



HSP and SWEEP Block Grant Programs

Draft Grant Award Procedures (GAP) Manual

OARS will update this manual with links and final dates as they become available. All templates will be available before OARS begins accepting full proposals to allow applicants to budget appropriately. All dates and contact information will be final before award execution and the document will no longer be in draft format.

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1 Overview

1.1 Grant Program Background and Purpose

[Office of Agricultural Resilience and Sustainability \(OARS\)](#), within the California Department of Food and Agriculture (CDFA), administers these Block Grants. Block Grant Recipients (BGR) administer incentive funding to producers (referred to as 'grant Beneficiaries') for on-farm climate smart agriculture projects and provide supporting technical assistance. Each Block Grant Program focuses on specific natural resource issues:

Healthy Soils Program

[The Healthy Soils Program \(HSP\)](#) stems from the California Healthy Soils Initiative, a collaboration of state agencies and departments that promotes the development of healthy soils on California's farmlands and ranchlands. The objectives of the HSP are to increase statewide implementation of conservation management practices that improve soil health, biodiversity, and ecosystem resilience, while maintaining or improving productivity.

State Water Efficiency and Enhancement Program

[The State Water Efficiency and Enhancement Program \(SWEEP\)](#) promotes the use of irrigation systems that reduce energy and water use. The objective of SWEEP is to conserve water and reduce greenhouse gas emissions associated with irrigation, helping farms become more resilient to California's highly variable water supply.

Proposition 4, approved by California voters in November 2024, created the [Climate Bond](#) (Bond) which is funding the 2026 Block Grant Programs. The Climate Bond establishes core principles to make sure funded projects are effective, equitable, and aligned with California's climate goals. These principles focus on directing investments strategically to advance statewide climate priorities, ensuring transparent implementation in partnership with communities, prioritizing historically underinvested areas most vulnerable to climate impacts, and maintaining California's long-term momentum in climate action. OARS has

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integrated Bond principles and requirements into the design of the 2026 Block Grant Programs.

1.2 Grant Award Procedures (GAP) Manual Purpose

The Grant Award Procedures (GAP) Manual provides instructions on how to comply with State of California, CDFA and grant program policies and procedures. Find the glossary for this GAP in [Appendix 1](#). The GAP manual references, but does not duplicate, two other key compliance documents: the executed grant agreement, which includes the Scope of Work and the Terms and Conditions of the agreement, and the [CDFA Grant Administration Regulations](#). The CDFA Grant Administration Regulations outline the administrative regulations applicable to all CDFA grant funds. The GAP manual also references and links appendices (detailed information for BGRs included at the end of the GAP), online program-specific guides (detailed information relevant to the BGR and potential on-farm Beneficiaries), forms (submitted by BGR to make a request to OARS), and templates (minimum information standards for BGR reporting and recordkeeping).

OARS administers HSP and SWEEP Block Grants as separate programs, but this unified GAP manual ensures alignment of policies across programs so that grantees who interact with both programs have an easier experience navigating OARS' requirements. **Follow the GAP Manual and reference the executed grant agreement and the CDFA Grant Administration Regulations to ensure successful grant execution and reimbursement of expenses.** OARS may update the GAP manual as needed and will notify grantees of any changes. Review these changes promptly.

OARS understands the importance of recognizing Tribal sovereignty in award procedures, such as on-farm data management. OARS may collaborate with individual Tribal awardees to customize the GAP and memorialize those customizations in an appendix.

1.3 General Responsibilities

1.3.1 Office of Agricultural Resilience and Sustainability

The Office of Agricultural Resilience and Sustainability (OARS) is responsible for stewarding state funding to ensure use as intended by Governor, Legislature and funding source. To meet this responsibility, OARS trains and monitors BGRs to ensure compliance with program requirements and grant terms and conditions.

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OARS will also provide BGRs with technical assistance and support based on a decade of experience administering the HSP and SWEEP programs directly to producers. OARS assigns two staff with distinct roles to each project:

- **Grant Program Manager:** Manages performance of each project to meet the Scope of Work and the technical requirements for on-farm projects.
- **Grant Program Analyst:** Facilitates project modifications, processes invoices and advance payments, and monitors for compliance with CDFA Grant Administration Regulations.

