California Office of Emergency Services

2017

Subrecipient Handbook

CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES

MARK GHILARDUCCI
Director

NANCY WARD
Chief Deputy Director

INTRODUCTION

This handbook outlines the terms and conditions that apply to the California Governor's Office of Emergency Services (Cal OES) Victim Services Public Safety (VSPS) grant-funded projects and replaces the 2015/2016 Subrecipient Handbook. ***The 2017 Subrecipient Handbook is applicable for grants with a start date of January 1, 2017, or later.***

This Cal OES Subrecipient Handbook is designed to be accessed and downloaded from the Cal OES website, and placed on the Subrecipient's computer desktop, so that hard copies are no longer required on site. Funded projects must administer their grants in accordance with these administrative and fiscal conditions. Failure to comply with these requirements may result in the withholding or disallowance of grant payments, the reduction or termination of the Grant Subaward and/or the denial of future Grant Subawards. All agencies that receive grant funds for programs funded by Cal OES must comply with the terms of the program as defined by the applicable Program Guidelines contained in the Request for Proposal (RFP), Request for Applications (RFA), and applicable statutes. The phrase "terms of the program" refers to the applicable RFP, RFA, or other written directives from Cal OES. In the event the terms of the program are inconsistent with the provisions of this handbook, the terms of the program shall be interpreted and construed as superseding the provisions of this handbook.

Cal OES may modify and/or impose additional conditions not outlined in this handbook should it be deemed appropriate to do so. Modifications or exceptions to these provisions may be made in writing, by the Director or designee, when not conflicting with any other laws.

*This handbook is applicable for all grants with a start date of January 1, 2017, or later.

This Subrecipient Handbook is available online at www.caloes.ca.gov. Questions concerning this Subrecipient Handbook may be addressed by contacting your assigned Cal OES Program Specialist or by contacting Shane McKillop via email at Shane.mckillop@caloes.ca.gov

HOW TO USE THIS HANDBOOK

This handbook is designed to be accessed and downloaded to the Subrecipient's computer through this link Subrecipient Handbook on the Cal OES website at www.caloes.ca.gov. Once downloaded to the user's computer, it should be kept as a reference document on the computer's desktop. Embedded links have been placed throughout this handbook that will take the reader to the forms pages of the Cal OES website if the user has an open link to the internet. To easily download and save a copy to your computer desktop, go to www.caloes.ca.gov, select "Cal OES Divisions", scroll down to "Grants Management," on the right-hand side, click on "Criminal Justice, Emergency Management & Victim Services Grant Programs" then select "Handbooks, Reports & Publications."

The top of each page also includes a TOC button that will return to the Table of Contents and an INDEX button to return to the Index.

To access all of the forms referenced in the Subrecipient Handbook, please use the FORMS button located at the top right-hand corner of each page. A PRINT button is located at the top of each page. This button allows the Subrecipient to print one page or the entire Subrecipient Handbook. While Subrecipients and stakeholders are welcome to request a hardcopy of this handbook, many of the search features of this handbook are not available in a hardcopy version and users can go to the Cal OES website to download the forms. Users can use this link: http://www.caloes.ca.gov/for-governments-tribal/grants-funding/criminal-justice-emergency-management-victim-services-grant-programs/handbooks-reports-publications to download forms.

Number System Organization

This handbook is organized with a numbering system for easy reference. The numbering system provides a specific location for each section of information, and puts that section in context to the rest of the handbook. This allows easy reference to sections in verbal, telephonic or written communications. The following description is an explanation of the numbering system.

- Major chapters of the handbook are numbered with a thousand series number. There are 13 major chapters to this handbook. They are numbered 1000 to 14000.
- Subsections of chapters are numbered with a hundred series number. As an example, there are three major subsections of Section 2000, and they are numbered 2100 to 2300.
- Subdivisions of the hundred series are numbered with ten series numbers. As an example, there are eight major topics under Section 2100, and they are numbered 2110 to 2180.
- Subdivisions of the ten series are numbered with integers. As an example, there are three major sections of 2340, and they are numbered 2341 to 2343.
- Subdivisions of the integer series are numbered with decimals. As an example, there are three topics discussed under Section 2342, and they are numbered 2342.1 to 2342.3.

In some instances, it is necessary to provide lists of information within sections. In those instances the lists may be designated with normal alpha/numeric systems.

REVISED HANDBOOK SECTIONS

The following sections have been revised for the Fiscal Year (FY) 2017 Subrecipient Handbook.

1.	**Section 1320.1**	**TERMS OF THE PROGRAM – SPECIAL CONDITIONS** A new section has been added explaining Cal OES' policy on Special Conditions.
2.	**Section 2130**	**PERSONNEL POLICIES** This section has been re-written to add items g, h, & i for better understanding, consistency, clarification and compliance with Cal OES policies.
3.	**Sections 2151 – 2151.7**	**EQUAL EMPLOYMENT OPPORTUNITY (EEOP)** These sections have been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
4.	**Section 2161.5**	**CERTIFICATE OF INSURANCE** This section has been re-written to add the Subaward Number to the list of requirements.
5.	**Section 2172**	**PROVISIONS REGARDING ALLOWABLE COMPENSATION FOR PERSONNEL** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
6.	**Section 2183**	**DEVELOPING A COST ALLOCATION PLAN TO SUPPORT MODIFIED TOTAL DIRECT COSTS** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
7.	**Section 2188**	**INDIRECT COST RATE** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
8.	**Section 2232**	**FACILITY RENTAL** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
9.	**Section 2232.2**	**DONATED SPACE** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
10.	**Section 2235.2**	**EMERGENCY FUNDS ACCOUNTABILITY PROCEDURES** The Verification of Crime requirement has been removed from this section.

11.	**Section 2236.2**	**TRAVEL AND PER DIEM POLICIES** This section has been updated to reflect the current State Travel Policy.
12.	**Section 2241**	**BONUSES/COMMISSIONS** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
13.	**Section 2248**	**DUES, LICENSES, AND FEES** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
14.	**Sections 3200 - 3220**	**APPROVALS** Theses sections have been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
15.	**Section 3300**	**CONTRACTS AND PROCUREMENTS GUIDELINES** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
16.	**Sections 3400 – 3422**	**METHODS OF CONTRACTING AND/OR PROCUREMENT** Theses sections have been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
17.	**Sections 3510**	**NON-COMPETITIVE BID REQUESTS** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
18.	**Section 3520**	**JUSTIFICATION PROCEDURE** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
19.	**Section 3530**	**ONE QUOTE, BID, RFP RECEIVED OR CONSIDERED RESPONSIVE** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
20.	**Section 3710**	**INDEPENDENT CONTRACTOR/CONSULTANT** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
21.	**Section 4300**	**ELEMENTS OF AN OPERATIONAL AGREEMENT** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
22.	**Section 6220**	**LIQUIDATION PERIOD** This section has been re-written reducing the liquidation period from 90 calendar days to 60 calendar days.

23.	**Section 6312.1**	**MONTHLY REPORT OF EXPENDITURES AND REQUEST FOR FUNDS** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
24.	**Section 6330.1**	**FINAL REPORT OF EXPENDITURES AND REQUEST FOR FUNDS** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
25.	**Sections 6550.1-6550.2**	**MATCH ON TOTAL PROJECT COSTS** The examples in this section have been updated to calculate at 20% instead of 10%.
26.	**Section 6620**	**INTEREST INCOME** This section has been updated to reflect the maximum amount that may be retained by subrecipient.
27.	**Section 7710**	**EXTENSION OF LIQUIDATION PERIOD – DEFINITION** This section has been re-written reducing the liquidation period from 90 calendar days to 60 calendar days.
28.	**Sections 8151 - 8153**	**AUDIT COSTS** These sections have been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
29.	**Sections 8310 - 8311**	**MONITORING PROCESS – METHODS OF MONITORING** These sections have been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
30.	**Sections 8313 - 8314**	**MONITORING PROCESS – LIMITED REVIEW & EXTENDED REVIEW** These sections have been removed from the 2017 Subrecipient Handbook.
31.	**Section 8320**	**MONITORING REPORT** This section has been updated to reflect the change in the reporting period.
32.	**Section 10120**	**PROGRESS REPORTS - SUBMISSION** This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.
33.	**Section 10300**	**PERFORMANCE ASSESSMENT/SITE VISIT – PURPOSE** The title of this section has been revised to reflect the accurate name of the report.

34. Section 10400.1 **MONITORING – DEFINITION**
This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.

35. Section 11331 **PAYROLL RECORDS – FUNCTIONAL TIME SHEETS**
This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.

36. Section 12300 **DENIAL OF FUTURE FUNDING**
This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.

37. Section 13400 **FINAL REQUESTS FOR REIMBURSEMENT**
This section has been re-written for better understanding, consistency, clarification and compliance with Cal OES policies.

TABLE OF CONTENTS

1000 GRANT SUBAWARD

1100 DEFINITION

1200 GRANT SUBAWARD COMPONENTS

1300 GRANT SUBAWARD CONDITIONS

1310 General

1311 Responsible Agency

1320 Terms of the Program

1320.1 Special Conditions

1330 Supplanting Prohibited

1340 Grant Subaward Changes

1350 Proof of Authority

1400 FUND AVAILABILITY

2000 FUNDING CATEGORIES AND POLICY

2100 PERSONAL SERVICES – SALARIES/EMPLOYEE BENEFITS

2110 Key Personnel

2111 Project Director

2112 Financial Officer

2113 Official Authorized to Sign for Project

2114 Changes in Key Personnel

2115 Signature Authority

2120 Project-Specific Job Descriptions

2130 Personnel Policies

2131 Project Staffing and Operation

2140 Conflict of Interest

2140.4 Purchase of Supplies

2150 Certification of Assurance of Compliance (Cal OES Form 2-104)

2151 Equal Employment Opportunity (EEO)

2151.1 State and Federal Civil Rights Laws

2151.1.1 Additional Federal Regulations

2151.1.2 EEOP Compliance Requirements

2151.1.3 Federal Funds of $500,000 and Above
2151.4 Subrecipients Exempt from EEOP Requirements
2151.5 Requirements for Continuing EEOP Grants
2151.6 Additional Requirements for all Cal OES Subrecipients
2151.7 EEO Monitoring Responsibility
2151.8 Subrecipient Responsibility
2151.9 Additional Information
2152 Drug-Free Workplace Certification
2152.1 General
2152.2 Definitions
2152.3 Requisites for Certification to Cal OES
2152.5 Termination of Contract or Grant; List of Canceled Awards
2153 Environmental Impact – California Environmental Quality Act (CEQA) Compliance
2154 Lobbying
2155 Suspension and Debarment
2155.1 Verification of Vendor/Contractor Eligibility
2160 Fidelity Bond
2160.1 Definition
2161 Requirements and Exemptions
2161.1 Amount of Coverage
2161.2 Type of Coverage
2161.3 Bond Period
2161.4 Beneficiary/Certificate Holder
2161.5 Certificate of Insurance
2170 Allowable Costs for Personnel
2171 General
2171.6.1 Overtime
2172 Provisions Regarding Allowable Compensation for Personnel
2173 Indirect Costs (IC) or Facilities and Administration (F & A) Costs
2174 Personnel Changes
2180 Indirect Cost Rate Proposal (ICRP)
2181 Description

2182 Resources for Developing an Indirect Cost Rate Proposal or Cost Allocation Plan

2183 Developing a Cost Allocation Plan to Support Modified Total Direct Costs

2185 Documenting the Cost Allocation Plan

2186 Revising the Allocation Plan

2188 Indirect Cost Rates

2189 Records

2200 OPERATING EXPENSES

2210 General

2230 Allowable Expense Items

2230.1 Provisions Regarding Allowable Operating Expenses

2231 Confidential Expenditures

2231.1 Requests for Approval

2232 Facility Rental

2232.1 Rental Space for Training, Shelter, Counseling Rooms, and Other Required Space

2232.2 Donated Space

2232.3 Moving Expenses

2233 Rented or Leased Equipment

2234 Audit Costs

2235 Emergency Funds

2235.1 “Emergency” Defined

2235.2 Emergency Fund Accountability Procedures

2236 Travel and Per Diem

2236.1 General

2236.1.1 Out-of-State Travel

2236.2 Travel and Per Diem Policies

2236.2.1 Units of Government

2236.2.2 Community-Based Organization (CBO)

2236.3.1 Private Vehicles

2236.3.2 Commercial Automobile Rental

2236.3.3 Business Expenses

2236.4 Travel Claims

2237 Consultant Services
2237.1 Operational Agreements
2237.2 Retainer Fees
2237.3 Management Services/Studies
2240 Prohibited Expense Items
2241 Bonuses/Commissions
2242 Lobbying
2242.1 Prohibited Lobbying Activities
2242.2 Activities Exempt from the Prohibition
2243 Fundraising
2244 Real Property and Improvements
2245 Interest, Charges, Fees, and Penalties
2246 Food and Beverages
2247 Weapons and Ammunition
2248 Dues, Licenses, and Fees
2249 Depreciation
2300 EQUIPMENT
2310 Definition
2320 Allowable Equipment
2330 Motorized Vehicles
2331 Automobiles
2340 Computers and Automated Equipment
2340.1 Internet Access
2341 Justification
2342 Cost
2342.1 Community-based Organization (CBO)
2342.2 Units of Government
2342.3 Instructions – Computers and Automated Systems
2343 Lease-to-Purchase Agreement
2350 Equipment Identification and Records
2370 Losses/Replacements

3000 CONTRACTS AND PROCUREMENTS

3010 Responsibility

3100 DEFINITIONS

3110 Definition of Contracts

3120 Definition of Procurement

3200 APPROVALS

3210 Contracts and Procurements

3211 Contractsand procurements $3,500 and Under

3212 Contractsand Procurements $3,501 to $50,000

3213 Contractsand Procurements Over $50,000

3220 Approval of Procurements

3300 CONTRACTS AND PROCUREMENTS GUIDELINES

3400 METHODS OF CONTRACTING AND/OR PROCUREMENT

3410 Formal Advertising

3411 Invitation for Bid (IFB)

3412 Request for Proposal (RFP)

3413 Contract and Procurement Awards

3413.1 Contract Awards

3414 Cost or Price Analysis

3420 Informal Advertising

3500 NON-COMPETITIVE BID REQUESTS

3510 General

3511 Non-Competitive Bid (NB) Request

3520 Justification Procedure

3521 Justification Procedure – Contracts

3522 Justification Procedures – Procurement

3530 One Quote, Bid, RFP Received or Considered Responsive

3600 ELEMENTS OF A CONTRACT OR PURCHASE ORDER/DOCUMENT

3700 SELECTING A CONTRACTOR

3710 Independent Contractor/Consultant

3710.1 Rates

3710.1.1 Exception to Rates

3710.2 Expert Witness Fees

3800 CONTRACT LIMITATIONS
3900 CONTRACT PROVISIONS
3910 Drug-Free Workplace Certification Requirements
4000 OPERATIONAL AGREEMENTS
4100 DEFINITION
4200 ESTABLISHING OPERATIONAL AGREEMENTS
4300 ELEMENTS OF AN OPERATIONAL AGREEMENT
4400 REQUIREMENTS OF PARTICIPATING AGENCIES
4500 PARTICIPATING STAFF
5000 MULTI-MEDIA MATERIALS, COPYRIGHTS, AND PATENTS
5100 PUBLICATIONS
5110 Definition
5120 Cal OES Review
5130 Income
5140 Transfer of Publication Title
5200 CREDITS AND DISCLAIMERS
5300 COPYRIGHTS AND RIGHTS IN DATA
5400 PATENTS
6000 FINANCIAL REPORTING
6100 NOTIFICATION OF GRANT SUBAWARD
6200 ENCUMBRANCES AND LIQUIDATION EXPENDITURES
6210 Definition of an Encumbrance
6220 Liquidation Period
6220.1 Liquidation Expenditures
6300 REPORT OF EXPENDITURES AND REQUEST FOR FUNDS (Cal OES Form 2-201)
6310 Monthly Report of Expenditures and Request for Funds
6311 Advance Payments
6311.1 Advance of State Funds – Expenditures on a Monthly Basis
6311.2 Advance of State Funds – Expenditures on a Quarterly Basis
6311.4 Certification for Advance of Grant Funds (Cal OES 2-202)
6312 Monthly Report of Expenditures and Request for Funds
6320 Quarterly Report of Expenditures and Request for Funds

6330 Final Report of Expenditures and Request for Funds
6340 Double Billings
6400 ACCOUNTING SYSTEM AND STRUCTURE
6400.8 Cash Basis
6400.9 Accrual Basis
6410 Modified Accrual Basis
6420 General Ledger Account Structure
6500 MATCH REQUIREMENTS
6510 Definitions
6511 Cash Match
6512 In-Kind Match
6520 Match Categories (Allowable/Non-allowable)
6521 Asset Forfeitures
6522 State Funds Matching State or Federal Funds
6530 Required Match
6540 Over Match
6550 Calculating the Match
6550.1 Match on Total Project Cost
6550.2 Match on Percent of Funds Allocated
6560 Changing the Type of Match
6570 Reporting
6600 PROJECT AND OTHER INCOME
6610 Project Income
6610.1Project Income Generated by the Use of State and/or Federal Funds
6620 Interest Income
6630 Other Income
7000 CHANGES TO GRANT SUBAWARD
7100 GENERAL
7110 Amending the Grant Subaward
7120 Approval of Amendments
7130 Modifying the Grant Subaward
7140 Approval of Grant Subaward Modifications

7200 GRANT SUBAWARD EXTENSIONS
7210 Definition
7220 Extensions of Grant Periods
7230 Considerations
7240 Extension Procedures
7300 AUGMENTATIONS
7310 Definition
7320 Considerations
7330 Augmentation Procedures
7400 REDUCTION TO GRANT SUBAWARD
7410 Definition
7420 Considerations
7430 Reduction Procedures
7500 BUDGET MODIFICATION
7510 Definition
7520 Prior Approval
7530 Budget Modification Procedures
7600 MODIFICATION OF PROJECT OBJECTIVES
7610 Procedures
7620 Approval
7700 EXTENSION OF LIQUIDATION PERIOD
7710 Definition
7720 Considerations
7730 Procedures
8000 AUDITS
8100 AUDIT REQUIREMENTS
8101 Audit Reporting Compliance
8102 Timely Submittal of Audit Reports
8110 Scope of Audit
8120 Frequency of Audit
8130 Securing Audits
8140 Relation to Other Audit Requirements
8150 Audit Costs

8200 AUDIT REPORTS
8210 Audit Report Content
8213 The auditor's report on compliance contains:
8220 Report Distribution
8230 Failure to Submit an Audit Report
8240 Access to Audit Documents
8250 Quality Control Review
8260 Right to Perform Audit or Review
8300 MONITORING PROCESS
8310 Methods of Monitoring
8311 Field Review
8312 Desk Review
8315 Independent Audit Report Review
8320 Monitoring Report
8321 Questioned/Disallowed Costs Identified in a Monitoring or Audit Report
8400 SEPARATION OF DUTIES
8500 DISPOSITION OF MONITORING PROCESS
8510 Invoice for Repayment
8520 Sanctions for Nonpayment
8600 DEFINITION OF TERMS
10000 REPORTING PROJECT ACTIVITIES AND ACHIEVEMENTS
10100 PROGRESS REPORTS
10110 Purpose
10111 Source Documentation
10120 Submission
10120.1 Reports for Extended Grants
10130 Final Payment
10200 PROGRAMMATIC TECHNICAL ASSISTANCE
10300 PERFORMANCE ASSESSMENT/SITE VISIT
10310 Purpose
10320 Timeframe
10330 Follow-up

10400 MONITORING

10400.1 Definition

10410 Monitoring Requirements and Access to Records

10420 Standard Monitoring Procedures

10421 Scope of Monitoring

10422 Monitoring Field Document

10430 Monitoring Report

10431 No Findings Identified

10432 Findings Identified

10433 Corrective Action Plan Process

10434 Disputed Findings

10435 Sanctions

10436 Final Action by Cal OES

11000 RECORDS

11100 GENERAL

11110 Audits/Monitoring

11200 RETENTION AND REVIEW REQUIREMENT

11210 Retention of Records

11300 DOCUMENTATION REQUIREMENTS

11310 Fiscal

11311 Bank Statements and Reconciliation

11312 General Ledger Account Entries

11313 Duplicate Deposit Receipts

11314 Canceled Checks

11315 Vouchers

11320 Programmatic

11330 Payroll Records

11331 Functional Time Sheets

11332 Personnel payroll files should include the following:

11340 Personnel Files

11350 Equipment

11400 ORGANIZATION POLICIES AND PROCEDURES

11500 COMMUNICATIONS

12000 WITHHOLDING, DISALLOWANCE, REDUCTION, TERMINATION, AND/OR DENIAL OF GRANT FUNDS

12100 WITHHOLDING OR DISALLOWANCE OF GRANT FUNDS

12200 REDUCTION OR TERMINATION OF GRANT FUNDS

12300 DENIAL OF FUTURE FUNDING

13000 CLOSEOUT

13200 FINAL PROGRESS REPORT

13300 INTERNAL ASSESSMENT/FINAL EVALUATION REPORT

13400 FINAL REQUEST FOR REIMBURSEMENT

13400.1 Reporting Required Match

13500 RETENTION OF RECORDS

13600 AUDITS CLOSEOUT

14000 GLOSSARY OF TERMS/INDEX

1000 GRANT SUBAWARD

A Grant Subaward is the signed final agreement between Cal OES and the local government agency or organization authorized to accept grant funding.

1100 DEFINITION

The grant application, when signed by the Director or designee of Cal OES, becomes the Grant Subaward which contains the terms and conditions of the grant subaward.

1200 GRANT SUBAWARD COMPONENTS

The Grant Subaward components are:

a. Grant Subaward Face Sheet (Cal OES Form 2-101);

b. Project Contact Information (Cal OES Form 2-102);

c. Signature Authorization (Cal OES Form 2-103);

d. Certification of Assurance of Compliance (Cal OES Form 2-104 a-n);

e. Grant Subaward Budget (Cal OES Form 2-106 a-c);

f. Any special conditions imposed by Cal OES; and

g. Any other document required by RFA/RFP.

1300 GRANT SUBAWARD CONDITIONS

1310 General

The Grant Subaward is an agreement between Cal OES and the Subrecipient. Projects must conform to the agreement as specified. Failure to do so may result in the withholding or disallowance of grant payments on current or future Cal OES grants, the reduction or termination of the Grant Subaward, and/or the denial of future Grant Subawards. Additionally, the Subrecipient must comply with applicable laws, regulations and guidelines set-forth for the type of funding received. For instance, Subrecipients receiving federal funding must comply with the Code of Federal Regulation, and may be required to comply with additional federal guidelines such as the DOJ Financial Guide or Code of Domestic Assistance (CFDA). For funding sources falling under multiple regulations and guidance, Subrecipients must follow those rules which are most stringent.

1311 Responsible Agency

The Subrecipient named on the Grant Subaward Face Sheet is the agency responsible for the implementation of the Grant Subaward and for providing all matching funds specified on the Grant Subaward Face Sheet. The Subrecipient may not transfer or assign the Grant Subaward to another agency or party. Any liability arising shall be the responsibility of the

Grant Subrecipient. The State of California and Cal OES disclaim responsibility for any such liability.

1320 Terms of the Program[1]

The applicable Request for Proposal (RFP) and/or the Request for Application (RFA) must be accessible by the project on-site (an internet link to the Cal OES website is acceptable). These key documents contain the applicable guidelines that define the terms of the program. Failure to adhere to these requirements, i.e. enabling legislation, funding regulations, service standards, program guidelines, etc., may result in the withholding or disallowance of grant payments on current or future Cal OES grants and/or a reduction in funding or termination of the Grant Subaward and/or the denial of future funding. In the event the terms of the program are inconsistent with the provisions of this Subrecipient Handbook, the terms of the program supersede the provisions of this Subrecipient Handbook.

1320.1 Special Conditions

Special Conditions may be applied to an application before final Cal OES approval. Special Conditions are applied at Cal OES's discretion to modify the terms of the program or funding as defined in the RFP or RFA. Special Conditions may include, but are not limited to: a change to the fund source, fund amount, and/or the fund expiration date and/or a reduction to the liquidation period, etc. If a Special Condition is applied, it will be fully explained on a colored sheet of paper that is included in the Subrecipient's fully executed Grant Subaward. By signing the Grant Subaward, the Subrecipient agrees to the terms of the Special Condition.

1330 Supplanting Prohibited

Supplanting means to deliberately reduce the amount of federal, state, or local funds currently being appropriated to an existing program or activity, because a Cal OES grant has also been awarded for the same purposes. When the Subrecipient replaces funds in this manner, it reduces the total amount that would have been available for the stated grant purpose, and the substitution results in supplanting.

Cal OES funds should be used to supplement existing funds for program activities and not replace funds that have been appropriated for the same purpose. Supplanting is strictly prohibited for all Cal OES grant funds. However, if both state and federal funds are allocated for the same line-item, state funds shall be expended first.

1340 Grant Subaward Changes

Changes made in the Grant Subaward during the grant year must be fully documented in accordance with the procedures described in this Subrecipient Handbook. Oral agreements are not binding.

[1] **Section 1320.1 – Section has been added.**

1350 Proof of Authority

The "Proof of Authority from the City Council/Governing Board" has been incorporated into the Certification of Assurance of Compliance, Section VII. All Subrecipients, except for State Agencies, are required to obtain written authorization from the city council/governing board that the official executing the agreement (e.g. a Resolution, Board Minutes, or a letter from the Board Chair) is, in fact, authorized to do so and includes any amendments, extensions, thereof. Subrecipients must maintain this written authorization on file and make it available upon demand. Whenever possible, it is best to use the official's title rather than the person's name to avoid having to seek further authorization from the governing agency if the person named is transferred or leaves an agency/organization.

1400 FUND AVAILABILITY

Allocation of funds is contingent on the enactment of the state budget. Cal OES does not have the authority to disburse any funds until the budget is passed and the Grant Subaward is fully executed. Any expenditure incurred prior to authorization is made at the Subrecipient's own risk and may be disallowed. Cal OES employees are not able to authorize an applicant to incur expenses or financial obligations prior to the execution of a Grant Subaward. However, once the Grant Subaward is finalized the Grant Subrecipient may claim reimbursement for expenses incurred on, or subsequent to, the start of the Grant Subaward period.

