
EXHIBIT B
DRAFT PROCEDURES AND REQUIREMENTS
Used Oil Nonprofit Grant (7th Cycle) and Used Oil Research, Testing and
Demonstration Grant (5th Cycle) for FY 2006/07

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 Used Oil Nonprofit (UNP) and Used Oil Research, Testing and Demonstration (URD) Grant Programs are administered through the California Integrated Waste Management Board (CIWMB). 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 close-out procedures, records and audit requirements.

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

All documents submitted must be printed double-sided on one hundred percent (100%) recycled-content paper. Specific pages containing full-color photographs or other ink-intensive graphics may be printed on photographic paper.

Milestones

September 2007	Grant Term Begins pending the Notice to Proceed
February 15, 2008	Progress Report Due (covers 9/1/07 - 12/31/07)
February 17, 2009	Progress Report Due (covers 1/1/08 - 12/31/08)
February 16, 2010	Progress Report Due (covers 1/1/09 – 12/31/09)
September 30, 2010	Grant Term Ends
November 15, 2010	Final Report and Payment Request Due (covers 1/1/10 – 9/30/10; and summarizes 9/1/07 – 12/31/09)

No extensions will be granted for submittal of final report.

Questions?

All communication regarding this grant should be directed to your CIWMB Grant Manager. To find the name and telephone number of your CIWMB Grant Manager, refer to www.ciwmb.ca.gov/HHW/Grants/Contacts.htm, or call the main office number at (916) 341-6457.

Where to send Reports,
Payment Requests,
etc.

Send your Reports, Payment Requests, and all other written correspondence to your CIWMB Grant Manager’s attention at:

California Integrated Waste Management Board
Used Oil and HHW Branch – MS #9A
Attn: (your CIWMB Grant Manager’s name)
P.O. Box 4025, 1001 “I” Street
Sacramento, CA 95812-4025

Eligible Costs

All expenditures must be only for activities, products, and costs included in your grant application’s approved Work Plan (Exhibit C) and approved Budget (Exhibit D), and **must be incurred, and services provided and goods received, after receiving Notice to Proceed and before the end of the Grant Term.** Any proposed revisions to the Work Plan and/or the Budget must be submitted and pre-approved **in writing** by the CIWMB Grant Manager prior to Grantee incurring the proposed expenditures. The approval document should be retained by the Grantee for audit purposes.

Ineligible Costs

Any costs not included in your approved budget are ineligible for reimbursement. If you have any questions regarding ineligible costs, contact your CIWMB Grant Manager. Ineligible costs include, but are not limited to:

- Costs (claimed as either grant expenses or matching monies) incurred prior to receipt of Notice to Proceed or after the end of the grant term;
- Costs currently covered by another CIWMB Loan, Grant or Contract;
- Purchasing or leasing of land or buildings;
- Purchasing of vehicles by non-governmental agencies;
- Leasing of gasoline-fueled vehicles (including hybrid vehicles) by non-governmental agencies unless pre-approved in writing by your CIWMB Grant Manager;
- Any food or beverages (e.g. as part of meetings, workshops or events);
- Remediation;
- Enforcement activities;
- Public education costs not directly tied to used oil filter collection or re-refined oil use in vehicle fleets;

- Overtime costs (except for local government staffing during specially scheduled evening or weekend events that are pre-approved in writing by the CIWMB Grant Manager when law or a labor contract requires overtime compensation);
- Out-of-state travel;
- Cell phones, pagers, personal digital assistive devices, cameras, and other similar electronic devices;
- Development of school curricula;
- Preparation of HHW Elements that are not related to used oil;
- Profit or mark-up by the Grantee;
- Any costs that are not consistent with local, state and federal guidelines and regulations;
- Personnel costs incurred while an employee assigned to the grant project is not working on the grant (e.g., use of accrued time such as sick leave, vacation, etc.);
- Pre-paid expenditures for future goods or services delivered beyond the end of the grant term (Exemption: The CIWMB Grant Manager may 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 CIWMB Grant Manager.);
- Movie theater screen advertising;
- Overhead in excess of 10% for any applicant that is not an eligible non-profit organization, and in excess of 20% if an applicant is a non-profit organization;
- Fines or penalties due to violation of federal, state or local laws, ordinances, or regulations;
- Costs to maintain an existing Household Hazardous Waste (HHW) program;
- Developing a permanent facility on non-government managed property;
- Premiums that exceed \$6 per item if no written pre-approval was obtained;

