EXHIBIT B
PROCEDURES AND REQUIREMENTS

FARM & RANCH SOLID WASTE CLEANUP AND ABATEMENT GRANT PROGRAM
Fiscal Year 2018–19

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

All forms referenced in this document can be found on the CalRecycle website at http://www.calrecycle.ca.gov/Funding/Forms/ or in the Grants Management System database (GMS) on the Summary tab.

Table of Contents

Introduction 2
Milestones 2
Grants Management System (GMS) 2
Accessing the Grant 2
Contact Updates 3
Prior to Commencing Work 3
Grant Term 4
Eligible Costs 4
Ineligible Costs 5
Modifications 6
Reporting Requirements 7
Progress Report 7
Final Report 7
Grant Payment Information 8
Payment Request Process for Sites Previously Remediated 8
Payment Request and Documentation 9
Supporting Documentation 10
Audit Considerations 12

INTRODUCTION

The Department of Resources Recycling and Recovery (CalRecycle) administers the Farm and Ranch Solid Waste Cleanup and Abatement 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
Notice to Proceed Date	**Grant Term Begins** on the date the Notice to Proceed is emailed.
October 3, 2020	**Date All Documents are Due for Pilot Program Grantees**
March 18, 2021	**Grant Term End. Final Report and final Payment Request Due**

No extensions will be granted for submittal of Final Report and final Payment Request. Failure to submit the Final Report and final Payment Request with appropriate documentation by March 18, 2021 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.

THIRD CYCLE PILOT PROJECT (PILOT)

This document contains information for both a standard grant and a Pilot project grant.

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/).

Accessing the grant

Grantees must log into GMS (https://secure.calrecycle.ca.gov/Grants) using their web pass. After login, locate the grant in the **My Awarded/Open Grants** table and select the **Grant Management** button. The **Grant Management Module** includes the following sections:

- **Summary tab** – shows approved budget, paid and remaining amounts. (This section is available to the grantee in read-only mode.)
- **Payment Request tab** – requests reimbursement.
- **Reports tab** – uploads required reports.
- **Documents tab** – uploads other grant documents that are not considered supporting documents to a payment request or a report. This section also provides access to documents that were uploaded within other sections of GMS.
- **Sites tab** – lists approved project sites.

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.

After the Agreement is signed by both parties, the Grant Manager will forward to the Grantee a copy of the executed Agreement along with a Notice to Proceed. The Notice to Proceed is formal notification from CalRecycle that authorizes the Grantee to begin the Grant Project and incur costs. Pilot Program Grantees may not begin cleanup until a Site Approval Form is approved by the Grant Manager. The date on the Notice to Proceed is when costs may first be incurred NOT the date on the Grant Agreement cover sheet. Costs incurred outside of the Grant Term may be eligible for reimbursement of prior cleanup sites only.

Pilot Project Grantees
Pilot Project Grantees must upload all required application documents into GMS before incurring cleanup costs. Required documents for each site include:

- Budget
- Work Plan
- Land Use/Zoning Designation
- Site Characterization Form
- Property Access Authorization and Non Responsibility Affidavit - Notarized
- Site Photographs
- Vicinity Map
- Reliable Contractor Declaration (one for each contractor utilized)

If grant project involves multiple sites, a Total Budget must be uploaded as well.

After all documents are uploaded, the Grant Manager will review and determine site eligibility. Once approved, a Site Approval Form will be emailed and Grantee may begin site cleanup. All documents must be uploaded by October 3, 2020.

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 (www.calrecycle.ca.gov/Laws/Regulations/Title14/ch1.htm#ch1a5), California Code of

Regulations, Natural Resources, Division 7, has occurred with respect to the contractor(s) or subcontractor(s).
If a (sub) contractor is placed on the CalRecycle Unreliable List after award of this grant, the grantee may be required to terminate that contract. Obtain the Reliable Contractor Declaration form (CalRecycle 168) from CalRecycle's form web page (www.calrecycle.ca.gov/Funding/Forms).