If, during the term of the Grant Subaward, the state and/or federal funds appropriated for the purposes of the Grant Subaward are reduced or eliminated by the California Legislature or by the United States Government, or in the event revenues are not collected at the level appropriated, Cal OES may immediately terminate or reduce the Grant Subaward upon written notice to the project. No such termination or reduction shall apply to allowable costs already incurred by the project to the extent that state or federal funds are available for payment of such costs.

The Grant Subaward entered into with Cal OES is subject to any applicable restrictions, limitations, or conditions enacted by the California Legislature and/or the United States Government subsequent to execution of the Grant Subaward.

2000 FUNDING CATEGORIES AND POLICY

Projects are required to prepare a realistic and prudent budget that avoids unnecessary or unusual expenditures that detract from the accomplishment of the objectives and activities. The budget consists of three funding categories:

a. Personal Services – Salaries/Employee Benefits;

b. Operating Expenses; and

c. Equipment.

Each funding category must be provided in line-item detail, including calculations, and a brief justification for the expense. Explanatory information included in the Budget Narrative does not eliminate the line-item detail requirements.

2100 PERSONAL SERVICES – SALARIES/EMPLOYEE BENEFITS

2110 Key Personnel

2111 Project Director

The Project Director has general administrative authority for implementing project activities and maintaining compliance with all programmatic, administrative, and fiscal requirements of the Grant Subaward.

The Project Director is responsible for:

a. Ensuring that project monies expended or obligated are for allowable costs and are in compliance with the approved budget;

b. Maintaining required documentation of project activities and accomplishments; and

c. Signing the Report of Expenditures & Request For Funds (Cal OES Form 2-201), Grant Subaward Modifications (Cal OES Form 2-223), and Progress Reports where appropriate.

2112 Financial Officer

The Financial Officer oversees the actual receipt and payment of grant monies. The Financial Officer is responsible for:

a. Maintaining proper accounting records;

b. Signing the Report of Expenditures & Request For Funds (Cal OES Form 2-201), Grant Subaward Modifications (Cal OES Form 2-223), and Progress Reports where appropriate; and

c. Ensuring the appropriate expenditure of grant funds.

The Financial Officer must be someone other than the Project Director.

If the Auditor-Controller/City Auditor is designated as the Financial Officer in the Grant Subaward, the Auditor-Controller/City Auditor may not meet the independence standard to perform the audit of the Cal OES Grant (see Section 8110).

2113 Official Authorized to Sign for Project

This official is the person designated by the governing board (see Section 1350) to sign the Grant Subaward Face Sheet (Cal OES Form 2-101) and all amendments to the Grant Subaward. For information on Grant Subaward Amendments, see Section 7110. The official authorized to sign for the project is identified on the Grant Subaward Face Sheet and must sign the Certification of Assurance of Compliance (see Section 2150).

2114 Changes in Key Personnel

Any changes in key personnel, as identified in Sections 2110-2113, and the effective date of the change, must be reported immediately to Cal OES, in writing, by submitting a Grant Subaward Modification (Cal OES Form 2-223) and, if applicable, an updated Project Contact Information Sheet. If the change in key personnel is the Project Director or the Financial Officer, a revised Signature Authorization form must also be submitted**. Failure to submit these forms will result in the return of grant documents and may cause significant delays in the Subrecipient's receipt of payment.**

2115 Signature Authority

This form must be signed by the Project Director and the Financial Officer as described in Sections 2110-2112. Subrecipients may also use this form to request signature authority in addition to the designated Project Director and/or Financial Officer. No single individual may be authorized to sign for both the Project Director and the Financial Officer.

If not previously authorized in the approved Grant Subaward, Subrecipients may request additional persons to sign for the Project Director and/or Financial Officer by submitting, for each such Grant Subaward, a revised Signature Authorization form and Project Contact Information sheet. This procedure is required for every year of operation and does not carry over to subsequent grant periods. Failure to submit these forms will result in the return of grant documents and may cause significant delays in the Subrecipient's receipt of payment.

2120 Project-Specific Job Descriptions

Projects must have on file written project-specific job descriptions (as opposed to job specifications) for all positions funded by Cal OES, detailing specific grant-related activities to achieve project objectives. These duty statements shall reflect specific grant-related duties required by the objectives and activities of the funded program area and should not be the standard job classification description for this title of position within your agency.

Where applicable, project-specific job descriptions will also include a statement addressing the tracking of project activities and the maintenance of appropriate source documentation in support of data reported on Progress Reports.

2130 Personnel Policies[2]

Cal OES-funded projects must have written personnel policies that are available to all employees. Policies must include, at a minimum:

a. Work hours;

b. Compensation rates, including overtime, and benefits;

c. Vacation, sick, and other leave allowances;

d. Hiring and promotional policies;

e. Drug free workplace policy; and

f. Code of conflict/conflict of interest policy.

g. EEO Policy

h. Harassment Policy

i. Limited English Proficiency Policy

2131 Project Staffing and Operation

2131.2 Project staff must be hired and the project operational within 90 days of the approval date of the Grant Subaward, or the Subrecipient must submit a statement to Cal OES explaining the implementation delay. Upon review of the 90-day statement, Cal OES may choose to cancel the project or extend the implementation date of the project past the 90-day period.

2131.3 Project staff added to the Grant Subaward budget via an approved Grant Subaward Modification (Cal OES Form 2-223), should be hired within 90 days of the modification approval date. If project staff is not hired within 90 days, the Subrecipient must submit a statement to Cal OES explaining the delay.

2140 Conflict of Interest

Organizations must have a written code of standards of conduct governing the performance of their employees.

2140.1 Officials and employees of a Subrecipient must not participate in activities involving the use of grant funds where there is a financial interest or benefit:

[2] **Section 2130 – Section has been re-written**

a. To him or herself, immediate family, partners, organization (other than a public agency in which he or she is serving as an officer, director, trustee, partner, or employee); or

b. To any person or organization with whom he or she is negotiating or has any arrangement concerning prospective employment.

2140.2 Officials and employees of a Subrecipient must avoid actions that result in, or create the appearance of:

a. Using an official or grant-funded position for personal gain;

b. Giving preferential treatment to a particular person or project;

c. Losing independence or impartiality;

d. Making a decision outside official channels; or

e. Adversely affecting the confidence of the public in the integrity of the government or the program.

2140.3 Cal OES-funded projects shall not employ, enter into any contract, or engage in any activity or enterprise, with an Independent Contractor/Consultant currently under contract with Cal OES, or any current Cal OES employee, whether formal or informal, for pay or not for pay, which might result in a conflict of interest or the appearance of a conflict of interest.

Funded projects must submit written notification to Cal OES prior to employing, contracting, or engaging in any activity or enterprise with an Independent Contractor/Consultant currently under contract with Cal OES, or any current Cal OES employee. The notification should include a full description of the intended relationship between the project and the Independent Contractor/Consultant or employee. Cal OES Director, or his/her designee, shall review the written notification and determine whether a conflict of interest or the appearance of a conflict of interest exists.

2140.4 Purchase of Supplies

The project may use funds to purchase supplies or other goods (e.g., rent an office, secure insurance, and purchase office supplies) from a party in which the project employee or board member has a financial interest if all of the following criteria are met:

a. The employee or board member who has a financial interest does not take part in the bidding or awarding process;

b. The project is receiving the item at a lesser rate or there are additional benefits that would not have been available through an independent party;

c. The purchase or transaction is approved by a quorum of the board and documented in the board minutes, and the board member who has a financial interest abstained from voting; and

d. The records that support b. must be retained by the project as specified in Section 11200 or as long as the supplies/goods or services are being used, whichever is longer.

2150 Certification of Assurance of Compliance (Cal OES Form 2-104 a-n)

Cal OES is required by law to obtain written certification of compliance. The Certification of Assurance of Compliance form is a binding affirmation that the Subrecipient will comply with the following regulations and restrictions:

- State and federal civil rights laws,
- Drug Free Workplace,
- California Environmental Quality Act,
- Federal grant fund requirements,
- Lobbying restrictions,
- Debarment and Suspension requirements, and
- Proof of Authority documentation from the city council/governing board.

This document becomes a part of the Cal OES Grant Subaward. Two individuals must sign the Certification of Assurance of Compliance (Cal OES Form 2-104). The designated individual authorized to sign the Grant Subaward (see Section 2113) and the individual granting that authority: the City/County Financial Officer, the City/County Manager, or the Governing Board Chair. The second signature is not required for State Agencies.

2151 Equal Employment Opportunity (EEO)[3]

It is the public policy of the State of California to promote equal employment opportunity (EEO) by prohibiting discrimination or harassment in employment because of ancestry, age (over 40), color, disability (physical and mental, including HIV and AIDS), genetic information, gender, gender identity, gender expression, marital status, medical condition (genetic characteristics, cancer or a record or history of cancer), military, veteran status, national origin, race, religion (includes religious dress and grooming practices), sex (includes pregnancy, childbirth, breastfeeding and/or related medical conditions) sexual orientation, or request for family medical leave.

Cal OES, as well as Subrecipients and Contractors, will not discriminate in the delivery of services or benefits based on the previously identified situations. All contracts awarded by a Community Based Organization (CBO), and all construction contracts awarded by governmental entities in excess of $10,000 are required to contain a provision requiring compliance with civil rights regulations (see Section 3600 regarding elements required in contracts).

[3] **Sections 2151 – 2151.7 – Sections have been re-written.**

2151.1 State and Federal Civil Rights Laws

Comprehensive state and federal civil rights regulations include the following directives:

a. Prohibits discrimination or denial of benefits to persons who are under programs or activities receiving financial assistance from the State of California or the Federal Government;

b. Mandates that qualified persons with disabilities will not be excluded from, denied benefits of, or discriminated against solely on the basis of their physical disability, mental disability, or medical condition under any program or activity receiving financial assistance from Cal OES;

c. Mandates that all facilities used by Cal OES-funded programs shall be made reasonably accessible and usable by the physically handicapped;

d. Provides that employers shall make reasonable accommodation for an employee or for an applicant with a known physical or mental disability, unless the employer can demonstrate that such accommodation would impose an undue hardship;

e. Guarantees equal opportunity for individuals with disabilities in public and private sector services and employment;

f. Mandates that all employers shall ensure a workplace free of sexual harassment; and

g. Provides Family Care and Medical Leave and Pregnancy Disability Leave under the California Family Rights Act (CFRA).

2151.1.1 Additional Federal Regulations

2151.1.2 EEOP Compliance Requirements

All Subrecipients must file a Certification of Assurance of Compliance (Cal OES 2-104) with their proposal certifying the agency will comply with all state and federal requirements regarding equal employment opportunity, nondiscrimination, and civil rights.

All Subrecipients are required to complete a Certification Form (http://ojp.gov/about/ocr/pdfs/cert.pdf) annually with the applicable section filled in and signed. Completed Certification Forms need to be sent to the U.S. Department of Justice as instructed on the form. A copy of the form should also be sent to Cal OES (granteecompliance@caloes.ca.gov). The signed certification will be placed on record with the Cal OES EEO Office.

Subrecipients that (1) are a unit of state or local government, an agency of state or local government, or a private business ; and (2) have 50 or more employees; and (3) have received a single federal subaward of $25,000 or more but less than $500,000 must have a current Equal Employment Opportunity Plan (EEOP) on file in their office for possible audit by Cal OES or the U.S. Department of Justice, Office of Civil Rights (OCR), Office of Justice Programs. Section B of the Certification Form must also be complete noting that the

EEOP on file has been prepared within twenty-four months of the date of the most recent grant award.

If the Subrecipient does not have a current EEOP on file, they must develop and implement one within 60 calendar days of the date the Cal OES Director signed the Grant Subaward Face Sheet (Cal OES 2-100)

2151.1.3 Federal Funds of $500,000 and Above

Subrecipients that (1) are a unit of state or local government, an agency of state or local government, or a private business; and (2) have 50 or more employees; and (3) and have received a single grant award of $500,000 or more in federal funds are required to prepare, maintain on file, submit to the OCR for review, and implement an EEOP. Subrecipients that have submitted an EEOP (or are in the process of submitting one) to the OCR should complete Section C of the Certification Form. Upon approval of the EEOP, Subrecipients will receive a federal letter of compliance. An approved EEOP is valid for 24 months from the date of the federal letter of compliance. If the EEOP and the federal letter of compliance are not included in the proposal/application, a Grant Subaward condition will be placed on the grant, and submission of the EEOP must be 60 days from the date the Cal OES Director signed the Grant Subaward Face Sheet (Cal OES 2-100).

2151.4 Subrecipients Exempt from EEOP Requirements

Subrecipients may be exempt from the EEOP requirements if any of the following criteria is met:

- The Subrecipient is a nonprofit organization, a medical institution, educational institution, or an Indian Tribe; or
- The Subrecipient has less than 50 employees; or
- The Subrecipient received a single award less than $25,000.

To file an exemption Subrecipients must complete the Certification Form, Section A, (http://www.ojp.usdoj.gov/about/ocr/pdfs/cert.pdf), and send it to OCR and Cal OES by email:

U.S. Department of Justice
Email: EEOPForms@usdoj.gov

And

California Governor's Office of Emergency Services
Email: mailto:granteecompliance@caloes.ca.gov

2151.5 Requirements for Continuing EEOP Grants

Unless exempt, Subrecipients are required to maintain a current EEOP (prepared within 24 months) on file. All Subrecipients, regardless of the type of entity, the number of employees, or the amount awarded, are subject to the prohibitions against discrimination in any program or activity and may be required by Cal OES or OCR, through selected

compliance reviews, to submit data to ensure their services are delivered in an equitable manner to all segments of the service population. Additionally, Subrecipients may be required to submit data to ensure their employment practices comply with state and federal civil rights laws.

2151.6 Additional Requirements for All Cal OES Subrecipients

a. In addition to the Certification of Assurance of Compliance (Cal OES Form 2-104), all Cal OES Subrecipients must have a current year EEO Policy Statement, established by their agency, posted in a prominent place accessible to employees and applicants (see Sample Equal Employment Opportunity Policy Statement).

b. The poster entitled "Harassment or Discrimination in Employment is Prohibited by Law" (an example of this poster is available in the http://www.caloes.ca.gov/For-Governments-Tribal/Grants-Funding/Forms section of our website) must also be posted in a conspicuous location accessible to employees and applicants for employment. This poster may be obtained from the local office of the Department of Fair Employment and Housing (DFEH).

c. A current Harassment Policy specifically stating all employees have a right to work in an environment free from all forms of discrimination, harassment/sexual harassment, retaliation, and hostile work environment. The policy should include a complaint procedure that permits employees to complain to someone other than the employee's immediate supervisor (e.g. EEO, Human Resources, other supervisor).

d. A policy or process for language assistance services that provides Limited English Proficiency (LEP) persons with meaningful access to Subrecipient's programs and services (e.g. oral interpretation, bilingual staff, telephone interpreter lines).

e. Job postings, applications, or other publications for employment should include a policy statement of nondiscrimination (e.g. "Cal OES is an Equal Opportunity Employer")

2151.7 EEO Monitoring Responsibility

Cal OES grant program staff will provide an EEO Checklist to Subrecipients prior to all site/monitoring visits. The checklist will assist Cal OES in verifying that Subrecipients are in compliance with state and federal civil rights requirements by noting that various EEO documents (EEO Policy, EEOP, Nondiscrimination Poster, etc.) are available at the site/monitoring visit. The EEO Checklist and supporting documents will be forwarded to the Cal OES EEO Office for review to confirm Subrecipients meet all EEO requirements. The Cal OES EEO Office will follow-up with Subrecipients for missing and/or out of compliance documentation.

2151.8 Subrecipient Responsibility

Subrecipients acknowledge awareness of and the responsibility to comply with all EEO requirements by signing the Grant Subaward Face Sheet (Cal OES Form 2-101), the

Certification of Assurance of Compliance (Cal OES Form 2-104), and submitting the application to Cal OES. Failure to comply with these requirements may result in the delay or possible discontinuance of grant funds.

2151.9 Additional Information

EEO information and assistance is available by contacting the Cal OES EEO Office at (916) 845-8454. For additional information on the specific state and federal civil rights laws, view the State and Federal Civil Rights Laws form at www.caloes.ca.gov.

All applicants are encouraged to contact their Personnel/Human Resources/EEO Office for EEO assistance and information.

2152 Drug-Free Workplace Certification

2152.1 General

Through the enactment of Senate Bill 1120 (Chapter 1170, Statutes of 1990), the Drug-Free Workplace Act of 1990 ("the Act") was established requiring Subrecipients to ensure Cal OES that they will comply with the requirements of Government Code Sections 8350-8357.

The Federal Drug-Free Workplace Act of 1988 (41 USC 701), was established requiring Subrecipients to ensure Cal OES that they will comply with the requirements of federal law as implemented in 28 CFR Part 67, Subpart F, Sections 615 and 620.

2152.2 Definitions

a. "Drug-free workplace" means a site for the performance of work done in connection with a specific grant or contract described in Government Code Section 8355 of an entity at which employees of the entity are prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in accordance with the requirements of this chapter.

b. "Employee" means the employee of a Subrecipient or contractor directly engaged in the performance of work pursuant to the grant or contract described in Government Code Section 8355.

c. "Controlled substance" means a controlled substance in Schedules I through V of Section 202 of the Controlled Substance Act (21 USC §812).

d. "Subrecipient" means the department, division, or other unit of an organization responsible for the performance under the grant.

e. "Contractor" means the department, division, or other unit of a person or organization responsible for the performance under the contract.

2152.3 Requisites for Certification to Cal OES

Every person or organization awarded a contract or a grant from Cal OES for the procurement of any property or services shall certify that it will provide a drug-free workplace by doing all of the following:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required in Government Code Section 8355 Subdivision (a).

b. Establishing a Drug-Free Awareness Program as required by Government Code Section 8355, Subdivision (b), to inform employees about all of the following:

   1. The dangers of drug abuse in the workplace;

   2. The organization's policy of maintaining a drug-free workplace;

   3. Any available counseling, rehabilitation, and employee assistance programs; and

   4. Penalties that may be imposed upon employees for drug abuse violations.

c. Providing, as required by Government Code Section 8355, Subdivision (c), that every employee who works on the proposed grant (a sample Drug Free Workplace Policy is available in the Forms/Additional Tools section of our website):

   1. Will receive a copy of the company's drug-free policy statement; and

   2. Will agree to abide by the terms of the company's statement as a condition of employment on the contract or grant.

d. Notifying the employee in the statement required that, as a condition of employment under the grant, the employee will:

   1. Abide by the terms of the statement;

   2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction; and

   3. Notify Cal OES in writing, within ten (10) calendar days after receiving notice as required above from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide written notice, including position, and title to both Cal OES and to the Department of Justice at:

      U.S. Department of Justice
      Office of Justice Programs
      ATTN: Control Desk
      810 7th Street, NW
      Washington, D.C. 20531

   Notice shall include the identification number(s) of each affected grant.

e. Take one of the following actions, within 30 calendar days of receiving notice, with respect to any employee who is so convicted:

1. Take appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

2. Require such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.

f. Make a good faith effort to continue to maintain a drug-free workplace through implementation of the above requirement.

2152.5 Termination of Contract or Grant; List of Canceled Awards

2152.5.1 A determination of noncompliance may jeopardize eligibility for continued grant funding. Each contract or Grant Subaward may be subject to suspension of payments or termination of the contract or grant, or both, and the Contractor or Subrecipient may be subject to debarment, in accordance with the requirements of California Government Code Section 8356, if Cal OES determines that either of the following has occurred:

a. The Contractor or Subrecipient has made a false certification under California Government Code Section 8355; or

b. The Contractor or Subrecipient violates the certification by failing to carry out the requirements of subdivisions (a) to (c), inclusive, of California Government Code Section 8355.

2152.5.2 The Department of General Services shall establish and maintain a list of individuals and organizations whose contracts or grants have been canceled due to failure to comply with these provisions.

2153 Environmental Impact – California Environmental Quality Act (CEQA) Compliance

Subrecipients must certify that their project is in compliance with Public Resources Code 21000 *et seq*. (the California Environmental Quality Act or CEQA). CEQA may require the preparation of an environmental document by the Subrecipient prior to commencing the project or program. Subrecipients should contact their legal counsel and/or the department or agency within their jurisdiction responsible for CEQA compliance for further information about the applicability of CEQA to their project. By signing the Certification of Assurance of Compliance (Cal OES Form 2-104);

Governmental Agencies certify that:

- They have filed a Notice of Exemption with the county clerk; and/or
- Have adopted or certified an environmental document for the project that complies

with the requirements of CEQA.

Non-Profit Organizations certify that:

- They have prepared a Negative Declaration letter; or
- Have a Notice of Exemption; and/or
- Have adopted or certified an environmental document for the project that complies with the requirements of CEQA.

Once a certification is obtained, an updated certification will only be required if the project engages in construction activities, clearing or grading of land or existing structures, and/or changes to objectives or activities that may negatively affect the environment. All CEQA documents must be kept on file and available upon request.

2154 Lobbying

Cal OES grant funds shall not be used for the purposes of lobbying, as required by Section 1352, Title 31 of the U.S. Code, and implemented as 28 CFR Part 69. This prohibition may be applied to both federal and state-funded grants (see Section 2242). Any expenditure or use of funds, grant property, or grant funded positions for any lobbying activities are disallowed costs. By signing the Certification of Assurance of Compliance form (Cal OES Form 2-104), the applicant certifies adherence with this requirement.

2155 Suspension and Debarment

It is the policy of the Federal Government to conduct business only with responsible persons, and a system for debarment and suspension from programs and activities involving federal financial and non-financial assistance and benefits assist agencies in carrying out this policy. Debarment or suspension of a participant by one agency has government-wide effect.

Applicants receiving federal funds must certify that they will adhere to Federal Executive Order 12549, Debarment and Suspension. By signing the Certification of Assurance of Compliance forms (Cal OES Form 2-104), the applicant certifies that neither the applicant nor its principals have been suspended or debarred from participation in federal grants. The applicant also agrees that it will not make any award, subaward, or enter into any contract greater than $25,000 with parties that are debarred, suspended, or otherwise excluded or ineligible for participation in Federal programs or activities. The Cal OES Form 2-104 outlines the grounds for debarment and suspension.

2155.1 Verification of Vendor/Contractor Eligibility

Prior to entering into contracts or procurements greater than $25,000, Subrecipients must either obtain a self-certification statement from the vendor/contractor indicating they or their principals are not suspended or debarred, or verify their eligibility to participate in federal awards via the federal Excluded Parties List System (EPLS).

a. <u>Self-Certification:</u>
The self-certification statement should contain language certifying that neither the

organization nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the transaction by any federal department or agency.

b. EPLS Verification:
Verification of eligibility of prospective vendors/contractors may be obtained via the federal System for Award Management (SAM) website at www.sam.gov. It is suggested that a screen shot of the negative results page be kept with the procurement/contract records to support eligibility verification occurred prior to entering into the transaction.

2160 Fidelity Bond

2160.1 Definition

Fidelity Bonds guarantee the bonded employee(s) will handle money and property honestly. The purpose of the Fidelity Bond requirement is to protect public funds by assuring reimbursement to Cal OES if Grant Subaward funds are stolen or otherwise misappropriated by officials and/or employees.

2161 Requirements and Exemptions

Community Based Organizations (CBOs) and American Indian Organizations are required to obtain a Fidelity Bond or an equivalent employee dishonesty insurance contract. General liability insurance does not fulfill this requirement. Projects operated by state, city or county units of government are exempt. CBOs sponsored by state or local units of government may submit documentation indicating sponsorship in lieu of the bond unless it was specifically required in the terms of the program.

2161.1 Amount of Coverage

The Fidelity Bond must be issued in an amount equal to 50 percent (50%) of the total Grant Subaward, including any augmentations, less matching funds. The Fidelity Bond may have a deductible in an amount not to exceed one percent (1%) of the bond.

In the event of a grant augmentation, the bond must be increased to cover 50% of the increase of funds. The Subrecipient must submit certification of increased coverage to their Cal OES Program Specialist within 30 calendar days of the approval.

2161.2 Type of Coverage

The Fidelity Bond must include Employee Dishonesty, and Forgery Coverage. The Fidelity Bond must provide blanket coverage of all employees; a scheduled bond is not acceptable.

2161.3 Bond Period

The bond period must be at least one year, which includes either the start date or end date of the grant. If the Fidelity Bond expires prior to the end date of the grant, including any

extension, a new Fidelity Bond must be obtained and submitted to Cal OES prior to the expiration date.

2161.4 Beneficiary/Certificate Holder

The certificate holder or first loss payee must be the "State of California, Office of Emergency Services". In addition, the name of each grant program covered must be included.

2161.5 Certificate of Insurance[4]

A certificate of insurance must be submitted to your Cal OES Program Specialist within 60 days of entering into a signed Grant Subaward. Failure to comply with this requirement may result in a hold being placed on your grant, and/or termination of the Grant Subaward. The following must be indicated on the certificate:

a. Bonding company name;

b. Bond number;

c. Description of coverage;

d. Amount of coverage;

e. Bond period;

f. Certificate holder; and

g. Name of Grant Program and Subaward number covered by the policy

2170 Allowable Costs for Personnel

2171 General

2171.1 Salaries are fixed compensation for services performed by employees of the Subrecipient and are paid on a regular basis. These costs must be identified by position and percentage of salaries and rounded off to the nearest whole dollar. All others are to be shown in the Operating Expenses Category supported by contract or operational agreement.

2171.2 Employee benefits and employer payroll taxes include employer's contributions or expenses for social security, employee's life and health insurance plans, unemployment insurance, pension plans, and other similar expenses that are approved by Cal OES. These expenses are allowable when they are included in the Grant Subaward budget and are in accordance with the organization's approved written policies.

