



September 2024

Department of Resources Recycling and Recovery

# **Exhibit B**

## **Procedures and Requirements Beverage Container Quality Infrastructure Grant Program Cycle 1 (QIG1) Fiscal Year 2022–23**

**Copies of these Procedures and Requirements must be shared with both the Finance Department and the staff responsible for implementing the grant activities.**

# Table of Contents

<b>Introduction</b> .....	<b>3</b>
<b>Milestones</b> .....	<b>3</b>
<b>Grants Management System (GMS)</b> .....	<b>4</b>
Accessing the Grant .....	4
Contact Updates.....	4
<b>Prior to Commencing Work</b> .....	<b>5</b>
Reliable Contractor Declaration .....	5
<b>Grant Term</b> .....	<b>6</b>
Eligible Costs .....	6
Indirect Costs.....	6
Ineligible Costs .....	7
Modifications.....	7
Acknowledgements.....	8
Reporting Requirements .....	8
Electronic and Original Signatures.....	8
Progress Report.....	9
Final Report.....	9
Grant Payment Information.....	10
Payment Request and Documentation.....	11
Audit Considerations.....	13

# Introduction

The Department of Resources Recycling and Recovery (CalRecycle) administers the Beverage Container Quality Infrastructure 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, and records and audit requirements.

In a Cooperative Grant, the Lead manages the grant, is responsible for the performance of the grant and all required documentation and administers the grant funds to its Non-Lead Participants on its behalf.

This document is attached to, and incorporated by reference, into the Grant Agreement.

## Milestones

**Notice to Proceed Date: Grant Term Begins** on the date that CalRecycle emails the Notice to Proceed.

**May 1, 2025: Progress Report 1 Due**

**August 1, 2025: Progress Report 2 Due**

**November 3, 2025: Progress Report 3 Due**

**February 2, 2026: Progress Report 4 Due**

**May 1, 2026: Progress Report 5 Due**

**August 3, 2026: Progress Report 6 Due**

**November 2, 2026: Progress Report 7 Due**

**February 1, 2027: Progress Report 8 Due**

**April 1, 2027: Final Report and Final Payment Request Due**

**April 1, 2027: 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 in to GMS](https://secure.calrecycle.ca.gov/Grants) (<https://secure.calrecycle.ca.gov/Grants>) using their web pass. After logging in, 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:** Grantee requests reimbursement.
- **Reports tab:** Grantee uploads required reports.
- **Interest:** Shows earned interest on an advance payment.
- **Documents tab:** Grantee uploads all other grant documents that are not 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:** Shows approved project sites.

Follow the instructions in GMS to work in the system. The following sections describe the reports, transactions, and supporting documents CalRecycle requires.

## Contact Updates

Access to the grant is limited to those listed in the **Contacts** tab of the **Application Module** with the "Allow Access" check box marked. A contact may be listed but not granted access by not checking the box. Please note, if a contact is granted access to a grant, they will be able to edit contacts, submit payment requests, upload reports, and view all documents. Those with access may update contact information for all contact types except Signature Authority. Email the assigned Grant Manager regarding any changes to Signature Authority information.

# Prior to Commencing Work

Prior to commencing work under this grant, the grantee's Grant Manager or primary contact and authorized grant Signature Authority should review the Terms and Conditions (Exhibit A) and the Procedures and Requirements (Exhibit B) to identify key grant administrative requirements. Evaluation of the grantee's compliance with these requirements is a major focus of grant audits.

## Reliable Contractor Declaration

Prior to authorizing a contractor or subcontractor to commence work under this grant, the grantee shall submit to the Grant Manager a declaration from the contractor or subcontractor, 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/) (<https://www.calrecycle.ca.gov/Laws/Regulations/Title14/>), California Code of Regulations, Natural Resources, Division 7, has occurred with respect to the contractor or subcontractor. The grantee must submit this form for each contractor and subcontractor working under the grant.

If a contractor or subcontractor is placed on the [CalRecycle Unreliable Contractor List](https://www.calrecycle.ca.gov/Funding/Unreliability/) (<https://www.calrecycle.ca.gov/Funding/Unreliability/>) after award of this grant, the grantee may be required to terminate the contract. Obtain the Reliable Contractor Declaration form (CalRecycle 168) from CalRecycle's [Application and Grant Management Tools webpage](https://calrecycle.ca.gov/funding/tools/) (<https://calrecycle.ca.gov/funding/tools/>).

