goods or services delivered after the end of the Grant Performance Period. (Exemption: The Grant Manager may consider approving products purchased in full before the end of the Grant Performance Period but delivered after the Grant Performance Period 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.)
- Cleanup of illegal dumping.
- Costs currently covered or incurred under another CalRecycle loan, grant, grant cycle, or contract.
- Landfill operations.
- Out-of-state travel.
- Overhead and indirect costs.
- Overtime costs (except for local government staffing during specially scheduled evening or weekend events that have been pre-approved in writing by the Grant Manager when law or labor contracts require overtime compensation).
- Purchasing or leasing of vehicles.
- Any costs incurred after a Stop Work Order is issued by CalRecycle to the LEA for non-compliance with Enforcement Program Plan certification requirements or the Grant Agreement.

The grant manager may disallow any costs deemed unreasonable or unrelated to the purpose of the grant.

Budget Modifications

The approved budget in GMS represents the proposed expenditure plan of the grantee at the time the grant is awarded. A budget change is the adjustment of grant funds between the main budget categories as listed in the GMS application.

Any proposed revision(s) to the Budget must be submitted in writing and authorized in writing by the Grant Manager. The approval document is to be retained by the grantee for audit purposes. See Audit Record/Access section of the Terms and Conditions (Exhibit A).

Prior to Advance Reconciliation or Requesting Reimbursement

The grantee must notify the Grant Manager of all budget changes, regardless of dollar amount, no later than October 28, 2021. Budget changes must be provided using the Budget Modification Template and emailed to the Grant Manager. The Budget Modification Template is located in the Summary tab under Resources Documents in the Grant Management section of GMS.

Acknowledgements

The grantee shall acknowledge CalRecycle's support each time a project funded, in whole or in part, by this Agreement is publicized in any medium, including news media, brochures, or other types of promotional materials. The acknowledgement of CalRecycle's support must incorporate the CalRecycle logo. Initials or abbreviations for CalRecycle shall not be used. The Grant Manager may approve deviation from this requirement on a case-by-case basis where such deviation is consistent with CalRecycle's Communication Strategy and Outreach Plan.

Reporting Requirements

A Final Report is required by this Agreement; however, the Grant Manager may request a Progress Report at any time during the Grant Term.

The Final Report must be uploaded in GMS. For further instructions regarding GMS, including login directions, see the section above entitled, Grants Management System. [An instructional video about uploading a report is also available online at YouTube.](https://www.youtube.com/watch?v=AqqX0DALHZc&feature=youtu.be) (https://www.youtube.com/watch?v=AqqX0DALHZc&feature=youtu.be)

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.

Final Report

The Final Report is due no later than **October 28, 2021**, but may be submitted as soon as grant funds are expended. This report should cover grant activities from **July 1, 2020** through **June 30, 2021**. The Final Report Template is located in GMS on the Summary tab under Resources Documents in the Grant Management module. The following items must be included:

1. The Grant Number, Grantee Name, and Grant Term.
2. Budget categories of the approved budget in GMS.
3. Listing of actual costs under each Budget Category. Adequate detail shall be included so that the Grant Manager can ensure expenditure is compliant with the eligible cost requirements. (Personnel: provide staff classification, salary, number of hours, and hourly rate.) See template for required information.
4. The Final Report must be signed by the Signature Authority indicated in GMS. If the signature authority has changed, contact the Grant Manager.

Grant Payment Information

1. Grantees may request an advance of 100% of the grant award. When the request is approved, the grantee will be advanced 90% and 10% will be withheld. The advance payment must be fully reconciled by the end of the Grant Term and costs incurred may be reconciled only for those materials and services specified in the approved grant application.

Please Note: This Is a New Requirement in EA31

To be considered for the 90 percent advance payment, the grantee must return the signed original Grant Agreement to CalRecycle and email a scanned copy of the signed Grant Payment Request form (CalRecycle 87) to the LEA Grant Manager within 60 days of the date of the Award notification email. After the 60-day period, all requests for payment must be submitted as reimbursement payments.

2. Grantees may opt not to request an Advance. Payments to these grantees for eligible grant expenses are made on a reimbursement basis only, and only for those materials and services specified in the approved grant application.
3. The grantee must submit a completed Grant Payment Request (Advance or Reimbursement) and provide any supporting documentation requested by the Grant Manager. Supporting documentation may include, but is not limited to, personnel expenditure detail, equipment invoices and/or proof of payment.
4. The grantee must submit the 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 received by the Grant Manager. If there are questions about charges, documentation, or form completion, the 45-day clock is stopped pending resolution of any dispute.

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.

Payment requests must be submitted in GMS. For further instructions regarding GMS, including login directions, see the section above entitled, Grants Management System. You may also watch an [instructional video](https://www.youtube.com/watch?v=0t8yoOfGknM&feature=youtu.be) (https://www.youtube.com/watch?v=0t8yoOfGknM&feature=youtu.be) on YouTube.