A scanned copy of the signed Reliable Contractor Declaration form must be uploaded in GMS. To upload the form:

1. Go to the **Reports** tab.
2. Click on **Reliable Contractor Declaration** under **Report Type**.
3. Click the **Add Document** button.
4. Select Reliable Contractor Declaration in the **Document Type** drop down box, enter a document title, click the **Browse** button to search and upload the document, and then **Save**.
5. Click on the **Submit Report** button.

For further instructions regarding GMS, including login directions, see the section above titled *Grant Management System*.

GRANT TERM
The Grant Term begins on the date of the Notice to Proceed email. Grant-eligible program expenditures may start no earlier than the date indicated in the Notice to Proceed. Costs incurred prior to the date on the Notice to Proceed may be eligible for reimbursement of previously remediated sites only.

The Grant Term ends on March 18, 2021 and all eligible program costs must be incurred by this date.

The Final Report and final Payment Request are due on March 18, 2021. CalRecycle recommends reserving the period from February 15, 2021 to March 15, 2021 exclusively for the preparation of the Final Report and final Payment Request, though they may be completed earlier. **Costs incurred to prepare the Final Report and final Payment Request are only eligible for reimbursement during the Grant Term.**

ELIGIBLE COSTS
All grant expenditures must be for activities, products, and costs specifically included in the approved Work Plan and approved Budget.

Eligible costs include, but are not limited to:

- Removal and disposal of solid waste and tires and related actions;
- Removal and disposal of solid waste and tires from marijuana grow sites;
- Recycling, including used oil, automotive batteries and tires;
- Drainage control and grading improvement;
- Slope and foundation stabilization;
- Excavation;
- Revegetation to stabilize an area disrupted by remediation. The cost must be incidental to the cost of the cleanup;
- Site security, including gates and fencing, up to 15 percent (15%) of the

grant funds expended. The CalRecycle Grant Manager may approve an amount in excess of this when appropriate justification is provided;
- Public education to help prevent reoccurrence of the illegal disposal, if included with any of the above eligible remedial actions. The cost must be incidental to the cost of the cleanup;
- Equipment rental and fuel;
- Removal of Chlorofluorocarbons (CFC's) from appliances;
- Mileage of up to 54.5 cents per mile, or the current rate in the State Administrative Manual (mileage available only for cleanup related activities); and,
- Personnel costs for grant management and the preparation of reports and payment requests.

It is the Grantee's responsibility to ensure that all costs are eligible and appropriate by reviewing all documents, letters, e-mails, and other information updates supplied by CalRecycle, and consulting with the Grant Manager **before incurring costs**.

INELIGIBLE COSTS

Any costs not specifically included in the approved Budget and not directly related to the approved grant project are ineligible for reimbursement. Contact the Grant Manager if clarification is needed. Ineligible costs for new sites and sites previously remediated include, but are not limited to:

- For new cleanup sites, costs incurred prior to the date on the Notice to Proceed or after March 18, 2021;
- For sites previously remediated, costs incurred after March 18, 2021;
- For Pilot grantees, cleanup costs incurred prior to site/document approval;
- Any costs incurred for conditions for which the property owner(s), any resident, invitee, licensee, lessee, or person the property owner(s) inherited from was responsible;
- Administrative/Indirect costs in excess of seven percent of the approved total cleanup costs expended;
- Costs currently covered by another CalRecycle funded loan, grant or contract;
- Goods and services paid for with grant funds that are received after March 18, 2021;
- Wages paid to a landowner for time spent cleaning up his/her own property;
- Any expense not deemed reasonable by the Grant Manager and/or not directly related to the implementation of the proposed cleanup;
- Transportation costs of used/waste tires hauled by an unregistered tire hauler;
- Clothing or footwear;
- Closure activities, as defined in Section 20164 of Title 27, Division 2 of the California Code of Regulations;
- Ground water remediation;
- Surface water or vadose zone monitoring systems;
- Removal, abatement cleanup or otherwise handling of hazardous substances [as defined in 42 U.S.C. Section 9601 (14)];
- Extinguishing of underground fires;