1.3.2 Block Grant Recipient

BGRs are responsible for project implementation as outlined in the Grant Agreement Scope of Work (SOW) and for proactively communicating with OARS about delays and disruptions that may compromise their ability to meet the obligations of their grant agreement, including meeting the schedule in their agreement. BGRs are responsible for meeting all reporting requirements. BGRs are responsible for understanding and complying with all requirements and timelines of their grant agreement, this GAP manual, and any grant regulations referenced in this manual. Read this GAP manual in its entirety before the start of the grant. BGRs have the following key personnel roles that are collectively responsible for the project:

- **Grant Project Manager:** Leads the grant work and serves as point of contact with OARS for performance reporting and management.
- **Authorized Official:** Signs the grant agreement and any modifications to the agreement on behalf of the BGR.
- **Financial/Fiscal Contact:** Compiles and submits invoices and maintains supporting documentation.
- **Technical Assistance Lead:** Leads technical assistance efforts and has technical qualifications to advise on on-farm practices.
- **Publicity Lead:** Collaborates with OARS on project publicity.

BGRs shall enforce standards for conflicts of interest which govern the performance of their officers, employees, or agents engaged in the award and administration of State grant funds, including administration of funds to Beneficiaries. The standards for conflicts of interest shall prohibit any conflict of interest as defined by the [California Fair Political Practices Commission](#).

1.3.3 UC Agriculture and Natural Resources

BGRs may utilize the University of California Agriculture and Natural Resources (UCANR) Community Education Specialist (CES) team support to advance

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project implementation specifically related to [serving disadvantaged communities, severely disadvantaged communities and vulnerable populations](#).

As capacity allows, CESs may serve in administrative and technical assistance roles on block grant project teams, including supporting outreach strategies, on-farm project application processes, project review, producer technical assistance, soil sampling (as applicable), and documentation of outcomes.

To request support or for a full list of services, reach out to:

climatesmartag@ucdavis.edu.

1.4 Training and Support

OARS provides the following training to support compliant and effective grant management. Communicate conflicts with scheduled training as soon as possible and OARS will try to make accommodations.

In the event of personnel changes, BGRs must train new staff promptly and ensure they receive all documentation and knowledge necessary for continued grant compliance. OARS is also here to assist with these transitions.

1.4.1 Onboarding

To give BGRs a solid knowledge foundation and create opportunities to network with peers, OARS will conduct an in-person, mandatory onboarding training in Sacramento, California on [DATE TBD] for up to three members of the project team. The training will cover most topics in this GAP Manual. Attendance is mandatory for at least one administrative and one technical assistance staff member for the entire training. The grant budget can cover travel expenses. Failure to meet this requirement may result in grant cancellation.

1.4.2 Ongoing Assistance and Remedial Training

OARS will also provide three forms of training throughout the grant term. OARS will offer these training courses as virtual or hybrid sessions

1. **Office Hours (optional but recommended):** Recurring sessions in which program staff are available for drop-in, real-time assistance for a variety of technical and administrative issues. Maintain a calendar hold for these sessions.
2. **Focused Topical Training (as required):** Follow-up training to the onboarding sessions to address specific issues impacting multiple grantees. OARS will strive to incorporate these into recurring office hour time slots to simplify scheduling.

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3. **Remedial Training (required):** Focused topical training for BGRs struggling to meet project objectives and/or program requirements.

1.4.3 Online Resources

Find the most recent GAP Manual, templates, training videos, examples of grant management tools and FAQs in the shared folders for each program linked below.

- [HSP Resources \(Link TBD\)](#)
- [SWEEP Resources \(Link TBD\)](#)

1.4.4 Contacting OARS

The OARS program staff are available to answer questions regarding program requirements. When contacting OARS, reach out to the Grant Program Manager and/or Grant Program Analyst based on the nature of the inquiry and cc: the program's general inbox (HSP: cdfa.hsp_tech@cdfa.ca.gov; SWEEP: cdfa.sweeptech@cdfa.ca.gov) to ensure a timely response in the case that assigned staff are temporarily unavailable. Include the grant agreement number in the subject line. OARS will acknowledge receipt and/or respond to inquiries within 2 business days.

1.5 The California Public Records Act

Data associated with grant programs are subject to public disclosure through the California Public Records Act (CPRA). The CPRA states that every citizen has the right to inspect and/or obtain a copy of any public record. Certain records are exempt from disclosure under the CPRA. The CDFA Legal Office determines if a record - or a part of a record - is exempt from disclosure. For more detailed information on privacy, refer to [CDFA's Privacy Policy Statement and Privacy Notice on Collection](#).

1.6 State Auditing

Projects are subject to audits by the State annually and for three (3) years following the final payment of grant funds. If the project is selected for an audit, the BGR will be contacted in advance. The audit shall include all books, papers, accounts, documents, evidence of payment, or other records of the BGR, as they relate to the project. Make all project expenditure documentation available for an audit, whether paid with grant funds or other funds.

