

PROCEDURES AND REQUIREMENTS

**Farm and Ranch Solid Waste Cleanup
and Abatement Grant Program**
Fiscal Year 2010/11

Department of Resources Recycling & Recovery



PROJECT COMPLETION SCHEDULE

Date	Task
Receipt of Notice to Proceed (NTP)	Grant Recipients Begin Implementation of Grant Projects
March 15, 2013	Last Day to Expend Grant Funds on grant project
April 12, 2013	Last Day to Expend Personnel Grant Funds for preparation of Final Report and Payment Request
April 15, 2013	Final Report and Final Payment Request Due (NTP through 4/12/2013)

Questions?

Please direct all grant questions to Carla Repucci at (916) 341-6316 or by email at Carla.Repucci@CalRecycle.ca.gov

Where to send reports, payment requests and all other written correspondence:

Department of Resources Recycling & Recovery
ATTN: Ms. Carla Repucci
Remediation, Closure and Technical Services Branch
Cleanup, Closure & Financial Assurance Division
P.O. Box 4025, MS 10A-18
Sacramento, California, 95812-4025

California Department of Resources Recycling & Recovery
Farm & Ranch Solid Waste Cleanup and Abatement Grant Program
Procedures and Requirements
Fiscal Year 2010/11

1. Introduction

The Farm and Ranch Solid Waste Cleanup and Abatement Grant Program (Grant Program), is administered through the California Department of Resources Recycling & Recovery (CalRecycle). These Procedures and Requirements describe the reporting requirements, instructions for obtaining payment of the grant, and fiscal control procedures to be followed in implementing the Grant. This document is incorporated by reference into the Grant Agreement (Agreement) as Exhibit B.

All forms referenced in this document have either a link provided, or can be downloaded from the CalRecycle forms website at <http://www.calrecycle.ca.gov/Grants/Forms>

2. Waste & Used Tire Hauler and End Use and Disposal Facilities

CalRecycle has specific requirements for the tracking of used and waste tires remediated with grant funds. In order to be reimbursed for the costs of tire remediation, Grantees and their contractors **must** use a waste and used tire hauler that is registered with CalRecycle, unless exempt pursuant to Public Resources Code section 42954. Furthermore, the tires must be transported to a facility that is permitted, excluded, exempted or otherwise authorized by CalRecycle, by statute, or by regulation, to accept waste and used tires, or to a facility that lawfully accepts waste and used tires for reuse or disposal.

3. Before Work Begins

After the Grant Agreement is signed by CalRecycle, the CalRecycle Grant Manager will forward to the Grantee a copy of the Agreement along with a Notice to Proceed. While the Notice to Proceed allows work on the project to start, be aware of the following requirements.

- a) A Reliable Contractor Declaration (CalRecycle 168). **Prior to commencement of work by the Grantee's contractor**, the CalRecycle Grant Manager must receive and approve a declaration signed under penalty of perjury by the Grantee's contractor(s), stating that within the preceding three (3) years, none of the events listed in Section 17050 of Title 14, California Code of Regulations, Natural Resources, Division 7, have occurred with respect to the contractor(s) see <http://www.calrecycle.ca.gov/Laws/Regulations/Title14/ch1.htm#ch1a5> More detail can be found in the "Contractors/Subcontractors" section of the Terms and Conditions (Exhibit A).
- b) If waste tires are a part of the clean-up project, **prior to removal of tires from the site**, the Grantee shall contact the CalRecycleTire Management Program Hotline (Hotline) at (866) 896-0600 (toll free) to verify that the used tire hauler (tire hauler) and end use facility (facility) are in compliance with applicable laws and regulations. The name and address of the tire hauler **and** the facility are necessary for verification. If you have any questions, contact your Grant Manager.
- c) **Prior to commencing work under this Grant** the Grantee's Grant Manager, Grantee's Finance/Accounting office and authorized Signature Authority are encouraged to review the Grant Self Assessment Checklist (CalRecycle 641) to identify key grant administrative requirements. Evaluation of the Grantee's compliance with these requirements is a major part of all CalRecycle grant audit reviews.