The grantee must upload a scanned copy of each signed Reliable Contractor Declaration form 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 "Grants Management System" section (above).

# Grant Term

The Grant Term begins on the date of the Notice to Proceed (NTP) email, which is the formal notification from CalRecycle authorizing the grantee to begin the grant project and ends on April 1, 2027. The grantee must make all grant-eligible program expenditures and incur all grant-eligible costs within this period. Expenditures made or costs incurred prior to the NTP date or after the end date are not eligible for reimbursement.

The Final Report and final Payment Request are due on April 1, 2027. CalRecycle recommends reserving the period from March 1, 2027, to April 1, 2027, exclusively for the preparation of the Final Report and final Payment Request, though they may be completed earlier.

## Eligible Costs

Grantees may incur eligible costs only during the Grant Term, which starts when the grantee receives a Notice to Proceed from CalRecycle and ends on April 1, 2027. See “Grant Term” for additional information. 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 receiving a Notice to Proceed and before the end of the Grant Term. 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:

- Equipment related to sorting materials (e.g., new lines, new belts, robotic arms, scales, optical sorters and other equipment to provide a cleaner material stream).
- Software technology related to sorting materials.
- Combined costs for permitting, indirect costs, and salaries, not related to construction or installation, may not exceed five percent of the total requested amount.

## Indirect Costs

Indirect costs can be claimed by the grantee. The following guidelines must be used when claiming these costs.

- Combined costs for licensing and permitting, indirect costs, and salaries not directly related to construction or installation shall not exceed five percent of the total grant award.
- Indirect 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 program. The costs of operating and maintaining facilities, accounting services, and administrative salaries (management not directly working on the grant project) are examples of indirect costs. All indirect costs charged to the grant must be associated with grant activities as shown in the approved Budget.
- Personnel costs associated with supervision performed by managers and supervisors are considered indirect costs. However, if a manager or supervisor performs an activity that is directly related to construction or installation of the

grant project (not supervising staff working on the project), costs associated with this activity may be included as a direct charge. Such activity must be clearly supported by appropriate documentation and shall not be charged to the grant as an indirect cost.

- The grantee must maintain organized and accurate records that follow generally accepted accounting principles and leave an audit trail. The grantee must provide access to all documents related to the grant program and fiscal operation of the grant program as deemed necessary by CalRecycle.

## **Ineligible Costs**

Any costs not specifically included in the approved Budget and not directly related to the Beverage Container Quality Infrastructure Grant Program and the approved grant project are ineligible for reimbursement. The grantee should contact the Grant Manager if clarification is needed. Ineligible costs include, but are not limited to:

- Costs incurred prior to the date that CalRecycle sends the Notice to Proceed email or after April 1, 2027.
- Education and Outreach
- Vehicles/Trucks
- Construction costs not related to installation of purchased equipment.
- Promotional Items/SWAG (Stuff We All Get). Promotional items not related to the project (e.g., shirts, magnets, cups, gift cards, stickers, tote bags not used as recycling bins, calendars with no educational content, trophies, awards, plaques, rewards).
- Purchasing equipment that was paid for using other CalRecycle grant funds
- Travel accommodations (e.g., hotel stays for overnight travel) and general travel costs exceeding the CalHR State reimbursement rates.
- Depreciation of State purchased vehicles/equipment
- Excessive maintenance costs for vehicles/equipment unrelated to the activities of the grant
- Overhead/Utilities related to daily operations
- Legal services (including legal retainers)
- Property Taxes/Insurance
- Purchasing of Land/Property
- Campaign/Political Lobbying Activities
- Costs deemed unreasonable or not related to the grant project by the Grant Manager

## **Modifications**

The grantee must submit any proposed revision(s) to the Work Plan and/or Budget in writing to the Grant Manager. The grantee may not incur costs or make expenditures based on the revision without first receiving the Grant Manager's written approval. Proposed revisions must be clearly marked on the Work Plan and/or Budget and must be accompanied by a summary of proposed changes or modifications, including justification for the proposed changes. If approved, the Grant Manager will upload the final revised Work Plan and/or Budget to GMS and notify the grantee. The grantee may submit proposed revisions in conjunction with a Progress Report, but they cannot be submitted as part of the Progress Report. The grantee should retain the approval document(s) for audit purposes. See the "Audit Record/Access" section of the Terms and Conditions (Exhibit A).