If the grantee requested an **Advance Payment**:

- The advance payment will be processed by the Grant Manager in the GMS – Grant Management module after these steps are complete:
 - The Grant Agreement is fully executed
 - The Payment Request form is approved
 - The previous cycle's advance has been fully reconciled
 - Any money owed is paid to CalRecycle
 - Compliance with LEA annual certification requirements have been verified by Waste Enforcement and Evaluation Branch
- The advance payment transaction will be visible to the grantee in GMS after the transaction is completed by the Grant Manager.
- Upon receipt of advanced grant funds, the grantee shall deposit and maintain until expended, all grant funds in an interest-bearing account within a federally insured financial institution. Grantee shall account for the grant funds separately, including the earned interest. Any earned interest must be tracked for reporting purposes as discussed in the Interest section below.
- The grantee must reconcile the approved advance amount in the GMS Grant Management module by submitting a payment request including the final expenditure information.
 1. Go to the **Payment Request** tab.
 2. Click on the **Create a Payment Request** button.
 3. Choose **Advance Reconcile** for the Transaction Type and enter the amount spent in each budget subcategory. The approved advance amount must be reconciled including the 10 percent withhold (total grant award).
 4. When the transaction is complete, click the **Save** button.
 5. Account for interest following the instructions in the Interest section below.

6. Click the **Submit Transaction** button, located on the transaction page, to complete your payment request.

Note: The Final Report must be uploaded in GMS to the Reports tab and the report must be approved by the Grant Manager in order for the Advance Reconcile to be approved.

The grantee does not need to submit a Grant Payment Request form for the 10% retention payment. Once 100 percent of the advance has been reconciled, and if the Final Report is approved and the LEA is in compliance with annual certification requirements, the Grant Manager will release the 10 percent withhold for payment.

Grant funds must be spent in the following order:

1. Advance payment
2. Reimbursement payment (10 percent withhold)
3. Interest earned on advance payment, if approved by the Grant Manager

Any unspent grant funds or unspent earned interest must be returned to CalRecycle by the end of the Grant Term. Contact the Grant Manager to initiate this process.

Reimbursement Payment

If the grantee did not request an advance payment, a grant payment request for reimbursement must be submitted by the end of the Grant Term.

To submit a Grant Payment Request:

1. Go to the **Payment Request** tab.
2. Click on the **Create a Payment Request** button.
 - Choose **Reimburse** for the Transaction Type and enter the amount spent in each budget subcategory.
 - When the transaction is complete, click the **Save** button.
 - After the transaction is saved, the **Upload Supporting Documentation** button will appear in the lower right corner.
3. Click the **Upload Supporting Documentation** button.
 - 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 this process until all required supporting documents as listed below are uploaded.
 - The maximum allowable file size for each document is 35MB.
4. Click the **Submit Transaction** button, located on the transaction page, to complete your payment request. The **Submit Transaction** button will not be enabled until all required supporting documents are uploaded.

Note: Once a transaction is saved select the transaction number from the Payment Request tab to access it again. Please do not create multiple transactions for the same requested funds.

Note: LEA certification requirement compliance pursuant to Public Resources Code Section 43209(e) and Title 14, [California Code of Regulations \(14 CCR\) Section 18077](#).

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.

Interest

Grantees that request an advance payment must account for all interest accrued and received. All interest accrued and received from the grant funds shall be used only for eligible expenses related to the performance of this Agreement.

- Interest earned may not be spent until the full grant award has been expended.
- The earned interest **must** be reported in the **Interest** tab in GMS.
- To report interest earned:
 - 1) Go to the **Interest** tab and click on the **Create an Interest Record** button.
 - 2) Complete required fields by selecting "**Earned**" as the Interest Type, select the Budget Subcategory where the interest will be spent; enter the date, and the amount of interest earned in the Report Amount filed.
 - 3) Click the **Save** button.

Once interest is spent, create another Interest Record by following the same steps as above except choose **Reconcile** as the Interest Type.

All unused interest or unspent grant funds must be returned to CalRecycle by the end of the Grant Term. Contact the Grant Manager to initiate this process.

If no interest was accrued during the fiscal cycle, create an interest record to document that no interest was earned because grant funds were expended within 90 days. The grantee is highly encouraged to immediately reconcile their advance payment if it was fully expended within the 90 days. To report that no interest was accrued:

- 1) Go to the **Interest** tab and click on the **Create an Interest Record** button.
- 2) Complete required field by selecting "**None Accrued**" as the Interest Type, enter the date, and enter the written explanation in the **Note** section.
- 3) Click the **Save** button

All forms listed above can be downloaded from the [CalRecycle Grant Forms website](https://www.calrecycle.ca.gov/Funding/Forms) (<https://www.calrecycle.ca.gov/Funding/Forms>).

Audit Considerations

The grantee agrees to maintain records and supporting documentation pertaining to the performance of this grant subject to possible audit for a minimum of three (3) years after final payment date or Grant Term end date, whichever is later. A longer period of records retention may be stipulated in order to complete any action and/or resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later.

Examples of audit documentation include, but are not limited to, 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.