2 Working with OARS

2.1 Communication Expectations

Responsiveness between OARS and BGRs is essential to efficient grant management and respect for staff time on both sides. Proactively follow scheduled communication touchpoints - including submitting deliverables according to the project scope of work, submitting invoices and supporting documentation at the quarterly deadlines, and attending monthly check-in meetings. **Respond to follow-up communications, inquiries for additional information, and requests for corrections and modifications to submitted documents within 5 business days unless otherwise specified/arranged.**

Failure to respond is a breach of the executed grant agreement (Executed Exhibit B, General Terms and Conditions) and OARS may pursue corrective action in accordance with CDFA's Grant Administration Regulations (Section 326: Remedies for Non-Compliance).

2.1.1 The Grant Management System (GMS)

Submit all scheduled deliverables through the Grant Management System. When experiencing technical difficulties with the GMS, contact [e-mail TBD].

2.2 Financial Management

Block Grant Recipients (BGRs) are accountable for the management of all grant funds, including funds that go to subrecipients, contractors, and Beneficiaries. Maintain an accounting system that accurately reflects fiscal transactions. Use funds solely for the project as described in the approved Scope of Work and/or approved Project Modification Requests.

2.2.1 Payment Methods and Procedures

OARS makes payments through advances and/or reimbursements.

Advance payments allow BGRs to request funds up front and substantiate actual expenditures through the invoice process. OARS has the discretion to approve or deny advance payment requests based on BGR performance and there is no appeals process. Advance payments require additional justification and reporting but follow the same expense reconciliation processes as standard invoice reimbursements.

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2.2.1.1 Advance Payment

2.2.1.1.1 Rules and Requirements

Section 316.1 (a) of the CDFA Grant Administration Regulations outlines rules and requirements for advance payment to qualifying 501(c)(3) non-profit organizations. Section 316.1 (c) outlines circumstances under which an advance payment is not allowable. Advance payment requests cannot exceed 25% of the project administration budget and/or the total budget for on-farm projects OARS has screened and approved for eligibility ([see GAP Section 2.3.2.4](#)). OARS policy further stipulates that requests cannot exceed expenses necessary to cover a six-month period and should be spent within that period or OARS may not approve future advance payments.

2.2.1.1.2 Initiating a Request

To initiate an advance payment request, submit Advance Payment Request Supplement Forms 2.1.1, 2.1.1.A and the Advance Payment Cost Estimate Worksheet (Template TBD) to the OARS Grant Analyst. It may take up to 5 business days from the request date for OARS to review the request and render a decision or request additional information, and up to 45 additional calendar days for the State Controller's Office to issue a check via mail (no other payment options are available).

Sample Workflow when Including On-Farm Projects

Advance Payments that include anticipated On-Farm Project expenditures can accelerate payments to Beneficiaries. Timely payment of Beneficiaries is [Common Objective 7](#) and OARS tracks this as a performance measure in quarterly reporting. The following is an example workflow that facilitates timely payment to Beneficiaries without requiring the BGR to assume the risk of offering advance payments directly to Beneficiaries. Project administrative expenses would also be included in these advance payment requests, but for simplicity they are not included in the example below.

The timeline assumes maximum time needed for OARS approval (5 business days) and for the State Controller's Office to issue a check (45 calendar days). The timeline also assumes that the BGR submits complete and accurate information upon initiating the request, and that the BGR submits advance payment requests that align with actual expenses. Advance Payment requests that are too large result in delays in liquidation, and OARS cannot process a new

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advance payment until the current one is fully liquidated. The timeline is as follows:

- **Pre-Work:** BGR queries Beneficiaries for anticipated expenses in the next quarter and develops an AP request.
- **Quarter 1, Day 1:** BGR submits Forms 2.1.1, 2.1.1.A and the Advance Payment Cost Estimate Worksheet using on-farm project expense estimates from the Pre-Work. Beneficiaries commence on-farm project implementation.
- **Quarter 1, Day 7:** OARS approves the Q1 Advance Payment Request and initiates payment through SCO.
- **Quarter 1, Day 52:** BGR receives check for the Q1 advance payment and begins paying Beneficiaries, prioritizing those *included* in the advance payment request who have completed project components. *The maximum time a Beneficiary included in the AP request goes between a Q1 expense and reimbursement is approximately 60 days.*
- **Quarter 2, Day 30:** BGR submits the Q1 invoice on the invoicing deadline to substantiate the expenses included in the Q1 advance payment and fully liquidate it. The BGR submits a request for a new advance payment to cover any additional Beneficiary expenses from Q1 not covered by the fully liquidated Q1 advance payment.
- **Quarter 2, Day 37:** OARS approves the Q1 invoice to liquidate the Q1 advance payment and initiates the Q2 advance payment through SCO.
- **Quarter 2, Day 82:** BGR receives the Q2 advance payment check and begins paying Beneficiaries with Q1 expenses that were not covered by the Q1 advance payment. *The maximum time a Beneficiary not included in the Q1 advance payment goes between expense and reimbursement is approximately 180 days.*

