
EXHIBIT B
DRAFT PROCEDURES AND REQUIREMENTS
Used Oil Nonprofit Grant (6th Cycle) and Used Oil Research, Testing and
Demonstration Grant (4th Cycle) for FY 2004 – 2005

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 (unless 100% recycled-content paper is not appropriate, such as where many full color photographs will be used, then paper with a minimum of fifty percent (50%) recycled-content may be used).

Milestone

September 2005	Grant Term Begins pending the Notice to Proceed
February 15, 2006	Progress Report Due (covers 9/05 - 12/31/05)
February 15, 2007	Progress Report Due (covers 1/1/06 - 12/31/06)
February 15, 2008	Progress Report Due (covers 1/1/07 – 12/31/07)
September 30, 2008	Grant Term Ends
November 15, 2008	Final Report and Payment Request Due (covers 1/1/08 – 9/30/08; and summarizes 9/1/05 – 12/31/07)

No extensions will be granted for submittal of final report.

Questions?

All communication regarding this grant should be directed to your Grant Manager. To find the name and telephone number of your Grant Manager, refer to www.ciwmb.ca.gov/HHW/Grants/Contacts.htm.

You may also call the main office number at (916) 341-6457.

Where to send Reports,

Send your Reports, Payment Requests, and all other written

Payment Requests,
etc.

correspondence to your Grant Manager’s attention at:

California Integrated Waste Management Board
Special Waste Division
Used Oil and HHW Branch – MS #21
P.O. Box 4025, 1001 “I” Street
Sacramento, CA 95812-4025
Attn: (your Grant Manager’s name)

Eligible Costs

All expenditures must be only for activities, products, and **costs** included in the 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 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 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 grant manager;
- Remediation;
- Enforcement activities;
- Overtime costs (except for local government staffing during specially scheduled evening or weekend events that are pre-approved in writing by the Grant Manager when law or a labor contract requires overtime compensation);
- Out-of-state travel
- Any food or beverages (e.g. as part of meetings, workshops or events);

- Cell phones, pagers and Palm Pilots;
- Development of school curricula;
- Preparation of HHW Elements that are not related to used oil;
- Public education costs not directly tied to used oil collection or storm water oil pollution prevention;
- 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 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 Grant Manager.);
- Movie theater screen advertising;
- Overhead in excess of 10% for any applicant that is not an eligible non-profit, 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.

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 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.

For audit purposes, samples of all publicity and education materials must be retained for three years AFTER the close of the Grant Term or a longer period of time if warranted to resolve any issues surrounding this Grant.

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 Grant Manager.
- 2) Specific information on reducing the illegal disposal of used oil

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.

and/or used oil filters.

- 3) A list of Used Oil 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 4 or more colors. (Color designation for professional printing: Yale Blue-pantone 286C; Golden Yellow-pantone 123C.)
- 5) The slogan "Zero Waste-You Make It Happen!" must appear on the premium and be acknowledged in all radio, television, etc., public service announcements or advertisements.

Graphics



Written Pre-Approval Required for Select Publicity and Education Materials

Publicity & Education Reporting Samples

Progress Reports:
Due: February 15, 2006
February 15, 2007
February 15, 2008

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

For information on recycled-content products, see www.ciwmb.ca.gov/BuyRecycled/StateAgency/Buying.

The following materials and items require written approval from your 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.

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 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.)

The Progress Report due February 15, 2006, covers activities from September 2005 through December 31, 2005; the progress report due February 15, 2007, covers activities from January 1, 2006, through December 31, 2006; and the report due February 15, 2008, covers activities from January 1, 2007, through December 31, 2007. The reports should include, at a minimum, the following:

- 1. The Grant number, Grantee's name, and reporting period.
- 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 Grant Manager must give written pre-approval for any changes to the Work Plan or Budget.