## 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. Contact your Grant Manager for the CalRecycle logo.

## Reporting Requirements

The Grant Agreement requires Progress Reports and a Final Report; however, the Grant Manager may require additional Progress Reports 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.

The grantee must upload all reports in GMS. For further instructions regarding GMS, including login directions, see the "Grants Management System" section (above).

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.

Grant Managers will only approve reports with current information that include all required sections and documents. Grant Managers will only process Payment Requests after report approval.

Failure to comply with the specified reporting requirements may be considered a breach of the Grant Agreement and may result in the termination of the Grant Agreement, 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. The grantee must report any problems or delays immediately to the Grant Manager.

## Electronic and Original Signatures

CalRecycle requires certified e-Signature on documents or forms that certify legally binding information.

**Note:** E-signatures must include the first and last name of the Signature Authority, be in the Adobe Digital ID format (or through another certified digital signature program) and



cannot be the “Fill and Sign” function within Adobe. Any documents using the “Fill and Sign” method is considered incomplete and may be sent back to the grantee.

If you have questions, email [grantassistance@calrecycle.ca.gov](mailto:grantassistance@calrecycle.ca.gov).

## Progress Report

The grantee must submit a **Progress Report** by the due dates listed in the Milestones Section of this document. These reports should cover grant activities that occurred within the specified reporting period. The report should include the following:

The first Progress Report shall include, but is not limited to:

- Baseline data from which to evaluate the outcomes of all projects funded through this Agreement, when applicable.
- A statement of the tasks or milestones implemented to date and a report on the status of each.

Each subsequent Progress Report shall include, but is not limited to:

- A statement of the tasks or milestones implemented during the reporting period and a summary of the status for each.
- A discussion of all unanticipated problems or concerns and corrective actions taken.
- A statement of all data collection completed during the reporting period and findings to date.
- A description of all expenditures during the reporting period.
- A description of all changes made to the project during the reporting period with the approval of the Grant Manager and all additional changes identified.

## Final Report

The Final Report is due **April 1, 2027**. This report should cover grant activities **from the Notice to Proceed through April 1, 2027**. The grantee must include the following items in the Final Report:

- The Grant Number, grantee’s name, and Grant Term.
- The following disclaimer statement on the cover page:  
“The statements and conclusions of this report are those of the grantee and not necessarily those of the Department of Resources Recycling and Recovery (CalRecycle), its employees, or the State of California. The state makes no warranty, express or implied, and assumes no liability for the information contained in the succeeding text.”
- **Table of Contents**
- **Summary of the Project**
  - The baseline data collected prior to implementing the program.
  - The methodology for ongoing data collection and evaluation.
- **Total Cost of Program**
  - A breakdown of actual expenditures for the project (i.e., administration, staff, equipment, etc.) by project component (e.g., infrastructure etc.) and the percentage of the overall project costs for each component.
  - A list of all funding sources for the project, the amount provided, and the percentage of each source related to the overall project.

- A list of estimated dollar value of support from partnerships, volunteers, and in-kind services.
- A statement whether funds received through this Agreement were a factor in obtaining additional funding and support for the project.
- **Work Plan/Timeline**
  - A schedule of actual dates of project accomplishments (milestones).
  - A summary of the actual time expended on each phase of the project (i.e., planning, start-up, operation, evaluation, and until project became/becomes self-sustaining, if applicable).
  - A summary of special staffing needs.
  - A description of criteria for selecting equipment, actual effectiveness of chosen equipment, and recommended changes in equipment.
  - A statement of time elapsed before data was representative of a stable project.
  - A discussion of problems encountered, and corrective actions taken.
  - A discussion of conditions unique to this project.
- **Project Effectiveness**
  - The outcomes achieved as a result of this Program (e.g., percentage change in material stream contaminants, change in knowledge and/or awareness level, etc.).
  - A comparison of the outcomes achieved to the goals established at the start of the project.
  - Statistical data to support the outcomes.
  - Volumes collected for 12 months.
  - Outside influences that may have affected the outcomes achieved.
- **Conclusions and Recommendations**
  - Important findings and suggestions for improvement.
  - Tips or modifications needed for other entities to replicate the Program.
  - A list and description of on-going expenses for this Program.
  - List of subcontractors.
  - Photographs, articles, educational materials.

Grantee acknowledges and agrees that CalRecycle shall not release final payment pursuant to this Agreement unless and until CalRecycle has received from the grantee a Final Report that complies with the above requirements and with other applicable requirements in the Agreement.