As set forth more fully in the Terms and Conditions (Exhibit A) the Grantee shall submit with its Final Report a completed and signed Grant Self Assessment Checklist (CalRecycle 641).

4. Eligible Costs

Grant monies only fund expenses directly related to the approved cleanup and abatement project as described in the Grantee's approved Work Plan and approved Budget, which are incorporated by reference into the Agreement as Exhibits C and D, respectively. All requests for revisions to the Work Plan or Budget must be pre-approved in writing by the CalRecycle Grant Manager. It is the Grantee's responsibility to ensure before expenditure 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 CalRecycle Grant Manager.

For new sites, eligible costs may be incurred only during the "Grant Performance Period" which starts when the Grantee receives a "Notice to Proceed" from CalRecycle and ends on the date specified on the Grant Agreement Cover Sheet, (CalRecycle 110). The Notice to Proceed is formal notification from CalRecycle that authorizes the Grantee to begin the Grant Project and incur costs. The Notice to proceed is sent to the Grantee after both parties have signed the Grant Agreement.

For new sites, the Farm and Ranch Grant is a reimbursement grant. The Grantee must incur the expense, then file a Grant Payment Request Form (CalRecycle 87) along with the appropriate supporting documentation to obtain payment from CalRecycle. Contact the CalRecycle Grant Manager for exceptions to this requirement. Reimbursement for prior cleanups by the property owner will be made for eligible expenses only as approved by the Grant Manager.

Eligible costs for new and prior clean-ups (unless indicated otherwise) include, but are not limited to:

- Waste removal, disposal, and related actions;
- Recycling, including used oil, automotive batteries and tires;
- Drainage control and grading improvement;
- Slope and foundation stabilization;
- Excavation;
- Revegetation;
- Site security, including gates and fencing, incidental to cleanup;
- Public education to help prevent reoccurrence of the illegal disposal, if included with any of the above eligible remedial actions incidental to cleanup;
- Equipment rental
- Removal of Chloroflorocarbons (CFC's) from appliances;
- Mileage of up to 50 cents per mile for cleanup related activities; and
- "Administrative/Indirect/Overhead costs shall not exceed seven percent (7%) of the approved cleanup costs expended. (See number 14, *Administrative costs*, for more detail).

5. Ineligible Expenses

Ineligible costs include, but are not limited to:

- Costs incurred prior to the date on the Notice to Proceed letter, or after the end date specified on the Grant Agreement Cover Sheet (CalRecycle 110). This stipulation does not apply to prior clean-up sites;
- Any cleanup costs incurred for conditions for which the property owner(s), or any resident, invitee, licensee, lessee, or person the property owner(s) inherited from was responsible;
- Any personnel or administrative costs related to the preparation of the Grant Application;
- Costs currently covered by another CalRecycle funded loan, grant or contract;
- Wages paid to a landowner for time spent cleaning up his/her own property;
- Any expense not deemed reasonable by the CalRecycle Grant Manager and/or directly related to the implementation of the proposed cleanup;
- 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;
- Purchasing 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 CalRecycle Grant Manager);
- Any personnel costs not directly related to salaries and/or benefits;
- Any personnel costs for activities that are not directly related to the approved grant project; 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).

6. Signage

The Grantee shall acknowledge CalRecycle's support by the posting of a sign at each site. The sign(s) shall be legible from a public street. Initials or abbreviations shall not be used. The acknowledgement of support must state:

"Clean-up project funded by a Grant from the California Department of Resources Recycling & Recovery

See *Acknowledgement* section of Terms and Conditions (Exhibit A) for further requirements.

Please notify your CalRecycle Grant Manager if the clean-up site is located in a remote area where a posted sign would not be visible from a public street.

7. Advance of Grant Funds

Advance funds are not available. Note: Resource Conservation Districts may be eligible for a payment system other than reimbursement, contact your Grant Manager for further information.

8. Payment Requests

Grant funds are paid on a reimbursement basis. **The Grantee must incur and pay for eligible expenses, including payments to contractors and subcontractors, prior to submitting a Payment Request for reimbursement.** Contact your Grant Manager if you have any questions about this process.