Final Progress Report:
Due November 15,
2008

The Final Progress Report covers activities from January 1, 2008 through September 30, 2008; additionally, summarizes the entire grant (September 1, 2005 through September 30, 2008), and includes:

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

For Permanent and Temporary/Mobile Collection Facilities:

- a) Number of participants at each facility during the grant term.
- b) Number of new collection sites established for marinas, agricultural sources, and underserved areas.
- c) Amount of used oil in gallons, number of used oil filters and/or the number of plastic oil bottles collected at each facility during the grant term.
- d) Number of days and hours of operation during the Grant Term.
- e) Explanation as to why one facility may be more effective than the other.

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, number of used oil filters and/or the number of plastic oil bottles collected during the grant term.

For Publicity and Education efforts:

- a) Description of target audience.
- b) Number of community events attended during the Grant Term

and number of people stopping at your booth.

- c) Number of presentations conducted during the Grant Term and number of students, teachers, and other participants who attended the presentations..
- d) Materials developed (e.g., door hangers, billboards) and number distributed (include distribution method) during the Grant Term.
- e) Total estimated number of people reached through publicity and education efforts.
- f) Explanation as to which event and/or publicity strategy was most effective in reaching the target audience and leading to the desired behavior change.
- g) Number and description of promotional activities that utilized Community-Based Social Marketing (CBSM), as opposed to traditional marketing.

For Research, Testing and Development Grant (URD):

- a) New or revised processes or technological methods studied and milestones.
- b) Results from surveys conducted.
- c) Amount of oil collected or used in gallons.
- d) Number of oil filters collected and/or used.
- e) Number of plastic oil bottles collected.

4. Evaluation of program outcome during the grant term.

- a) Did you see a decrease in illegal dumping incidents?
- b) Did the amount of oil, oil filters and/or plastic oil bottles collected, reused and/or recycled increase?
- c) What statistical tests or questionnaires were used to evaluate project effectiveness? (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?
- g) What “best practices” might be shared with other jurisdictions?

For more on evaluation, see
www.ciwmb.ca.gov/UsedOil/EvalGuide/.

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.) 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).
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).

Payment Request Details

The Grant Manager shall authorize payment upon approval of a complete and accurate Payment Request and, where applicable, approval of all required reports.

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 Grant Manager.

Required Documents and Format for Payment Request

A complete Payment Request must include the following items in the order listed.

1. **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. **For URD grants, expenses must be allocated in the following categories:**
 - a) Research: Costs for development of test-devices/technical processes; data collection for stormwater mitigation; re-

refined oil technical development; or technical development of used oil/oily water processing-reuse.

- b) **Equipment:** Costs for purchasing or leasing equipment/containers; tanks; filter devices.
- c) **Collection:** Used oil/filters including transportation costs for used oil/filters, and plastic oil bottles from facilities.
- d) **Education:** Costs associated with the development, printing and distribution of publicity or educational materials.
- e) **Administration:** Indirect costs/overhead.
- f) **Personnel/Other:** Costs associated with direct expenses of contractors/consultants/staff; contract services; and stormwater personnel.

3. General Checklist of Business Permits, Licenses, and Filings Form (CIWMB 669) – Must be completed and signed by the individual authorized in the resolution.

Ten Percent Withhold

Ten percent (10%) will be withheld from each 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 Payment Request should be retained for a minimum of 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:

- 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.** Document personnel expenditures based on actual time spent on grant activities (these forms are not required if you have an alternate time reporting method pre-approved by your Grant Manager). This form can be found at CIWMB's website: www.ciwmb.ca.gov/Grants/Forms/Expend.doc.
- e) **Travel Expense Form.** 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 – September 30, 2008). Proof of delivery is required.

Exceptions and Audit Considerations

Exceptions to the provisions of the Grant Agreement may be considered on a case-by-case basis.

Requests must be submitted in writing, and approved in writing, by your 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 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, or, for non-profit organizations **only**, shall not exceed twenty percent (20%) of 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 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 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.
- 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.