

EXHIBIT B

PROCEDURES AND REQUIREMENTS

Household Hazardous Waste Grant Program, 19th Cycle

FY 2010/11

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 Household Hazardous Waste (HHW) Grant Program 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.

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

July 2011 (tentative date)	Grant Term and Grant Performance Period Begin pending the Notice to Proceed (NTP)
May 31, 2012	Progress Report Due (Covering activities to 5/31/12)
April 1, 2013	Grant Performance Period Ends (Eligible grant project activities/costs must be incurred from the NTP to 4/1/13.)
April 2, 2013 - April 15, 2013	Report Preparation Period (only costs incurred to prepare Final Report and Final Payment Request are eligible for reimbursement)
April 15, 2013	Final Report and Final Payment Request Due (summary of activity from NTP to 4/1/13)
April 15, 2013	Report Preparation Period and Grant Term End

No extensions will be granted for submittal of Final Report and Final Payment Request. Failure to submit the final report and final Payment Request with appropriate documentation by April 15, 2013 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.

Questions?

All communication regarding this grant should be directed to Linda Dickinson at (916) 341-6437 or linda.dickinson@calrecycle.ca.gov To find the email address and telephone number of your Grant Manager or other HHW staff, refer to:

<http://www.calrecycle.ca.gov/StaffDirectory>. The Grantee may also contact the Financial Resources Management (FiRM) Branch at (916) 341-6457.

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(s) to commence work under this Grant, the Grantee shall submit to the CalRecycle 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, California Code of Regulations, Natural Resources, Division 7, has occurred with respect to the contractor(s) and the subcontractor(s), respectively. See

<http://www.calrecycle.ca.gov/Laws/Regulations/Title14/ch1.htm#ch1a5>

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. To obtain the Reliable Contractor Declaration form (CalRecycle 168) see

<http://www.calrecycle.ca.gov/Grants/Forms/default.htm>

Grant Term, Grant Performance Period and Report Preparation Period

The Grant Performance Period begins on the date indicated in the Notice to Proceed letter that the Grantee will receive from CalRecycle. Eligible Grant expenditures may start no earlier than the indicated date. In all cases, all eligible Project costs must be incurred no later than April 1, 2013.

The Grant Term starts on the same date as the Grant Performance Period and ends on April 15, 2013, the date the Final Report and Final Payment Request are due to CalRecycle. The period between April 2, 2013, and April 15, 2013, is referred to as the Report Preparation Period. *Costs incurred to prepare the Final Report and Final Payment Request are the only costs that are eligible for reimbursement during the Report Preparation Period.*

Where to send Reports, Payment Requests, etc.

Send all Reports, Payment Requests and written correspondence to the CalRecycle Grant Manager’s attention at:

CalRecycle
MMLA/FiRM Branch
Special Waste Grants & Loans, 9th Floor
HHW Grant Program, Attn: Linda Dickinson
P.O. Box 4025
Sacramento, CA 95812-4025

Eligible Costs

All grant expenditures must be for activities, products, and costs included in the approved Work Plan (Exhibit C) and approved Budget (Exhibit D). Eligible costs must be incurred, services provided and goods received after receiving a Notice to

Proceed and before the end of the Grant Performance Period. Costs, including materials, supplies, equipment and facilities must be related to the management of HHW, be reasonable and focused on local needs as described in the application.

Any proposed revision(s) to the Work Plan and/or Budget must be submitted in writing and pre-approved in writing by the CalRecycle Grant Manager prior to Grantee incurring the proposed expenditure. The approval document should be retained by the Grantee for audit purposes. See Audit Record/Access section of the Terms and Conditions (Exhibit A).

