EXHIBIT B
PROCEDURES AND REQUIREMENTS

LOCAL ENFORCEMENT AGENCY GRANT PROGRAM
EA28 Cycle – Fiscal Year 2017–18

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 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, 2017	**Grant Term and Grant Performance Period Begins**
June 30, 2018	**Grant Performance Period Ends**
July 1, 2018-October 29, 2018	**Report Preparation Period**
October 29, 2018	**Final Report and final Payment Request Due**
October 29, 2018	**Grant Term End**

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/).

Accessing the grant
Grantees must log into GMS (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 is used to reconcile Advance Payment.

- **Reports tab** – uploads the Reliable Contractor Declaration and Final Reports.
- **Interest tab** – creates interest records for 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.

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 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, 2017. The Grant Term ends on October 29, 2018. This is also the date the Final Report and final Payment Request are due to CalRecycle.

The Grant Performance Period begins on July 1, 2017 and ends on June 30, 2018. Grant-eligible program expenditures may start no earlier than July 1, 2017 and end on June 30, 2018. In all cases, eligible program costs must be incurred no later than June 30, 2018.

The period from July 1, 2018 to October 29, 2018 is the Report Preparation Period. **Costs incurred to prepare the Final Report and final Reimbursement Request are the only costs that are eligible for reimbursement during the Report Preparation Period.**

ELIGIBLE COSTS
Eligible costs must be incurred, services provided and goods received on or after July 1, 2017 and before the end of the Grant Performance Period, June 30, 2018. All costs must be directly related to the implementation of the solid waste facilities permit and inspection programs, be reasonable and cost-effective, and entered into the Budget tab of the online application. Your projected Budget will be approved as part of your application. *(See "Grant Term, Grant Performance Period, and Report Preparation Period" for additional information).*

Eligible costs include, but are not limited to:
*   Analysis/Evaluation/Testing/Demo (expenses related to analysis and testing, equipment calibration, certification, demonstrations, site studies and consultants)
*   Compliance/Inspection/Visit/Enforcement (expenses related to legal counsel, inspection, enforcement, compliance and consultants)
*   Education (expenses related to providing education and outreach materials to local jurisdictions, businesses and the public.)
*   Equipment (expenses related to the purchasing of tools, instruments, equipment, personal protection gear, tablets, and laptops as well as the maintenance of equipment essential for the inspection of solid waste facilities)
*   Personnel (staff expenses related to conducting inspections such as salaries, benefits, physicals and vaccinations)
*   Training (expenses related to the training of LEA staff such as training materials, publications, periodicals, memberships, CalRecycle trainings, solid waste

management conferences and related costs)
- Transportation (expenses related to inspections such as maintenance of LEA vehicles, fuel expenses, mileage)

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.

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.

INELIGIBLE COSTS
Any costs not specifically included in the approved Budget and not directly related to EA28 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, 2017 or after June 30, 2018, except for costs incurred to prepare the Final Report 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.
- Landfill operations.
- Out-of-state travel.
- 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.

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:

Any proposed revision(s) to the Budget must be submitted in writing and pre-approved in writing by the 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).

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 Advance Reconciliation or Requesting Reimbursement**
   The grantee must email the Grant Manager to notify her/him of all budget changes, regardless of dollar amount, no later than October 29, 2018 and using the Budget Modification template. Please retain all notifications to and approvals from the Grant Manager in your grant file for audit purposes. Any budget change must utilize the Budget Modification template located on the Summary tab under Resources Documents in the Grant Management section of GMS.

Note: The Budget Modification template can be found in GMS, in the Resource Documents section on the Summary tab.

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.

REPORTING REQUIREMENTS
A Final Report is required by this Agreement; however, the Grant Manager may request a Progress Report at any time during the Grant Term. Failure to submit the Final Report with appropriate documentation by the due date 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.

All reports must be uploaded in GMS. For further instructions regarding GMS, including login directions, see the section above entitled, Grant Management System.
To upload a report:
1. Go to the **Reports** tab.
2. Click on the appropriate Report Type.
3. Click on the **Add Document** button.
4. Choose the Document Type, enter a document title, click the **Browse** button to search and upload the document, and then **Save**.
   - You may upload multiple documents to complete reporting requirements.
   - The maximum allowable file size is 35MB.
5. Click the **Submit** button when the report is complete.

The Final report must be current, include all required information, and be approved by the Grant Manager before any Payment Request can be processed. Failure to comply with the specified reporting requirements may be considered a breach of this Agreement and may result in the termination of this Agreement or 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. Any problems or delays must be reported immediately to the Grant Manager.