## Grant Payment Information

- Payment to the grantee for eligible grant expenses is made on a reimbursement basis only, and only for those materials and services specified in the approved grant application.
- **Nonprofit Grantees Only:** Nonprofits may request an advance of 25 percent of the grant award. When the request is approved, the grantee will be advanced 25 percent. The advance payment must be fully reconciled prior to submission of the next Payment Request. Costs incurred may be reconciled only for those materials and services specified in the approved grant application.
- The grantee may request reimbursement as many times as necessary during the Grant Term. In conjunction with (or after) submission of the Progress Report and in conjunction with the Final Report.

- The grantee must submit the required Progress Report/Final Report prior to, or concurrent with, submission of the Grant Payment Request. No reimbursement is made prior to Grant Manager approval of the report.
- The grantee must submit a completed Grant Payment Request and provide supporting documentation as described in the “Payment Request and Documentation” section.
- CalRecycle will make grant payments to only the grantee. It is the grantee’s responsibility to pay all contractors and subcontractors for purchased goods and services.
- Cooperative Agreement Reimbursement: Lead Participants (Lead) for Cooperative agreements are responsible for reimbursing all Non-Lead Participants. When and if the Non-Lead Participant(s) submits an invoice to the Lead, the Lead pays the Non-Lead Participant, in full, directly. The Lead then requests reimbursement from CalRecycle. CalRecycle can only reimburse invoices received from the Lead directly, not from the Non-Lead Participant(s).
- CalRecycle will withhold and retain 10 percent of each approved Grant Payment Request amount until all conditions stipulated in the Agreement, including submission and Grant Manager approval of the Progress and Final Reports have been satisfied.
- 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 the Grant Manager approves a Grant Payment Request.
- The grantee must provide a [Reliable Contractor Declaration form \(CalRecycle 168\)](https://www2.calrecycle.ca.gov/Docs/Web/111324) (https://www2.calrecycle.ca.gov/Docs/Web/111324) signed under penalty of perjury by the grantee’s contractors and subcontractors in accordance with the “Reliable Contractor Declaration” section of the Terms and Conditions (Exhibit A). The declaration must be received and approved by the Grant Manager prior to commencement of work. See the “Reliable Contractor Declaration” section in Terms and Conditions (Exhibit A) for more information.

### **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.

The grantee must submit payment requests in GMS. For further instructions regarding GMS, including login directions, see the “Grants Management System” section (above). To submit a Grant Payment Request:

1. Go to the **Payment Request** tab.
2. Click on the **Create a Payment Request** button.
  - a. Choose **Reimburse** for the **Transaction Type** and enter the amount spent in each budget subcategory.
  - b. When the transaction is complete, click the **Save** button.
  - c. After the transaction is saved, the **Upload Supporting Documents** button will appear in the lower right corner.
3. Click the **Upload Supporting Documents** button.
  - a. Choose the **Document Type**, enter a **document title**, click the **Browse** button to search and upload the document, and then **Save**.

- b. Select the **Back** button to upload another document and continue this process until all required supporting documents as listed below are uploaded.
  - c. 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.
- a. **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.

## Supporting Documentation

- **Grant Payment Request form** (CalRecycle 87)
  - A scanned copy 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.
- **Cost and Payment Documentation**
  - Acceptable cost and payment documentation must include at least one of each of the following.
    - 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.
  - Proof of payment may include:
    - copy of cancelled check(s) that shows an endorsement from the banking institution
    - invoice(s) showing a zero balance, or stamped "paid" with a check number, date paid, and initials
    - accounting system report from local government if it contains the vendor's name, date of invoice, invoice number, check number or internal ID, and date amount was paid
    - bank statement(s) along with a copy of the endorsed check or invoice showing the check number
    - copy of an electronic funds transfer confirmation
    - copy of a credit card statement(s)
  - The Grant Manager may require additional cost and payment documentation as necessary to verify eligible costs.

**Note:** Three (3) bids (or a sole source justification) must be obtained prior to any purchase over \$5,000, to ensure the lowest bid is secured. Original supporting documentation is not required to be submitted to the Grant Manager but should be retained by the grantee.

All forms listed above are available on the [CalRecycle Application and Grant Management Tools webpage](https://calrecycle.ca.gov/Funding/tools/) (https://calrecycle.ca.gov/Funding/tools/).

## **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. CalRecycle may stipulate a longer period of records retention 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 cancelled checks. Please refer to the Terms and Conditions (Exhibit A) for more information.