[4] **Section 2161.5 – Section has been re-written.**

2171.3 Employee benefits in the form of regular compensation (normal pay) paid to employees during periods of authorized absences from the job for paid leave are allowable if: (1) they are provided pursuant to an approved leave system; (2) the costs are equitably allocated to all related activities (claimed in proportion to the time spent by the employee working on the grant); and (3) the costs adhere to the state limitations noted below:

a. Jury duty costs claimed on the Report of Expenditures and Request for Funds (Cal OES Form 2-201), must be reduced by any jury duty fees received, excluding travel costs; and

b. Paid leave (e.g., military leave, medical leave, administrative leave, or workman's compensation) must not exceed 30 calendar days per 12 month period.

2171.4 When a Subrecipient is unable to obtain benefits, such as a health insurance plan due to the size of the organization, reimbursement payments to employees for such benefits may be allowed. Reimbursement payments must be disclosed in the Grant Subaward budget approved in the Subrecipient's written personnel policies and supported by paid invoices submitted by the employees.

2171.5 When a grant employee is placed on administrative leave (in accordance with the organization's approved written policies), a portion of that employee's salary paid during the administrative leave may be charged to the Grant as personal services. The portion of the administrative leave costs that may be charged is based on the percentage of that employee's salary approved in the grant budget**.**

2171.6 Salary costs include vacation, sick leave, and compensating time off earned and used during the grant period. Overtime and shift differentials are also salary costs. All of these costs should be budgeted and claimed as personal services.

2171.6.1 Overtime

Overtime is defined as time worked beyond the normal established work week for all employees except those considered exempt under the Fair Labor Standards Act (e.g., executive, administrative, and/or professional staff). Overtime is reimbursable at a higher than normal rate of pay.

Overtime must be documented by payroll records that reflect at a minimum:

a. The name and title of the person performing the overtime and a supervisor's prior approval;

b. The hours worked and the amount of overtime;

c. The basis for the overtime and the activities performed during overtime; and

d. The hourly rate of overtime.

2171.7 With the exception of a separation from the project, Cal OES funds may be charged as leave time (vacation, sick, family leave, compensating time off) only when the time is earned and used during the Cal OES grant funding cycle (refer to the Glossary of Terms in Section 14000 for a definition). Balances accrued during the funding cycle, but not used, cannot be claimed on the Cal OES Form 2-201, unless a separation is involved. The leave costs claimed must be proportional to the amount of time spent by the employee working on the Cal OES project [e.g., if the employee is 50 percent (50%) Cal OES funded, Cal OES will be charged only 50 percent (50%) of eight hours of vacation earned, or four hours].

2171.8 As cited above, the only exception for claiming unused leave balances is when an employee separates from employment from the project. Cal OES funds then may be used to pay the employee separating from the project that portion of the leave balances earned during the Cal OES funding cycle. The portion of the leave balances earned during any non-Cal OES funded period must be paid by another source. In addition, Cal OES funds should pay only for a proportional amount of the leave balances earned during the Cal OES funding cycle, based on the percentage of time the employee worked on the Cal OES grant. For example, if the separating employee worked 50 percent (50%) of the time on the Cal OES grant, the Cal OES grant should pay only 50 percent (50%) of the vacation earned and not used by the employee. If the total hours of vacation earned during the Cal OES-funded period and not used were 40, then the total hours that can be claimed against the Cal OES grant are 20.

2172 Provisions Regarding Allowable Compensation for Personnel[5]

Costs for salaries and benefits of personnel involved in more than one grant or program of the organization must be charged to each grant (or funding source of the program) based on the actual percentage of time spent on each grant or program. The annualized actual percentage charged for a particular position (e.g., Project Director) cannot exceed the annual percentage approved in the Cal OES Grant Subaward. Similarly, the dollar amount charged for a particular position also must not exceed the dollar amount in the approved Grant Subaward or subsequent Grant Subaward Modification.

Functional timesheets and a cost allocation plan for projects with more than one source of funding and/or with multiple programs must be maintained which support the time charged to Cal OES grants (see Section 11331 for guidelines for creating a Functional Timesheet, contact your Program Specialist for examples that may be used to assist in the development of an appropriate time reporting tool). See also Section 2185 for guidelines regarding the elements of a written Cost Allocation Plan.

[5] **Section 2172 – Section has been re-written.**

Example A

The Cal OES Grant Subaward budget allows 100 percent (100%) of salaries and benefits for the Project Director. During the grant period, the agency received grant funds from another funding source for a different grant, which is also administered by the same Project Director. In this situation, the Subrecipient must account for the actual time the Project Director spends on each of the separate grants. Because the project has more than one grant, the Project Director is obviously no longer spending 100 percent of his/her time on the single Cal OES grant. Although the Cal OES grant allows the Subrecipient to charge up to 100 percent (100%) of the Project Director's salary, the Subrecipient may only charge Cal OES the ACTUAL time spent by the Project Director on the Cal OES grant. If the actual amount of the time the Project Director spends on the Cal OES grant is 25 percent (25%), then only 25 percent (25%) of the budgeted amount can be charged to the Cal OES grant and claimed for reimbursement on the Cal OES 201. Salary allocation changes require the submission and prior approval of a Grant Subaward Modification (Cal OES Form 2-223).

Example B

The Cal OES Grant Subaward budgets 20 percent (20%) of salaries and benefits for the Program Specialist. During the grant period the actual time spent by the Program Specialist amounts to 50 percent (50%) of actual hours charged, Cal OES can only be charged 20 percent (20%) of the salaries and benefits amount listed in the approved Grant Subaward for the Program Specialist until such time as a Grant Subaward Modification (Cal OES Form 2-223) is approved. If the Program Specialist had actually spent only ten percent (10%) of his/her time on a single Cal OES program, and 20 percent (20%) was what was actually budgeted, Cal OES can only be charged ten percent (10%) of the salaries and benefits amount for the Program Specialist. A Grant Subaward Modification (Cal OES Form 2-223) must be submitted for approval of any allocation changes.

2173 Indirect Costs (IC) or Facilities and Administration (F&A) Costs

Subrecipients may elect to charge administrative positions as a direct charge to personal services, and/or as part of IC or F&A costs. The direct method is explained within this section. If the indirect method is chosen, refer to Section 2188, which describes how indirect costs and other groupings of costs (cost pools), can be allocated to the grant. Section 2185 outlines the elements of a written Cost Allocation Plan.

2174 Personnel Changes

Whenever there are budget changes resulting from personnel changes, whether temporary or permanent, the project must submit a Grant Subaward Modification (Cal OES Form 2-223), and explain the reason for the shifting of personnel, the time period involved, the individuals involved, the salaries paid, and the percentage of time worked. The project also must maintain documentation in the payroll records of the shifting of personnel.

During the Grant Performance Period, the Subrecipient may not add, remove, or change line items to/from the Personal Services/Benefits category without prior Cal OES approval. A Grant Subaward Modification (Cal OES Form 2-223) will be necessary to add line items and to increase or decrease the amount of grant funds budgeted to this category. The items added must be allowable expenses programmatically. The organization's Cost Allocation Plan may also require revision to reflect budget changes and to bring the allocation of costs in alignment with current expenditures (see Section 2186).

2180 Indirect Cost Rate Proposal (ICRP)

2181 Description

Indirect costs are shared costs that cannot be directly assigned to a particular activity, but are necessary to the operation of the organization and the performance of the grant project. The costs of operating and maintaining facilities, accounting services, and administrative salaries are examples of indirect costs.

Such costs can be charged to a grant through the use of an Indirect Cost Rate Proposal (ICRP). The ICRP is submitted to the Subrecipient's cognizant federal agency and when approved, establishes an Indirect Cost Rate (ICR) that may be used for claiming shared costs.

2182 Resources for Developing an Indirect Cost Rate Proposal or Cost Allocation Plan

Subrecipients preparing a Cost Allocation Plan or ICRP should review the following federal publications that are pertinent to their type of organization:

a. 2 CFR Part 200 Appendix V – State/Local Government wide Central Service Cost Allocation Plan;

b. 2 CFR Part 200 Appendix VII – States and Local Government and Indian Tribe Indirect Cost Proposals; and

c. 2 CFR Part 200 Appendix IV – Indirect Costs Identification and Assignment, and Rate Determination of Nonprofit Organizations

The publications discussed above are available at:

http://www.ecfr.gov/omb/cgi-bin/text-idx?tpl=ecfrbrowse/Title02/2cfr200

2183 Developing a Cost Allocation Plan to Support Modified Total Direct Costs[6]

Projects with more than one funding source and/or more than one program with or without an approved ICR from their cognizant federal agency must maintain a written allocation plan that identifies and distributes allowable direct and direct-shared costs.

The allocation plan (narrative, worksheet reflecting the percentage of distribution to each funding source, and methodology for distribution) must be prepared and maintained to

[6] **Section 2183 – Section has been re-written.**

explain and support the method used and the distribution of direct-shared costs. The limitations on charging indirect costs to the Grant Subaward as stated in Section 2188 apply.

The detailed allocation plan discussed above must be maintained for audit purposes. The basis of allocation of administrative overhead salaries and direct-shared costs must be reviewed and adjusted, if needed, during the term of the Grant Subaward. A Grant Subaward Modification (Cal OES Form 2-223) must be submitted to notify Cal OES of any changes.

2185 Documenting the Cost Allocation Plan

Projects must maintain the documentation used in establishing the allocation plan. This includes the timesheets, calculations of hours, and percentages used to distribute indirect costs, and evidence that the plan has been approved by the board or governing agency.

Written allocation plans must include the following elements:

a. Organization chart that identifies each department, and incumbent staff;

b. A narrative describing the types of services provided by the organization and each department or unit within the organization;

c. A narrative that identifies all direct costs (costs that directly benefit a program) and all pooled costs (costs grouped together for allocation), including direct-shared (direct program expenses shared among two or more programs), and indirect costs (costs that are necessary for the operation of the organization, but that are not easily assignable to any one specific program), along with a description of the allocation basis used for each of these costs. The narrative must also address how unallowable costs are funded;

d. A spreadsheet showing the organization's line-item budget along with all sources and amounts of funding. The allocation of costs for each budget line item must be shown by both percentage and dollar amount being allocated. Unallowable costs must be included and allocated a share of the indirect costs; and

e. Certification by the board or approving authority that the plan has been prepared in accordance with federal and state regulations, along with the date of approval.

2186 Revising the Allocation Plan

The allocation plan must be reviewed, at a minimum, during each Grant Subaward to determine whether the percentages of allocation are still accurate.

If the project acquires additional grants or has a reduction in funding sources, the allocation plan must be reviewed to determine whether the percentages charged to the grant/funding sources need to be revised. If the allocation percentages have changed, the project must submit a Grant Subaward Modification (Cal OES Form 2-223), to make any necessary budget revisions.

2188 Indirect Cost Rates[7]

Indirect costs cannot be directly assigned to a particular grant activity, but are necessary to the operation of the organization and the performance of the grant project. Indirect costs include operating and maintaining facilities, accounting services, and administrative salaries.

a. Subrecipients do not have to budget for indirect costs.

b. Subrecipients that budget for indirect costs must:

- use their approved Indirect Cost Rate (ICR) that has been established by the Subrecipient's cognizant federal agency (Cal OES will not act as a cognizant agency);

  OR

- use an amount up to the ten percent (10%) de Minimis rate of the Subrecipient's Modified Total Direct Costs (MTDC) base. MTDC includes the cost of salaries, wages and benefits of personnel that work directly on the project, and other operational costs that are directly related to the project. The MTDC base cannot include any distorting costs such as equipment, rent, capital expenditures, or any Subawards, contracts, or consultant beyond the first $25,000.

Subrecipients, who request Cal OES funds for indirect costs, must provide a method of calculation that shows what direct costs were used to calculate their indirect budgeted amount. The Subrecipient can then charge up to that budgeted amount on the subaward.

2189 Records

Projects must have on file the formal Indirect Cost Rate Proposal (ICRP) or a Cost Allocation Plan, which demonstrates how the indirect cost rate was established and any necessary approval. The ICRP or Cost Allocation Plan must clearly indicate that line items charged to a direct cost category (e.g., "postage") are not included in the indirect cost category. All costs included in the plan must be supported by accounting records (e.g., invoices, purchase orders, canceled checks, or other records supporting payments) which show the actual expense.

2200 OPERATING EXPENSES

2210 General

Allowable operating expenses are defined as necessary expenditures exclusive of personnel salaries, benefits, and equipment. Such expenses may include specific items directly charged to the project, and in some cases, an indirect cost allowance. The expenses must be grant-related (i.e., to further the program objectives as defined in the Grant Subaward) and be incurred (realized) during the grant period. Cal OES reserves the right to make the final determination if an operating expense is allowable and necessary. All charges must be clearly documented and rounded off to the nearest whole dollar.

[7] **Section 2188 – Section has been re-written.**

During the Grant Performance Period, individual line items within the operating expense category may vary from budgeted amounts without prior Cal OES approval as long as the total amount budgeted in the category remains the same. This does not apply to Independent Contractor/Consultant or contract services.

A Grant Subaward Modification (Cal OES Form 2-223) must be submitted to increase/decrease the most recently approved budget category amount (see Section 7500).

2230 Allowable Expense Items

A project may, unless otherwise prohibited, include the following expenses under the operating expenses category:

- Answering service fees;
- Bank service charges and check printing fees;
- Computer with an acquisition cost of $4,999 or less;
- Computer equipment rentals;
- Confidential expenditures (e.g., asset forfeiture and sting operations);
- Conferences, seminars, workshops, and training;
- Independent Contractor/Consultant services;
- Equipment service and maintenance agreements (including those for computers);
- Facilities Costs;
- Film or videotape (film or videotape with an acquisition cost of more than $5,000 per unit and a useful life of more than one year must be charged in the equipment category);
- Financial audit allowances;
- Furniture and office equipment with an acquisition cost of $4,999 or less per unit;
- Insurance, e.g., vehicle, fire, bonding, theft, and liability (to include malpractice and board liability);
- Internet access;
- Janitorial services;
- Moving expenses;
- Office supplies;
- Office space;
- Postage;
- Printing;
- Rental or lease of equipment;
- Research forms;
- Software (if not part of a computer package);
- Storage space for evidence;
- Subscriptions;
- Telephone (telephones with an acquisition cost of more than $5,000 per unit and a useful life of more than one year must be charged in the equipment category);
- Training materials;
- Travel and per diem;
- Utilities;
- Vehicle maintenance; and
- Witness protection fees.

If an item is not listed, consult the terms of the program to determine if the expense is allowable.

2230.1 Provisions Regarding Allowable Operating Expenses

Operating expenses which cannot be directly charged to a specific project or funding source, such as expenses related to a copier, utilities or janitorial service, must be prorated on the basis of percentage of usage or other reasonable job-costing basis. An allocation plan must be prepared to determine how such operating expenses should be allocated. Schedules of the methods used to allocate such operating expense must be maintained for audit purposes.

The basis of allocating operating expenses must be reviewed and adjusted accordingly by the Subrecipient on a periodic basis.

Payments made for certain types of expenses which apply to long periods of time also become allocated expenses. For example, the Subrecipient pays for an insurance policy with a term of one year (November 1, 2003, to October 31, 2004), and the grant period (July 2004 to June 2005) includes four months of this one-year period. The Subrecipient then may allocate one-third (four months) of the insurance costs to the grant.

2231 Confidential Expenditures

Confidential expenditures are only allowable for grants to state and local law enforcement agencies that use grant personnel working in an undercover capacity, unless otherwise specifically authorized in the terms of the program.

2231.1 Requests for Approval

If not previously authorized in the approved Grant Subaward, confidential expenditures may be requested using a Grant Subaward Modification (Cal OES Form 2-223) and must be approved prior to any expenditures. The criteria for confidential expenditures are in the terms of the program.

2232 Facility Rental[8]

Office space, charged to the grant, cannot exceed 125 square feet per full-time employee. Space for files, meetings, mail, supplies, and reproduction may also be charged to the grant if previously approved. Space for part-time employees must be prorated. For the purpose of this section, the term “employee” includes documented volunteers.

Facility rental costs per square foot must be based on actual rent paid, not to exceed $21 per square foot annually ($1.75 per square foot per month). If the rental cost for office space exceeds these rates, it must be consistent with the prevailing rate in the local area. Exceptions to this rate and/or square footage must have prior approval by Cal OES and requires appropriate justification.

[8] **Section 2232 - Section has been re-written.**

2232.1 Rental Space for Training, Shelter, Counseling Rooms, and Other Required Space

Rental space for training, individual or group counseling rooms may also be charged to the grant if authorized in the terms of the program, and providing the rental space charged is based on actual costs to the Subrecipient and not reimbursed by any other source.

If other required space, such as a storage or evidence room is allowed in the terms of the program, the Subrecipient must provide justification for charging the costs to the grant.

Such justification must address the cost and need for the space, how it relates to the project's objectives, and why the agency cannot provide the space at no cost to the grant.

2232.2 Donated Space[9]

A Subrecipient can claim office space used in a program as in-kind match when the space has been donated.

A Subrecipient can claim office space used in a program as in-kind match when they are the outright owners of the building, without rent or mortgage, only if allowed by the program and/or fund source**.**

The value claimed for donated space cannot exceed the monetary value of what would normally be charged for the space in that geographical area and cannot exceed the square footage allowances as established in Section 2232.

There must be documentation on file which explains and supports the way the value for the match is determined.

2232.3 Moving Expenses

Projects may budget for moving expenses as long as such expenses are reasonable and related to the accomplishment of grant objectives. For example, a project may claim moving expenses if the project site is being relocated to another site and it is necessary to relocate Cal OES-funded supplies, office equipment, etc. to the new site. Moving expenses may not be charged to the grant for transporting personal belongings of staff nor may staff relocation expenses be charged to the grant for costs associated with the project move. Further, projects may not use Cal OES grant funds to pay for relocation expenses associated with the hiring of new staff.

If the project is one of many components of a larger organization, the project may only charge the prorated share of expenses proportionate to the Cal OES-funded project's percentage of the organization's total overall budget.

2233 Rented or Leased Equipment

An explanation and cost analysis must be submitted if equipment, budgeted in the operating expenses or equipment category, is to be rented or leased. This written analysis must

[9] **Section 2232.2 - Section has been re-written.**

demonstrate how it is more cost effective to rent or lease the equipment rather than purchase it (see Lease/Purchase Analysis).

The project must receive approval from Cal OES prior to the execution of any rental or lease agreement. If the request is made after the grant is awarded, attach the analysis to a completed Grant Subaward Modification (Cal OES Form 2-223).

2234 Audit Costs

Grant-funded projects may budget audit costs up to certain amounts (see Sections 8150 through 8154).

2235 Emergency Funds

Victim service projects may budget up to five percent (5%) of the total project cost for victim-related emergencies in accordance with criteria specified in the terms of the program.

2235.1 "Emergency" Defined

"Emergency" is defined as any immediate financial intervention in response to a victim's basic needs such as temporary emergency shelter, food, transportation, clothing and medical care, including prescription medicine, eyeglasses, or dentures.

2235.2 Emergency Fund Accountability Procedures[10]

Because of the nature of the fund, it should be accessible. It is also necessary, however, that safeguards and accountability of the fund be maintained. For effective management and audit purposes, the following procedures must be followed:

a. The emergency fund and the regular grant allocation must be kept separate, each with its own account within the general ledger;

b. Vouchers, receipts, canceled checks, and/or bank statements (if canceled checks are not returned from the bank) must be maintained for audit purposes;

c. Authority to make payments from the emergency fund rests with the chief executive of the agency. Authority to draw on the emergency fund may be delegated by the chief executive. Each check requires a counter signature. Cal OES must be notified in writing within 14 calendar days of any changes in staff authorized to draw on the funds;

d. If an imprest cash fund is used, the name, address, and signature of the Subrecipient must be maintained, as well as the date, amount, and reason for the request;

e. Grant funds must not be commingled with other emergency monies;

f. As checks are drawn against the fund, a copy of the checks must be sent to the person in charge of the project's accounting;

[10] **Section 2235.2 - Section has been re-written.**

g. This fund must be used only in the absence of another community resource, and only in the case of an emergency (see Section 2235.1);

h. Payments must be limited to payment for goods or services. A credit system, in lieu of cash payment, should be explored with local merchants. The project must set a limit on the amount of cash allotments that can be made to a victim; and

i. Records must reflect whether the emergency money is considered a loan, and whether full or partial repayment is expected, or whether the money is a gift. Any repayments must be considered project income and must be used to reimburse the emergency fund.

If not previously authorized in the approved Grant Subaward, Subrecipients may request emergency funds by submitting an Emergency Fund Procedures form attached to a Grant Subaward Modification (Cal OES Form 2-223).

2236 Travel and Per Diem

2236.1 General

Travel is usually warranted when personal contact by the employee is the most appropriate method of conducting project-related business. The most economical method of transportation, in terms of direct expenses to the project and the employee's time away from the project, must be used.

Projects are required to include sufficient per diem and travel allocations for project-related personnel, as outlined in the Grant Subaward, to attend the mandated Cal OES training conferences or workshops outlined in the terms of the program.

2236.1.1 Out-of-State Travel

Out-of-state travel is restricted and only allowed in exceptional situations. Subrecipients must receive Cal OES approval prior to incurring expenses for out-of-state travel. If not previously authorized in the approved Grant Subaward, Subrecipients may request approval for out-of-state travel by submitting an Out-of-State Travel Request (Cal OES Form 2-158) attached to a completed Grant Subaward Modification (Cal OES Form 2-223).

2236.2 Travel and Per Diem Policies[11]

The following information details the State Travel Policy.

MILEAGE

When the Subrecipient utilizes a privately owned vehicle on project-related business, a maximum of 53.5 cents per mile from January 1, 2017 – December 31, 2017 is allowed at this time. Subrecipients may verify the currently approved State-approved mileage rates at: http://www.dpa.ca.gov/personnel-policies/travel/personal-vehicle-mileage-reimbursement.htm.

[11] **Section 2236.2 - Section has been re-written.**

MEALS AND INCIDENTALS

Breakfast – $7.00: Breakfast may be claimed when travel commences at or prior to 6:00 a.m. Breakfast may be claimed on the last fractional day of a trip of more than 24 hours if travel terminates at or after 8:00 a.m.

Lunch – $11.00: Lunch may not be claimed for travel less than 24 hours. Lunch may be claimed if the trip begins at or before 11:00 a.m. and may be claimed on the last fractional day of a trip of more than 24 hours if the travel terminates at or after 2:00 p.m.

Dinner – $23.00: Dinner may be claimed if the trip begins at or before 5:00 p.m. Dinner may be claimed when travel terminates at or after 7:00 p.m., whether on a one-day trip or on the last day of a trip of more than 24 hours.

Incidentals – $5.00: Incidentals may be claimed for trips of 24 hours or more.

LODGING (with receipts)

Actual lodging expense up to the rate specified below:

- Statewide (excluding counties identified below): $90.00, plus tax
- Napa, Riverside, and Sacramento Counties: $95.00, plus tax
- Los Angeles, Orange, Ventura Counties and Edwards AFB, excluding the City of Santa Monica: $120.00, plus tax
- Alameda, Monterey, San Diego, San Mateo, and Santa Clara counties: $125.00, plus tax
- City & County of San Francisco and the City of Santa Monica: $150.00, plus tax.

Excess lodging costs are restricted and only allowed in exceptional situations. Subrecipients must justify the need and receive prior written approval from Cal OES before incurring expenses for excess lodging costs.

OTHER

Taxi, airport shuttle, etc. which exceeds $3.50 must be supported by receipt. Parking in excess of $10.00 must be supported by receipt.

2236.2.1 Units of Government

Units of government must follow either their own written travel and per diem policy or the state's policy. Units of government that plan to use cars from a state, county, city, district car pool, or garage may budget either the mileage rate established by the car pool or garage, or the state mileage rate, not to exceed the loaning agency rate.

2236.2.2 Community-Based Organization (CBO)

A CBO receiving Cal OES funds should use the state travel and per diem policy. The Subrecipient's written travel policy may be used only if the Subrecipient's travel policy is more restrictive than the State's.

Reimbursement is allowed for the cost of commercial carrier fares, parking, bridge, and road tolls, as well as necessary taxi, bus, and streetcar fares.

2236.3.1 Private Vehicles

Reimbursement is allowed for the cost of project-related personnel operating privately owned vehicles on project-related business if authorized by the Project Director or designee.

2236.3.2 Commercial Automobile Rental

The actual reasonable cost of commercial automobile rental is allowed when appropriate under the terms of the Grant Subaward. Premium rental rates, extra charges for luxury items, and the damage/deductible waiver are not allowable costs.

2236.3.3 Business Expenses

Business expenses for employees on travel status consisting of charges for business phone calls and other appropriate charges necessary to the completion of official business are reimbursable.

2236.4 Travel Claims

Documentation of travel indicating times of departure and return, destinations, and costs, must be maintained to support subsistence allowance (per diem) claims. Mileage logs and receipt vouchers for commercial transportation fares and other expenses must support claims for reimbursable expenses.

2237 Consultant Services

Consultant services are allowable expenses (see Section 3700).

2237.1 Operational Agreements

Any funds transferred from the Subrecipient to any community-based organization, or government agency for the collaborative implementation of the project is considered Operating Expenses. This includes personnel services provided by personnel employed by an organization identified in an Operational Agreement (OA) and/or Memorandum of Understanding (MOU) (see Section 4000). All allowable and non-allowable costs for these salaried employees of an agency identified in an OA are the same as those of employees of the applicant (see Section 2170).

2237.2 Retainer Fees

Retainer fees are not allowable costs. Payments for service must be based on actual hours worked.

2237.3 Management Services/Studies

If not previously authorized in the approved Grant Subaward, Subrecipients must receive prior written approval from Cal OES on a Grant Subaward Modification (Cal OES Form 2-223) for any management study to be performed by an independent contractor/consultant or agency if project funds are to be used.

2240 Prohibited Expense Items

2241 Bonuses/Commissions[12]

Projects are prohibited from paying any bonuses (monetary or otherwise) or commissions to any individual, organization, or firm unless specifically authorized by the terms of the program.

2242 Lobbying

Cal OES federal and state grant funds, grant property, or grant funded positions shall not be expended or used for any of the following lobbying activities.