The CalRecycle Grant Manager will review Payment Requests for accuracy and cost eligibility and may request additional documentation, and adjust as necessary. Each Payment Request, **including the Final**, must include the following:

- a) A Grant Payment Request Form (CalRecycle 87) with original signature, signed by the person authorized by the Grantee's resolution;
- b) Supporting documentation, including, but not limited to, legible copies of receipts and paid invoices. Purchase orders alone are not sufficient to evidence payment. Supporting documentation also includes receipts from the landfill or transfer station, metal recycler, etc., documenting that the waste removed from the illegal disposal site was properly disposed or recycled. *Documentation **must** show that expenditures have already been paid.*
 - For used/waste tires, include **all** tire manifests documenting the pickup location **and** the destination facility.
 - Personnel Expenditure Summaries must be submitted for all claimed personnel expenses. It is not necessary to submit timesheets, but all personnel hours must be recorded on a Personnel Expenditure Summary (CalRecycle 65) and must be computed on actual time spent on grant related activities and must be the actual amount paid to the employee. Site(s) and task(s) associated with personnel expenditures must be provided on the Payment Request.
- c) A Farm and Ranch Grant Expenditure Itemization Form (CalRecycle 224) The document is available in a word or pdf format. <http://www.calrecycle.ca.gov/LEA/GrantsLoans/FarmRanch/Forms/CalRecycle224.pdf> or <http://www.calrecycle.ca.gov/LEA/GrantsLoans/FarmRanch/Forms/CalRecycle224.doc> for each site remediated and arranged by the specified budget category.
- d) A Farm and Ranch Grant Report Form (CalRecycle 248). The document is available in a word or pdf format. <http://www.calrecycle.ca.gov/LEA/GrantsLoans/FarmRanch/Forms/CalRecycle248.pdf> or <http://www.calrecycle.ca.gov/LEA/GrantsLoans/FarmRanch/Forms/CalRecycle248.doc> for each site remediated;

- e) A Recycled-Content Certification Form (CalRecycle 74G-Farm) for all purchases made with Grant funds as set forth in the Terms and Conditions (Exhibit A); and
- f) An updated General Checklist of Business Permits, Licenses and Filings Form (CalRecycle 669) if any changes have been made from the previously submitted copy. If there has been no change, indicate by checking the appropriate box on the Grant Payment Request Form.

If the Payment Request is requesting reimbursement for the cleanup of more than one site, the following must be included:

- An additional Farm and Ranch Grant Expenditure Itemization (CalRecycle 224-see link above), showing the entire amount spent for the current payment request on all grant related activities, for all sites; and
- An additional Farm and Ranch Grant Report Form (CalRecycle 248 - see link above) showing the entire amount of waste recycled for the current payment request.

Final Payment Request

All products and services must be paid for no later than **March 15, 2013**, with the exception discussed in number 12, *Goods/Services Rendered*. The last day to expend grant funds on the grant project is **March 15, 2013**. Personnel costs, for the purposes of completing the Final Payment Request and Final Progress Report only, are allowed up to and including **April 12, 2013**. All Payment Requests and supporting documentation (e.g., receipts and invoices) are due to the CalRecycle Grant Manager by **April 15, 2013**.

Failure to submit the Final Payment Request and Final Report, with appropriate documentation, by the April 15, 2013, 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.

Note: All costs must be clearly linked to a specific task on the approved Work Plan and approved Budget or the expenditure will not be approved.

9. Ten Percent (10%) Retention

The Grant Manager will deduct ten percent from the approved amount of each Payment Request. The ten percent will be paid at the end of the grant term when all reports, tasks and conditions stipulated in the Grant Agreement have been satisfactorily completed. The Grantee may submit a Grant Payment Request Form (CalRecycle 87) requesting the release of the 10% retention, or the CalRecycle Grant Manager will automatically add it to the Final Payment Request.

The ten percent (10%) retention will not apply to those Grantees submitting only a Final Payment Request for the grant.