- Management, handling, disposal, or treatment of radioactive, explosive or medical wastes, and other extremely hazardous waste;
- Promotional items or premiums that are not related to the Oil Grant or the target audience;
- Promotion of brand-name product(s) or private businesses with grant funds;
- Transportation & disposal of non-oil HHW from any facility or event;
- Equipment, materials or supplies at Permanent Household Hazardous Waste Collection Facilities (PHHWCF) or antifreeze, battery, oil, and paint facilities (ABOP) not directly related to the collection of used oil and used oil filters; and
- Costs deemed unreasonable or not related to the grant by the CIWMB Grant Manager.

Recycled Content Requirements

All products containing recycled-content material that are purchased with grant funds must be reported. At a minimum, Grantees must report the percentage of recycled-content material for products purchased in the product categories listed below. Grantees must use a separate Recycled-Content Product Certification (RCP) Form (CIWMB 74G) for each supplier and submit these forms with the Final Progress Report. The form can be found at CIWMB's website and accessed by either Microsoft Word or Adobe Acrobat: www.ciwmb.ca.gov/HHW/Forms/.

Purchases of the following products with grant funds must meet the specific percentages of recycled-content, as described on the RCP form.

Paper Products	Printing & Writing Paper	Plastic Products
Compost & Co-Compost	Glass Products	Lubricating Oils
Paint	Solvents	Steel Products
Tires	Tire-Derived Products	

Any exceptions to the above requirements must be pre-approved by your CIWMB Grant Manager.

Recycled-content information for some commonly purchased Grant items may be found at:

www.ciwmb.ca.gov/UsedOil/Grants/Resources/Vendors/PromoProduct.doc

More information regarding RCP vendors and contractors may be found at: www.ciwmb.ca.gov/RCP/ For information about CIWMB's *Buy Recycled Program*, visit: www.ciwmb.ca.gov/BuyRecycled/

Requirements for
Publicity and
Education Items

Materials or items purchased for publicity or educational purposes may be denied for reimbursement if they do not meet the requirements detailed in this section.

Premiums must be specifically tailored to the target audience, must be durable, and not likely to be disposed of in a short time, nor contribute to the waste stream or hazardous waste stream (e.g., any item containing batteries, mercury, etc.).

For all languages other than English, you must work with a certified translator or person fluent in reading and writing the language. A description of the translator's qualifications, as well as an English version of the material(s), must be submitted with the final report.

All items/materials, as appropriate, must meet the recycled-content product content requirements as set forth in the Terms and Conditions (Exhibit A) and described in the RCP Form, and must include the following:

- 1) Acknowledgement of the CIWMB funding that reads "Funded by a grant from the California Integrated Waste Management Board." ¹ Use of the initials "CIWMB" is not sufficient. Exception: The acknowledgement line is not required on small items where space constraints would not allow for this line, or if it would interfere with the message (pencils, small magnets, etc.). All exceptions must be pre-approved in writing by your CIWMB Grant Manager.
- 2) Specific information on reducing the illegal disposal of used oil and used oil filters.
- 3) A list of used oil and used oil filter collection locations or a 24-hour hotline number. When locations are listed, include the following language: "Call for hours of operation and types of materials accepted".
- 4) A "Used Oil Drop" logo with the words "Recycle Used Oil" or "Recycle Used Oil and Filters" as appropriate below it. Camera-ready art and color specifications are available free from the CIWMB. The used oil graphics are also available on the CIWMB's website at www.ciwmb.ca.gov/UsedOil/graphics/default.htm#usedoil. Use the state colors (blue oil drop on yellow background) on any material produced in four or more colors. (Color designation for

¹ There are only two acceptable Spanish translations: "Financiado por una beca del California Integrated Waste Management Board" or "Patrocinado por fondos del California Integrated Waste Management Board." For other languages, you must work with a certified translator or person fluent in reading and writing that language.

professional printing: Yale Blue-pantone 286C; Golden Yellow-pantone 123C.)