2242.1 Prohibited Lobbying Activities

a. Attempts to influence the outcome of any federal, state, or local election, referendum, initiative, or similar procedure, through in-kind or cash contributions, endorsements, publicity, or similar activity;

b. Establishing, administering, contributing to, or paying the expenses of a political party, campaign, political action committee, or other organization established for the purpose of influencing the outcome of elections;

c. Attempts to influence: (1) the introduction of federal or state legislation; or (2) the enactment or modification of any pending federal or state legislation through communication with any member or employee of the Congress or state Legislature (including efforts to influence state or local officials to engage in similar lobbying activity), or with any government official or employee in connection with a decision to sign or veto enrolled legislation;

d. Attempts to influence: (1) the introduction of federal or state legislation; or (2) the enactment or modification of any pending federal or state legislation by preparing, distributing or using publicity or propaganda, or by urging members of the general public or any segment thereof to contribute to or participate in any mass demonstration, march, rally, fund- raising drive, lobbying campaign or letter writing or telephone campaign; or

e. Legislative liaison activities, including attendance at legislative sessions or committee hearings, gathering information regarding legislation, and analyzing the

[12] **Section 2241 - Section has been re-written.**

effect of legislation, when such activities are carried out in support of or in knowing preparation for an effort to engage in unallowable lobbying.

2242.2 Activities Exempt from the Prohibition

a. Providing a technical and factual presentation of information on a topic directly related to the performance of a grant, contract or other agreement through hearing testimony, statements or letters to Congress or a state Legislature, or subdivision, member, or cognizant staff member thereof, in response to a documented request (including a Congressional Record notice requesting testimony or statements for the record at a regularly scheduled hearing) made by the Subrecipient member, Legislative body or subdivision, or a cognizant staff member thereof provided such information is readily obtainable and may be readily put in deliverable form; and further provided that costs under this section for travel, lodging or meals are unallowable unless incurred to offer testimony at a regularly scheduled Congressional or state Legislative hearing pursuant to a written request for such presentation made by the Chairman or Ranking Minority Member of the Committee or Subcommittee conducting such hearing.

b. Any lobbying made unallowable by Section 2242.1(c) above to influence state legislation in order to directly reduce the cost or to avoid material impairment of the organization's authority to perform the grant, contract, or other agreement.

c. Any activity specifically authorized by statute to be undertaken with funds from the grant, contract, or other agreement.

d. Testimony before legislative bodies reviewing the effectiveness of grant programs.

e. Introduction and support in the state Legislature of general statutory reform, such as criminal code revisions, court reform, etc.

2243 Fundraising

Cal OES grant funds cannot be used for organized fundraising, including financial campaigns, endowment drives, solicitation of gifts and bequests, or similar expenses incurred solely to raise capital or obtain contributions, unless fundraising for the furtherance of grant objectives is specifically allowed under the terms of the program.

2244 Real Property and Improvements

Real property, including land, land improvements, structures and their attachments, and structural improvements and alterations are not allowable expenditures unless specifically authorized in the terms of the program.

2245 Interest, Charges, Fees, and Penalties

a. <u>Charges, Fees, and Penalties</u>
Finance charges, late payment fees, penalties, and returned check charges are not

allowable expenditures.

b. Interest
The cost of interest payments is only allowable if the cost is a result of a lease/purchase agreement.

2246 Food and Beverages

The costs of food and/or beverages at grant-sponsored conferences, meetings, or office functions are not allowable expenditures. This section does not prohibit the purchase of food and beverages for the provision of direct services under the Grant Subaward.

2247 Weapons and Ammunition

The cost of weapons and/or ammunition of any type are not allowable expenditures, unless it is part of a governmental negotiated benefit package, or is specifically authorized in the terms of the program.

2248 Dues, Licenses, and Fees[13]

a. Membership Dues
The cost of membership dues for projects involved in the licensing or credentialing of professional personnel are not allowable expenditures, unless specifically authorized in the terms of the program.

b. Professional License
The cost of a professional license is not an allowable expenditure, unless specifically authorized in the terms of the program.

c. Annual Professional Dues or Fees
The cost of professional dues or fees is not an allowable expenditure, unless it is part of a negotiated benefit package, or is authorized by the terms of the program.

2249 Depreciation

Depreciation charges are not allowable expenditures.

2300 EQUIPMENT

2310 Definition

Equipment is nonexpendable personal property having a useful life of more than one year and a cost of $5,000 or more per unit (excluding tax). If equipment is purchased as a complete package (i.e., computer, monitor, modem, software, etc.), the total package cost, not the unit cost, would determine if it qualifies under the equipment category. All

[13] **Section 2248 - Section has been re-written.**

equipment purchased by the Subrecipient is the property of the Subrecipient. Cal OES does not claim title to the equipment but requires the Subrecipient to maintain accountability for the equipment (see Section 2350).

2320 Allowable Equipment

Equipment, which is directly related to and used for project activities, will only be considered for purchase approval if no other equipment owned by the applicant is available and suitable for the project. Projects are expected to purchase only energy efficient equipment whenever possible and appropriate.

Grant funds cannot be used for equipment if specifically prohibited in the authorizing legislation or restricted in the terms of the program.

Grant funds cannot be used to reimburse the project for equipment obtained prior to the beginning of the grant period.

Equipment should be ordered as soon as possible so that it can be placed in service during the grant period.

2330 Motorized Vehicles

Aircraft, watercraft, and other motorized vehicles (except automobiles) are not allowable budget items unless specifically authorized in the terms of the program.

2331 Automobiles

If automobiles are allowable pursuant to the terms of the program, projects must provide substantial justification demonstrating the grant-related need. If not previously approved in the initial Grant Subaward, then a justification must be submitted with a Grant Subaward Modification (Cal OES Form 2-223) and include the following information:

a. Describe the need for a vehicle, including the size of the service area and the need to provide direct service away from the office;

b. Describe the lack of available agency vehicles;

c. Describe the lack of available personal vehicles for which mileage can be charged or a reason why the agency will not allow personal vehicle usage during working hours; and

d. Include a cost analysis for the vehicle purchase as compared to other options, including lease and personal vehicle use with mileage.

2340 Computers and Automated Equipment

2340.1 Internet Access

Funded projects are required to maintain internet access with an established email address (see Section 11500) for grant-related communication with Cal OES. Grant funds may be used for this purpose unless specifically restricted by the terms of the program.

2341 Justification

The purchase of computers and automated equipment necessary to achieve grant objectives may be requested unless prohibited in the terms of the program. Approval for purchases is contingent on the project's ability to demonstrate a cost effective, project-related need. This is best demonstrated by clearly relating each computer system or component to the grant objectives and activities. The amount of information necessary will be determined by the complexity of the proposed system (see Sections 2342.1 through 2342.3).

If not previously authorized in the approved Grant Subaward, justification for the purchase of computer equipment (Computers and Automated Systems Purchase Justification Guidelines) must be submitted with a Grant Subaward Modification (Cal OES Form 2-223), and receive Cal OES approval prior to purchase (see Section 3000).

2342 Cost

The cost of a computer system must include all expenses required to purchase, install and operate the system. These expenses include, but are not limited to hardware, software, maintenance, upgrade, training, conversion, technical assistance, independent contractor/consultants, programmers, analysts, furniture, supplies, modems, telephone lines, and connect time to mainframe or data centers. Computers and related expenses must be itemized in the budget pages of the Grant Subaward and described in sufficient detail to allow Cal OES to assess their size and complexity.

Reasonable costs for Internet software, modems, and connection fees will be approved for all projects that do not already have Internet access, unless such expenditures are prohibited by the terms of the program.

2342.1 Community-based Organization (CBO)

Applicants from community-based organizations may budget for computer equipment, software, and related costs. Cal OES will evaluate the proposed purchase on the basis of grant-related need. Applicants must receive Cal OES approval prior to purchase.

If the implementing agency is a CBO sponsored by a unit of government, Cal OES’s policy for CBOs will apply to computer equipment, software, and related costs incurred by the purchase and the related operational expense dictated by the purchase.

2342.2 Units of Government

Applicants from units of government may budget for computer equipment, software, and related costs. Cal OES will evaluate the proposed purchase on the basis of grant-related need. Applicants must receive Cal OES approval prior to purchase.

2342.3 Instructions – Computers and Automated Systems

To certify that all resources (e.g., hardware, software, personnel, and telecommunications) to be utilized by the project are in compliance, the Project Director must submit a written justification (see Computer and Automated Systems Purchase Justification Guidelines). If not previously authorized in the approved Grant Subaward, the justification must be attached to a Grant Subaward Modification (Cal OES Form 2-223), and demonstrate that the purchase abides by applicable standards, policies, and procedures for automated systems as contained within the terms of the program, the agency's local policies and operating procedures, and this Subrecipient Handbook.

2343 Lease-to-Purchase Agreement

If a lease-to-purchase is requested, a justification and cost analysis must be submitted to demonstrate that it is more cost effective to lease rather than purchase (see Lease/Purchase Analysis).

If not previously authorized in the approved Grant Subaward, the justification and cost analysis (see Lease/Purchase Analysis) must be submitted with a Grant Subaward Modification (Cal OES Form 2-223), and the project must receive Cal OES approval prior to the signing of the lease/purchase agreement. The justification must include documentation of cost effectiveness.

2350 Equipment Identification and Records

Projects must maintain a readily identifiable inventory of all equipment purchased wholly, or in part, with Cal OES grant funds. Equipment must be noted in a log containing the following information for as long as the equipment is owned by the Subrecipient.

Equipment records must contain the following information:

a. A description of the property;

b. Serial number, or other identification number;

c. Source of the property;

d. Identification of the title holder;

e. Acquisition date;

f. Cost of the equipment;

g. Percentage of federal participation in the cost of the equipment;

h. Location of the equipment;

i. Use and condition of the equipment;

j. Unit acquisition cost; and

k. Disposition, data, including date of disposal and sale price.

A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years.

The project is responsible for maintaining all equipment purchased with grant funds and the equipment must be available for review by Cal OES staff during Site and Monitoring visits.

2370 Losses/Replacements

Projects must safeguard equipment purchased with grant funds. Lost, stolen, or destroyed equipment must be reported to Cal OES in writing within 14 calendar days of the date of the loss. The report must include appropriate police reports, insurance claims, and a letter signed by the Project Director explaining the circumstances involved and the precautions taken to prevent such losses from occurring in the future. The report must also detail how the equipment will be replaced, timeframe for replacement, and the potential impact on program objectives without replacement of the equipment.

Projects are strongly encouraged to maintain adequate insurance to cover loss or damage of grant-funded equipment.

Damaged equipment that will not be repaired must be reported to Cal OES on a Grant Subaward Modification (Cal OES Form 2-223), within 14 calendar days of the date of damage, with a justification explaining how grant objectives will be achieved without the equipment. Projects must obtain written approval from Cal OES prior to replacing, trading, or otherwise disposing of damaged, lost, or stolen grant equipment.

3000 CONTRACTS AND PROCUREMENTS

3010 Responsibility

The project is the responsible entity, without recourse to Cal OES, regarding the settlement and satisfaction of all contractual and administrative issues arising from contracts of the Subrecipient and Grant Subaward procurements. This responsibility includes, but is not limited to, disputes, claims, and protests of awards.

Governmental entities must comply with applicable procurement laws and policies for their jurisdiction when contracting for goods or procuring services. Matters concerning violation of laws must be referred to the local, state, or federal authority having jurisdiction.

3100 DEFINITIONS

3110 Definition of Contracts

Contracts refer to the purchasing of services including, but not limited to, independent CPA audits, maintenance agreements, accounting services, and independent contractor/consultants. All contracts are subject to Cal OES contract standards as outlined in this section.

3120 Definition of Procurement

Procurement refers to the contracting for and purchasing of goods necessary to carry out the project objectives. Cal OES procurement standards apply to all contracts for goods, including office supplies, and equipment paid for in whole or in part by grant funds.

3200 APPROVALS[14]

3210 Contracts and Procurements

3211 Contracts and Procurements $3,500 and Under

Contracts and procurements in the amount of $3,500 or less do not require formal advertising. However, it is strongly suggested that a minimum of three quotes are obtained and the contract or procurement is awarded to the responsible contractor or vendor whose offer is the most advantageous to the project (price and other factors considered).

3212 Contracts and Procurements $3,501 to $50,000

Contracts and procurements in the amount of $3,501 to $50,000 do not require formal advertising. However, it is required that a minimum of three quotes are obtained. The

[14] **Sections 3200 – 3220 - Sections have been re-written.**

contract or procurement must be awarded to the responsible contractor or vendor whose offer is the most advantageous to the project (price and other factors considered). For contracts and procurements greater than $25,000, verification must be obtained that the contractor or vendor has not been suspended or debarred from participation in federal awards prior to entering into the contract (see Section 2155).

3213 Contracts and Procurements Over $50,000

Contracts and procurements over $50,000 must use the formal method of contracting in which a bidder is selected based on material submitted in response to an Invitation for Bid (IFB) or a Request for Proposal (RFP). IFBs/RFPs must clearly define all requirements the bidder must fulfill for the bid or offer to be evaluated by the project. The bid or proposal must include a clear and accurate description of the technical requirements for the services or materials/goods to be produced, and must not contain any features that unduly restrict competition. Bidders are not allowed to discuss or clarify any points after their bids have been submitted, and face-to-face negotiations are not allowed. (see Sections 3400 – 3414)

3220 Approval of Procurements

All purchases must be allowable expenditures, as outlined in Section 2200 *et seq.* and in the terms of the program and, when required, have prior written approval from Cal OES. The purchase of computers and related products and services or automated equipment must comply with the requirement set forth in Section 2341.

3300 CONTRACTS AND PROCUREMENTS GUIDELINES[15]

Local units of government, CBOs and other organizations may use their own approved contracting and/or procurement policies for all contracts and procurements equal to or less than $50,000. For contracts over $50,000 see Section 3213. The policies must conform to applicable Federal and State standards and requirements. Local units of government, CBOs and other organizations without written contracting and/or procurement policies must follow the policies outlined in Sections 3211 through 3530. Contracted services and purchases of goods may not be split into multiple transactions in an attempt to avoid complying with federal or state requirements, or the guidelines in this section.

3400 METHODS OF CONTRACTING AND/OR PROCUREMENT[16]

Contracts and procurement for all Cal OES grants must be made by one of the methods described below.

3410 Formal Advertising

This refers to a process for the contracting of services and/or procurement of goods in excess of $50,000, in which a bidder is selected based on material submitted in response to

[15] **Section 3300 - Section has been re-written.**
[16] **Sections 3400 – 3422 - Sections have been re-written.**

an Invitation for Bid (IFB) or a Request for Proposal (RFP). IFBs/RFPs must clearly define all requirements the bidder must fulfill for the bid or offer to be evaluated by the project. The bid or proposal must include a clear and accurate description of the technical requirements for the services or materials/goods to be produced, and must not contain any features that unduly restrict competition. Bidders are not allowed to discuss or clarify any points after their bids have been submitted, and face-to-face negotiations are not allowed.

3411 Invitation for Bid (IFB)

An IFB is used to solicit prices for services or goods based on definitive specifications. It must include a clear and accurate description of the technical requirements for the services, (Contracts) to be produced, or the material or product, (Goods) to be procured. The description must not contain features that unduly restrict competition.

The basic reason for establishing specifications for technical details for use in formal advertising is to convey to all bidders a complete, unvarying understanding of what is required. This calls for a clear and precise description not subject to varying interpretations. Ensure that all costs are accounted for including any timelines, and all programmatic requirements.

3412 Request for Proposal (RFP)

RFP often does not provide a detailed description of what is to be provided. It is designed to solicit a proposal to solve a stated problem or meet a stated need. The proposal is the product of the bidder's creative thoughts and provides the detailed approach and description of what is to be accomplished or produced, as well as a price for the services or goods to be provided.

RFP for Contracts must include:

a. A clear statement of the problem to be solved;

b. Realistic terms as to what the contractor is to accomplish;

c. Time schedules, including dates for awarding the contract, commencement of performance, submission of Progress Reports, and completion;

d. Payment plans and schedule, as appropriate; and

e. A requirement that the bidder include in the proposal:

   1. Description of qualifications, description of lead personnel, amount of time and personnel to be expended, and equipment and facilities to be utilized;

   2. Description of techniques to be used in solving the stated problem or meeting the stated need; and

   3. Total cost of the contract.

3413 Contract and Procurement Awards

Contract and procurement awards must be made to the responsible contractor or vendor whose bid or quote is responsive to the solicitation and is most advantageous to the project (price and other factors considered).

Any and all bids or quotes may be rejected when it is in the project's best interest to do so, and such rejections are also in accordance with applicable federal, state, and local laws or ordinances, rules, regulations, and policies

3413.1 Contract Awards

Consideration should be given to such matters as contractor integrity, record of past performance, financial and technical resources, and/or accessibility to the necessary resources. A bidder is considered responsible when it has been established that the bidder has the technical capability, financial capacity, sufficient staff, a satisfactory record of past performance, and is otherwise qualified and eligible. For contracts greater than $25,000, you must also verify that the contractor has not been suspended or debarred from participation in federal awards prior to entering into the contract (see Section 2155).

3414 Cost or Price Analysis

All procurements and/or contracts funded by federal Grant Subawards must have a cost or price analysis performed and maintained on file. The cost or price analysis is written documentation demonstrating the reasonableness of the proposed price of the contract or procured item. Specifically:

a. **Price Analysis** is the process of examining and evaluating a proposed price without evaluating its separate elements of cost to determine the price is reasonable. It is generally used for simple procurements for which there is adequate catalog pricing and market competition.

b. **Cost Analysis** is the review and evaluation of separate elements of cost and profit or fee in an offeror's or contractor's proposal. A cost analysis is required when a bidder is required to submit the elements of his estimated cost, e.g., on consulting contracts for professional services.

A cost analysis is necessary whenever competition is lacking, and for non-bid procurements (see Section 3521.2), contract modifications and change orders.

The method and degree of cost/price analysis is dependent on the facts surrounding the particular procurement situation. In addition to price, examples of factors that can be taken into consideration include items such as:

a. The ability, capacity and skill of the bidder to perform the contract or provide the service required.

b. Whether the bidder can perform the contract or provide the service promptly or within the time specified.

c. The warranty, product life expectancy and/or the ability of the bidder to provide future maintenance and service of the item being procured.

3420 Informal Advertising

3421 Contracts and procurements in the amount of $3,500 or less do not require formal advertising. However, it is suggested that a minimum of three quotes are obtained and the contract or procurement is awarded the responsible contractor or vendor whose offer is the most advantageous to the project (price and other factors considered).

3422 Contracts and procurements in the amount of $3,501 to $50,000 do not require formal advertising. However, it is required that a minimum of three quotes are obtained. The contract or procurement must be awarded to the responsible contractor or vendor whose offer is the most advantageous to the project (price and other factors considered). For contracts and procurements greater than $25,000, verification must be obtained that the contractor or vendor has not been suspended or debarred from participation in federal awards prior to entering into the contract (see Section 2155).

3500 NON-COMPETITIVE BID REQUESTS[17]

3510 General

A Non-Competitive Bid (NB) transaction shall be defined as a purchase of goods or contracted services, where only a single source that can provide the services or goods is afforded the opportunity to offer a price for the specified services or goods. Contracts may include goods as well as services, and this definition will also apply to those circumstances. The project must maintain documentation of all NB contracts and procurements, including professional services and consulting contracts.

3511 Non-Competitive Bid (NB) Request

NB must meet at least one of the following conditions:

a. When the goods or services required are available from only one contractor/ vendor;

b. When an IFB or RFP produces only one qualified bidder (see Section 3530);

c. Emergency in nature (the contract is necessary for immediate preservation of public health, welfare or safety);

d. The contractor meets a temporary or time limited employment need;

e. No payment is made for services rendered; only per diem and travel is paid;

[17] **Section 3510 Section has been re-written.**

f. The contract is solely for the purpose of obtaining expert witnesses for criminal trials;

g. There is a maintenance agreement for equipment that is under documented warranty or where there is only one authorized or qualified representative or where there is only one distributor in the area for service;

h. Proprietary software contracts;

i. The contractor possesses unique features or is uniquely positioned to supply the required service; or

j. To provide interim services while conducting competitive bid.

3520 Justification Procedure[18]

All NB contracted services or purchased goods over $3,500 must be justified and have prior written approval by Cal OES. A justification statement must be presented in the format provided in Section 3521. See the Non-Competitive Bid Justification Request Checklist, to assist in determining the appropriateness of a NB transaction. Source documentation as to how the NB was determined must be on file and available upon request. The checklist will not be considered source documentation.

3521 Justification Procedure – Contracts

3521.1 Include a brief description of the program or project and the services being contracted. This information must include the Grant Subaward number, contract amount, and pertinent background data.

3521.2 Explain the necessity to contract non-competitively and how the price for the contract was determined, including:

a. Expertise of contractor;

b. Management capabilities to perform the tasks required;

c. Contractor's responsiveness to need identified by the project;

d. Contractor's relevant knowledge and experience; and

e. Justification of the reasonableness of the cost. The following factors will be used in determining that the costs are justified:

1. Cost information that has sufficient detail to support and justify the contract;

2. Cost information for similar services with differences noted and explained; and

3. Special factors affecting the cost of the contract.

[18] **Section 3520- Section has been re-written**

3521.3 Explain the uniqueness of the contract, including:

a. Patents, copyrights;

b. Facilities, investments; or

c. Continuation of an existing project.

3521.4 Explain any time constraints including:

a. When contractual coverage is required and why;

b. Impact on project if dates are not met; and/or

c. Time required for another contractor to reach the same level of competence (equate to dollars, if possible).

3522 Justification Procedures – Procurement

Justification must include a description of the product to be purchased, the need for the specific brand and its relationship to the project. This information must include the Grant Subaward number, the cost or purchase amount and pertinent background data. It should explain the necessity of the purchase and how the price for the product was determined.

3530 One Quote, Bid, RFP Received or Considered Responsive[19]

In a situation where NB is necessary because only one quote, bid or proposal was received or considered responsive, the following additional information is required:

a. A copy of the request for quote, IFB or RFP and the bidder's list;

b. A description of the method used to solicit responses. Copies of newspaper ads and information outlining the development of the bidder's list must be included;

c. A description of the follow-up activity performed to determine why other quotes, bids or proposals were not submitted, or an explanation as to why follow-up activities were not performed; and

d. If follow-up activity was not performed, an explanation must be provided.

3600 ELEMENTS OF A CONTRACT OR PURCHASE ORDER/DOCUMENT

3610 A contract or purchase order/document defines the relationship or agreement between the project and the contractor or vendor. All contracts and purchase orders/documents must be prepared in accordance with existing State policies and clearly define the responsibilities of all parties.

[19] **Section 3530 – Section has been re-written**

3610.1 At a minimum, a contract or purchase order/document must include the following:

a. Designation of the parties to the contract or the agreement;

b. Term of the contract (period of performance) or agreement;

c. Maximum amount and basis upon which the payment is to be made under the terms of the contract or agreement;

d. For procurements – clear definition of the types and quantities of the products to be delivered including delivery schedules;

e. For contracts – clear and complete statement of the work or services to be performed, rendered, or provided;

f. Payment schedule based upon satisfactory delivery of services and/or goods at predetermined intervals including the amount or percentage of total payments to be withheld pending satisfactory completion for all terms and conditions of the contract or agreement;

g. Penalty clauses (punitive measures for when the contract is not being fulfilled);

h. Termination for cause/convenience clause describing the manner by which the contract may be terminated, the basis for settlement, and conditions under which the contract may be terminated for default or because of circumstances beyond the control of the contractor;

i. A provision that allows Cal OES, the federal awarding agency, the Comptroller General of the United States, or any of their duly authorized representative, access to any books, documents, papers and records of the contractor which are directly pertinent to the program for the purpose of making audits, examinations, excerpts and transcriptions, for all contracts greater than $100,000; and

j. Compliance with Equal Employment Opportunity per Executive Order 11246 as amended by Executive Order 11375 and supplemented at 41 CFR 60 (required on all CBO contracts, and on all governmental entity construction contracts awarded in excess of $10,000).

3610.2.1 For construction contracts, the following must also be included:

a. Compliance with the Copeland “Anti-Kickback” Act (all contracts and subgrants for construction or repair);

b. Compliance with the Davis-Bacon Act (construction contracts in excess of $2,000); and

c. Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (construction contracts in excess of $2,000 and in excess of $2,500 for other contracts involving the employment of mechanics or laborers).

3610.2.2 Governmental entities have additional requirements, and must include the following provisions in all contracts as noted below:

a. Notice of awarding agency reporting requirements;

b. Notice of awarding agency requirements pertaining to patent rights, copy rights and rights in data;

c. Compliance with the Energy Policy and Conservation Act;

d. Compliance with the Clean Air, Clean Water, and Environmental Protection Agency regulations (contracts in excess of $100,000);

e. Access to any books, documents, papers and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions;

f. Retention of all required records for three years after all final payments are made and all other pending matters are closed; and

g. Retention of all required records for three years after Subrecipient makes final payments and all other pending matters are closed.

3700 SELECTING A CONTRACTOR

Each proposal/bid should be evaluated to determine the proposal that will best meet the project's needs. The following are some criteria that should be included in the evaluation:

a. Does the bidder understand the project's stated problems or needs?

b. Is the approach to the problem or need reasonable and feasible?

c. Does the bidder have the organizational, financial solvency, resources, and experience to perform the assignment? Has the bidder had experience in similar areas?

d. What are the professional qualifications of the personnel committed to the contract?

e. Is the bidder on the federal suspension and debarment list?

f. What is the total cost?

3710 Independent Contractor/Consultant[20]

Independent Contractors/Consultant services are either provided on a contractual or salary basis by individuals or organizations that are not employees of the project. Services provided by a salaried employee of an agency identified in an Operational Agreement (OA) are not considered consultant services (see Section 4000). Independent contractors/consultants must not be used in lieu of employees. If the contract is over $3,500,

[20] **Section 3710 - Section has been re-written.**

the project must hire the independent contractor/consultant through Competitive Bid, or submit a Non-Competitive Bid NB request to Cal OES for prior approval. If less than $3,500, the project must maintain documentation for justification of the NB contract (see Section 3500).

