

EXHIBIT B PROCEDURES AND REQUIREMENTS

LOCAL ENFORCEMENT AGENCY GRANT PROGRAM EA26 Cycle – Fiscal Year 2015–16

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

INTRODUCTION

The Local Enforcement Agency Grant Program (LEA) is administered through the Department of Resources Recycling and Recovery (CalRecycle). 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

July 1, 2015	Grant Term and Grant Performance Period Begins
June 30, 2016	Grant Performance Period Ends
July 1, 2016 – October 28, 2016	Report Preparation Period
October 28, 2016	Advance Reconciliation and final Payment Request Due
October 28, 2016	Grant Term Ends

No extensions will be granted for submittal of Advance Reconciliation and final Reimbursement Payment Request. Failure to submit the Advance Reconciliation or final Reimbursement Payment Request by October 28, 2016 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 reimbursement.

GRANT 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) (<https://secure.calrecycle.ca.gov/WebPass/>).

Accessing the grant

Grantees must [log into GMS](https://secure.calrecycle.ca.gov/Grants) (<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 or used to reconcile Advance Payment.

- **Reports tab-** uploads the Reliable Contractor Declaration.
- **Interest –** reports earned interest on an advance payment.
- **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.

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. All other contact updates are to be made by the grantee.

PRIOR TO COMMENCING WORK

Prior to commencing work under this grant, the grantee's Grant Manager or primary contact and authorized grant Signature Authority must 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(s) 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) and the subcontractor(s), respectively.

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, GRANT PERFORMANCE PERIOD, AND REPORT PREPARATION PERIOD

The Grant Term and Grant Performance Period both begin July 1, 2015. The Grant Term ends on October 28, 2016. This is also the date the Advance Reconciliation or final Reimbursement Payment Request are due to CalRecycle.

The Grant Performance Period begins on July 1, 2015 and ends on June 30, 2016. Grant-eligible program expenditures may start no earlier than July 1, 2015 and end on June 30, 2016. In all cases, eligible program costs must be incurred no later than June 30, 2016.

The period from July 1, 2016 to October 28, 2016 is the Report Preparation Period. **Costs incurred to prepare the Advance Reconciliation or the final Reimbursement Payment Request are the only costs that are eligible for reimbursement during the Report Preparation Period.**

ELIGIBLE COSTS

All grant expenditures must be for activities, products, and costs specifically included in the approved Budget. Eligible costs must be incurred, services provided and goods received on or after July 1, 2015 and before the end of the Grant Performance Period, June 30, 2016.

Eligible costs are limited to the following:

- Consulting services
- Education
- Purchase of equipment or materials
- Staffing
- Training
- Travel within the state

Travel and per diem reimbursement is limited to a maximum of the state rate as described in the [Travel Reimbursements](http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx) (<http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>) section of the California Department of Human Resources website. Please consult the Grant Manager for guidance.

Personnel expenditures must be computed on the actual time spent on grant-related activities. For calculating total personnel expenses for each employee, the expenditures should be broken out by the classification(s) of the employee(s), the hourly wage, fringe benefits rate, and number of hours worked on grant-related activities. These records must be available upon request for audit purposes.

BUDGET MODIFICATIONS

The approved budget in the GMS represents the proposed expenditure plan of the grantee at the time the grant is awarded. A budget change is the adjustment of grant funds between the main budget categories as listed in the GMS application. The following steps need to be taken in order to request a budget change:

1. Obtain Grant Manager Approval

Pre-approval from the Grant Manager is required for any budget modification when the total amount of all changes equals or exceeds \$5,000 or 10 percent of the grant amount, whichever is greater. Requests are to be submitted via email with the Budget Modification template completed and attached.

2. Prior to Reconciliation

Prior to the grantee submitting their Final Payment Request, the grantee must email the Grant Manager to notify her/him of **all** budget changes, regardless of dollar amount, no later than October 28, 2016 and using the Budget Modification template. Please retain all notifications to and approvals from the Grant Manager in your grant file for audit purposes.

Note: New for EA26 is the Budget Modification template. The link to the Budget Modification template can be found on the Summary tab under Resources Documents in the Grant Management section of GMS. This link will become active July 1, 2015 for the Grant Term.