- Operation and maintenance of any part of a leachate system;
- Purchase or leasing of land;
- Profit or mark-up by the Grantee;
- Cell phones, pagers, personal electronic assistance devices, and similar electronic and telecommunications devices, etc.;
- Overtime costs (except for extreme situations that have been pre-approved in writing by the Grant Manager);
- Any personnel costs not directly related to salaries and/or benefits; and,
- Any personnel costs incurred as a result of any employee assigned to the grant cleanup project for time not actually worked on the project (e.g., use of accrued sick leave, vacation).

ADMINISTRATIVE COSTS

Administrative costs are expenditures not capable of being assigned, or not readily itemized to a particular project or activity, but considered necessary for the operation of the organization and the performance of the grant. The costs of operating and maintaining facilities, accounting services, and administrative salaries are examples of these costs.

Administrative costs shall not exceed seven percent (7%) of the **approved cleanup costs expended over the grant term**. The amount allowed for administrative costs adjusts with the amount of grant funds expended. For example if a grantee requests the maximum seven percent (7%) in the budget but at the end of the grant term the site cleanup costs are less than the amount in the approved budget, the amount the grantee can claim for administrative costs goes down as well.

Grantee's claimed Administrative costs must be consistent with Generally Accepted Accounting Principles (Accounting Principles). Grantee must uniformly apply the Accounting Principles to both grant-related activities and non-grant related activities. It is highly recommended that the Finance and/or Accounting Department verify compliance with this provision as this may be an audit inquiry. Retain your grant records for audit purposes.

1. Direct costs shall not be included as Administrative costs.
2. Supervision by Managers and Supervisors of personnel whose activities are directly related to the cleanup project can be included as Administrative costs but do not qualify as a direct charge to the grant. However, if a Manager or Supervisor performs an activity that is directly related to the performance of the grant (not supervision), costs associated with this activity may be included as a direct charge (personnel cost). Any such activity must be clearly supported by appropriate documentation.
3. All Administrative costs must be explained/justified and verified with supporting documentation.

MODIFICATIONS

Any proposed revision(s) to the Work Plan and/or Budget must be submitted in writing and pre-approved in writing by the Grant Manager prior to grantee incurring the proposed expenditure. Proposed revisions must be clearly marked on the Work Plan and/or Budget and must be accompanied by a summary of proposed changes/modifications, including the justification(s) for the proposed changes. **Costs**

based on the proposed revisions may not be incurred until Grant Manager approval. If approved, the grant manager will upload the final revised Work Plan and/or Budget to GMS. Proposed revisions may be submitted in conjunction with a Progress Report but cannot be submitted as part of the Progress Report. The approval document(s) should be retained by the grantee for audit purposes. See Audit Record/Access section of the Terms and Conditions (Exhibit A).

REPORTING REQUIREMENTS

A Progress Report and a Final Report are required by this Agreement; however, the Grant Manager may request a Progress Report at any time during the Grant Term. Failure to submit the Final Report with appropriate documentation by the due date may result in rejection of the Payment Request and/or forfeiture by the grantee of claims for costs incurred that might otherwise have been eligible for grant funding.

All reports must be uploaded in GMS. For further instructions regarding GMS, including login directions, see the section above entitled, Grant Management System.
To upload a report:

1. Go to the **Reports** tab.
2. Click on the appropriate Report Type.
3. Click on the **Add Document** button.
4. Choose the Document Type, enter a document title, click the **Browse** button to search and upload the document, and then **Save**.
    - Select the **Back** button to upload another document and continue the process until all required documents as listed below are uploaded.
    - The maximum allowable file size for each document is 35MB.
5. Click the **Submit Report** button to complete your report submittal. The **Submit Report** button will not be enabled until all required reporting documents are uploaded.