Independent contractors/consultants are defined as individuals or organizations that meet any of the following criteria:

a. Produce a specific product or service;

b. Work independently without direct supervision from the project;

c. Work on specific projects;

d. Provide services for a limited number of hours or period of time; and/or

e. Have no agency management or oversight responsibilities that are directed toward the financial success or direction of the agency.

There must be a signed, written agreement between the organization and independent contractor/consultant specifying the contract period, compensation rate, duties or obligations, and any other conditions of employment.

3710.1 Rates

The rate is to be negotiated by the Subrecipient in accordance with the agency's Independent Contractor/Consultant hiring policies. The rate is the total amount payable including any and all benefits (see Section 3200).

The maximum rate for independent contractor/consultants is $650 (excluding travel and per diem cost) for an eight-hour day. An eight-hour day may include preparation, evaluation, and travel time in addition to the time required for actual performance. A request for compensation for over $650 a day must have prior approval from Cal OES and additional justification.

3710.1.1 Exception to Rates

Compensation to government employees (e.g., federal, state, and local) will be allowed when the unit of government will not provide their services without costs. In these cases, the rate of compensation is not to exceed the daily salary rate paid by the unit of government.

Such hires must meet the criteria set forth in Section 3500.

3710.2 Expert Witness Fees

Prosecution or criminal defense projects, routinely using "expert witnesses" as independent contractor/consultants to conduct evaluations and provide expert testimony in the courtroom may only charge for costs above that which the county is required to cover. Unless, otherwise prohibited, the maximum allowable rate for such witness fees is $250 per hour,

and is not to exceed $2,000 per day. The total amount budgeted for expert witness fees must not exceed ten percent (10%) of the project's total budget.
Written justification for proposed expert witness cost must accompany a Grant Subaward Modification (Cal OES Form 2-223), if not previously approved in the Grant Subaward. The justification must include the following:

a. Qualifications, training, and experience of the expert(s), including a statement regarding recognition by the court of the individual as an expert;

b. Specialized certification/license [e.g., Masters in Social Work (MSW), Licensed Clinical Social Worker (LCSW), Marriage, Family and Child Counselor (MFCC), Medical Doctor (MD)];

c. Rate of pay per hour, including documentation of a survey of the availability of similar Independent Contractor/Consultants, the current "going rate," the proposed rate of pay, as well as a cost breakdown if the expert is paid according to services (e.g., mileage, waiting time, court testimony);

d. Proposed services to be provided (e.g., analysis of forensic evidence, psychological evaluation); and

e. Reason why this cost cannot be paid with county or other funds.

3800 CONTRACT LIMITATIONS

Specific provisions for contracting with individuals, other government units, and non-government organizations are as follows:

a. Organizations funded by Cal OES shall comply with IRS requirements related to Independent Contractor/Consultants;

b. Employees of a state or local government entity cannot be individual contractors if they engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any state, local agency or department;

c. Travel and per diem costs must be in conformance with project policies;

d. Preparation and travel time may not be included without adequate written justification; and

e. Equipment purchase and/or leases may not be included in Independent Contractor/Consultant contracts.

3900 CONTRACT PROVISIONS

Independent Contractor/Consultant contracts must adhere to, but are not limited to the following:

a. Applicable requirements of the terms of the program must be incorporated into all Independent Contractor/Consultant contracts;

b. The project must require source documentation of Independent Contractor/Consultants that supports contract billings. Time and attendance reports must support hours charged. Travel vouchers detailing the purpose, time, and destination must support travel claims. Purchase orders, invoices, etc., must support operating expense claims. These requirements do not apply to fixed fee contracts;

c. Compensation, travel, and per diem rates must be specified in the Independent Contractor/Consultant's contract and must comply with those of the project or be more restrictive;

d. Performance must be measurable. Objectives and timetables must be clearly stated. Progress Reports must be required, at least quarterly, to ensure services are provided in compliance with the contract;

e. Dual compensation (i.e., payment to a party more than once for the same work) must be specifically excluded; and

f. Settlement of disputes between the project and the Independent Contractor/Consultant is the responsibility of the project. Cal OES is not responsible or obligated to or for the Independent Contractor/Consultant and will not intervene in disputes between the Independent Contractor/Consultant and the project.

See Section 3600 for all required elements of a contract.

3910 Drug-Free Workplace Certification Requirements

All contractors paid by Cal OES grant funds must comply with the provisions of Section 2152, requiring Drug-Free Workplace Certification (STD. 21). The contractors must notify their employees that they are prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession, or use of controlled substances.

4000 OPERATIONAL AGREEMENTS

4100 DEFINITION

An Operational Agreement (OA) [also referred to as a Memorandum of Understanding (MOU)] is a formal agreement between an implementing agency and one or more participating agencies. The OA reflects the roles each agency will play in achieving the goals of the project. In this respect an OA differs from a Contract for the procurement of goods and/or services from businesses or other governmental agencies that are not active participants in the implementation of the project (see Section 3000). The term also includes documents entitled MOU, Letters of Intent, or other titles, but which serve the same purpose and contain the elements described in Section 4300.

4200 ESTABLISHING OPERATIONAL AGREEMENTS

In many programs, an OA may be required by the terms of the program. In such instances the terms of the program will provide instructions concerning the agencies/organizations that must be included in an OA with the Implementing Agency for the implementation of the project. In addition to any programmatic requirements for an OA, Implementing Agencies are encouraged to establish an OA with any agency that will be an active participant in the implementation of the project. At a minimum, an OA is required for any transfer of grant funds from the Subrecipient to a participating agency. Unlike the procurement process, Implementing Agencies are not required to use a competitive bid process to select participating agencies for an OA. Implementing Agencies are expected to select participating agencies that are the best equipped to support the implementation of the project. However, participating agencies must be units of government or non-profit community based organizations.

4300 ELEMENTS OF AN OPERATIONAL AGREEMENT[21]

The following elements must be included in the OA:

a. Name of the Implementing Agency and the participating agency in the OA. If the OA applies to more than one participating agency, all participating agencies must be named;

b. The titles and contact information for the individuals that will serve as the primary contacts for the OA;

c. The timeframe of the agreement must cover the performance period of the specific program;

d. The roles and responsibilities (as they relate to the specific program) of each participating agency in the OA. The Implementing Agency is always presumed to be the lead agency unless otherwise specified in the OA. The OA should clearly delineate specific tasks that will be performed by the Implementing Agency and participating agencies (e.g., referrals, provision of staff, or overall responsibility for a portion of the

[21] **Section 4300 - Section has been re-written.**

project);

e. Specific information concerning the transfer of any grant funds from the Subrecipient to a participant agency in the OA. At a minimum this information must include the total amount of grant funds that will be transferred, the process for transferring the grant funds (e.g., advanced payment, monthly invoices, payment based on deliverables), what the grant funds will be used for, and any match contribution provided by the participating agency. Any funds included in the OA must be clearly designated in the Grant Subaward budget;

f. Specific information concerning all non-fiscal resources shared between the Implementing Agency and the participating agency in the implementation of the project. This includes shared equipment, staff time, office space, or other resources contributing to the implementation of the project;

g. Reporting requirements established by the Implementing Agency to collect information necessary for the Subrecipient to meet Cal OES reporting requirements; and

h. Signatures of the chief executives or designees of the Implementing Agency and the participating agencies in the OA, including the dates of those signatures.

4400 REQUIREMENTS OF PARTICIPATING AGENCIES

Subrecipients are required to ensure that any participating agency receiving grant funds through an OA complies with all applicable requirements of the terms of the program and the provisions of this Subrecipient Handbook concerning the use of grant funds. These include, but are not limited to, the following requirements:

a. Participating agencies receiving grant funds for personnel costs must comply with the provisions of Sections 2120 through 2140.4, 2151, 2152, 2155, 2156, and 2170;

b. Participating agencies receiving grant funds for operating expenses must comply with the provisions of Sections 2200 through 2249;

c. Participating agencies receiving grant funds for equipment costs must comply with the provisions of Sections 2300 through 2370;

d. Any procurement made by participating agencies with the use of grant funds must comply with the provisions of Sections 3000 through 3910; and

e. Any original publications developed by participating agencies must comply with the provisions of Sections 5000 through 5400.

4500 PARTICIPATING STAFF

The term Participating Staff refers to salaried employees of a participating agency assigned to work with the Implementing Agency on the implementation of a grant project. The agreement between the Implementing Agency and the participating agency concerning participating staff must be reflected in the OA. Grant-related costs associated with participating staff must be itemized in the Operating Expenses category of the Grant budget (see Section 2237.1).

5000 MULTI-MEDIA MATERIALS, COPYRIGHTS, AND PATENTS

5100 PUBLICATIONS

5110 Definition

The term "publications" includes brochures, posters, videotapes, DVD/CDs, or other multimedia materials. This does not include transient information published solely on a project's website.

5120 Cal OES Review

Where activities supported in part or in whole with Cal OES grant funds produce original publications, the project must notify Cal OES 60 calendar days in advance of any intended publication. This notification must be in addition to the Grant Application and subsequent award. Upon request from Cal OES, the project must submit a request for approval for the materials to be published.

If Cal OES requests to review the publication, the project may not publish the material until Cal OES provides final written approval. The project must also furnish Cal OES with two (2) copies of the final product within 30 calendar days of publication.

5130 Income

As long as Cal OES maintains ownership of the publication, any income resulting from the sale or distribution of publications produced in part or in whole by Cal OES grant funds is considered project income and is subject to the provisions of Section 6610.

After disposition and transfer of title, no report of income generated by the publication will be necessary unless otherwise required by Cal OES.

Cal OES reserves the right to retain ownership and require additional reporting of generated income beyond the Grant Subaward period or cycle on exceptional publications as deemed necessary.

5140 Transfer of Publication Title

After the completion of the Grant Subaward period or funding cycle (whichever is later); transfer of title and/or copyright may be approved by Cal OES upon certification that any profits derived from or generated by the publication will be used for criminal justice related activities, or to further the original intent of the Grant Subaward. In determining whether or not to approve transfer of title, Cal OES will consider programmatic and fiscal performance conditions, the potential for project income, the applicability, and cost to the field in general. The Transfer of Publication Title, (Cal OES Form 2-231) should be submitted to Cal OES as a separate request. Disposition of title to any publication will be determined by Cal OES.

5200 CREDITS AND DISCLAIMERS

Publications produced in part or in whole with grant funds may require the following credit reference:

"This publication was financially assisted by the California Governor's Office of Emergency Services (Cal OES)."

Publications produced in part or in whole with federal funds will require the following credit reference:

"This project/publication was supported by funding awarded by (state/federal grant fund) (grant number) through the California Governor's Office of Emergency Services (Cal OES)."

Cal OES may also require that the publication include the following disclaimer statement:

"The opinions, findings, and conclusions in this publication are those of the author and not necessarily those of Cal OES. Cal OES reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use these materials and to authorize others to do so."

Cal OES reserves the right to require additional information in the publication. These statements must be placed in a visible location at the beginning and/or end of the published materials. Projects producing publications should consult their assigned Cal OES Program Specialist to coordinate the appropriate credit reference.

5300 COPYRIGHTS AND RIGHTS IN DATA

All activities supported under the Grant Subaward are considered "work made for hire" as defined under Title 17 USC Section 101, and shall include, but is not limited to, publications, original computer programs, writings, sound recordings, pictorial reproductions, drawings or other geographical representations and works of any similar nature. With regard to any "work made for hire," Cal OES owns all rights comprised in the copyright, and therefore Cal OES reserves a royalty-free, nonexclusive and irrevocable license to reproduce, publish, and use such materials, in whole or in part, and to authorize others to do so.

5400 PATENTS

If any discovery or invention arises or is developed in the course of, or as a result of, work performed, in whole or in part, with Cal OES grant funds, the project must refer the discovery or invention to Cal OES. Determination of rights to inventions or discoveries shall be made by Cal OES, or its duly authorized representative, who shall have the sole and exclusive power to determine whether or not and where a patent application should be filed, and to determine the disposition of all rights to such inventions or discoveries, including title to and license rights under any patent application or patent which may be issued.

In all cases, Cal OES shall acquire at least an irrevocable, nonexclusive, and royalty-free license to practice and have practiced anywhere without limitation, for governmental purposes, any invention made with Cal OES grant funds.

6000 FINANCIAL REPORTING

6100 NOTIFICATION OF GRANT SUBAWARD

The Grant Subaward application is approved after the Cal OES Director or designee has signed the Grant Subaward Face Sheet (Cal OES Form 2-101). With this approval, the Grant Subaward package is forwarded to the Project Director.

6100.2 Upon receipt of the signed Grant Subaward, projects may submit a Report of Expenditure and Request for Funds (Cal OES Form 2-201) for costs incurred as of the beginning of the grant period specified on the Grant Subaward.

6200 ENCUMBRANCES AND LIQUIDATION EXPENDITURES

6200.1 Funds may only be used for the purpose authorized in the Grant Subaward and must be accounted for as specified in this Subrecipient Handbook (see Section 6400).

6210 Definition of an Encumbrance

6211 An encumbrance occurs when funds are set aside to pay for a particular expense. This is an accounting transaction, which should be recorded appropriately. The funds are now committed to a specific use and are no longer available for other expenditures**.**

Since the goods or services have not been received, the project legally owes nothing to the vendor or supplier.

An encumbrance is defined by the following three characteristics:

a. The expenditure is approved in the original budget or a subsequent Grant Subaward Modification (Cal OES Form 2-223);

b. A formal written order or request (i.e., requisition) is approved by the Project Director or designated official prior to the end of the grant period; and

c. A purchase order/contract has been submitted to the vendor or supplier of goods or services.

6220 Liquidation Period[22]

The liquidation period is the 60-calendar day timeframe immediately following the end of the grant period.

[22] **Section 6220 - Section has been re-written.**

6220.1 Liquidation Expenditures

In order for cash expenditures made during the liquidation period to be claimed on the final Report of Expenditures and Request for Funds (Cal OES Form 2-201) these expenditures must have: (1) met the definition of an encumbrance (see Section 6210) and (2) been financed by an encumbrance recorded prior to the end of the performance period (Recorded: formal entry in accounting records). The liquidation period exists to allow projects time to receive ordered goods or services and make final payments. The Subrecipient may not incur any new expenses or obligations during the liquidation period and claim them against the Cal OES grant.

6300 REPORT OF EXPENDITURES AND REQUEST FOR FUNDS (Cal OES Form 2-201)

Funds may be disbursed after:

a. The Grant Subaward has been fully executed by Cal OES;

b. The performance period has begun;

c. The State Budget has passed;

d. Cal OES has received the original Report of Expenditures and Request for Funds (Cal OES Form 2-201). Instructions for completing the Report of Expenditures and Request for Funds (Cal OES Form 2-201) are included with the form; and

e. Cal OES has received a Certification For Advance Of Grant Funds (Cal OES Form 2-202), if applicable.

Address

All warrants will be mailed to the designated payment mailing address indicated in Section 14 of the Grant Subaward Face Sheet (Cal OES Form 2-101). If this address changes, a Grant Subaward Modification (Cal OES Form 2-223), listing the address change must be submitted, before warrants will be mailed to the new address.

Letters from projects changing a permanent mailing address will not be accepted.

Funds Requested:

a. The Subrecipient must expend cash before claiming and expenditure on the Report of Expenditures and Request for Funds (Cal OES Form 2-201).

b. The Subrecipient shall expend state funds first, if both state and federal funds are allocated for the same line-item.

c. The Subrecipient must not request funds for expenses that have not been paid when the Report of Expenditures and Request for Funds (Cal OES Form 2-201), is submitted.

d. Balances must not exceed the approved budget.

e. If a budget category is over expended, the amount requested and current expenditure columns on the Report of Expenditures and Request for Funds (Cal OES Form 2-201) will be reduced by that amount.

6310 Monthly Report of Expenditures and Request for Funds

6311 Advance Payments

6311.1 Advance of State Funds – Expenditures on a Monthly Basis

Community-Based Organizations (CBOs) that receive state funds, report expenditures, request funds on a monthly basis, and certify to cash flow problems may request an advance payment immediately after the Grant Subaward has been approved by Cal OES and the Grant Performance Period has begun (see Section 6311.4). Submit the request on a Certification for Advance of Grant Funds (Cal OES Form 2-202). The maximum amount advanced is 17 percent (17%) of the state portion of the total Grant Subaward, less matching funds.

Once the Grant Subaward is approved, Subrecipients should receive payment within 45 days of receipt of the Report of Expenditures and Request for Funds (Cal OES Form 2-201). Therefore, it may not be necessary to request an advance since the timelines may be the same. The project should take this into consideration prior to making an advance payment request.

Fund Advances will be liquidated equally over the first three submissions of the Report of Expenditures and Request for Funds (Cal OES Form 2-201). If this is not sufficient to liquidate the advance, the remaining amount will be taken from subsequent reports of expenditures.

6311.2 Advance of State Funds – Expenditures on a Quarterly Basis

Subrecipients that receive state funds, report expenditures, request funds on a quarterly basis and have certified to cash flow problems may request an advance payment immediately after the Grant Subaward has been approved by Cal OES and the Grant Performance Period has begun (see Section 6311.4.). Submit the request on a Certification for Advance of Grant Funds (Cal OES Form 2-202). The maximum amount advanced is 25 percent (25%) of the state portion of the total Grant Subaward, less matching funds.

Fund Advances will be liquidated on the first quarterly Report of Expenditures and Request for Funds (Cal OES Form 2-201). If this is not sufficient to liquidate the advance, the remaining amount will be taken from subsequent reports of expenditures.

6311.4 Certification for Advance of Grant Funds (Cal OES 2-202)

Projects must complete a Certification for Advance of Grant Funds (Cal OES Form 2-202) in order to certify cash flow problems and request an advance of grant funds.

The Certification for Advance of Grant Funds (Cal OES Form 2-202) is attached to a Report of Expenditures and Request for Funds (Cal OES Form 2-201), which reports no expenditures.

6312 Monthly Report of Expenditures and Request for Funds

CBOs must report expenditures and request funds on a monthly basis, unless they elect to Request to Submit Quarterly Reports of Expenditures and Request for Funds (Cal OES Form 2-203).

6312.1[23] With the exception of the first and final payment requests, projects must submit a Report of Expenditures and Request for Funds (Cal OES Form 2-201), to Cal OES within 30 calendar days of the end of the report period, whether or not funds are requested. Projects must submit their final Report of Expenditures and Request for Funds (Cal OES Form 2-201), within 60 days after the end of the performance period.

The claimed expenses must be grant-related (i.e., they must further the project objectives as defined in the Grant Subaward) and be incurred during the grant period. Cal OES reserves the right to make the final determination if an expense is allowable and necessary.

6320 Quarterly Report of Expenditures and Request for Funds

6320.1 All Subrecipients other than CBOs must report expenditures and request funds on a quarterly basis unless specifically authorized by Cal OES. [CBOs – see Request to Submit Quarterly Reports of Expenditures and Request for Funds (Cal OES Form 2-203), for quarterly request]

6320.2 With the exception of the final payment requests, projects are required to submit a Report of Expenditures and Request for Funds (Cal OES Form 2-201), within 30 calendar days of the end of the report period, whether or not funds are being requested. The first three months of the performance period will be the first quarter.

6320.3 The claimed expenses must be grant-related (i.e., they must further the project objectives as defined in the Grant Subaward) and be incurred during the grant period. Cal OES reserves the right to make the final determination if an expense is allowable and necessary.

---

[23] **Section 6312.1 - Section has been re-written.**

6330 Final Report of Expenditures and Request for Funds

6330.1[24] The project must submit the final Report of Expenditures and Request for Funds (Cal OES Form 2-201) within 60 days after the end of the performance period (see Section 6220). If the Subrecipient does not submit a final Report of Expenditures and Request for Funds (Cal OES Form 2-201) within 60 days from the end of the Grant Performance Period, Cal OES may consider the last Report of Expenditures and Request for Funds (Cal OES Form 2-201) submitted as the final and close out the Grant Subaward. If the Grant Subaward is special conditioned to reduce the liquidation period, the special condition supersedes this section.

Once Cal OES has processed the final Report of Expenditures and Request for Funds (Cal OES Form 2-201), the grant will be closed and no further payment activities against the grant will be permitted.

6340 Double Billings

Projects are prohibited from billing other federal, state, or local agencies for goods and/or services that have been billed and/or reimbursed to the project by Cal OES.

6400 ACCOUNTING SYSTEM AND STRUCTURE

6400.1 The project must establish and maintain an adequate accounting and internal administrative control system.

6400.2 The Subrecipient is required to establish and maintain an accounting system that at a minimum includes the general ledger accounting structure, subsidiary accounting records, and procedures that define how and by whom the funds are handled. The accounting records must identify the receipt and the expenditure of all Cal OES funds. Overall, the accounting system should conform to Generally Accepted Accounting Principles (GAAP).

6400.3 The accounting system must fully record the amount and disposition of all project funds. Accounting records must show receipt of funds and expenditures by source (e.g., federal, state, or local).

6400.4 Match funds and related expenditures must be identified in the accounting records (i.e., general ledger) and reported on the Report of Expenditures and Request for Funds (Cal OES Form 2-201).

6400.5 A fund accounting system must be maintained that ensures all Cal OES income and expenditures are separately identifiable from non-Cal OES funds.

---

[24] **Section 6330.1 - Section has been re-written.**

6400.6 Financial institutions used for the deposit of grant funds must be insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC).

6400.7 Accounting systems for Cal OES projects may be on a cash, accrual, or modified accrual basis. NOTE: Report of Expenditures and Request for Funds (Cal OES Form 2-201), payment requests should be made only on a cash basis as specified in Section 6300.

6400.8 Cash Basis

Under a cash basis system, revenue is not recognized when it is earned, but rather only when the payment is received. Similarly, expenses are recognized when they are paid, not when they are incurred.

6400.9 Accrual Basis

Accrual basis revenue is recognized in the accounts when the transaction occurs (when earned), regardless of the period in which the related cash is collected. Expenses are recognized and matched with the revenue of the period to which it relates, regardless of when it is paid.

6410 Modified Accrual Basis

Modified accrual basis is a compromise between the cash and accrual systems used by most governmental units. Revenues are recognized either when they are received in cash (e.g., licenses or fines) or when collection of the amounts can be reasonably estimated to be received in the near future (e.g., property taxes). Expenses are generally recognized in the period in which goods and services are received or a liability is incurred.

6410.1 The accounting system must provide accurate and current financial reporting information. All accounting records and supporting documentation must maintain a clear audit trail.

6410.2 The project must establish and maintain a system of internal accounting control adequate to safeguard grant assets, review the grant accounting and financial data for accuracy and reliability, and promote operational efficiency.

6420 General Ledger Account Structure

6420.1 Expenditures of grant funds must be recorded in categories which parallel the Grant Subaward:

a. Personal Services;

b. Operating Expenses; and

c. Equipment

6420.2 All general ledger account entries must be supported by the subsidiary records and the original source documentation. The format of the subsidiary records is determined by the project. The project must be able to show with documentation (i.e., work sheet) that general ledger entries can be traced (reconciled) to the Report of Expenditures and Request for Funds (Cal OES Form 2-201).

6500 MATCH REQUIREMENTS

6510 Definitions

6511 Cash Match

Cash match, also known as hard match, is income from a source other than federal funds that is budgeted for the project. When used to augment the project, cash expenditures for items such as personnel, facilities, and supplies may be considered cash match, if not in violation of the prohibition on supplanting. A cash match must be specifically identified by line-item as match in the budget.

6512 In-Kind Match

6512.1 In-kind match, also known as soft match, is the project's contribution of non-cash outlay of materials or resources to support a percentage of Cal OES's Grant Award activities. It may include non-cash outlay contributed by other public agencies and institutions, private organizations, and individuals. Examples include donated office supplies, equipment, professional services, and volunteer time. In general, the value of in-kind contributions is determined by fair market value, which must be specifically identified by line-item as in-kind match in the budget.

6512.2 In-kind match is not allowable unless specifically allowed in the terms of the Program.

6512.3 If the terms of the Program allow in-kind contributions (e.g., volunteer services) for match, projects should document actual time worked by using a time reporting system such as sign-in and sign-out sheets which are completed by the volunteer and contain the signed approval by the supervisor.

Another method is to use the volunteer staff schedule. Volunteer staff initial and indicate the days/hours worked and the supervisor signs and dates the schedules to indicate approval.

6512.4 Projects must maintain documentation to support the claimed hourly salary rate of the volunteer services. The rate claimed should be comparable to the rates for paid employees performing similar duties. Published rates will not be allowed unless projects can provide evidence that the rates are comparable.

The documentation maintained should include duty statements for the volunteer positions and the comparable paid employee positions and information regarding the hourly salary rates paid to those particular employees. The hourly volunteer rates used, multiplied by the volunteer hours worked, total the dollar amount of the in-kind contributions. This calculation and the other referenced documentation should be maintained as part of the accounting records.

6512.5 Costs associated with volunteers may be claimed. These costs should be determined using the same methods used when calculating costs associated with employees.

6520 Match Categories (Allowable/Non-allowable)

6521 Asset Forfeitures

Assets from federal or state forfeiture proceedings are allowable match if permitted by the terms of the program.

6522 State Funds Matching State or Federal Funds

State and/or federal funds can be used to match other state and/or federal funds only if all of the following conditions have been met:

a. The other funding source does not prohibit this practice;

b. The funds are to be used for identical activities (e.g., to augment the project); and

c. The project has obtained prior written approval from Cal OES, or the terms of the program allow this practice.

6530 Required Match

The required match is specified in the terms of the program.

6540 Over Match

Projects are encouraged to budget only that match which is required. All match specified in the budget is part of the Grant Subaward, is subject to all programmatic restrictions, audit requirements, and cannot be reduced by the project once the grant proposal is approved.

6550 Calculating the Match

Match is calculated using one of two methods based either on the total project cost or on the percent of grant funds allocated to the project. The method required is generally specified in the authorizing legislation or the terms of the program. If this is not the case, the match must be calculated using the total project cost method.