Eligible costs include, but are not limited to, the following:

- Construction of Household Hazardous Waste Collection Facilities including construction-expansion, equipment and service. Construction projects are limited to projects where the permitting, licensing and siting approval process is underway. Projects must be past the research, planning and design phase of their construction project.
- Materials, supplies, equipment and facilities that are related to the management of HHW.
- A new HHW project that will demonstrate facility operational efficiencies and cost effective innovative collection methods (i.e., collection workflow patterns, efficient materials handling, waste exchange programs).
- An HHW public education (P&E) and outreach project that takes advantage of successful models from other jurisdictions through reuse or modification of existing materials to reduce design and printing costs (i.e., combining production cost of a PSA, a website, social marketing, brochures, flyers or other public education and outreach).
- Set-up and operation of temporary HHW facilities for one-day or multi-day collection events if this is a cost effective collection method in the jurisdiction.
- Sharps waste management expenses including but not limited to collection, public education, sharps containers, personnel, and outreach. The cost of sharps waste management expense of an eligible program may not exceed \$20,000. Sharps containers must provide disposal instructions. The containers must be collected at an established HHW collection facility in order for the grant funds to cover transportation and disposal costs.
- Overhead/indirect costs up to 10% of the total grant funds that have been reimbursed For more detail on overhead/indirect costs, refer to *Exhibit B - Procedures and Requirements* for HHW-19th cycle (FY 2010/11).

Ineligible Costs

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

- Costs incurred prior to receipt of the Notice to Proceed letter or after the end of the Grant Performance Period (*Exemption: Costs incurred in preparation of the Final Report and Final Payment Request during the Report Preparation Period [i.e. April 2, 2013 -- April 15, 2013] are eligible for reimbursement.*)
- Cell phones, pagers, cameras, personal digital assistants, personal computers and other similar electronic devices
- Costs for planning and design of HHW facilities.
- Costs that are not consistent with local, state, and federal guidelines and regulations
- Costs currently covered by another CalRecycle loan, grant, grant cycle or contract
- Costs for purchase or lease of vehicles
- Costs for sharps waste management expenses that exceed \$20,000
- Costs related to the management of pharmaceutical wastes
- Costs to maintain an existing HHW program
- Developing or expanding a permanent facility on non-government owned property, unless specific conditions (e.g., long-term lease evidencing commitment to utilize facility for purpose set forth in grant; commitment to public access; commitment to utilize facility as described in application for life of facility) are met and pre-approved in writing by the CalRecycle Grant Manager
- Developing or customizing school curricula
- Enforcement activities
- Expenses for audits of the Grantee's entire organization, or portions thereof
- Fines or penalties due to violation of federal, state or local laws, ordinances, or regulations
- Any food or beverages (e.g., as part of meetings, workshops or events)
- Hazardous Waste Operations and Emergency Response Standards (HAZWOPER) 40-hour and 24-hour courses
- Honoraria, stipends, prizes, royalties, etc.
- Management, handling, disposal, or treatment of radioactive explosive or medical wastes, and other extremely hazardous waste
- Movie theater screen advertising
- Out-of-state travel
- Overhead/indirect costs in excess of the allowable percentage (10%) as defined under Eligible Costs above
- Overtime costs/Compensated Time Off (except for local government staffing during specially scheduled evening or weekend events when law or labor contract requires overtime compensation)
- Personnel costs incurred while an employee assigned to the project funded by the grant

Ineligible Costs (cont.)

- does not work on the project (e.g., use of accrued time such as sick leave, vacation, etc.)
- Premiums or promotional items that contribute to the solid or hazardous waste stream
 - Pre-paid expenditures for future goods or services delivered beyond the end of the grant term. (Exemption: The CalRecycle Grant Manager may consider approving products purchased in full before the end of the Grant Performance Period but delivered after the end of 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 Grant Manager).
 - Profit or mark-up by the Grantee
 - Promotional items or premiums that exceed \$6 per item if no written pre-approval was obtained
 - Promotional items or premiums that are not related to the grant or target audience
 - Public education costs not directly tied to household hazardous waste collection
 - Promotion of brand-name product(s) or private businesses with grant funds
 - Purchase or lease of land
 - Purchase or lease of buildings, unless (1) applicant demonstrates that this is the most cost-effective means of developing an HHW facility; (2) any lease meets the requirements for developing a permanent facility on privately owned property, and (3) any purchase or lease of a building is pre-approved in writing by the CalRecycle Grant Manager.
 - Remediation (any cleanup or restoration of polluted areas)
 - Revisions of the County Integrated Waste Management Plan or its elements
 - Travel costs exceeding the state-approved rates for mileage, per diem, lodging, etc.
 - Costs deemed unreasonable or not related to the grant project by the CalRecycle Grant Manager

All questions regarding eligible/ineligible costs should be directed to the CalRecycle Grant Manager.

Overhead/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 reimbursed. 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 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.

