

MED-Project 2024 Annual Program Budget

State of California, Home-Generated Sharps Waste
March 31, 2023; Revised August 21, 2023

Prepared By: MED-Project USA

Submitted To: California Department of Resources Recycling and Recovery

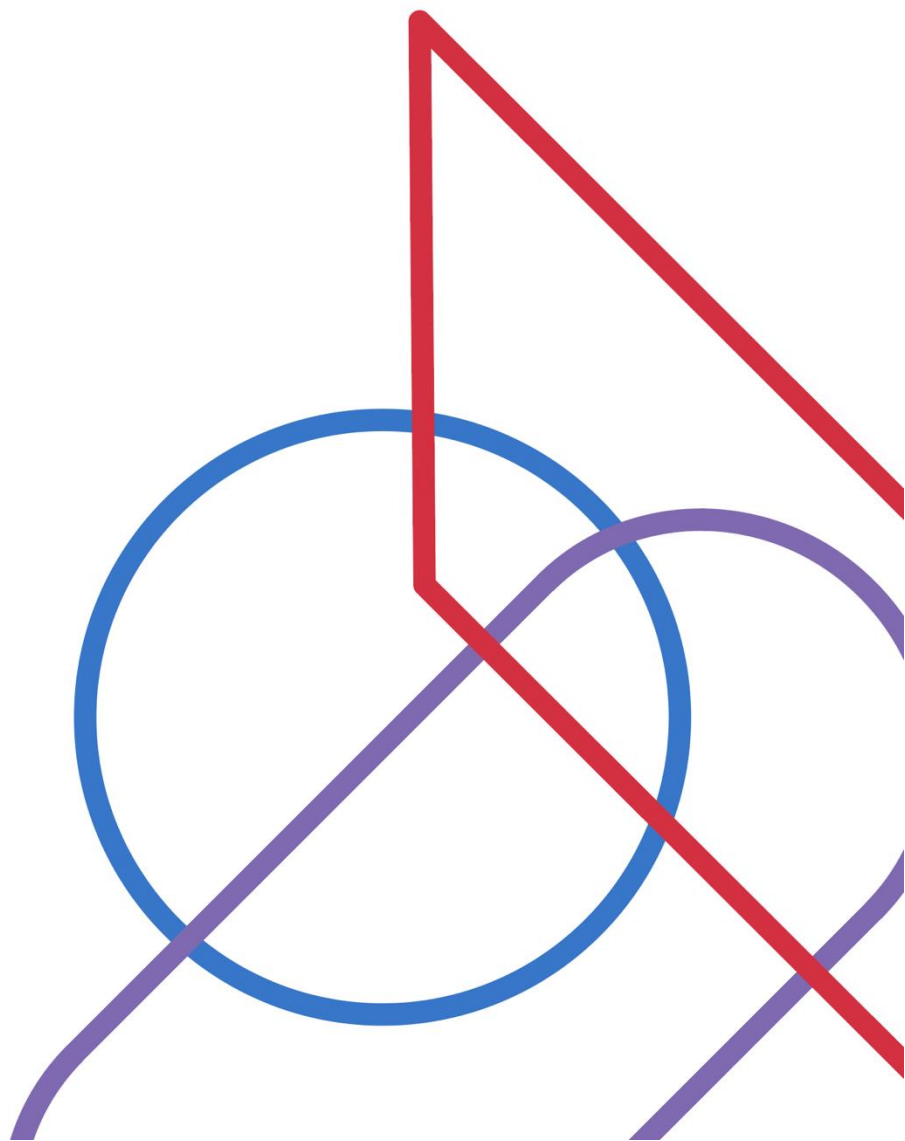


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Annual Program Budget and Independent Financial Audit

Regulation Section 18973.6: “A program operator must submit an initial stewardship program budget for the first five calendar years of operation and an annual budget, pursuant to sections 42033 and 42033.2 of Chapter 2, Part 3, Division 30 of the Public Resources Code. The initial stewardship program budget that covers the first five calendar years of operation and the annual program budgets shall contain at a minimum, the following information:

Regulation Section 18973.6 (a): Contact information of the corporate officer, or designee, responsible for submitting and overseeing the program budget on behalf of the program operator, including, but not limited to:

- (1) Contact name and title
- (2) Name of program operator
- (3) Mailing and physical address(es)
- (4) Phone number
- (5) Email address
- (6) Internet website address

Regulation Section 18973.6 (b): Anticipated costs to implement the stewardship program, including, but not limited to, separate line items for the following:

- (1) Capital costs, including, but not limited to, fixed, one-time, tangible purchases
- (2) Costs of collection, transportation, and disposal of covered products
- (3) Administrative costs
- (4) Education and outreach costs
- (5) Costs related to grants, loans, sponsorships, or other incentives as part of program implementation

Regulation Section 18973.6 (c): Recommended reserve level amount and description justifying the reserve level amount indicated. The program operator shall maintain reserves in a prudent and responsible manner.

Regulation Section 18973.6 (d): Recommended funding level necessary to cover the stewardship plan's budgeted costs and to operate the stewardship program over a multi-year period in a prudent and responsible manner. Include a description of how costs are apportioned to and funds remitted from participating covered entities.