6550.1 Match on Total Project Cost[25]

To calculate the match, subtract the required match percent from 100 percent (100%), divide the Grant Subaward amount by this difference to determine the total project cost, and then subtract the Grant Subaward amount (the Cal OES allocation) to determine the match amount. The following example below demonstrates how to calculate the amount of a ten percent match (20%) on a $50,000 allocation, based on Total Project Cost.

Example

Grant Subaward Amount	=	*$50,000*
Divide $50,000 by .8 (100 minus 20 = 80)	=	*$62,500 (Total Project Cost)*
Subtract Grant Subaward Amount	=	*$50,000 (80%)*
Local Match	=	*$12,500 (20%)*

6550.2 Match on Percent of Funds Allocated

To calculate the match, multiply the Grant Subaward amount (the Cal OES allocation) by the required match percent. The example below demonstrates how to calculate the amount of a ten percent (20%) match on a $50,000 allocation, based on percent of funds allocated.

Example

Grant Subaward Amount	=	*$50,000*
Percent of Cash Match	=	*20%*
Multiply $50,000 by .20	=	*$10,000 (Amount of match)*

6560 Changing the Type of Match

Projects will normally not be allowed to change the type of match included in the grant once the grant budget has been approved. If a change in the match is requested, the following forms must be submitted to Cal OES:

a. A completed Grant Subaward Modification (Cal OES Form 2-223) indicating any applicable changes in the budget categories and a written narrative describing the changes to the type of match and justification for the changes; and

b. Revised budget pages.

Match amounts must be separately identified on the budget pages.

[25] **Sections 6550.1 – 6550.2 - Sections have been re-written.**

6570 Reporting

Reporting of expenditure of match contributions need not be made in exact proportion to the expenditure of grant funds. However, the full match contribution must be expended before the grant expires in order to receive all funds allocated.

The expenditure of both cash and in-kind contributions must be reported on the Report of Expenditures and Request for Funds (Cal OES Form 2-201), as the expenditures occur. The percentage of match expenditures reported may vary from the budgeted match percentage. The full match contribution must be expended before the grant expires in order to receive all funds allocated. If the Subrecipient does not expend the required match by the end of the grant period, Cal OES will invoice the Subrecipient for funds allocated that did not meet their match.

Match funds and related expenditures must be identified in the accounting records (e.g., general ledger), reported on the Report of Expenditures and Request for Funds (Cal OES Form 2-201), and in the audit report (see Section 8200).

6600 PROJECT AND OTHER INCOME

6610 Project Income

6610.1 Project Income Generated by the Use of State and/or Federal Funds

Any income you make from your award is considered project income. You can use project income to advance your program objectives, or refund the income back to Cal OES.

Types of project income include the following:

a. Client fees;

b. Interest earned on generated income;

c. Registration fees;

d. Sale of publications, videos, and other project-generated materials; and

e. Asset seizures and forfeitures.

Donations should not be considered project income, as grant funds cannot be used for organized fundraising (see Section 2243).

Project income cannot be used as Cal OES required cash match, unless specifically allowed in the terms of the program.

Example

A Subrecipient sponsors a conference and collects $1,000 in registration fees. The conference materials and room rental costs $800. The reportable project income is $200 ($1,000 in total income less $800 in costs). The project would then submit a Project Income Reporting Transmittal (Cal OES Form 2-234), indicating how the income was earned and a proposal on how to reallocate the income.

6610.4 Records of receipt and disposition of project income must be maintained in the same manner as required for grant funds (see Section 6400). Project income must be reported on a Project Income Reporting Transmittal form (Cal OES Form 2-234), indicating how the income was earned and a proposal on how to reallocate the income. A separate Project Income Reporting Transmittal (Cal OES Form 2-234), must be submitted when the proposed income allocation changes. Unless additional restrictions on the disposition of project income are contained in the terms of the program, project income must be:

a. Used by the project for a purpose that furthers the objectives of the project for which the grant was made, such as expanding the project, continuing the project, and obtaining equipment or other assets needed for the project; or

b. Returned to Cal OES.

6610.5 Unless otherwise stipulated in the award, any project income earned during the performance period but not utilized for the project must be refunded to the Cal OES. The proportion that is refunded pertains to the ratio of federal/state funds participation as funded in the project (i.e., if seventy-five percent (75%) of the grant is federal/state funds and the other twenty-five percent (25%) is from the Subrecipient, then seventy-five percent (75%) of the project income left at the end of the performance period must be refunded to Cal OES and the Subrecipient retains the other twenty-five percent (25%). Cal OES will refund the project income to the appropriate state/federal agencies.

6620 Interest Income[26]

Interest income is defined as income earned on advances of grant funds. Interest income must be reported at the end of the funding year on a Cal OES Statement of Interest Income (Cal OES Form 2-224). Subrecipients may retain up to $500 of the interest earned per funding year. Interest earned on Cal OES grant funds over $500 per funding year threshold must be refunded to Cal OES. The form and a check for the amount of interest income to be refunded should be attached to the final Report of Expenditures and Request for Funds (Cal OES Form 2-201). This does not apply to state agencies, including state institutions of higher education, state hospitals, or if otherwise specified in the terms of the program.

[26] **Section 6620 - Section has been re-written.**

6630 Other Income

In rare cases, a Subrecipient may receive a refund due to an over-estimate of the employer's contribution to the Public Employees Retirement System (PERS), and the contribution has been charged to a grant as an employee benefit cost. If the overpayment refund is received within the grant's funding cycle (even if the Grant Subaward period has ended), the Subrecipient may claim the refund as project income. As project income, the refunded money must be handled in accordance with Section 6610.4. The refund may not be expended prior to receipt of Cal OES's approval on a Project Income Reporting Transmittal (Cal OES Form 2-234).

7000 CHANGES TO GRANT SUBAWARD

7100 GENERAL

All changes to the Grant Subaward must be approved by Cal OES.

There are two methods of changing the Grant Subaward as described in sections 7110 and 7130.

7110 Amending the Grant Subaward

Amendments are changes to the approved performance period and/or increases/decreases to the dollar amount. Amendments are necessary in order to:

a. Change the grant period;

b. Change the Grant Subaward amount; or

c. Change the Subrecipient name.

These changes are discussed under Sections 7200 and 7300.

7120 Approval of Amendments

The following documents are required to request an amendment of a Grant Subaward:

a. A Cal OES Grant Subaward Amendment (Cal OES Form 2-213), with the original signature of the person designated by the governing board (see Section 2113);

b. A Cal OES Grant Subaward Modification (Cal OES Form 2-223); and

c. Revised budget pages if increasing or decreasing the funds subawarded.

If the written authorization from the governing board does not authorize amendments (an increase/decrease of grant funds and/or an extension of the Grant Performance Period); a new written authorization from the governing board must be obtained and made available for review upon request.

7130 Modifying the Grant Subaward

Modifications are changes to the approved Grant Subaward and include:

a. Budget modification (see Section 7500);

b. Adding a new line item to any budget category;

c. Change in key personnel (see Sections 2110 and 2174);

d. Change in goals, objectives, or activities;

e. Changes to the liquidation period;

f. Non-Competitive Bid approval (see Section 3500);

g. Independent Contractor/Consultant approval (e.g., expert witness);

h. Out-of-state travel approval;

i. Changes in operational agreements;

j. Changes in the type of match; and

k. Changes to either physical or mailing address.

In addition, Cal OES reserves the right to require a Grant Subaward Modification (Cal OES Form 2-223), for any change in the Grant Subaward.

7140 Approval of Grant Subaward Modifications

A Grant Subaward Modification (Cal OES Form 2-223), is required to modify a Grant Subaward.

All required modifications must be submitted on the Grant Subaward Modification (Cal OES Form 2-223), and will be effective upon Cal OES's written approval. Oral agreements are not binding on either party.

7141 Instructions for completing the Grant Subaward Modification (Cal OES Form 2-223) are on the reverse side of the form. Completed forms are to be mailed to Cal OES.

7200 GRANT SUBAWARD EXTENSIONS

7210 Definition

An extension is a change in the Grant, which affects the length of the performance period.

7220 Extensions of Grant Periods

7221 Extensions of performance periods may be requested for unavoidable delays beyond the project's control, including but not limited, to the following:

a. Insufficient time to complete the project objectives;

b. Extreme difficulties in acquiring adequate staffing of the project;

c. Sudden or unexpected termination of the Project Director or other responsible officers;

d. Delays in processing grant modifications and/or amendments;

e. Delays caused by acts of legislative or judicial bodies;

f. A strike which affects the performance of the project; or

g. Natural disasters affecting project performance.

7222 Documentation for extensions must be in writing. The request should be received by Cal OES at least 30 calendar days prior to the conclusion of the Grant Performance Period. Oral requests for extensions do not bind either Cal OES or the Subrecipient (see Section 7240).

7223 Projects that have not received written approval of the extension from Cal OES by the end of the performance period and continue to operate do so at their own risk. There is no guarantee that the extension will be approved by Cal OES, or reimbursement will be made for expenditures incurred after the performance period.

7230 Considerations

In reviewing the Grant Subaward extension request, the following may be considered:

a. Past and current performance;

b. The availability of funds;

c. Timely submission of completed fiscal and program reports; and

d. Circumstances and justification for the request.

7240 Extension Procedures

To request an extension, the following must be submitted to Cal OES:

a. A Cal OES Grant Subaward Amendment (Cal OES Form 2-213), with original signature of the person authorized to sign the Grant Subaward; and

b. A completed and signed Grant Subaward Modification (Cal OES Form 2-223).

Cal OES reserves the right to require additional documentation.

7300 AUGMENTATIONS

7310 Definition

An augmentation is an increase in the dollar amount of the approved Grant Subaward.

7320 Considerations

An augmentation is initiated by Cal OES. Cal OES will consider, at least, the following factors in determining whether or not to augment a project:

a. Availability of funds; and

b. Programmatic and/or State needs.

7330 Augmentation Procedures

To process an augmentation request, the following forms must be submitted:

a. A Cal OES Grant Subaward Amendment (Cal OES Form 2-213), with original signature of the person authorized to sign the Grant Subaward;

b. A completed and signed Grant Subaward Modification (Cal OES Form 2-223); and

c. Revised budget pages indicating the new total project costs.

For Community-Based Organizations, if the original fidelity bond does not cover the increased Grant Subaward funds, the Subrecipient must submit certification of increased coverage within 30 calendar days of the approval of the amendment request (see Section 2160).

Cal OES reserves the right to require additional documentation.

7400 REDUCTION TO GRANT SUBAWARD

7410 Definition

A reduction is a decrease to the funds awarded in the approved Grant Subaward.

7420 Considerations

A reduction is initiated by Cal OES or at the request of the Subrecipient. Cal OES will consider at least the following factors in determining whether or not to decrease funding to a project:

a. Failure to comply with grant requirements;

b. Failure to meet program objectives and/or service goals;

c. Availability of funds; and

d. Project's expenditure pattern.

In the event it becomes necessary to decrease project funds, the project will be officially notified in writing by Cal OES.

7430 Reduction Procedures

To process a decrease in Grant Subaward funds the following must be submitted:

a. A Cal OES Grant Subaward Amendment (Cal OES Form 2-213), with an original signature of the person authorized to sign the Grant Subaward;

b. A completed and signed Grant Subaward Modification (Cal OES Form 2-223); and

c. Revised budget pages indicating the reduced total project costs.

7500 BUDGET MODIFICATION

7510 Definition

A budget modification is a Grant Subaward Modification (Cal OES Form 2-223), that changes the approved budget but does not change the Grant Subaward amount or the grant period.

7520 Prior Approval

7521 Prior approval is required for budget modifications which:

a. Transfer funds from one approved budget category to another;

b. Reallocate personnel, the time period involved, the individuals involved, the salaries paid, and/or the percentage of time worked;

c. Reallocate personnel, the time period involved, the individuals involved, the salaries paid, and/or the percentage of time worked for those identified as Independent Contractor/Consultant positions in the Operating Expenses Category; and

d. Add a new line-item to any budget category.

Revised budget pages are required for approval.

7522 If prior approval is not obtained, the grant reimbursement may be reduced by the amount of the unauthorized expenditure(s). Unauthorized expenditures may also result in audit issues.

7530 Budget Modification Procedures

7531 Budget modifications must be submitted on a Grant Subaward Modification (Cal OES Form 2-223), and approved before the expenditure is reported (or ordered, contracted for, etc.) on a Report of Expenditures and Request for Funds (Cal OES Form 2-201). Any changes to budget categories as a result of a modification must be reflected on the next Report of Expenditures and Request for Funds (Cal OES Form 2-201), after the change is approved. A budget modification need not be submitted to resolve questioned/disallowed costs resulting from an audit.

7600 MODIFICATION OF PROJECT OBJECTIVES

Project objectives may only be modified during the first seven (7) months of the original performance period, unless otherwise approved. Requests to modify objectives after the seventh month must cite justification showing that the need to modify arose out of circumstances beyond the project's control, including but not limited to, the following:

a. Extreme difficulties in acquiring adequate staffing for the project;

b. Sudden or unexpected termination of necessary project personnel;

c. Delays in processing grant modifications and/or amendments;

d. Delays caused by acts of legislative or judicial bodies;

e. A strike which affects the performance of the project; or

f. Natural disasters affecting project performance.

7610 Procedures

Modifications to project objectives must be submitted on a Grant Subaward Modification (Cal OES Form 2-223), indicating the following:

a. Written justification for the project objective changes being requested; and

b. Applicable changes in the budget (if there are none, type "NO CHANGE" in the budget section).

7620 Approval

All modifications to project objectives require prior Cal OES approval in writing. Modifications to statutorily required objectives are not permissible.

7700 EXTENSION OF LIQUIDATION PERIOD

7710 Definition[27]

The liquidation period is the 60 calendar days following the performance period.

A request for the extension of the liquidation period must be submitted within the first 30 calendar days of the liquidation period.

7720 Considerations

The following will be considered:

a. Past and current performance;

b. The availability of funds;

c. Timely submission of completed fiscal and program reports; and

d. Circumstances and justification for the request.

7730 Procedures

To request an extension of the liquidation period a completed and signed Grant Subaward Modification (Cal OES Form 2-223), must be submitted to Cal OES.

[27] **Section 7710 - Section has been re-written.**

8000 AUDITS

8100 AUDIT REQUIREMENTS

8101 Audit Reporting Compliance

To safeguard Cal OES assets and to ensure all grant funds are accounted for, Grant Subrecipients shall be audited in accordance with the following:

Subrecipients expending $750,000 or more of federal funds annually must comply with the requirements for audit established by the Federal Office of Management and Budget (OMB) Uniform Guidance 2 CFR Part 200, Subpart F and arrange for an audit by an independent CPA firm annually. Audits conducted under this section will be performed using the guidelines established by the American Institute of Certified Public Accountants (AICPA) for such audits. Audit reports must be submitted within nine months after the Subrecipient's fiscal year.

Subrecipients expending less than $750,000 of federal funds annually are not required to perform an agency-wide audit in accordance with OMB Uniform Guidance 2 CFR Part 200, Subpart F guidelines; however, if such an audit is performed for other purposes, the Subrecipient is required to forward a copy of the audit report to Cal OES within nine months after the fiscal year or the grant ending date. Subrecipients must maintain appropriate records to document grant compliance and are subject to audit by representatives of Cal OES, the State of California, and the United States Government.

Financial accountability and compliance require all funds to be expended in accordance with federal and state laws, rules and regulations, the terms of the program, and the Cal OES Subrecipient Handbook.

8102 Timely Submittal of Audit Reports

Projects may be suspended, terminated or withdrawn if the required audit is not performed, and/or the audit report is not submitted within nine months after the end of the Subrecipient's fiscal year end.

Any audit report extension requests must be in writing and submitted prior to the deadline.

8110 Scope of Audit

All audits performed under this section shall be made by an independent auditor (qualified state or local government auditors or an independent public accountant licensed by the State of California) as defined in Chapter 3, Paragraphs 3.03 through 3.32 of the Governmental Auditing Standards (GAS Standards) promulgated by the Comptroller General of the United States (revision 2003).

8111 Grant Specific audits and audits in which Cal OES is named as a "major program" must consider provisions contained in the terms of the program and the Cal OES Subrecipient Handbook, and must report on the revenues and expenditures of the grant (see Section 8215 for expenditures format reporting requirements).

8113 Unless limited by the nature of the audit, the auditor shall determine the following:

a. The financial statements of the organization present fairly its financial position and the results of its financial operations in accordance with Generally Accepted Accounting Principles (GAAP).

b. The organization has internal accounting and administrative control systems to provide reasonable assurance that it is managing the program in compliance with applicable laws and regulations pertaining to the expenditure of federal grant funds.

c. The organization has complied with laws and regulations that may have a material effect on its financial statements and on the Cal OES-funded project.

8120 Frequency of Audit

2 CFR Part 200 Uniform Guidance audits must be completed and submitted to the Cal OES Monitoring Division no later than nine months after the close of the Subrecipient's fiscal year if the federal funding received by the Subrecipient agency is $750,000 or more (see Section 13600).

If grant-funded projects meeting the federal funding threshold of $750,000 have been granted an augmentation and extension for 12 or 24 months, then an audit must be completed for each year. Projects are allowed to budget to the federal funds for a separate audit for each year of the extended grant (see Section 8157). However, these costs must be budgeted proportionately to the federal funds received and not all to the Cal OES subaward.

8130 Securing Audits

The Subrecipient must arrange for a financial audit (as defined by GAO Standards). The Single Audit Act Amendment of 1996, OMB Uniform Guidance 2 CFR Part 200, Subpart C & D and subsequent circulars should be considered in securing the audit. If there is a conflict in audit requirements, Cal OES policy will supersede. If the Subrecipient does not comply with the audit requirements, special conditions may be placed on any current and future Grant Subaward (s) to require the project to comply. Subsequent Grant Subawards may be denied or current Grant Subawards may be withheld or terminated.

8140 Relation to Other Audit Requirements

Organizations which are required to procure annual single audits in accordance with the provisions of 2 CFR Part 200 Uniform Guidance must include Cal OES grant expenditures in total or by cost category in the Schedule of Federal Assistance. Organizations which elect to conduct a Grant Specific audit or a Financial Statement audit must ensure the audit is conducted in accordance to GAS requirements and must provide a copy of the audit to Cal OES.

8150 Audit Costs[28]

8151 Subrecipients expending less than $750,000 in federal funds annually cannot use federal funds to reimburse for costs associated with audits.

Subrecipients expending $750,000 or more in federal grant funds annually are required to secure an audit pursuant to 2 CFR Part 200 Uniform Guidance and are allowed to utilize federal grant funds to pay for audit costs.

Specifically, the allowable audit costs are as follows:

a. If the total project cost is less than or equal to $150,000, the project may charge the subaward for the actual cost up to $2,000 for the financial audit costs for one audit per year for each year of the grant; or

b. If the total project cost is greater than $150,000, the project may charge the subaward the actual cost up to one and a half percent (1.5%) of the total grant for audit costs.

8152 In order for the project to claim audit costs, the costs must be designated as a separate line-item within the operating expenses budget category and be encumbered prior to the end of the grant period. Encumbering audit costs means the project has the audit costs designated and approved in the original budget or added as an approved line-item during the grant period and have selected a CPA/auditor prior to the end of the grant.

8153 Estimated audit costs related to a Cal OES grant may be claimed for an audit that will not be completed prior to submission of the final Report of Expenditures and Request for Funds (Cal OES Form 2-201). The project must maintain documentation to support the estimated audit costs (i.e., copy of the CPA/auditor's audit fee schedule, executed audit contract or audit proposal). The accounting system must fully record the amount and disposition of all project funds. Accounting records must show receipt of funds and expenditures by source (e.g., federal, state, or local).

8154 Audit costs for interim audits (i.e., audits that do not cover the entire grant period) should be claimed on the final Report of Expenditures and Request for Funds (Cal OES Form 2-201). As noted above, estimated audit costs may be claimed for an audit to be completed after submitting the final Report of Expenditures and Request for Funds (Cal OES Form 2-201). Therefore, when the grant period is contained within two audit reports, the audit costs claimed on the final Report of Expenditures and Request for Funds, (Cal OES Form 2-201) will consist of actual and estimated costs.

[28] **Sections 8151 & 8153 - Sections have been re-written.**

Example

The performance period is July 1 through June 30. The project's audits are conducted on a calendar year basis (January 1 through December 31). The audit costs for the July through December 31 portion of the grant can be determined when that calendar year audit is complete, and the costs for the January 1 through June 30 portion have to be estimated. The audit costs claimed on the grant's final Report of Expenditures and Request for Funds (Cal OES Form 2-201) will consist of actual costs for the first six months of the grant (July 1 through December 31) and estimated costs for the remaining six months of the grant period (January 1 through June 30).

8155 Carryover of grant funds from one performance period to the next is not allowable, including multi-year grants. Claimed expenses must be incurred during the grant period (see Section 6312.2). Expenditures claimed on the Report of Expenditures and Request for Funds (Cal OES Form 2-201) and submitted after the performance period must be recorded in the Subrecipient's books of account as of the performance period, with the exception of those Subrecipients reporting on a cash basis. However, those that are reporting on a cash basis must encumber (see Section 6200) the funds and reflect it in their accounting records for that performance period.

8156 If the amount of the actual audit cost is less than the amount of the estimated audit cost, the project must return the difference to Cal OES.

8157 Grant-funded projects are allowed to budget for additional audit costs related to an augmentation and/or an extension.

8200 AUDIT REPORTS

When required, audit reports must be prepared at the completion of the audit. The report must comply with the financial audit reporting standards contained in the Government Auditing Standards (GAS) published by the U.S. Government Accountability Office (revised 2003). Audit reports, which do not meet the standards, will not be accepted until the deficiencies are corrected.

If the Subrecipient elects to have a grant-specific audit conducted, they should provide Section 8000 of the Subrecipient Handbook to the CPA/auditor to ensure that the audit report meets Cal OES requirements.

8201 The audit report shall state that the audit was made in accordance with Government Auditing Standards, promulgated by the Comptroller General of the United States, or Generally Accepted Government Auditing Standards (GAGAS) for financial audits.

Public accountants performing government audits must also state that the audit was made in accordance with the Generally Accepted Auditing Standards (GAAS).

8210 Audit Report Content

The audit report must contain Sections 8211 through 8216 and meet the GAO Standards referred to in Section 8200.

8211 The auditor must include an opinion on financial statements or financial reports and related items.

The auditor is required to refer to the separate reports on compliance with laws and regulations and internal controls in the report on the financial statements.

8212 The auditor's report on their understanding of the entity's internal control structure and the assessment of control risk made as a part of the financial statement audit or a financial-related audit should include:

a. The scope of the auditor's work in obtaining an understanding of the internal control structure and in assessing the control risks;

b. Deficiencies in internal control considered to be significant deficiencies as defined in the AICPA standards;

c. All instances of fraud and illegal acts unless clearly inconsequential; and

d. Significant violations of provisions of contracts or Grant Subaward and abuse. In some circumstances, auditors should report fraud, illegal acts, and violations of provisions of contracts or Grant Subaward, and abuse directly to parties external to the audited entity.

8213 The auditor's report on compliance contains:

a. Reporting deficiencies and/or violations of the provisions of contracts or Grant Subaward, and abuse; and

b. An identification of any questioned or disallowed amounts for each Grant Subaward, as a result of noncompliance.

8214 In addition to the audit report, the Subrecipient shall provide comments on all findings and recommendations referred to in the report, including a plan for corrective action taken or planned and the implementation date.

8215 If a grant-specific audit is conducted, the audit report must include a categorical reporting schedule. The categorical reporting schedule must identify the following:

a. Revenues and expenditures by cost category (personal services, operating expenses, and equipment) for each grant;

b. Each grant number;

c. Performance period;

d. Audit period; and

e. Revenues and expenditures by match cost category (personal services, operating expenses, equipment) for each grant.

8216 If certain information is prohibited from general disclosure (privileged and confidential information), the report must state the nature of the information omitted and the requirement that makes the omission necessary.

8217 Subrecipients are required to submit a copy of any management letters issued by the auditor that are referenced in the audit report.

8220 Report Distribution

8221 The financial statements, schedules, summaries, auditor's report(s), Corrective Action Plan, and the management letter (if prepared) are collectively referred to as the reporting package. The reporting package may be submitted in hard copy or in electronic format (unsecured PDF, *preferred*, or on a compact disc).

The reporting package for all grant-specific audits and for 2 CFR Part 200 Uniform Guidance audits of nonprofit organizations must be submitted electronically to GMD@caloes.ca.gov, or via hard copy to:

Grants Monitoring Division
California Governor's Office of Emergency Services
3650 Schriever Avenue
Mather, CA 95655

The reporting package for all local government 2 CFR Part 200 Uniform Guidance audits must be submitted to:

State Controller's Office
Division of Audits
Financial Audits Bureau/Single Audits Unit
P.O. Box 942850
Sacramento, CA 94250-5874

8222 Subrecipients reporting to Boards of Directors must provide copies of all grant-related financial audit reports and all grant-related program Monitoring reports to their board of directors.

8230 Failure to Submit an Audit Report

Failure to submit an audit report or submission of a late audit report will result in special conditions being placed on the grant to comply with audit requirements, the withholding of grant funds, or denial of subsequent Grant Subawards.

8240 Access to Audit Documents

All audit reports, audit working papers, correspondence, or other documents related to the audit reports and Grant Subaward must be accessible to Cal OES and its authorized representatives.

8250 Quality Control Review

Audit reports submitted by qualified state and local government auditors and independent CPA firms may be randomly selected for a quality control review of the CPA/auditor's working papers. The CPA/auditor will be notified when a review will be conducted.

8260 Right to Perform Audit or Review

Cal OES reserves the right to perform audits or reviews of any Grant Subaward at any time.

8300 MONITORING PROCESS

8310 Methods of Monitoring[29]

The methods used by the Cal OES Monitoring Division test a Subrecipient's compliance with laws and regulations using field reviews and desk reviews.