The reports must be current, include all required sections and documents, and must be approved by the Grant Manager before any Payment Request can be processed. Failure to comply with the specified reporting requirements may be considered a breach of this Agreement and may result in the termination of this Agreement or rejection of the Payment Request and/or forfeiture by the grantee of claims for costs incurred that might otherwise have been eligible for grant funding. Any problems or delays must be reported immediately to the Grant Manager.

PROGRESS REPORT

A progress report is due with each payment request. The progress report must be submitted on the Payment Request Checklist and Progress Report Form, CalRecycle 749, and cover all activities since the last report was submitted. If only one payment request is submitted for the grant, only the Final Progress Report is necessary.

FINAL REPORT

The Final Report is due **March 18, 2021.** This report should cover grant activities for the entire grant term and must be submitted on the Final Payment Request Checklist and Final Report Form, CalRecycle 750.

GRANT PAYMENT INFORMATION

1. The grantee must provide a Reliable Contractor Declaration (CalRecycle 168) (http://www.calrecycle.ca.gov/Funding/forms/) signed under penalty of perjury by the grantee's contractor(s) and subcontractor(s) in accordance with the "Reliable Contractor Declaration" provision of the Terms and Conditions (Exhibit A). The declaration must be received and approved by the Grant Manager prior to commencement of work. See "Reliable Contractor Declaration" provision in Terms and Conditions (Exhibit A) for more information.
2. Payment to the grantee for eligible grant expenses is made on a reimbursement basis only, except for enrolled Resource Conservation Districts (RCDs), and for only those materials and services specified in the approved grant application. Enrolled RCDs see **Invoiced Payment Method**, for an alternative to the reimbursement method.
3. A Payment Request may be submitted at any time during the grant term and there is no minimum amount that can be requested.
4. The grantee must submit the required Progress Report/Final Report, and the Grant Manager must approve the report prior to, or concurrent with, submission of the Grant Payment Request.
5. The grantee must submit a completed Grant Payment Request and provide supporting documentation as described in the "Payment Request and Documentation" section for completed project(s) only.
6. Grant payments will only be made to the grantee. It is the grantee's responsibility to pay all contractors and subcontractors for purchased goods and services.
7. Ten percent of each approved Grant Payment Request will be withheld and retained until all conditions stipulated in the Agreement, including submission and Grant Manager approval of the Progress and/or Final Report, have been satisfied.
8. CalRecycle will make payments to the grantee as promptly as fiscal procedures permit. The grantee can typically expect payment approximately 45 days from the date a Grant Payment Request is approved by the Grant Manager.

For the Farm and Ranch Grant Program, there are two types of payment requests; Reimbursement and Invoiced Payment.

Reimbursement Method

This payment method is utilized for all grantees *except* enrolled RCD's. The Reimbursement Method requires the grantee to first pay the approved cost and then submit a Payment Request for reimbursement.

Payment Request Process for Sites Previously Remediated

Grantee may submit a payment request after receiving the Notice to Proceed. Grantee should follow the process outlined below in *Payment Request and Documentation*. The "Final" box should be checked for box six on the Grant Payment Request Form (CalRecycle 87) and a Payment Request Checklist and Final Report Form (CalRecycle 749) should be uploaded to the Reports tab in GMS.

Invoiced Payment Method
This type of payment method must be requested by letter signed by the signature authority, before the cleanup is started. Except for the final Payment Request, the Invoiced Payment Method allows the enrolled RCD to submit Payment Requests for incurred, but unpaid expenses. Upon approval of the Payment Request by the Grant Manager, the RCD will receive the grant funds minus the ten percent (10%) retention. When the RCD receives the grant check they are required to pay in full all costs owed, including those covered by the ten percent (10%) retention. **Grantee must make full payment on all costs owed prior to submitting the next Payment Request.**

Caution: the enrolled RCD is responsible for all costs incurred. In the event an incurred cost is not eligible for payment under this Grant, it is the RCD's responsibility to satisfy the obligation.