Regulation Section 18973.6 (e): A description of the types of activities relative to each line item cost category, identified pursuant to section 18973.6(b).

Regulation Section 18973.6 (f): An independent financial audit of the stewardship program funded by the member covered entities participating in the stewardship program or by a covered entity, if it operates its own stewardship program. The audit shall be performed at least once each calendar year. The audit shall be conducted in accordance with generally accepted auditing standards in the United States of America by a Certified Public Accountant. The Certified Public Accountant shall not perform the non-audit services for the program operator or engage in any activities that would impair independence. The independent financial audit shall include, but not be limited to:

- (1) Minutes, books, and records that clearly reflect the activities and transactions of the program operator's stewardship program.
- (2) Stewardship program financial statements, as required by Generally Accepted Accounting Principles.
- (3) An opinion on the stewardship organization's compliance with the aspects of section 42034 of the Public Resources Code and this Article.
- (4) Findings and recommendations as they relate to the financial aspects of the stewardship program.
- (5) Management Letter, if issued, by the stewardship organization's Certified Public Accountant.

Code Section 42033.2 (a)(2): “A total recommended funding level sufficient to cover the plan’s budgeted costs and to operate the stewardship program over a multiyear period.”

Code Section 42033.2 (c): “An annual program budget submitted pursuant to paragraph (2) of subdivision (a) shall include, at a minimum, both of the following for the upcoming calendar year:

- (1) An independent financial audit of the stewardship program, as required by subdivision (b) of Section 42033.4, funded by the stewardship organization from the charge paid from its member covered entities pursuant to Section 42034 or by a covered entity if it operates its own stewardship program.
- (2) Anticipated costs and the recommended funding level necessary to implement the stewardship program, including, but not limited to, costs to cover the stewardship plan’s budgeted costs and to operate the stewardship program over a multiyear period in a prudent and responsible manner.”

A. Annual Program Budget

The following is the annual Program budget for the 2024 calendar year:

Contact Information of the Person Responsible for Submitting and Overseeing the Annual Program Budget

The primary contact person responsible for submitting and overseeing the annual Program budget on behalf of MED-Project USA is:

Kim Peterson
Lead Director, Finance and Administration
MED-Project USA
1800 M Street, NW
Suite 400 South
Washington, DC 20036
Phone: 1 (833) 633-7765
Fax: 1 (866) 633-1812
california@med-project.org
www.med-projectusa.org

The M Street address is both the mailing and physical address.

Anticipated Costs to Implement the Program for the Upcoming Calendar Year (2024)

- Capital costs: \$0
- Costs of collection, transportation, and disposal of covered products: \$4,999,554
- Administrative costs: \$506,429
- Education and outreach costs: \$502,379
- Costs related to grants, loans, sponsorships, or other incentives as part of program implementation: \$0
- Department Administration Fee: \$455,667
- Reserve: \$1,616,007

Recommended Reserve Level

As discussed in Section 5, of the August 22, 2022, Plan (the Approved Plan), the level of reserve recommended in any given year is expected to approximate 25% of annual Program budget based on the process and analysis set forth in the Approved Plan.

Types of Activities Relative to Each Line-Item Cost Category

The types of activities described by each line-item in the anticipated cost section above are as follows:

Capital

This cost category covers fixed, one-time, tangible purchases associated with the Program. No costs are anticipated for this category.

Collection and Disposal of Sharps

This cost category covers the following activities:

- Collection, transportation, and disposal of Home-Generated Sharps Waste.
- Contracted and employed personnel costs associated with collection and disposal.
- Acquisition, distribution, and postage of Sharps Mail-Back Packages.

Administrative

This cost category covers the following activities:

- Contracted and employed personnel overhead costs.
- Legal fees.
- Local and state business licensing fees.
- Local, state, and federal taxes.
- Property costs, including rentals.
- Insurance, utilities, phone, and internet.
- General equipment and supplies.
- Data and information technology services.

- External audit fee.
- CalRecycle administrative fee.

Education and Outreach

This cost category covers the following activities:

- Advertising.
- Marketing.
- Contracted and employed personnel costs associated with education and outreach.
- Website creation and maintenance.
- Operation of the Call Center.
- Survey methods.

Recommended Funding Level

The process for approximating recommended funding level is discussed in Section 5 of the Approved Plan. Costs are apportioned using a confidential cost allocation model approved by the Covered Entities participating in the Program. Participating Covered Entities are invoiced and remit funds on an annual basis.

As discussed in Appendix D of the Approved Plan, MED-Project anticipates the following annual total program costs:

- 2023: \$6,557,139
- 2024: \$6,464,029
- 2025: \$6,566,198

B. Independent Financial Audit

The independent financial audit is being submitted as an attachment to this Annual Program Budget. See Attachment A: 2022 Independent Financial Audit.

Appendix A

Certifications

As Required by 14 CCR § 18973 (e), I hereby declare under penalty of perjury, that at the time of submission to the Department, the information provided in this document is true and correct, to the best of my knowledge.



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