INELIGIBLE COSTS

Any costs not specifically included in the approved Budget and not directly related to LEA - EA26 and the approved grant project are ineligible for reimbursement. Contact the Grant Manager if clarification is needed. Ineligible costs include, but are not limited to:

- Costs incurred prior to July 1, 2015 or after June 30, 2016, except for costs incurred to prepare the Advance Reconciliation and final Reimbursement Payment Request, which are eligible for reimbursement during the Reporting Preparation Period.
- Any costs that are not consistent with local, state, and federal statutes, ordinances or regulations.
- Any food or beverages (supplied as part of meetings, workshops, training, or events).
- Any personnel costs incurred as a result of time an employee assigned to the solid waste program does not actually work on the solid waste program (e.g. use of accrued vacation, sick leave, etc.)
- Any pre-paid expenditures for future goods or services delivered after the end of the Grant Performance Period. (Exemption: The Grant Manager may consider approving products purchased in full before the end of the Grant Performance Period but delivered after the Grant Performance Period if the delay is caused solely by the supplier and through no fault of the grantee. The grantee must request an exemption in writing and receive written approval from the Grant Manager.)
- Cleanup of illegal dumping.
- Costs currently covered or incurred under another CalRecycle loan, grant, grant cycle or contract.
- Costs incurred prior to or after the Grant Performance Period, except for costs incurred to prepare the Advance Reconciliation and final Reimbursement Payment Request, which are eligible for reimbursement during the Report Preparation Period.
- Landfill operations.
- Out-of-state travel, unless pre-approved in writing by the Grant Manager.

- Overhead and indirect costs.
- Overtime costs (except for local government staffing during specially scheduled evening or weekend events that have been pre-approved in writing by the Grant Manager when law or labor contracts REQUIRE overtime compensation).
- Purchasing or leasing of vehicles.
- Any other costs not deemed reasonable or related to the purpose of the grant by the Grant Manager.

ACKNOWLEDGEMENTS

The grantee shall acknowledge CalRecycle's support each time projects funded, in whole or in part, by this Agreement are 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.

GRANT PAYMENT INFORMATION

1. Payment to the grantee for eligible grant expenses is made on a reimbursement basis only and for only those materials and services specified in the approved grant application.
2. The grantee must submit a completed Grant Payment Request and provide any supporting documentation if requested by the Grant Manager. Supporting documentation may include, but is not limited to, personnel expenditure detail, equipment invoices and/or proof of payment.
3. 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.
4. Ten percent of the advance will be withheld and retained until all conditions stipulated in the Agreement have been satisfied.
5. 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.
6. The grantee must provide a [Reliable Contractor Declaration \(CalRecycle 168\)](http://www.calrecycle.ca.gov/Funding/forms/) (<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 "Unreliable List" provision of the Terms and Conditions. The declaration must be received and approved by the Grant Manager prior to commencement of work. See "Unreliable List" provision in Exhibit A – Terms and Conditions for more information.

PAYMENT REQUEST AND DOCUMENTATION

Payment Requests must be submitted in GMS. If requested by the Grant Manager, any supporting documentation is to be submitted directly to the Grant Manager via email. For more information regarding GMS, including log-in directions, see the section above entitled "Grant Management System."

In their applications, grantees requested either an advance payment or reimbursement payment.

1. If the grantee requested an **Advance Payment**:

- The advance payment will be processed by the Grant Manager in the GMS - Grant Management section after the Grant Agreement is fully executed and the Payment Request form is approved. The advance payment transaction will be visible to the grantee after the transaction is completed by the Grant Manager.
- Upon receipt of advanced grant funds, the grantee shall deposit and maintain until expended, all grant funds in an interest-bearing account within a federally insured financial institution. Grantee shall maintain a separate accounting system for the grant funds including the earned interest. Any earned interest must be tracked for reporting purposes as discussed in the **INTEREST** section below.
- The grantee must reconcile the approved advance amount in the GMS - Grant Management section by submitting a payment request including the final expenditure information.
 - Go to the **Payment Request** tab.
 - Click on the **Create a Payment Request** button. The payment request is broken up into three steps.