**Overhead/Indirect
Costs (cont.)**

If you are uncertain whether a given cost is considered an overhead/indirect cost by CalRecycle, contact the CalRecycle 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. Such activity must be clearly supported by appropriate documentation and shall not be charged to the grant as overhead or 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 the CalRecycle.

**Publicity/Education
Requirement**

Pre-approvals: The following publicity-related materials and items require pre-approval from the CalRecycle Grant Manager prior to incurring the expense. Acknowledgements to CalRecycle that include publicity/education (P&E) and outreach such as but not limited to the following:

- All television, radio and video scripts
- Premiums, if the per item cost exceeds six dollars (\$6.00)
- Public service announcements
- Advertisements
- CDs and DVDs of audio and/or visual material
- Computer Software
- Brochures
- Pamphlets
- Other outreach

All P&E materials must include the following:

- “Funded by a grant from Department of Resources Recycling and Recovery (CalRecycle).” *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.).

There are two acceptable Spanish translations: “Financiado por una beca del CalRecycle” or “Patrocinado por fondos del CalRecycle.” For other languages, the Grantee must work with a certified translator or person fluent in reading and writing that language. All exceptions must be pre-approved in writing by the CalRecycle Grant Manager.

Publicity/Education Requirement (cont.)

- CalRecycle logo - as reflected on the CalRecycle website: <http://www.calrecycle.ca.gov/Gallery/Logos/>
- HHW collection sites - Include a list of HHW collection locations or a 24-hour hotline number on applicable public outreach materials. When locations are listed, include the following language: “Call for hours of operation and types of material accepted.”
- Press Releases – the only requirement is to place the name of “CalRecycle” as an acknowledgement in the body of the release.

Copyright Requirements
Copyright Requirements

The following language must appear on any copyrightable material produced with CalRecycle funds:

Copyright language: © {year of creation} by the California Department of Resources Recycling and Recovery (CalRecycle). All rights reserved. This publication, or parts thereof, may not be reproduced without permission from CalRecycle.

The Spanish translation will be made available by your Grant Manager upon request. Examples of copyrightable material include, but are not limited to:

- CDs and DVDs of audio and/or visual material
- Computer Software
- Brochures, pamphlets, and reproductions of advertisements designed for distribution

Please check with the CalRecycle Grant Manager with specific questions about the applicability of using copyright language.

Graphics



HHW-related graphics are available on the CalRecycle website at:

<http://www.calrecycle.ca.gov/UsedOil/graphics/HHWArt/>

For large equipment - a CalRecycle sticker (bumper sticker size) that displays the statement: “Funded by a grant from "CalRecycle" is required to be affixed to all large pieces of equipment purchased with grant funds. When submitting the Final Report, a photograph of this equipment should include the affixed sticker. CalRecycle stickers are available at no cost by contacting the CalRecycle Grant Manager.

For audit purposes, Grantees are required to retain samples of all P&E materials for three years AFTER the close of the Grant Term, or a longer period if warranted to resolve any issues with this grant. (See Audit/Records Access Section in Terms and Conditions, Exhibit A.)

Progress Report

The Grantee must submit a **Progress Report** by **May 31, 2012**. This report should cover grant activities that occurred from the NTP date through **May 31, 2012**. Failure to file the Progress Report in compliance with the requirements set forth

**Progress Report
(cont.)**

below by the established deadline may be considered a breach of this Grant Agreement and may result in administrative action up to and including termination of this Grant Agreement.

The CalRecycle Grant Manager may request a status report on your grant activities at any time during the term of the grant.

The report should include 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 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.”
2. A description of work completed and arranged according to tasks and expenditure categories as shown in the Work Plan. Responses to the following questions should be included as applicable:
 - a) What are the unique or new activities/technologies?
 - b) What were the successes (so far) in relation to goals and objectives?
 - c) What problems/challenges were discovered during implementation?
 - d) How were the problems/challenges resolved?
 - e) What “best practices” might be shared with other jurisdictions?
3. A brief discussion of work that will be conducted during the remainder of the grant term. If necessary, discuss any adjustments to the Work Plan resulting from the evaluation process.
4. Payment Request, supporting documentation and Expenditure Itemization Summary (EIS) may be submitted if reimbursement is desired. Refer to the section labeled “Payment Requests and Fiscal Reporting” for more details.

