

PROCEDURES and REQUIREMENTS
Revised June 2012

**Farm and Ranch Solid Waste Cleanup
and Abatement Grant Program**

Fiscal Year 2011/12

California 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 <u>2014</u>	Last Day to Expend Grant Funds on grant project
April 12, 2013 <u>2014</u>	Last Day to Expend Personnel Grant Funds for preparation of Final Report and Payment Request
April 15, 2013 <u>2014</u>	Date Final Report and Final Payment Request Must be Postmarked, or Received By (NTP through 4/12/2013 <u>2014</u>)

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:

California Department of Resources Recycling & Recovery
ATTN: Ms. Carla Repucci
Financial Resources Management Branch
Materials Management and Local Assistance Program
1001 I Street, P.O. Box 4025, MS 9
Sacramento, California, 95812-4025

California Department of Resources Recycling & Recovery
Farm & Ranch Solid Waste Cleanup and Abatement Grant Program
Procedures and Requirements
FY 2011/12

1. Introduction

The Farm and Ranch Solid Waste Cleanup and Abatement Grant Program (Grant or 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 are available 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. See 3(b) **Before Work Begins** for additional information.

3. Before Work Begins

After the Grant Agreement is signed by both parties, the CalRecycle 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. In addition, note the following:

- a) **Prior to commencement of work by the Grantee's contractor**, the CalRecycle Grant Manager must receive and approve a Reliable Contractor Declaration (CalRecycle 168) 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) and subcontractor(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 must contact the CalRecycle Tire 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.

4. Eligible Costs

For new cleanup sites, approved eligible costs may be incurred only during the "Grant Performance Period" which starts on the date of the "Notice to Proceed" from CalRecycle and ends no later than March 15, ~~2013~~ 2014. Note: personnel costs solely for the purpose of completing the Final Payment Request and Final Progress Report may be incurred up to April 12, ~~2013~~ 2014.

These deadlines also apply to approved costs for new work, such as signage and preparation of Payment Requests, for sites previously cleaned up by the owner (prior cleanups).

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 incurring costs** 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.

Payment is made on a reimbursement basis, the Grantee must pay the approved costs and then file a Grant Payment Request Form (CalRecycle 87) along with the appropriate supporting documentation to obtain payment from CalRecycle.

Reimbursement for prior cleanups by the property owner will be made for eligible expenses only as contained in the approved Budget.

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

- a) Waste removal, disposal, and related actions (conditional on compliance with the requirements set out above in Section 3 (b), **Before Work Begins**);
- b) Recycling, including used oil, automotive batteries and tires;
- c) Drainage control and grading improvement;
- d) Slope and foundation stabilization;
- e) Excavation;
- f) Revegetation incidental to cleanup;
- g) Site security, including gates and fencing, incidental to cleanup;
- h) Public education to help prevent reoccurrence of the illegal disposal, if included with any of the above eligible remedial actions incidental to cleanup;
- i) Equipment rental;
- j) Removal of Chlorofluorocarbons (CFC's) from appliances;
- k) Mileage of up to 51 cents per mile for cleanup related activities; and
- l) Administrative/Indirect/Overhead costs not to exceed seven percent (7%) of the approved actual cleanup costs expended. (See section 9, **Payment Requests** and section 7, **Administrative Costs**, for more information)

5. Ineligible Costs

Ineligible costs include, but are not limited to:

- a) For new cleanup sites, costs incurred prior to or after the "Grant Performance Period" as defined in section 4, **Eligible Costs**. This stipulation does not apply to prior clean-up sites;
- b) 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**;
- c) Any personnel or administrative costs related to the preparation of the Grant Application;

- d) Costs currently covered by another CalRecycle funded loan, grant or contract;
- e) Wages paid to a landowner for time spent cleaning up his/her own property;
- f) Any expense not deemed reasonable by the CalRecycle Grant Manager and/or not directly related to the implementation of the proposed cleanup;
- g) Costs for the transportation of used/waste tires hauled by an unregistered used tire hauler;
- h) Closure activities, as defined in Section 20164 of Title 27, Division 2 of the California Code of Regulations;
- i) Ground water remediation;
- j) Surface water or vadose zone monitoring systems;
- k) Removal, abatement cleanup or otherwise handling of hazardous substances [as defined in 42 U.S.C. Section 9601 (14)];
- l) Extinguishing of underground fires;
- m) Operation and maintenance of any part of a leachate system;
- n) Purchasing or leasing of land;
- o) Profit or mark-up by the Grantee;
- p) Cell phones, pagers, personal electronic assistance devices, and similar electronic and telecommunications devices, etc.;
- q) Overtime costs (except for extreme situations that have been pre-approved in writing by the CalRecycle Grant Manager);
- r) Any personnel costs not directly related to salaries and/or benefits;
- s) Any personnel costs for activities that are not directly related to the approved grant project; and
- t) 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.