10. Payment Processing

CalRecycle will make payment to the Grantee as promptly as fiscal procedures permit. Payment is usually made within approximately forty-five (45) days from the date the Payment Request is approved by the CalRecycle Grant Manager. Payment to Grantee is subject to the availability of funds.

11. Reports

The cover page for all reports must contain the following disclaimer:

“The statements and conclusions of this report are those of the Grantee and not necessarily those of the California Department of Resources Recycling & Recovery, 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.”

Progress Reports

One Progress Report is due for the grant. The report due date will be provided in the grant agreement documents once the grant is approved. For projects that are completed and closed out prior to this date, only the Final Report is required

Each Progress Report shall include, as applicable:

- A brief description of all work conducted at each site, including the state of completion of tasks listed in the approved Work Plan;
- A schedule of the work remaining to be accomplished during the remainder of the grant term; and
- Any other information requested by the CalRecycle Grant Manager.

Note: This report may be waived, if in writing, by the CalRecycle Grant Manager upon request, if the information was provided earlier along with a previously submitted Payment Request. The CalRecycle Grant Manager may request a Progress Report at any time during the grant term.

Final Report

The Final Report is due to CalRecycle no later than **April 15, 2013** and shall include:

- A summary of the project objectives and how they were accomplished;
- A Farm and Ranch Grant Report Form (CalRecycle 248-see link in 8(d) above) showing the total amount of waste removed from all sites for the entire grant;
- An explanation of any approved Work Plan task(s) not completed;
- Photographs of the site(s) (if not previously submitted) showing that the objectives of the Grant have been met;
- Any findings or recommendations that you feel could improve the Farm and Ranch Grant Program or future cleanups; and
- A completed Grant Self Assessment Checklist (CalRecycle 641) signed by the Grantee's approved signature authority.

12. Goods/Services Rendered

Goods and services must be paid for and received before your CalRecycle Grant Manager will approve the Final Payment. The CalRecycle Grant Manager may, however, consider approving products purchased in full before the end of the grant term but delivered after the grant term if the delay is caused solely by the supplier, and not by the Grantee. The Grantee must request an exemption in writing and receive written pre-approval from the CalRecycle Grant Manager. Grantees should retain this documentation for audit purposes as set forth below and in the Terms and Conditions (Exhibit A, *Audit/Records Access*). Questions regarding specific situations should be directed to your CIWMB Grant Manager.

13. Audits

Grantees are required to use Generally Accepted Accounting Principles in documenting expenditures. The best way to help ensure an “audit-proof” grant is to share the grant documents with your Finance and/or Accounting Department and all contractors and subcontractors. It is recommended that all documents related to this grant be kept together in one file. Examples of audit documentation include, but are not limited to:

- Expenditure ledgers;
- Payroll register entries, time sheets (must include tracking by task), and Personnel Expenditure Summary Forms;
- Paid warrants;
- Contracts and change orders;
- All **original** invoices, receipts, and canceled checks;
- Original documentation indicating goods were received or services provided; and
- Copies of approvals for exceptions to the Grant Agreement.

14. Administrative/Indirect/Overhead costs (Note: a Cost Allocation Plan is no longer required for claiming and verifying Administrative costs. Please contact your Grant Manager if you have any questions.)

Administrative/indirect/overhead (Administrative) costs can be claimed by Grantees. These 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. All Administrative costs charged to the grant must be associated with grant-related activities as shown in the approved Budget.

Administrative costs shall not exceed seven percent (7%) of the approved cleanup costs expended. 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 your Finance and/or Accounting Department verify compliance with this provision as this may be an audit inquiry. Retain your grant records for audit purposes.

- The time spent in the preparation of Payment Requests and grant reports can be included either under the “Administrative” budget category or the “Personnel” budget category.
- Direct costs charged directly to the grant shall not be included as Administrative costs.
- Supervision performed by Managers and Supervisors 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 execution of the grant (not supervision), costs associated with this activity may be included as a direct charge. Any such activity must be clearly supported by appropriate documentation.