- 5) The slogan, “Zero Waste – You Make It Happen!” Where space is a constraint, the CIWMB Grant Manager may allow exceptions. Exceptions must be pre-approved in writing.
- 6) For copyrightable items, include the following language: “© {year of creation} by the California Integrated Waste Management Board (CIWMB). All rights reserved. This publication, or parts thereof, may not be reproduced without permission from CIWMB.” Omission of this language must be expressly preapproved, in writing by the CIWMB Grant Manager.

Graphics



Graphics are available on the CIWMB’s website at: <http://www.ciwmb.ca.gov/UsedOil/graphics/HHWArt/>

For information on recycled-content products, see <http://www.ciwmb.ca.gov/RCP/SABRC.asp>.

Written Pre-Approval Required for Select Publicity and Education Materials

The following materials and items require written approval from your CIWMB Grant Manager prior to incurring the expense. These items include:

- 1. Premiums, if the per item cost exceeds six dollars (\$6).
- 2. All television and video scripts.

Publicity & Education Reporting Samples

For audit purposes, Grantees are required to retain samples of all Publicity & Education materials for three years AFTER the close of the grant term, or a longer period of time if warranted to resolve any issues with this grant. (See Audit/Records Access with the Terms and Conditions, Exhibit A, for more information.)

Progress Reports:
Due: February 15, 2008
February 16, 2009
February 17, 2010

The Progress Report due February 15, 2008, covers activities from September 2007 through December 31, 2007; the progress report due February 17, 2009, covers activities from January 1, 2008, through December 31, 2008; and the report due February 16, 2010, covers activities from January 1, 2009, through December 31, 2009. The reports should include, at a minimum, the following:

- 1. The Grant number, Grantee’s name, and reporting period.
The following disclaimer must appear on the cover page of the report:
“The statements and conclusions of this report are those of the Grantee and not necessarily those of the California Integrated Waste Management Board, 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.”

2. A description of work completed, arranged by the Reporting and Expenditure Categories as shown in your Work Plan. Include as an overall summary, or in each section, responses to the following questions as applicable:
 - a) What are the unique or new activities/technology?
 - b) What were the successes (so far) in relation to goals and objectives?
 - c) What problems/challenges were discovered during implementation?
 - d) How did you resolve them?
 - e) What “best practices” might be shared with other jurisdictions?
3. A brief discussion of work to be conducted during the remainder of the grant term. If necessary, discuss any adjustments to the Work Plan resulting from your process evaluation. Your CIWMB Grant Manager must give written pre-approval for any changes to the Work Plan or Budget.

Final Progress Report:
Due Nov 15, 2010

The Final Progress Report covers activities from January 1, 2010, through September 30, 2010; additionally, it summarizes the previously reported grant period (September 1, 2007 through December 31, 2009), and includes:

1. The Grant number, Grantee’s name, and Grant Term.

The following disclaimer must appear on the cover page of the report:

“The statements and conclusions of this report are those of the Grantee and not necessarily those of the California Integrated Waste Management Board, 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.”

2. Description of activities that were undertaken, continued, and completed during the reporting period. Activities must be arranged by the categories shown in your approved Work Plan.
3. Summary of results, as applicable to your Work Plan, including, but not limited to, the following (not all items listed below will be applicable to all Grant Projects):

For Permanent Facilities and Temporary/Mobile Collection Events:

- a) Number of participants served by each facility and temporary/mobile collection event during grant term.
- b) Map of existing and new collection sites and temporary/mobile collection events and the target audience(s) served during grant term.
- c) Gallons of used oil, and number of used oil filters collected at each facility or temporary/mobile collection event during grant

term.

- d) Cost of each permanent facility and/or temporary/mobile collection event held (excluding publicity) during grant term.
- e) Cost per gallon of oil collected, and cost per used oil filter collected at each permanent facility or temporary/mobile collection event (excluding publicity) during grant term.
- f) Cost per participant served at each permanent facility or temporary/mobile collection event (excluding publicity) during grant term.