Notify your CalRecycle Grant Manager prior to incurring costs for signage if the clean-up site is located in a remote area where a posted sign would not be visible from a public street.

7. Administrative/Indirect/Overhead Costs (Administrative Costs)

Administrative costs can be claimed by Grantees, but shall not exceed seven percent (7%) of the **approved** cleanup costs expended. 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.

All Administrative costs charged to the grant must be associated with grant-related activities as shown in the approved Budget. The final cost of the cleanup may be less than the amount identified in the approved Budget. Because the Administrative costs are calculated as a percentage of the total actual approved cleanup costs, the allowable Administrative costs may also end up being less than the amount in the approved budget. 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.

- a) Direct costs shall not be included as Administrative costs.
- b) 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. Any such activity must be clearly supported by appropriate documentation.
- c) All Administrative costs must be explained/justified and verified with supporting documentation.

8. Advance of Grant Funds

Advance funds are not available. Resource Conservation Districts (RCD's) may be eligible for a payment system other than reimbursement, see section 10, **Resource Conservation Districts: Invoiced Payment Method** for further information.

9. Payment Requests

The CalRecycle Grant Manager will review each Payment Request for accuracy and cost eligibility. The Grant Manager may request additional documentation and make payment adjustments, as necessary. An incomplete Payment Request will result in delay of processing and possibly denial of payment.

Box 5 on the Payment Request form (CalRecycle 87) should always be marked "reimbursement" unless it is the Final Payment Request. "Advance" should not be used.

Each Payment Request, including the Final, must include:

- a) A Grant Payment Request Form (CalRecycle 87) with original signature, signed by the person authorized by the Grantee's resolution (signatory);
- b) A Farm and Ranch Grant Expenditure Itemization Form (CalRecycle 224) for each site remediated
 - Expenditures must be arranged in the same budget categories as the original cost estimate/budget submitted with your Grant Application
 - Provide subtotals for each budget category

- If the payment request is for the cleanup of more than one site, you must include an additional Expenditure Itemization showing the entire amount spent for the current Payment Request on all grant related activities for **all** sites;
- c) A legible copy of a receipt/invoice to support each expenditure and substantiate that payment has already been made. Purchase orders alone are not sufficient to evidence payment;
 - d) Documentation from all businesses receiving waste, such as a landfill or transfer station, metal recycler, etc., showing that the waste removed from the illegal disposal site was properly disposed or recycled. For used/waste tires, include **all** tire manifests documenting the pickup location **and** the destination facility;
 - e) A Personnel Expenditure Summary (CalRecycle 65) for all claimed personnel expenses for actual time spent on activities directly related to this grant and the actual amount paid to the employee. Site(s) and task(s) associated with personnel expenditures must be provided on the payment request;
 - f) A Farm and Ranch Grant Report Form (CalRecycle 248) if waste has been removed from the site(s). Use **one** form for each site remediated. If the payment request is for the cleanup of more than one site you must provide an additional Report Form showing the entire amount of waste recycled and disposed for all sites for the current payment request; and
 - g) A Progress Report describing work conducted since the last payment request (see section 12, **Progress Reports**).

Final Payment Request

Failure to submit a complete and satisfactory Final Payment Request and Final Report, with appropriate documentation, by the ~~April 15, 2013~~ 2014, 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.

Ten Percent Retention

The CalRecycle Grant Manager will deduct ten percent (10%) from the approved amount of each payment request. The ten percent will be paid at the end of the grant term if 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. Ten percent will *not* be deducted if only a Final Payment Request is submitted.

10. Resource Conservation Districts (RCD): Invoiced Payment Method

The Invoiced Payment Method is available **only** to enrolled RCDs. To enroll in this payment method, the RCD Grantee must submit a letter of participation with the signed Grant Agreement.