8311 Field Review

Monitor(s) travel(s) to the Subrecipient's place of business to conduct a Compliance Review. A field review consists of, but is not limited to, the following:

a. Entrance Conference

b. The monitor meets with the Subrecipient to discuss the scope of the monitoring.

c. Field Work

d. While on site, the monitor will review the Subrecipient's policies, procedures, documentation supporting claimed expenditures, procurement documentation, contracts, payroll, equipment records, and interviewing staff and, as applicable, verifying equipment purchases and location. This is not an all-inclusive list of items the monitor will be reviewing.

e. Exit Conference

At the conclusion of the visit, the monitor meets with the Subrecipient to discuss the preliminary results of the monitoring.

8312 Desk Review

Monitor(s) request(s) Subrecipient to submit documents in the mail. These documents may include responding to Schedules (targeted compliance questionnaires), Corrective Action Plans (CAP), or other source documentation supporting claimed reimbursements. A desk review's scope may be limited or extended.

8313 Limited Review [30]

8314 Extended Review

[29] **Sections 8310 - 8311 – Sections have been re-written.**
[30] **Sections 8313 - 8314 – Sections have been removed.**

8315 Independent Audit Report Review

Independent financial audit reports of grants are reviewed to ensure that audit requirements in Section 8000 are met.

If the audit report identifies Cal OES grant-related findings, questioned costs or costs that were recommended for disallowance, a Corrective Action Plan (CAP) request letter will be sent to the Subrecipient.

The process and timeframe for responding to a request for an audit report CAP is the same as that identified in Section 8320.

8320 Monitoring Report[31]

A compliance review report is issued to the Subrecipient approximately 45 days after the completion of the review. If corrective action is required as a result of identified areas of non-compliance, the Subrecipient has 30 days to respond in writing and outline the steps and timeframe for corrective action in the form of a CAP.

Upon approval of the CAP, the project has six months to fully implement all corrections.

Failure to timely respond to Cal OES's request for Corrective Action may result in disallowed cost (see Section 8321 Disallowed Costs), withholding of grant funds or denial of subsequent Grant Subawards.

8321 Questioned/Disallowed Costs Identified in a Monitoring or Audit Report

When costs are questioned or recommended for disallowance and the Subrecipient cannot support the costs claimed through original source documents and general ledger entries, Cal OES will make every effort to help the project identify possible stand-in (substitute) grant eligible expenditures.

Cal OES will invoice any remaining disallowances and the Subrecipient will be required to return the funds. If the questioned costs or costs recommended for disallowance are a material amount in relation to the grant, a hold may be placed on all current grant funds.

8400 SEPARATION OF DUTIES

A key element in a system of internal control is separation of duties. Adequate separation of duties helps reduce the risk of theft or mismanagement of grant funds.

Members of the same family (e.g., husband, wife, brother, sister, daughter or son) are considered one person for the purposes of separation of duties. Adequate internal control provides that no one person may perform more than one of the following types of duties:

1. Receiving and depositing cash receipts;

2. Authorizing cash disbursements;

[31] **Section 8320 – Section has been re-written.**

3. Preparing checks;

4. Operating a check signing machine;*

5. Comparing machine-signed checks with authorizations and supporting documents (or signing checks manually after personally comparing them with authorizations and supporting documents);*

6. Reconciling bank statements (+) and post to the General Ledger;* and

7. Preparing or initiating invoices.

   * Will not have access to or control of blank check stock.

   (+) The canceled checks must be delivered unopened to the person responsible for the bank reconciliation function and must be safeguarded by that person until the reconciliation is complete.

An employee assigned duties 1, 2, 3, 4, 5, or 7 will not keep more than one of the books of original entry concerning receipts, disbursements, or invoices. However, an employee assigned duty 6 above may do so.

Employees receiving or depositing remittances may keep the cash receipts register, employees preparing checks may keep the cash disbursements register, and persons preparing invoices may keep the invoice register.

If the size of the project does not allow for separation of duties, the project must establish other procedures to mitigate that weakness. Employees of units other than the accounting unit may be used, when necessary, to provide separation of duties. Additional division of responsibilities within each duty can be beneficial.

Projects can alleviate the problem by increasing supervision of staff or by enlisting board members to perform some functions in order to achieve adequate separation of duties.

The following is a separation of duties chart for cash receipts, disbursements, and other related duties that illustrate generally the minimum division of responsibilities to ensure adequate separation of duties.

Duty	Employee						
	1	2	3	4	5	6	7
Receiving and depositing cash receipts	✓						
Endorsing Checks	✓						
Maintaining cash receipts register	✓						
Preparing or initiating invoices		✓					
Approving invoices			✓				

Duty	Employee						
	1	2	3	4	5	6	7
Maintaining invoice register		✓					
Preparing checks				✓			
Operating a check signing machine					✓		
Comparing machine-signed checks with authorizing and supporting documents or manually signing checks after comparing them with authorizations and supporting documents						✓	
Maintaining cash disbursements register				✓			
Mailing or distributing checks	✓						
Reconciling bank accounts & posting to the general ledger							✓
Maintaining other book of original entry							✓

8500 DISPOSITION OF MONITORING PROCESS

Cal OES will notify the project in writing of the disposition of findings related to Corrective Action Plans. If the project does not agree with the finding disposition, the project has 30 days to respond in writing to the finding disposition notification.

If the project does not respond in writing within 30 calendar days, Cal OES will proceed with any resulting actions, including issuing an invoice for questioned and/or disallowed costs, if appropriate.

8510 Invoice for Repayment

The project will be invoiced for costs disallowed by Cal OES. The project must pay the invoiced amount within 30 calendar days from the invoice date. If full payment of disallowed costs causes an undue hardship to the project, the project may submit a written request to the Cal OES Accounting Branch to pay under a specified payment schedule. The term of the payment schedule shall not exceed a 12-month period, unless otherwise authorized by the Cal OES Accounting Branch.

8520 Sanctions for Nonpayment

If the project does not comply or is delinquent in complying with the payment requirements imposed by Cal OES, a hold may be placed on any funds due to the project and/or full amount of disallowed costs owed will be due and payable. Cal OES may take additional action, as appropriate, including, but not limited to, denying future grants and reducing the

amount of any payments requested by the project on a Report of Expenditures and Request for Funds (Cal OES Form 2-201).

8600 DEFINITION OF TERMS

Findings

Findings are deficiencies disclosed during a compliance review or reported by the CPA/auditor in an audit report. Examples of findings include, but are not limited to:

a. Inadequate separation of duties among employees;

b. Untimely preparation of Report of Expenditures and Request for Funds (Cal OES Form 2-201);

c. Lack of written procedures;

d. The general ledger does not agree with the Report of Expenditures and Request for Funds (Cal OES Form 2-201); and

e. Inadequate or lack of time sheets.

Questioned Costs

Costs which require additional supporting documentation from the project or which require an interpretation from Cal OES as to whether or not the costs are allowable.

Disallowed Costs

Disallowed costs are costs that the Monitor or CPA/auditor has documentary evidence beyond a reasonable doubt that the project is in violation of legislative or regulatory requirements or specific grant conditions.

Full Period Grant Audit

The financial audit covers the full performance period.

Interim Grant Audit

The financial audit does not cover the full performance period. For example, a grant is subawarded from July 1 through September 30, of the subsequent year. The audit report covers the period July 1 through June 30 of the subsequent year. The project is required to secure a financial audit to cover the remaining time period of July 1 through September 30 of that year.

Schedules (Questionnaires)

Subrecipients are selected through a random sampling method to complete a self-certification questionnaire on various subject matters (internal controls, procurement policies, etc.). The responses to these questionnaires could result in an extended desk review and/or on-site compliance review.

10000 REPORTING PROJECT ACTIVITIES AND ACHIEVEMENTS

10100 PROGRESS REPORTS

10110 Purpose

Progress Reports serve as a historical record of the implementation of the project. The Progress Report documents the project's progress in achieving the objectives in accordance with the terms of the program and provides a mechanism by which the Subrecipient can identify problems encountered in the implementation of the project.

10111 Source Documentation

Funded projects are required to participate in data collection and submit Progress Reports. Projects must keep accurate records as source documentation to support the information reported in the Progress Report.

These records must be retained by the project for at least three years from the end of the Grant Subaward period. During programmatic monitoring and Site Visits, Cal OES will review these records for accuracy and compare that data to the Progress Reports submitted by the project.

Projects are to retain source documentation for Progress Reports on a quarterly basis, regardless of submission requirements. The Progress Reports provide project staff and Cal OES with a formal process to document ongoing grant activities and project progress toward the achievement of stated program goals. All subaward Progress Reports are reviewed by Program Specialists and retained in the project's subaward file at Cal OES.

Review of Records

Acceptance of a grant obligates the project to allow employees and/or authorized representatives of Cal OES unrestricted access to inspect, copy, and audit all pertinent books, documents, papers, and records, including redacted confidential records.

10120 Submission[32]

Unless otherwise specified in the terms of the program, Cal OES typically requires a Status Report and Progress Reports for the grant period. The status report covers the first three months of the grant's operation. A Progress Report is due at the end of each six-month period of the grant. The first Progress Report will contain information about the first six months of operation, and sub-sequential reports will contain cumulative figures for each six months period, until the end of performance period.

All projects are required to submit an electronic, signed copy of the status/Progress Report to Cal OES. These are due 30 calendar days after the end of the reporting period. For example, if the reporting period ends October 31, the report must be submitted to Cal OES by November 30.

[32] **Section 10120 - Section has been re-written.**

Failure to submit a report on time may result in the withholding or disallowance of grant payments, the reduction or termination of grant funds, and/or the denial of future grant funding.

10120.1 Reports for Extended Grants

If the performance period is extended, additional Progress Reports may be required. Contact your Cal OES Program Specialist for the additional requirements.

10130 Final Payment

Final payment of the grant funds may be withheld until receipt of the following:

a. Written response, when appropriate, to conditions placed on the Grant Subaward;

b. All required Progress Reports, including those covering the period for which an approved Grant Subaward extension has been authorized;

c. Any additional reports required by federal, state, or Cal OES guidelines; and

d. A final Report of Expenditures and Request for Funds (Cal OES Form 2-201).

Funds may be withheld or terminated and future grant funding may be denied if the project has not complied with the terms and conditions of the Grant Subaward in a timely manner (see Section 12000).

10200 PROGRAMMATIC TECHNICAL ASSISTANCE

Programmatic technical assistance is available to all projects upon request. Requests for on-site technical assistance should be made in writing by submitting the Request for Programmatic Technical Assistance (Cal OES Form 2-235), via letter or email directed to the appropriate program branch. Technical assistance may be provided on-site or over the phone.

10300 SITE VISIT PERFORMANCE ASSESSMENT[33]

10310 Purpose

The purpose of a site visit performance assessment report is to make an on-site assessment of current project conditions and to provide technical assistance. As part of the assessment, the Subrecipient Handbook and terms of the program will be reviewed with the Subrecipient.

These visits are for Cal OES staff to provide on-site technical assistance to the project, which may include the following:

a. Provide information that will assist the project in meeting program goals;

b. Review project objectives to determine if they are achievable;

[33] **Section 10300 - Section has been re-written.**

c. Review project activities to determine if they will reasonably result in achievement of the objectives;

d. Review the project's source documentation and data collection process;

e. Review the project's Report of Expenditures and Request for Funds (Cal OES Form 2-201), to determine whether any adjustments are needed;

f. Review the monitoring process with project staff so they know what to expect during future visits; and

g. Review the Progress Reports to determine if they are complete and accurate.

10320 Timeframe

Newly funded grant projects will normally receive a Site Visit within the first six months of the performance period. In addition, projects will normally receive a Site Visit at least once in each three-year grant cycle.

10330 Follow-up

Projects determined to be progressing satisfactorily will receive a letter acknowledging their current status. Projects that require corrective action may be required to submit a corrective action plan or will receive a letter outlining appropriate corrective action.

10400 MONITORING

10400.1 Definition[34]

A monitoring visit is an on-site assessment of the administrative and fiscal components of a Cal OES-funded project. The resulting Monitoring Report provides a detailed review of the project and identifies, in limited scope, areas in which the project is and is not in compliance with the applicable laws, regulations, policies, and program requirements. The Monitoring Report is a useful tool that helps guide the Subrecipient and the Program Specialist as they work together to develop a Corrective Action Plan (CAP). Corrective action is viewed by Cal OES as a constructive, strengthening process for Subrecipients. Generally, monitoring findings do not affect the Subrecipient's funding if corrective action is implemented. Refer to Section 8300 regarding the monitoring process.

10410 Monitoring Requirements and Access to Records

Projects are monitored for compliance with the applicable laws, regulations, policies, and program requirements.

Acceptance of the Grant Subaward obligates the project to allow Cal OES staff and/or its authorized representatives unrestricted access to all project books, documents, papers, and records, (including redacted confidential records) for inspection, copying, monitoring, and auditing.

[34] **Section 10400.1 - Section has been re-written.**

Cal OES reserves the right to conduct unannounced monitoring visits.

10420 Standard Monitoring Procedures

Cal OES staff will contact the Project Director to set a mutually agreeable date for the monitoring visit. A letter to the Project Director and Financial Officer will follow to confirm the monitoring of the grant(s) and performance period(s) to be monitored, and to document the agreed upon date of the monitoring visit. The individual(s) responsible for preparing the Report of Expenditures and Request for Funds (Cal OES Form 2-201), the Progress Report, and the oversight of grant-related activity should be available during the monitoring visit to answer questions.

A field document will normally be provided to the Subrecipient prior to the monitoring visit to assist the Subrecipient in preparing for the visit.

The Monitor will review findings with the Subrecipient during the course of the monitoring, as well as at the end of the visit during the Exit Interview.

Exceptions to these standard procedures may occur on a case-by-case basis.

10421 Scope of Monitoring

The Cal OES monitoring process complies with the intent of federal and state requirements. The process assesses programmatic, administrative, and fiscal components of the project. The review of fiscal compliance is not an audit and cannot be used to replace Cal OES audit requirements.

10422 Monitoring Field Document

The monitoring field document is designed and developed specifically for each program in accordance with the applicable laws, regulations, policies, and program requirements.

10430 Monitoring Report

The Monitoring Report provides a summary of the areas monitored and identifies whether or not the areas monitored are in compliance with applicable requirements. The report also includes details of any findings and instructions for the preparation and submission of a Corrective Action Plan. The approved Monitoring Report will be sent to the Subrecipient.

10431 No Findings Identified

If no findings are identified in the monitoring report, the monitoring process is complete.

10432 Findings Identified

If findings are identified in the Monitoring Report, the Subrecipient must submit a Corrective Action Plan (CAP) within 30 calendar days of the date of the Monitoring Report. Corrective Action Plan instructions and submission information are included with the Monitoring Report.

10433 Corrective Action Plan Process

The Subrecipient is responsible for developing a Corrective Action Plan (CAP) for findings identified in the Monitoring Report, and may obtain the help of the Program Specialist in its development. The plan must be implemented and the deficiencies resolved within six months of the date of the Monitoring Report.

Six months after the report, Cal OES may conduct a follow-up inquiry or field visit to verify implementation of the CAP.

10434 Disputed Findings

If the Subrecipient does not agree with any finding in the Monitoring Report, or believes corrective action is not required, then the Corrective Action Plan shall include an explanation and specific reasons. The Subrecipient must provide documentation to support its position that the finding(s) is/are in error. Cal OES staff will work with the Subrecipient to resolve the dispute.

10435 Sanctions

If the project does not complete the required corrective action, Cal OES may take action as appropriate including, but not limited to:

a. Withhold or reduce the amount of any payments requested by the project on a Report of Expenditures and Request for Funds (Cal OES Form 2-201);

b. Reduce the amount of the current Grant Subaward;

c. Terminate the current Grant Subaward, after providing 14 calendar days written notice to the project (unless Cal OES determines that good cause exists to waive the 14 calendar day notice); and/or

d. Restrict future funding.

10436 Final Action by Cal OES

After Cal OES verifies that all corrective actions have been implemented, a letter will be sent notifying the project that all required actions are completed. The Subrecipient should maintain the letter on file for three years.

11000 RECORDS

11100 GENERAL

Agencies are required to maintain accurate, complete, orderly, and separate records for each Cal OES-funded grant. All grant records and documents must be adequately protected from fire, theft or other possible damage or loss. When stored away from the project's principal office, an index of the record's location must be maintained and ready access to the files must be ensured.

11110 Audits/Monitoring

All project books, documents, papers, and records relating to the project must be accessible to Cal OES or authorized representatives, and in the case of projects receiving federal funds, the Comptroller General of the United States (or authorized representatives), for inspection and audit.

11200 RETENTION AND REVIEW REQUIREMENT

11210 Retention of Records

All grant records must be retained for three years from the end of the state and/or federal award period. Contact your Program Specialist for your award end date. If the Subrecipient's source documentation records are retained in a database system, it must cover the entire performance period and be retrievable. If an audit, investigation, review, litigation, or any other action occurs during the Subrecipient's three year retention period, the Subrecipient shall retain the records until the resolution of such process, or until the end of the three year period, whichever is longer.

11300 DOCUMENTATION REQUIREMENTS

11310 Fiscal

The retention requirement extends to books of original entry, source documents, supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, canceled checks, and related documents and records.

11311 Bank Statements and Reconciliation

Each month the cash balance shown in the accounting records (e.g., general ledger and/or cash disbursements register) should be reconciled with the cash balance shown on the bank statement.

11312 General Ledger Account Entries

All general ledger account entries for revenues and expenditures must be supported by subsidiary records, the original source documentation, canceled checks, and bank statements. If the bank does not return canceled checks, a check stub, or an electronic copy of the front and back of the cancelled check must be retained. Source documentation includes invoices, bills, and vouchers. The format of subsidiary records is determined by the project. The project must be able to trace the general ledger entries to the Report of Expenditures and Request for Funds (Cal OES Form 2-201).

The project can use worksheets to document how expenditures are taken from the general ledger and recorded on the Report of Expenditures and Request for Funds (Cal OES Form 2-201).

11313 Duplicate Deposit Receipts

The project must maintain copies of the deposit receipts. The receipts must show the source of the receipt (e.g., Cal OES, county, city, United Way, donations) and filed with the applicable bank statement.

11314 Canceled Checks

Canceled checks are checks written by the project that have been processed by the bank. Each month canceled checks must be reconciled with the bank statements. If the bank does not return canceled checks, an electronic copy, or the check stub must be used.

11315 Vouchers

Vouchers include the following:

a. Purchase orders;

b. Receiving reports which show the items which are received from the vendor; and

c. Vendor invoices – When invoices are paid, they must be marked as PAID with the check number to prevent the likelihood of paying the same invoice twice.

11320 Programmatic

The records retention requirement extends to supporting documentation, statistical records, and all other records pertinent to Grant Subawards or contracts under grant-funded projects must retain source documents that substantiate information on required Cal OES reports that include:

a. Progress Reports;

b. Grant Subaward Modifications (Cal OES Form 2-223);

c. Evaluation Data Reports; and

d. Any other records the project is directed by Cal OES to maintain.

11330 Payroll Records

11331 Functional Time Sheets[35]

All grant-funded personnel who are directly charged to the grant, either in whole or in part, must maintain functional timesheets that: 1) indicate the actual time and activity(ies) worked (on a daily basis) on Cal OES and non-Cal OES funded project(s) to which the

[35] **Section 11331 - Section has been re-written.**

employee is allocated; and 2) account for all time worked by the employee during the pay period.

Completed timesheets must be signed by the employee and their supervisor, and should clearly demonstrate the various activities/duties performed by the employee. (For sample timesheets and tools that may be used to assist in the development of appropriate functional timesheets, please contact your Cal OES Program Specialist.)

11332 Personnel payroll files must include the following:

a. W-2, W-4;

b. Personnel action forms (i.e., approved pay rates by the board of directors or appropriate personnel agency, promotions, terminations, etc.);

c. Cumulative earnings records;

d. Leave records;

e. Employee authorized deduction forms (i.e., health insurance); and

f. Paid invoices submitted by employees for reimbursement of benefit expenses.

11340 Personnel Files

Personnel files must include the following:

a. Application forms;

b. Resumes;

c. Job descriptions;

d. Performance evaluations; and

e. Appointment documents which include approved salary rates, benefits, and other terms of employment. Salary rates, increases, and benefits must be approved by the governing board or applicable personnel agency.

11350 Equipment

Equipment must be:

a. Located on the project's premises or identified in a locator file that specifically identifies the location of the equipment or the individual assigned to it;

b. Recorded on an inventory list, identifying items purchased with Cal OES funds (see Section 2350);

c. Used in accordance with the Grant Subaward; and

d. Funded projects must retain contract records for the purchase of equipment.

11400 ORGANIZATION POLICIES AND PROCEDURES

The organization should have written policies and procedures covering conflict of interest/code of conduct and fraud, along with personnel policies that cover hiring, termination, benefits, salary rates, leave, and travel. There should also be written procedures regarding the accounting and reporting functions, including, but not limited to the following:

a. Cash receipts and revenue;

b. Deposits;

c. Cash disbursements;

d. Payroll;

e. General Ledger; and

f. Equipment.

In addition, any other policies and procedures (e.g., purchasing contracts) that relate to operating the project must be in writing.

11500 COMMUNICATIONS

Projects must maintain a current telephone number and internet access with an email address (see Section 2340.1), as well as a current postal address and physical location within the State of California.

12000 WITHHOLDING, DISALLOWANCE, REDUCTION, TERMINATION, AND/OR DENIAL OF GRANT FUNDS

12100 WITHHOLDING OR DISALLOWANCE OF GRANT FUNDS

Cal OES may withhold grant funds and/or disallow expenditures anytime the project fails to comply with any term or condition of the Grant Subaward. This may include, but is not limited to, the following:

a. Failure to submit the required Progress Reports in a timely manner;

b. Failure to submit the final reports from previous projects in a timely manner;

c. Failure to resolve interim or final audit exceptions on past or current grants in a timely manner;

d. Inadequate maintenance of accounting records;

e. Failure to submit proof of bond coverage in a timely manner;

f. Failure to cooperate with or admit Cal OES staff or representatives (e.g., Program Specialists; Unit, Section, or Branch Chiefs, Monitors, etc. to review program and/or fiscal records; and/or

g. Failure to pay costs disallowed by Cal OES according to payment terms agreed to by the Subrecipient and in a timely manner.

12200 REDUCTION OR TERMINATION OF GRANT FUNDS

Cal OES may reduce or terminate grant funds for reasons that may include, but not limited to, the following:

a. If the project fails to comply with any term or condition of the Grant Subaward; and/or,

b. If during the term of the Grant Subaward, the state and/or federal funds appropriated for the purposes of the Grant Subaward are reduced or eliminated by the California Legislature or by the United States Government, or, in the event revenues are not collected at the level appropriated, Cal OES may immediately terminate or reduce the Grant Subaward.

Should Cal OES deem it necessary to reduce or terminate grant funds, the Subrecipient shall be notified by written notice. No such termination or reduction shall apply to allowable costs already incurred by the Subrecipient to the extent that state or federal funds are available for payment of such costs.

12300 DENIAL OF FUTURE FUNDING[36]

Cal OES reserves the right to deny future funding to any project and its officers based on its failure to comply with any term or condition of a current or previous Grant Subaward, poor past performance in a previous Grant Subaward, or failure to cooperate with state or federal auditors/monitors.

[36] **Section 12300 – Section has been re-written.**

13000 CLOSEOUT

The closeout of a grant is the process by which a grant or agency determines that all applicable administrative actions and all required grant activities have been completed by the Subrecipient.

13200 FINAL PROGRESS REPORT

The final Progress Report may encompass the entire performance reporting period. This report is due to Cal OES no later than 30 calendar days after the conclusion of the Grant Performance Period. Final payment on the grant will not be made until the Progress Report has been submitted (see Section 10130).

13300 INTERNAL ASSESSMENT/FINAL EVALUATION REPORT

If required by the terms of the program, the report is due to Cal OES no later than 30 calendar days after the conclusion of the Grant Performance Period. Submit two copies of the report to Cal OES. Final payment on the grant may be withheld until the report has been submitted (see Section 10130).

13400 FINAL REQUEST FOR REIMBURSEMENT[37]

All expenses must have been encumbered prior to the Grant Subaward end date. The only "unpaid obligation" that may be listed is the audit expense (see Section 8153).

The project must submit the final Report of Expenditures and Request for Funds (Cal OES Form 2-201), within 60 days after the end of the performance period (see Section 6220). If the Subrecipient does not submit a final Report of Expenditures and Request for Funds (Cal OES Form 2-201) within 60 days from the end of the Grant Performance Period, Cal OES may consider the last Report of Expenditures and Request for Funds (Cal OES Form 2-201) submitted as the final and close out the Grant Subaward. If the Grant Subaward is special conditioned to reduce the liquidation period, the special condition supersedes this section.

13400.1 Reporting Required Match

If your Grant Subaward has a required match, it must be reported on the Report of Expenditures and Request for Funds (Cal OES Form 2-201) as the expenditures occur and before the grant ends. If the Subrecipient does not expend the total required match by the end of the performance period, or if it is not fully reported by the Final Report of Expenditures and Request for Funds, Cal OES will invoice the Subrecipient for funds allocated that did not meet their match.

13500 RETENTION OF RECORDS

All records relating to the grant shall be retained in accordance with Section 11200.

13600 AUDITS CLOSEOUT

Audits must be completed and submitted in accordance with Section 8120.