For Residential Collection Programs:

- a) Number of curbside/door-to-door stops during the Grant Term, **or** number of households served by curbside collection (if number of stops are not tracked) during the grant term).
- b) Amount of used oil in gallons, and number of used oil filters collected during the grant term.
- c) Cost per gallon of used oil collected, and cost per used oil filter collected by curbside/door-to-door pickup.
- d) Cost per household served by curbside/door-to-door pickup.

For Publicity Education/Outreach efforts:

- a) Description of target audience(s).
- b) Number of community events attended during the grant term and number of people stopping at your booth.
- c) Number of people surveyed.
- d) Number of outreach presentations conducted during the grant term and number of students, teachers, and other participants who attended the presentations.
- e) Outreach materials developed (such as brochures, shop rags, oil filter holders, oil collection containers, etc.) and number distributed (include distribution method) during the grant term.
- f) Total estimated number of people reached through publicity and education efforts during the grant term.
- g) Explanation as to which event and/or publicity strategy was most effective in reaching the target audience and leading to the desired behavior change.
- h) Cost of public education and outreach per gallon of used oil collected, and cost per used oil filter collected.
- i) Cost of public education/outreach per participant.

Additional Items for Publicity and Education For Research, Testing and Development Grant (URD) Only:

- a) (Re-refined testing and certification projects only) New or revised processes or technological methods studied and milestones.
- b) (Re-refined oil in vehicle fleet projects only) Number of vehicle fleets approached for re-refined oil usage, and number of fleets adopting re-refined oil.
- c) (Re-refined oil in vehicle fleet projects only) Amount of re-refined oil used by vehicle fleets in gallons.

4. Evaluation of program outcome during the grant term.

- a) Did you see a decrease in illegal dumping incidents?
- b) Did the amount of used oil and used oil filters collected and recycled increase or decrease compared to your baseline? If so by what percentage?
- c) What statistical tests or questionnaires were used to evaluate project effectiveness? Provide a summary of results. (Include samples and related reports.)
- d) What were the successes in relation to goals and objectives?
- e) What problems/challenges emerged during implementation? How did you resolve them?
- f) What would you do differently if you had the program to design all over again?

5. Samples of Premiums and Printed Material

- a) A digital image of each premium item in a commonly accepted format, and all final printed publicity and education materials. The photographs of the premiums must show compliance with procedures (i.e. oil logo, “funded by grant from” phrase, “zero waste” phrase, etc. See “Acknowledgement” provision within Exhibit A – Term and Conditions.) More than one digital image may be submitted if needed to capture all required components or to accurately illustrate the item. If compliance with procedures cannot be clearly captured in a photographic image, then an original copy of the premium item must be submitted.
- b) A floppy disk or CD-rom that includes camera-ready graphic art files(s) used to create **each item** developed during the grant term.
- c) Two photographs, from different angles, for large items such as equipment or structures.
- d) A photograph of each event attended or conducted (if not previously submitted).

Payment Request Details

6. **Samples of final Video and Radio Ads.** A final copy of each video or radio ad (if not previously submitted) in the appropriate media format (VHS format for videos and cassette tape or compact disc for radio ads).
7. Copies of any work product identified in the scope of work, photographs and descriptions of equipment, structures, events, etc. that were produced, purchased or conducted (unless previously submitted).
8. A completed and signed **Recycled-Content Certification Form** for all items purchased with Grant Funds. (CIWMB 74G).

The CIWMB Grant Manager shall authorize payment upon approval of a complete and accurate Grant Payment Request, along with documentation that supports all grant expenditures (See “Supporting Documentation” section of these Procedures and Requirements.) and, where applicable, approval of all required reports. A payment request **may be submitted more frequently**, either on a quarterly or a monthly basis, as long as a description/report of activities completed during that time period is included.

Forms for a Payment Request

All forms can be downloaded from the CIWMB’s website at www.ciwmb.ca.gov/HHW/Forms/, or contact your CIWMB Grant Manager.