The Final Payment Request cannot be processed as an Invoiced Payment, it is for reimbursement only. All costs, including costs for goods and services, claimed in this Request must be paid for and received prior to submittal of the final Payment Request. Provide all information required in the final Payment Request/Final Checklist Form. Failure to submit a complete and satisfactory final Payment Request and Final Report with appropriate documentation, by the March 18, 2021 deadline, 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 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, Grant Management System. 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 sub category.
    - 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.

You must upload a minimum of three separate documents that are of the following document types:

1. Cost and Payment Documentation
2. Farm and Ranch Expenditure Itemization Form
3. Grant Payment Request Form

You can upload *more* than three separate documents, but the document types chosen *must* include the three above or the *Submit* button will not enable.

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**

- **Invoiced Payment Method**
  - A legible copy of all invoices that support each incurred cost, even if it is unpaid. Note which expenses have been paid in full and which are waiting to be paid until payment is received from CalRecycle.
- **Reimbursement Method**
  - Legible copies of all invoices/receipts that support each purchase and show proof of payment. Purchase orders alone are not sufficient to evidence incurred costs.

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

1. 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. The claimed expenses should be highlighted and identified with applicable task number on each invoice.
2. Proof of payment may include:
   a) Copy of cancelled check(s) that shows an endorsement from the banking institution
   b) Invoice(s) showing a zero balance, or stamped "paid" with a check number, date paid, and initials
   c) 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
   d) Bank statement(s) along with a copy of the endorsed check or invoice showing the check number

e) Copy of an electronic funds transfer confirmation
f) Copy of a credit card statement(s)

C. **Farm and Ranch Grant Expenditure Itemization Form (CalRecycle 224)**
Complies with the following requirements **for each site remediated:**

- All expenses are on the approved Budget;
- Arrange expenses in the same budget categories as the approved Budget;
- Itemize sufficiently to allow the Grant Manager to match a receipt/cancelled check to each expenditure;
- All expenses claimed must be dated, or initiated, after the date on the Notice to Proceed;
- Expenses for prior clean-ups may have been incurred before the Notice to Proceed;
- Cap administrative costs at seven percent (7%) or less of the **approved cleanup costs expended**;
- Provide subtotals for each budget category, and
- If the Payment Request is for the cleanup of more than one site, include an additional Expenditure Itemization showing the entire amount spent for the current Payment Request on all grant related activities.

D. **Legible copies of tire manifests and weight tickets**
Required from each business (landfill, transfer station, metal recycler, etc.) documenting that the waste removed from the site was properly disposed or recycled and for used/waste tires, include a tire manifest documenting delivery of the tires by a registered tire hauler to an authorized facility.

E. **Personnel Expenditure Summary (PES) (CalRecycle 165)**
Required for all claimed personnel expenses for actual time spent on grant activities, and the actual amount paid to the employee. Grantees may use their own form as long as it contains the same information as CalRecycle 165. Multiple employees can be combined on one form, however a total should be provided for each employee.

F. **Invoiced Payment Method**
Documentation, such as invoices/receipts, showing that all parties authorized for payment in the previously approved Invoiced Payment Request have received full payment including the ten percent (10%) retained by CalRecycle.

G. **Photographs**
Upload photographs taken after the cleanup, demonstrating the site has been fully remediated.

The following are required to be submitted at the same time as a payment request, but must be uploaded into the Reports tab. Do not upload them into the Payment Request tab. See **Reporting Requirements** section above.

1. A Farm and Ranch Grant Report Form (CalRecycle 248) if waste was removed from the site(s). Use one form for each site remediated. For the Final Payment Request, include an additional report form with the total

amount of waste removed from all sites for the entire grant term; and
2. A Progress Report Form/Checklist or Final Report Form/Checklist as detailed above. Make sure both sides of the form are uploaded.

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.