Final Report

The Final Report is due April 15, 2013. This report should cover grant activities from the NTP through April 1, 2013. The following items must be included:

1. 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.”
2. Description of activities that were started, continued and completed during the reporting period. Activities must be arranged by the categories shown in your approved Work Plan.

Final Report (cont.)

3. Provide an evaluation of project outcomes and how your project contributed to increased HHW collection. Answer all of the following:
 - a) Did the amount of HHW collected each year during the grant term increase as compared to the year **prior to** the grant term? If so, by what percent? If not, why not?
 - b) Did you model your project after that of another grantee? If so, what changes did you make to adapt the model to your jurisdiction?
 - c) What aspects of the project worked well and why?
 - d) What aspects of the project did not work well and why?
 - e) What aspects of the project will be continued beyond the grant term?
 - f) What would you do differently if you had to redesign the project?

For more on evaluation, see <http://www.calrecycle.ca.gov/UsedOil/Grants/Resources>

4. 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. CalRecycle logo, “funded by grant from” phrase, “Copyright” phrase, etc. See “Requirements for Publicity and Education Items” section for guidance.) 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 a copy or sample of the premium item must be submitted.*
 - b) A CD-rom that includes camera-ready graphic art file(s) used to create each item developed during the Grant Term.
5. 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 or DVD format for videos and cassette tape or compact disc for radio ads)
6. Evidence of any work product identified in the Work Plan, photographs and descriptions of equipment, structures, events, etc. that were produced, purchased or conducted (unless previously submitted). Two photographs, of large items such as equipment or structures should be taken from different angles and submitted with Final Report.
7. Payment Request, required documentation and an EIS can be submitted if reimbursement is desired. Refer to the “Payment Requests and Fiscal Reporting” section below for more details.

Payment Requests and Fiscal Reporting

A complete payment request package must include the following items:

1. **Grant Payment Request Form** (*CalRecycle 87*) – This form must be signed by the individual authorized by the Resolution. Please type or print the individual’s name and title below the signature. All forms may be downloaded from CalRecycle’s website at: <http://www.calrecycle.ca.gov/Grants/Forms/default.htm>

**Payment Requests and
Fiscal Reporting
(cont.)**

or contact the CalRecycle Grant Manager.

2. **Expenditure Itemization Summary (EIS)** (*CalRecycle 667*) – All expenditures must be itemized and arranged by the reporting and expenditure categories as contained in the Grantee’s approved Budget and Work Plan.

Each EIS must be accompanied by supporting documentation for each line item expense (see below). The Grantee should retain the original documents.

The EIS must include the following certification:

“I certify under penalty of perjury, under the laws of the State of California, that the above information is correct and that all funds received have been expended in accordance with the Grant Agreement.”

The certification must be dated and signed by the person authorized in the Grantee’s Resolution. An EIS received without the signed certification will not be approved.

3. **Supporting Documentation** – Pertinent documentation must be submitted with the EIS to substantiate all expenses claimed on the EIS. For audit purposes, the Grantee should retain this documentation for a minimum of three (3) years after the end of the grant term (see Audit/Records Access in the Terms and Conditions, Exhibit A). Types of acceptable documentation include, but are not limited to:
 - a) **Invoices.** Invoices must include the vendor’s name, vendor’s telephone number, address, description of goods or services purchased, amount due, and date. If there is more than one invoice from a vendor, list them separately on the EIS and include invoice numbers. The claimed expenses should be highlighted and identified with applicable task number on each invoice.
 - 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** (*CalRecycle 165* or Grantee’s 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 CalRecycle Grant Manager). This form may be found at the CalRecycle website at:
<http://www.calrecycle.ca.gov/Grants/Forms/default.htm>
 - e) **Travel Expense Form** (*CalRecycle 246* or Grantee’s version). Document costs related to travel and include supporting documentation. This form may be found at the CalRecycle website at:
<http://www.calrecycle.ca.gov/Grants/Forms/default.htm>.

Exhibit B – Procedures and Requirements – HHW Grant 19th Cycle – FY 2010/11

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.
Services Rendered	Goods and services must be paid for and received within the Grant Performance Period (refer to page 1.) Proof of delivery is required.
Audit Considerations	<p>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.</p> <p><i>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.</i></p>