Required Documents and Format for Payment Request

A complete payment request must include the following items in the order listed.

1. **Grant Payment Request Form** (CIWMB 87) – This form must be signed by the individual authorized by the Resolution. Please remember to type or print the individual’s name and title below the signature.
2. **Expenditure Itemization Summary** (CIWMB 667) – All expenditures must be itemized and arranged by the Reporting and Expenditure Categories for your grant as it was approved.
3. **Supporting Documentation** – Documents to support old grant expenditures (See Supporting Documentation section, below.)

Ten Percent Withhold

Ten percent (10%) will be withheld from each Grant Payment Request and paid at the end of the grant term, when all reports and conditions stipulated in the Grant Agreement have been satisfactorily completed.

Supporting Documentation – Documentation for all expenditures claimed on the Grant Payment Request must be retained for a minimum of three (3) years after closeout of the grant term for audit purposes. (see Audit/Records Access in Terms and Conditions, Exhibit A) Types of acceptable documentation include, but are not limited to:

- a) **Invoices.** Invoices must include the name of the vendor, vendor’s telephone number and address, description of goods or services purchased, amount due, and date.
- b) **Receipts.** Receipts should include the same information as invoices (see above).
- c) **Purchase orders with proof of payment.** Purchase orders should include the same information as invoices and receipts, and must be accompanied by proof of payment (e.g., copies of cancelled checks).
- d) **Personnel Expenditure Summary Form (CIWMB 165 or Grantee’s own version).** Document personnel expenditures based on actual time spent on grant activities and actual amounts paid to personnel (these forms are not required if you have an alternate time reporting method pre-approved by your CIWMB Grant Manager). This form is on CIWMB’s website: <http://www.ciwmb.ca.gov/Grants/Forms/CIWMB165.doc>.
- e) **Travel Expense Form (CIWMB form or Grantee’s version).** Document costs related to travel and include supporting documentation. This form can be found at CIWMB’s website: www.ciwmb.ca.gov/Grants/Forms/travel.xls.

Services Rendered

Goods and services must be paid for and received within the period from the Notice to Proceed to the end of the term of the Grant Agreement (Notice to Proceed Date through September 30, 2010). Proof of delivery is required.

Exceptions and Audit Considerations

Exceptions to the provisions of these Procedures and Requirements may be considered on a case-by-case basis.

Requests must be submitted in writing, and approved in writing, by your CIWMB Grant Manager. The Grantee is responsible for retaining

documentation of any exceptions to the Grant Agreement for audit purposes.

This grant is subject to audit for at least three (3) years from its conclusion or grant term end date, whichever is later. Documentation and a clear audit trail are essential to grant management.

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 canceled checks. See the Terms and Conditions (Exhibit A) for more information.

Overhead and Indirect Costs

Overhead and indirect costs can be claimed by Grantees. The following guidelines must be used when claiming these costs:

- The total cost of overhead and indirect cost charged to the grant shall not exceed ten percent (10%) of the grant funds expended (Non-profits may not exceed twenty percent (20%) of the grant funds expended). These costs are expenditures not capable of being assigned and 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 are examples of overhead and indirect costs. All overhead and indirect costs charged to the grant must be associated with grant activities as shown in the approved Budget.

If you are uncertain whether a given cost is considered an overhead/indirect cost by the CIWMB, contact your CIWMB Grant Manager.

- Direct costs charged directly to the grant shall not be included in the overhead/indirect cost formula.
- Supervision performed by Managers and Supervisors can be included in the overhead/indirect cost formula, and therefore, will not be a direct charge to the grant. On the other hand, 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 and shall not be charged to the grant as overhead or indirect cost.
- The Grantees must have on file an internally approved Cost Allocation Plan which specifically documents how the cost amount was established and how it is supported by formal accounting records to

substantiate the charges. The Cost Allocation Plan must be approved by an appropriate Supervisor/Manager in your agency. The Cost Allocation Plan must identify program elements included in the overhead/indirect cost calculation.

See the sample "Cost Allocation Plan" calculation below:

Total department indirect cost divided by total department direct cost base equals indirect cost rate.

The Grantees 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 the CIWMB.