Step One

- Choose **Advance Reconcile** for the Transaction Type.
- Enter the amount spent in each budget sub category. The approved advance amount must be reconciled, which includes the 10 percent withhold.
- When the transaction is complete click the “Save” button.

Step Two

- If no interest was accrued, upload a written explanation.
 - Click the **Upload Supporting Documents** button (located in the lower right hand corner).
 - Select a Document Type and add a Document Title, use the Browse button to search and upload the copy of the document, and then **Save**.
 - Select the **Back** button to return to the payment request.
- If interest was earned, no supporting documentation is required for reconciling and advance; skip step two.

Note: See Interest section below for reporting requirements.

Step Three

- Select the **Submit Transaction** button to complete and submit your payment request.

Note: Once 100 percent of the advance has been reconciled, the Grant Manager will release the 10 percent withhold to the grantee.

Grant funds must be spent in the following order:

- 1) Advance payment
- 2) Reimbursement payment [10 percent withhold]
- 3) Interest earned on advance payment, if approved by the Grant Manager

Any unspent grant funds or unspent earned interest must be returned to CalRecycle by the end of the Grant Term. Contact the Grant Manager to initiate this process.

2. If the grantee requested **Reimbursement Payment**:

When funds are expended before or at the end of the grant term, the grantee must:

- Download the Grant Payment Request form (CalRecycle 87) from CalRecycle's [Grant Forms website](http://www.calrecycle.ca.gov/Funding/Forms/) (<http://www.calrecycle.ca.gov/Funding/Forms/>). Complete the grantee sections of the form (check box labeled "Final") and obtain a signature of the person authorized in the Resolution or Letter of Designation.
- In GMS-Grant Management section click on the **Payment Request** tab.
- Click on the **Create a Payment Request** button. The payment request is broken up into three steps:

Step One

- Choose **Reimburse** for the Transaction Type
- Enter the amount spent in each budget sub category.
- When the transaction is complete click the **Save** button.

Step Two

- Click the **Upload Supporting Documents** button (located in the lower right hand corner).
- Select a Document Type and add a Document Title, use the Browse button to search and upload the copy of the form, and then **Save**.
- Select the **Back** button to return to the payment request.

Step Three

- Select the **Submit Transaction** to complete and submit your payment request.

Mail the Grant Payment Request form (CalRecycle 87), with the **original** signature of the signatory or his/her designee*, as authorized by grantee's Resolution or Letter of Commitment to:

Via standard mail:	Via courier/personal delivery:
Department of Resources Recycling and Recovery LEA Grant Program FiRM Branch, 13 th Floor P.O. Box 4025 Sacramento, CA 95812-4025	Department of Resources Recycling and Recovery LEA Grant Program FiRM Branch, 13 th Floor 1001 I Street Sacramento, CA 95812

*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.

All forms listed above can be downloaded from the [CalRecycle Grant Forms website](http://www.calrecycle.ca.gov/Funding/Forms) (<http://www.calrecycle.ca.gov/Funding/Forms>).

INTEREST

Grantees that request an advance payment must account for all interest accrued and received. All interest accrued and received from the grant funds shall be used only for eligible expenses related to the performance of this Agreement.

- Interest earned may not be spent until the full grant award has been expended.
- The earned interest must be reported in the **Interest** tab in GMS.
- To report interest earned:
 - 1) Go to the **Interest** tab and click on the **Create an Interest Record** button.
 - 2) Complete required fields by selecting “**Earned**” as the Interest Type, select the Budget Subcategory where the interest will be spent; enter the date, and the amount of interest earned in the Report Amount filed.
 - 3) Click the **Save**.

Once interest is spent, create another Interest Record by following the same steps as above except choose **Reconcile** as the Interest Type.

If no interest was accrued during the fiscal cycle, a written explanation that no interest was earned because grant funds were expended within 90 days must be submitted with the Advance Reconcile Transaction, see Payment Process for Advance Payments section. The grantee is highly encouraged to immediately reconcile their advance payment if it was fully expended within the 90 days.

All unused interest or unspent grant funds must be returned to CalRecycle at the end of the Grant Term. Contact the Grant Manager to initiate this process.

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, 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.