[37] **Section 13400 - Section has been re-written.**

14000 GLOSSARY OF TERMS

TERM	DEFINITION
Activity	The specific steps or actions that a project takes to achieve a measurable objective.
Administrative Agency or Subrecipient	The agency or organization designated on the Grant Subaward Face Sheet that receives grant funds and is responsible to accomplish the planned objectives and program goals (e.g., County of Alameda, City of Fresno, State Department of Justice, Fairfield Youth Services Bureau). The Subrecipient was formerly referred to as the "Grantee/Recipient".
Application	Once selected for funding, the original proposal plus any additional forms as required by Cal OES becomes the application.
Certification of Assurance of Compliance	A binding affirmation that the Subrecipient will comply with the Equal Employment Opportunity (EEO), Drug Free Workplace, Environmental Impact, Lobbying, Debarment/Suspension Requirements, and Proof of Authority from the city council/governing board.
CFR	Code of Federal Regulations
Community-based Organization (CBO)	A nonprofit, public benefit corporation.
Competitive Bid	A contract process used when all suppliers are equally or nearly equally qualified to provide the services.
Equal Employment Opportunity Plan (EEOP)	A comprehensive plan that analyzes the agency's workforce and all agency employment practices to determine their impact on the basis of ethnicity and gender. The objective of the EEOP is to ensure nondiscrimination in all areas of employment (e.g., recruitment, hiring, promotions, etc.), and in the delivery of services and benefits.
EEOP Checklists	An EEOP Checklist is a document used by program staff while conducting site/monitoring visits. The checklists (A and B) were prepared to assist Cal OES in verifying that Subrecipients are in compliance with State and Federal Civil Rights Laws.
Grant Subaward	The signed final agreement between Cal OES and the local government agency or organization authorized to accept grant funding.
Grant Funding Cycle	The number of years a program may be funded without competition.
Implementing Agency	The agency or organization designated on the Grant Subaward Face Sheet that is responsible for the day-to-day operation of the project (e.g., probation department, district attorney, sheriff).

TERM	DEFINITION
Monitoring Report Response Form	Form sent to the Subrecipient with the Monitoring report. The form is completed by the Subrecipient and returned to the Cal OES Monitoring and Audit Branch indicating the Monitoring Report is accurate or inaccurate as of the date of the Monitoring.
Non-Competitive Bid (NB)	A contract for goods or services, where only a single source that can provide the services or goods is afforded the opportunity to offer a price for the specified services or goods (contracts sometimes include goods as well as services, and this definition will also apply to those circumstances).
Nonprofit Organization (aka Community-Based Organization)	A nonprofit, public benefit corporation as defined in the federal regulation of 28CFR. Part 38, Department of Justice. This modifies the need to be recognized by the Internal Revenue Service as a 501 (c) (3) for Subrecipients of Faith-based Organizations. All organizations may qualify for nonprofit status using any one of the four following methods: (1) Proof that the Internal Revenue Service recognizes the applicant as having the status of a 501 (c) (3); (2) A statement from a State taxing body or the Secretary of State certifying that: (i) the Organization is a nonprofit organization operating within the State; and (ii) no part of its net earnings may lawfully benefit any private shareholder or individual; (3) A certified copy of the applicant's certificate of incorporation or similar document that clearly establishes the nonprofit status of the applicant; or (4) Any item described in (1) through (3) if that item applies to a State or national parent organization, together with a statement by the State of parent organization that the applicant is a local nonprofit affiliate.
Objectives	A set of quantifiable projections to be carried out in order to accomplish the program goals.
On Site	Refers to the location of operation of the Grant Subaward Subrecipient. If multiple sites exist, the site that provides the project Subrecipients with program direction qualifies as the "on-site location."

TERM	DEFINITION
Operational Agreement (OA)	A formal agreement between two or more agencies, which specifies the responsibilities of each agency in implementing the project. The term Operational Agreement also includes documents entitled Memorandum of Understanding, Letters of Intent, or other titles, but which serve the same purpose.
Participating Agency	An organization that receives grant funds through an Operational Agreement to participate in achieving the goals of a project. The participating agency must be a unit of government or a community-based organization.
Participating Staff	A salaried employee of a Participating Agency
Program	A specific set of goals and objectives established pursuant to legislative, congressional, or administrative action identifying an unmet need of the criminal justice system or victim services and supported by a set appropriation from state or federal funding sources.
Progress Report	A status update provided by the Subrecipient to confirm a measure of program compliance.
Project	The implementation of a Program by a Subrecipient. The project includes all of the grants implemented by the Subrecipient under that Program regardless of the year of implementation.
Proposal	The packet of forms and narrative as requested by the RFP and submitted to Cal OES that specified the priorities, strategies, and objectives of the applicant.
Subrecipient or Administrating Agency	The agency or organization designated on the Grant Subaward Face sheet that receives the grant funds and is will be responsible for accomplishing the planned objectives and program goals (e.g., County of Alameda, City of Fresno, State Department of Justice, Fairfield Youth Services Bureau).
Subrecipient Handbook	This handbook outlines the terms and conditions required of grant projects. Funded projects must administer their grants in accordance with these administrative and fiscal conditions. The Subrecipient Handbook is accessible on the internet website at http:// www.caloes.ca.gov/ under “Subrecipient Handbooks.” The Subrecipient Handbook was previously called the “Grantee/Recipient Handbook.”

TERM	DEFINITION
Request for Application (RFA)	The RFA is a non-competitive process issued by Cal OES to obtain applications from applicants previously selected for funding.
Request for Proposal (RFP)	The RFP is issued by Cal OES to solicit competitive proposals in order to select projects for funding.
Single Source	This term has been replaced by the term "Non-Competitive Bid."
Sole Source	This term has been replaced by the term "Non-Competitive Bid."
Source Documentation	Records that validate project activities and achievements as they pertain to the objectives outlined in the Grant Subaward.
Supplanting	To reduce federal, state, or local funds because of the existence of Cal OES funds. Supplanting occurs when a Subrecipient deliberately replaces its non-Cal OES funds with Cal OES funds, thereby reducing the total amount available for the stated purpose.
Terms of the Program	The applicable Program Guidelines, application requests [Request for Proposal (RFP)/Request for Application (RFA)], Grant Subaward, Cal OES policy statements and applicable statutes. In the event the terms of the program are inconsistent with the provisions of this Handbook, the terms of the program shall be interpreted and construed as superseding the provisions of this Handbook.
USC	United States Code

INDEX
-- A --

Access to Audit Documents 8240
Account Entries, General Ledger 11312
Accountability Procedures, Emergency Funds 2235.2
Accounting System and Structure 6400
Accrual Basis, Accounting System and Structure 6400.9
Achievements and Activities, Reporting Projects 10000
Action, Final by Cal OES (Monitoring) 10436
Advance of Grant Funds, Certification of (Cal OES Form 2-202) ..... (FORMS)
Advance Payment 6311
Advertising, Formal, Contracts and Procurements 3410
Allowable and Non-allowable Costs for Personnel 2170
Allowable Equipment 2320
Allowable Expense Items, Operating Expenses 2230
Amending the Grant Subaward 7110
Ammunition and Weapons 2247
Annual Professional Dues or Fees 2248
Appraisals (or Approvals) and Authorities, Contracts and Procurements 3200
Approval, Amendments 7120
Approval, Contracts 3210
Approval, Grant Subaward Modifications 7140
Approvals (or Appraisals) and Authorities, Contracts and Procurements 3200
Asset Forfeitures 6521
Assistance, Technical Programmatic 10200
Audit Costs 2234
Audit Report Content 8210
Audit Report Distribution 8220
Audit Report, Failure to Submit 8230
Audit Reporting Compliance 8101
Audit Reports, Timely Submittal 8102
Audit Reports 8200
Audit Requirements 8100
Audit, Frequency of 8120
Audit, Quality Control Review 8250
Audit, Questioned/Disallowed Costs Identified in an Audit 8321
Audit, Right to Perform or Review 8260
Audits, Closeout 13600
Audits, Securing 8130
Audits/Monitoring, Records 11110
Audits 8000
Augmentation Procedures 7330
Augmentations 7300
Authorities, Approvals (or Appraisals), Contracts and Procurements 3200
Authority, Proof of 1350

Authorized Official to Sign for Project 2113
Automated Equipment and Computers 2340
Automated System Purchase: Justification Guidelines (Cal OES 2-157) ..... (FORMS)
Automobile, Commercial Rental 2236.32
Automobiles 2331
Award, Grant Components 1200
Award, Grant Conditions 1300
Award, Grant 1000

-- B --

Bank Statements and Reconciliations, Records 11311
Benefits and Salaries/Employee, Personal Services 2100
Beverages and Food 2246
Bond, Fidelity 2160
Bonuses/Commissions 2241
Budget Modification Procedures 7530
Budget Modification 7500
Business Expenses 2236.33

-- C --

Cal OES Form 2-201- Report of Expenditures and Request for Funds ..... (FORMS)
Cal OES Form 2-202- Certification for Advance of Grant Funds ..... (FORMS)
Cal OES Form 2-203- Request to Submit Quarterly Reports of Expenditure ..... (FORMS)
Cal OES Form 2-223- Grant Subaward Modification ..... (FORMS)
Cal OES Form 2-224- Statement of Interest Income ..... (FORMS)
Cal OES Form 2-213- Grant Subaward Amendment ..... (FORMS)
Cal OES Form 2-235- Request for Programmatic Technical Assistance ..... (FORMS)
Cal OES Form 2-163- Confidential Funds ..... (FORMS)
Cal OES Form 2-104(a-m)- Certification of Assurance of Compliance ..... (FORMS)
Cal OES Form 2-158- Out-of-State Travel Request ..... (FORMS)
Cal OES, Final Action by 10436
Calculating the Match 6550
Cancelled Checks, Records 11314
Cash Basis, Accounting System and Structure 6400.8
Cash Match 6511
Certification of Assurance of Compliance (Cal OES Form 2-104) 2150
Certification, Debarment 2155
Certification, Drug-Free Workplace 2152
Certification, Lobbying 2154
Changes in Key Personnel 2114
Changes to Grant Subaward7 000
Changing the Subrecipient Name 7110
Changing the Type of Match 6560
Charges, Interest, Fees, and Penalties 2245

Checks, Cancelled 11314
Civil Rights Compliance- Equal Employment Opportunity 2151
Civil Rights Laws, State and Federal (Cal OES 2-311) ..... (FORMS)
Claims, Travel 2236.4
Closeout 13000
Commercial Automotive Rental 2236.32
Commissions/Bonuses 2241
Communication, Records 11500
Community Based Organizations, Travel and Per Diem 2236.22
Compensation Allowable for Personnel 2172
Compliance, Civil Rights- Equal employment Opportunity 2151
Components, Grant Subaward 1200
Computers and Automated Equipment 2340
Computer Purchase Justification Guidelines (Cal OES 2-157) ..... (FORMS)
Computers, Lease to Purchase Agreements 2343
Conditions, Grant Subaward 1300
Confidential Expenditures 2231
Confidential Funds (Cal OES 2-163) ..... (FORMS)
Considerations in Grant Subaward Extensions 7320
Considerations, Augmentations 7320
Considerations, Extension of the Liquidation Period 7720
Considerations, Reduction in Grant Allocation 7420
Consultant Services 2237
Contract and Procurement Awards 3413
Contract Provisions 3900
Contract, Definition 3110
Contracting, Methods of, and/or Procurement 3400
Contractor/Independent Contractor/Consultant, Independent 3710
Contractor, Selecting 3700
Contracts and Procurements 3000
Contracts, Elements of, or Purchase Order/Document 3600
Contributions, Expenditure of Match, Reporting 6570
Copyrights and Patents, Multi-Media Materials 5000
Copyrights and Rights in Data 5300
Corrective Action Plan Process 10433
Cost Allocation 2183
Cost, Computers and Automated Equipment 2342
Costs for Personnel, Allowable and Non-allowable 2170
Costs, Audit 2234
Costs, Questioned 8600
Credits and Disclaimers, Publications 5200

-- D --

Debarment, Certification 2155
Definition, Allowable and Non-allowable Costs for Personnel 2170

Definition, Augmentations 7310
Definition, Budget Modification 7510
Definition, Contracts 3110
Definition, Drug-free Workplace 2152.2
Definition, Emergency 2235.1
Definition, Encumbrance 6210
Definition, Equipment 2310
Definition, Grant Subaward 1100
Definition, Grant Subaward Extensions 7210
Definition, Liquidation Period 7710
Definition, Monitoring 10400.1
Definition, Obligation (Encumbrance) 6210
Definition, Operational Agreement 4100
Definition, Overtime 2171.61
Definition, Procurement 3120
Definition, Publications 5110
Definition, Reduction in Grant Allocation 7410
Denial of Future Funding 12300
Denial, Withholding, Reduction, Termination, and/or Denial 12000
Deposit Receipts, Duplicate 11313
Depreciation 2249
Description, Job, Written 2120
Director, Project 2111
Disallowance or Withholding of Grant Funds 2100
Disallowance, Withholding, Reduction, Termination and/or Denial 12000
Disallowed/Questioned Costs Identified in an Audit 8321
Disclaimers and Credits 5200
Disclosure of Lobbying Activities (Cal OES 2-232) ..... (FORMS)
Disputed Findings, Monitoring 10434
Distribution, Audit Report 8220
Documentation Requirements, Records 11300
Documents, Access to Audit 8240
Double Billings 6340
Drug-Free Workplace Certification Requirements, Contracts 3910
Drug-Free Workplace Certification 2152
Dues, Annual Professional 2248
Dues, Membership 2248
Duplicate Deposit Receipts, Records 11313

-- E --

Elements of a Contract or Purchase Order/Document 3600
Elements of an Operational Agreement 4300
Emergency Defined 2235.1
Emergency Funds 2235
Emergency Fund Procedures (Cal OES 2-153) ..... (FORMS)

Employees, Federal and State 2175
Employment, Equal Opportunity- Civil Rights Compliance 2151
Encumbrances and Liquidation Expenditures 6200
Encumbrances, Definition 6210
Environmental Impact, Certification 2153
Equal Employment Opportunity- Civil Rights Compliance 2151
Equal Employment Opportunity Policy Statement Sample (Cal OES 2-310) ..... (FORMS)
Equipment, Allowable 2320
Equipment, Computer and Automated 2340
Equipment, Definition 2310
Equipment, Depreciation 2249
Equipment, Identification and Records 2350
Equipment, Losses/Replacements 2370
Equipment, Records 11350
Equipment, Rented or Leased 2233
Equipment 2300
Establishing Operational Agreements 4200
Exception to Regular Independent Contractor/Consultant Services Rates 3710.11
Expenditures Report of and Request for Funds (Cal OES Form 2-201) ..... (FORMS)
Expenditures, Confidential 2231
Expense Items Prohibited 2240
Expenses, Allowable, Operating 2230
Expenses, Business 2236.33
Expert Witness Fees 3710.2
Extension of Liquidation Period 7700
Extension Procedures 7240
Extensions of Grant Periods 7220
Extensions, Grant Subaward 7200

-- F --

Facility Rental 2232
Failure to Submit an Audit Report 8230
Fees, Annual Professional Dues or 2248
Fees, Charges, Interest, and Penalties 2245
Fees, Expert Witness 3710.2
Fidelity Bond 2160
Files, Personnel 11340
Final Action by Cal OES, Monitoring 10436
Final Payment, Progress Report 10130
Final Progress Report 13200
Final Report of Expenditures and Request for Funds 6330
Final Request for Reimbursement 13400
Final Sanctions, Monitoring 10435
Financial Officer 2112
Financial Reporting 6000

Findings, Disputed, Monitoring 10434
Fiscal, Records 11310
Follow-up, Site Visit 10330
Food and Beverages 2246
Forfeitures, Asset 6521
Formal Advertising, Contracts and Procurements 3410
Frequency of Audit 8120
Fund Availability 1400
Funding Categories and Policy 2000
Funding, Denial of Future Funding 12300
Fundraising 2243
Funds, Emergency 2235
Funds, Request for and Report of Expenditures (Cal OES Form 2-201) ..... (FORMS)
Future Funding, Denial of 12300

-- G --

General Ledger Account Entries 11312
General Ledger Account Structure 6420
Government, Travel and Per Diem, Policy 2236.2
Grant Subaward 1000
Grant Subaward Amendment (Cal OES Form 2-213) ..... (FORMS)
Grant Subaward Components 1200
Grant Subaward Conditions 1300
Grant Subaward Conditions, Genera l1310
Grant Subaward Extensions 7200
Grant Subaward Modification (Cal OES Form 2-223) ..... (FORMS)
Grant Subaward Notification 6100
Grant Subaward, Changes to 7000
Grant Subaward, Reduction 7400
Grant Funds, Withholding, Disallowance, Reduction, Termination and/or Denial1 2000
Grant Funds, Withholding or Disallowance of 12100
Guidelines, Contracts and Procurements 3300

-- I --

Identification and Records, Equipment 2350
Improvements and Real Property 2244
Independent contractor/Independent Contractor/Consultant 3710
Indirect Costs (IC) or Facilities and Administration (F&A) Costs 2173
Indirect Cost Rate Proposal (ICRP) 2180
Informal Advertising, Contracts and Procurement 3420
In-Kind Match 6512
Interest Income 6620
Interest Income, Statement of (Cal OES Form 2-224) ..... (FORMS)
Interest, Charges, Fees, and Penalty Payments 2245

Interest, Conflict of 2140
Internal Assessment/Final Evaluation Report 13300
Internet Access, Funding Categories and Policies 2340.1
Invitation for Bid, Contracts and Procurements 3411

-- J --

Job Description, Written 2120
Justification Procedure, Contracts 3521
Justification Procedure, Contracts and Procurements 3520
Justification Procedure, Procurements 3522
Justification, Computers and Automated Equipment 2341

-- K --

Key Personnel, Changes 2114
Key Personnel 2110

-- L --

Lease to Purchase Agreement 2343
Lease/Purchase Analysis (Cal OES 2-233) ..... (FORMS)
Leased or Rented Equipment 2233
Ledger, General Account Entries 11312
Ledger, General, Account Structure 6420
License, Professional 2248
Limitations, Contract 3800
Liquidation Expenditures 6220.1
Liquidation Period, Consideration of Extension 7720
Liquidation Period, Definition 7710
Liquidation Period, Extension of 7700
Liquidation Period, Procedures for Extension 7730
Lobbying 2154
Lobbying, Prohibited 2242
Losses/Equipment 2370

-- M –

Maintenance and Retention of Records 11000
Match Categories (Allowable/Non-allowable) 6520
Match on Percent of Funds Allocated 6550.2
Match on Total Project Cost 6550.1
Match Requirements 6500
Match, Calculating 6550
Match, Cash 6511
Match, Changing the Type 6560

Match, In-Kind 6512
Match, Over 6540
Match, Reporting 6570
Match, Required 6530
Matching State or Federal Funds 6522
Membership Dues 2248
Methods of Contracting and/or Procurement 3400
Modification Grant Subaward (Cal OES Form 2-223) ..... (FORMS)
Modification Project Objectives 7600
Modification, Budget 7500
Modified Accrual Basis, Accounting System 6410
Modifying the Grant Subaward 7130
Monitoring Field Document 10422
Monitoring Procedures, Standard 10420
Monitoring Report 10430
Monitoring, Disputed Findings 10434
Monitoring, Final Action by Cal OES 10436
Monitoring, Final Sanctions 10435
Monitoring/Audits 11110
Monitoring 10400
Monthly Report of Expenditures and Request for Funds 6312
Motorized Vehicles 2330
Moving Expenses 2232.3
Multi-Media Materials, Copyrights, and Patents 5000

-- N --

New Line Item, Operating Expenses 2210
Non-allowable and Allowable Costs for Personnel 2170
Non-Competitive Bid (NB) Requests, Contracts 3511
Non-Competitive Bid (NB) Requests 3500
Notification of Grant Subaward 6100

-- O --

Objectives, Modification of Project Objectives 7600
Official Authorized to Sign for Project 2113
One Bid Received or Considered Responsive, Contracts and Procurements 3530
Operating Expenses, Audit Costs 2234
Operating Expenses 2200
Operation Agreements 4000
Operational Agreement, Elements 4300
Operational Agreement, Requirements of Participating Agencies 4400
Operational Agreement Summary (Cal OES 2-160) ..... (FORMS)
Operational Agreements, Establishing 4200
Opportunity, Equal Employment- Civil Rights Compliance 2151

Organization Policies and Procedures 11400
Other Income and Project Income 6600
Other Income 6630
Out-of-State Travel 2236.11
Out-of-State Travel Request Form (Cal OES 2-158) ..... (FORMS)
Over Match 6540
Overtime 2171.61
-- P --

Participating Staff 4500
Patents 5400
Payment, Final 10130
Payments, Advance 6311
Payroll Records 11330
Penalties, Charges, Fees, Interest 2245
Per Diem and Travel 2236
Personal Services- Salaries/Employee Benefits 2100
Personnel Changes 2174
Personnel Files, Retention 11340
Personnel Policies, Written 2130
Personnel, Costs for, Allowable and Non-allowable 2170
Personnel, Key, Changes 2114
Personnel, Key 2110
Policies and Procedures, Organization 11400
Policies, Personnel, Written 2130
Positions, Administrative Overhead 2173
Prior Approval for Budget Modification 7520
Private Vehicles, Allowable Travel Costs 2236.31
Procedure, Justification for Procurements 3522
Procedures, Accountability (Emergency Funds) 2235.2
Procedures, Augmentation 7330
Procedures, Budget Modification 7530
Procedures, Emergency Fund (Cal OES 2-153) ..... (FORMS)
Procedures, Extension of Liquidation Period 7730
Procedures, Standard Monitoring 10420
Procurement and Contracts Awards 3413
Procurement, Contracts and 3000
Procurement, Definition 3100
Procurement, Methods of Contracting and 3400
Procurements, Contracts and 3000
Professional Dues or Fees, Annual 2248
Professional License 2248
Programmatic Technical Assistance, Request for (Cal OES Form 2-235) ..... (FORMS)
Programmatic, Records 11320
Progress Reports 10100
Prohibited Expense Items 2240

Project and Other Income 6600
Project Director 2111
Project Income 6610
Project Income Reporting Transmittal (Cal OES Form 2-234) ..... (FORMS)
Project Objectives, Modifications 7600
Proof of Authority 1350
Provisions Regarding Allowable Compensation for Personnel 2172
Provisions Regarding Allowable Operating Expenses 2230.1
Provisions, Contract 3900
Publications, Credits and Disclaimers 5200
Publications 5100
Purchase of Supplies 2140.4
Purchase Order/Document, Elements of a Contract or 3600
Purchase, Lease to, Agreement 2343
Purpose, Progress Reports 10110
Purpose, Site Visit 10310

-- Q --

Quality Control Review of Audit Reports 8250
Quarterly Reports of Expenditures and Request for Funds 6320
Quarterly Reports of Expenditure and Request for Funds (Cal OES Form 2-203) ..... (FORMS)
Questioned/Disallowed Costs Identified in an Audit 8321

-- R --

Rates, Independent Contractor/Consultant Services 3710.1
Real Property and Improvements 2244
Reconciliations and Bank Statements 11311
Records and Identification, Equipment 2350
Records, Audit/Monitoring 11110
Records, Fiscal 11310
Records, Payroll 11330
Records, Programmatic 11320
Records, Retention Requirements 11200
Records 11000
Reduction or Termination of Grant Funds 12200
Reduction Procedures, Grant Subaward 7430
Reduction to Grant Subaward 7400
Reduction, Withholding, Disallowance, Termination and/or Denial of Grant Funds 12000
Reimbursement, Final Request 13400
Rental Space for Training, Shelter, and Counseling Rooms 2232.1
Rental, Commercial Automobile 2236.32
Rental, Facility 2232
Rented or Leased Equipment 2233
Replacements, Equipment 2370

Report Distribution, Audits 8220
Report of Expenditures and Request for Funds (Cal OES Form 2-201) 6300
Report of Expenditures and Request for Funds (Cal OES Form 2-201) ..... (FORMS)
Report, Monitoring 10430
Reporting, Financial 6000
Reports, Audit 8200
Reports, Progress 10100
Requests for Programmatic Technical Assistance (Cal OES Form 2-235) ..... (FORMS)
Request, Non-Competitive Bid 3500
Requests for Approval, Confidential Expenditures 2231.1
Requests, Non-Competitive Bid, Contracts 3511
Required Certifications (Cal OES Form 2-104a -m) ..... (FORMS)
Required Certification of Assurance of Compliance 2150
Required Match 6530
Requirements of Participating Agencies, Operational Agreement 4400
Requirements, Audit 8100
Requirements, Retention 11200
Responsible Agency 1311
Responsive, One Bid Received or Considered, Contracts and Procurement 3530
Retainer Fees 2237.2
Retention of Records 13500
Retention Requirements (Records) 11200
Review, Quality Control (Audits) 8250
Right to Perform Audit or Review 8260
Rights in Data, Copyrights 5300
Rights, Civil, Compliance- Equal Employment Opportunity 2151

-- S --

Salaries/Employee Benefits, Personal Services 2100
Sanctions, Final 10435
Scope of Audit 8110
Scope of Monitoring 10421
Securing Audits 8130
Security, Fidelity Bond 2160
Selecting a Contractor 3700
Separation of Duties- General Guidelines 8400
Services, Independent Contractor/Consultant 2237
Services, Personal, Salaries/Employee Benefits 2100
Services/Studies, Management 2237.3
Shifting of Personnel 2174
Sign, Official Authorized for Project 2113
Site Visit 10300
Source Documents 10111
State and Federal Civil Rights Laws 2151.1
State and Federal Employees, Allowable/Non-allowable Costs 2170

State Funds and Federal Matching State Funds 6522
Statement of Interest Income (Cal OES Form 2-224) ..... (FORMS)
Studies/Services, Management 2237.3
Submission of Progress Report 10120
Supplanting Prohibited 1330
System and Structure, Accounting 6400

-- T --

Technical Assistance 10200
Termination or Reduction of Grant Funds 12200
Termination, Withholding, Disallowance, Reduction, and/or Denial of Grant Funds 12000
Terms of the Program 1320
Timeframe, Site Visit 10320
Travel and Per Diem Policies 2236.2
Travel and Per Diem 2236
Travel Claims 2236.4

-- U --

Units of Government, Travel and Per Diem Policies 2236.21

-- V --

Vehicles, Motorized 2330
Vehicles, Private, Allowable Costs for Travel 2236.31
Visit, Site 10300
Vouchers, Records 11315

-- W --

Weapons and Ammunition 2247
Withholding, Disallowance, Reduction, Termination and/or Denial of Grant Funds 2000
Withholding or Disallowance of Grant Funds 12100
Witness, Expert, Fees 3710.2
Written Job Description 2120
Written Personnel Policies 2130