Except for the Final Payment Request, the Invoiced Payment Method allows the enrolled RCD to submit Payment Requests for incurred, but unpaid eligible costs. Upon approval of the Payment Request by the CalRecycle Grant Manager, the RCD will receive grant funds for approved costs less a ten percent retention (see **Ten Percent Retention**). Upon receipt of grant funds, the enrolled RCD is required to pay in full all costs owing, including those covered by the ten percent retention, prior to submitting the next Payment Request.

For the Final Payment Request the enrolled RCD must pay in full all invoices prior to submitting this Payment Request and receiving grant funds.

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.

Payment Requests

The CalRecycle Grant Manager will review each payment request for accuracy and cost eligibility. The Grant Manager may request additional documentation and make payment adjustments as necessary. An incomplete payment request will result in delay of processing and possibly denial of payment.

Box 5 on the Payment Request should always be marked "reimbursement" unless it is the Final Payment Request. "Advance" should not be used.

- a) Each Payment Request, **including the Final**, must include the following: A Grant Payment Request Form (CalRecycle 87) with original signature, signed by the person authorized by the Grantee's resolution.
- b) A Farm and Ranch Grant Expenditure Itemization Form (CalRecycle 224) for each site remediated:
 - Costs must be arranged in the same budget categories as the original cost estimate/budget submitted with your Grant Application
 - Provide subtotals for each budget category
 - If the Payment Request is for the cleanup of more than one site, you must include an additional Expenditure Itemization showing the entire amount spent for the current Payment Request on all grant related activities, for **all** sites
- c) A legible copy of a detailed invoice or purchase order to support each expenditure and substantiate that work has been done or the goods and services received;
- d) Documentation from businesses, such as a landfill or transfer station, metal recycler, etc., showing that the waste removed from the illegal disposal site was properly disposed or recycled. For used/waste tires, include **all** tire manifests documenting the pickup location **and** the destination facility;
- e) A Personnel Expenditure Summary (CalRecycle 65) for all claimed personnel expenses for actual time spent on activities directly related to this grant and the actual amount owed to the employee. Site(s) and task(s) associated with personnel expenditures must be provided on the Payment Request;
- f) A Farm and Ranch Grant Report Form (CalRecycle 248) if waste has been removed from the site(s). Use one form for each site remediated. If the Payment Request is for the cleanup of more than one site you must provide an additional Report Form showing the entire amount of waste recycled and disposed for all sites for the current Payment Request;
- g) A Progress Report describing work conducted since the last payment request (see section 12, **Progress Reports**); and
- h) Documentation showing that all parties authorized for payment in the previously approved (when applicable) Invoiced Payment Request have received full payment including the ten percent retained by CalRecycle.

Final Payment Request

This payment request cannot be processed as an Invoiced Payment; it is for reimbursement only. All costs claimed in this request **must** be paid for prior to submitting the Final Payment Request. To complete the Final Payment Request, follow the requirements in section 9, **Payment Requests**. **Failure to submit a complete and satisfactory Final Payment Request and Final Report, with appropriate documentation, by the April 15, 2013 2014, 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.**

Ten Percent Retention

The CalRecycle Grant Manager will deduct ten percent (10%) from the approved amount of each Payment Request. The ten percent will be paid at the end of the grant term if 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. Ten percent will *not* be deducted if only a Final Payment Request is made for the grant

11. 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.

12. 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

A Progress Report is due with *each* Payment Request submitted. If you submit only the Final Payment Request, submit only the Final Report, Progress Reports are not required.

The CalRecycle Grant Manager may request a Progress Report at any time during the grant term. Each Progress Report shall include:

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

Final Report

The Final Report is due to CalRecycle no later than April 15, 2013 2014 and shall include:

- a) A summary of the project objectives and how they were accomplished;
- b) A Farm and Ranch Grant Report Form (CalRecycle 248) showing the total amount of waste removed from all sites for the entire grant performance period;
- c) An explanation of any approved Work Plan task(s) not completed;

- d) Photographs of the site(s) (if not previously submitted) after cleanup showing that the objectives of the Grant have been met; and
- e) Any findings or recommendations that you feel could improve the Farm and Ranch Grant Program or future cleanups.

13. 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 by the applicable deadline 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. Questions regarding specific situations should be directed to your CalRecycle Grant Manager.

14. Audits

All grants are subject to audit for a period of at least 3 years after completion of the grant. Grantees should retain all grant-related documentation for audit purposes as set forth below and in the Terms and Conditions (Exhibit A, *Audit/Records Access*). 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:

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