FINAL REPORT
The Final Report is due no later than **October 29, 2018.** This report shall include actual LEA expenditure information covering grant activities **from July 1, 2017** through **June 30, 2018.** The grantee should utilize the Final Report template found in the Resource Documents section or may utilize their own form, however, the following items must be included:
- Grant name
- Grant number
- Grant term
- Budget categories
- Listing of actual costs under each Budget Category. Adequate detail shall be provided to ensure expenditure meets the eligible cost requirements. (Personnel: provide staff classification, salary, number of hours, and hourly rate.) See template for required information.

GRANT PAYMENT INFORMATION
1. Payment to the grantee for materials and services specified in the approved grant application will be made on a reimbursement basis unless the grantee was approved for an advance payment. The advance payment must be fully reconciled by the end of the Grant Term.
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. The grantee must submit the required Final Report, and the Grant Manager must approve the report prior to, or concurrent with, submission of the final Grant Payment Request.

4. 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.

5. Ten percent of an approved advance will be withheld and retained until all conditions stipulated in the Agreement have been satisfied and the Final Report has been submitted and approved by the Grant Manager.

6. 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.

7. The grantee must provide a Reliable Contractor Declaration (CalRecycle 168) (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 "Reliable Contractor Declaration" provision of the Terms and Conditions (Exhibit A). The declaration must be received and approved by the Grant Manager prior to commencement of work. See "Reliable Contractor Declaration" provision in Terms and Conditions (Exhibit A) 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. Failure to submit the final Payment Request with appropriate documentation by the due date 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

For further instructions regarding GMS, including login directions, see the section above entitled, Grant Management System.

Advance Payments

Pursuant to Section 18093.1(b), CalRecycle may disburse up to 90 percent as an advance payment. The advance payment will not be processed until the previous cycle's advance payment is fully reconciled and any money owed is returned.

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, the Payment Request form is approved, the previous cycle's advance has been fully reconciled and any money owed is paid to CalRecycle. 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.
  1. Go to the **Payment Request** tab.
  2. Click on the **Create a Payment Request** button.
     - Choose **Advance Reconcile** for the Transaction Type and enter the amount spent in each budget sub category. The approved advance amount must be reconciled including the 10 percent withhold.
     - When the transaction is complete, click the **Save** button.
     - After the transaction is saved, the **Upload Supporting Documentation** button will appear in the lower right corner.
     - If no interest was accrued, upload a written explanation.
  3. Click the **Upload Supporting Documentation** button.
     - Choose the Document Type, enter a document title, click the **Browse** button to search and upload the document, and then **Save**.
     - Select the **Back** button to upload another document and continue this process until all required supporting documents as listed below are uploaded.
  4. Click the **Submit Transaction** button, located on the transaction page, to complete your payment request (including uploading all the documents listed below).

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.

Reimbursement Payment
If the grantee requested a reimbursement payment the funds must be expended by the end of the Grant Term.
To submit a Grant Payment Request:
  1. Go to the **Payment Request** tab.
  2. Click on the **Create a Payment Request** button.
     - Choose **Reimburse** for the Transaction Type and enter the amount spent in each budget sub category.
     - When the transaction is complete, click the **Save** button.
     - After the transaction is saved, the **Upload Supporting Documentation** button will appear in the lower right corner.
  3. Click the **Upload Supporting Documentation** button.

- Choose the Document Type, enter a document title, click the **Browse** button to search and upload the document, and then **Save**.
- Select the **Back** button to upload another document and continue this process until all required supporting documents as listed below are uploaded.
4. Click the **Submit Transaction** button, located on the transaction page, to complete your payment request (including uploading all the documents listed below).

Supporting Documentation
A. A scanned copy of the **Grant Payment Request form**. Mail only the **original** Grant Payment Request form (CalRecycle 87), with the original signature of the signatory or his/her designee*, as authorized by grantee's Resolution:

Via standard mail:	Via courier/personal delivery:
Department of Resources Recycling and Recovery EA28 Grant Program FiRM Branch, 13th Floor P.O. Box 4025 Sacramento, CA 95812-4025	Department of Resources Recycling and Recovery EA28 Grant Program FiRM Branch, 13th Floor 1001 I Street Sacramento, CA 95814

*A designee may sign on behalf of the grantee if a) authorized by the Resolution, 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** button.

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

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.

If no interest was accrued during the fiscal cycle, create an interest record to document that no interest was earned because grant funds were expended within 90 days. The grantee is highly encouraged to immediately reconcile their advance payment if it was fully expended within the 90 days. To report that no interest was accrued:

1) Go to the **Interest** tab and click on the **Create an Interest Record** button.
2) Complete required field by selecting "**None Accrued**" as the Interest Type, enter the date, and enter the written explanation in the **Note** section.
3) Click the **Save** button.

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.