2.2.1.1.3 Reporting

Report on spend down progress and interest earned during the quarterly invoicing process using the Advance Payment Request Liquidation Form 2.1.1.B. OARS will liquidate the advance payment against any reimbursement request until the advance payment is offset completely by expenditures regardless of whether the submitted expenses match Form 2.1.1.A. If there is a substantial mismatch between the advance payment request outlined in Form 2.1.1.A and actual expenditures in Form 2.1.1.B, it demonstrates a lack of fiduciary planning on behalf of the BGR and OARS may deny future advance payment requests.

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If the advance payment is fully liquidated between invoicing deadlines, submit Forms 2.1.1.A and 2.1.1.B to the OARS Grant Program Analyst at any time to begin a new advance payment request.

2.2.1.1.4 Unused Funds

Return unused advanced payment funds to the department. There are two scenarios:

- **Termination for any reason:** Remit any unliquidated advance payment funds within 30 days of the termination request.
- **Expiration of the Grant Agreement:** Remit any unliquidated advance payment funds within 60 days of the agreement end date.

2.2.1.1.5 Interest Payments

Pay interest earned on advance payments during a 180-day period to the Department. Make the check payable to "CDFA 809." The check must include the grant agreement number for which the AP payment was received, that the check is for "interest on an advance payment," and "PC 6590000L08." Mail the check to:

CDFFA – Misc Revenue
PO Box 942872
Sacramento, CA 94271

Once the check has been mailed, send an e-mail to accountsreceivable@cdfa.ca.gov, with the program's technical inbox (HSP: cdfa.hsp_tech@cdfa.ca.gov; SWEEP: cdfa.sweepstech@cdfa.ca.gov) copied. The subject line of the email should be "Advance Payment Interest Remittance" and include the grant agreement number. Confirm that a check has been sent in the body of the e-mail.

2.2.1.2 Invoice Reimbursement

Table 1: Invoice Due Dates

Quarterly Period	Invoice Due No Later Than
January 1 – March 31	April 30
April 1 – June 30	July 31
July 1 – September 30	October 31

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Quarterly Period	Invoice Due No Later Than
October 1 – December 31	January 31
Final Invoice	Within 30 days after the grant agreement term expires

The OARS Grant Program Analyst initiates each invoice cycle following the approval of the last invoice by generating an electronic CDFA invoice template and e-mailing it to the BGR Fiscal Contact. Complete the template with the following information:

- **Amount Requested** – Dollar amount requested for each budget category. Expenses should align with the project budget.
- **Preparer/Authorized Certification** – Name of Preparer and Authorized Official, phone number, email address and date must be provided. By completing this section, the Authorized Official certifies that the requested amount reflects actual and allowable expenditures in accordance with the grant.

Submit the completed invoice template and [quarterly progress report](#) through the GMS no later than 30 calendar days after the end of each quarterly period (Table 1).

2.2.1.2.1 No Expenditure Reimbursement

If no costs were incurred during a billing period, mark the “NO EXPENDITURES” box on the invoice template and submit it through the GMS with a brief explanation of why costs were not incurred during the billing period.

2.2.2 Reimbursable Expenses

OARS will reimburse allowable costs incurred within the grant term as outlined in the executed grant agreement, which includes the approved project budget. The project budget may lack the detail to explicitly approve every expense, particularly small expenses. For example, the budget may include estimates for a specific trip, but not individual costs within a trip. When assessing whether a specific cost is allowable, refer to [CDFA's Grant Administration Regulations](#) (Section 330: Allowability of Costs), the supporting guidance document referenced in Section 330, and any specific requirements or resources cited below for individual expense types. **Every team member should read and**

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understand these documents prior to making expenditures. OARS has extremely limited discretion to reimburse mistakes.

The invoices template is broken down into two categories:

Budget Breakdown	
<p>Project Administration</p> <ul style="list-style-type: none">• Direct cost for administering the project, including providing technical assistance. 25% of technical assistance expenditures must support SDFRs. An individual contractor cannot account for more than 30% of the project administration budget. There is no limit on subrecipient costs.• Indirect Costs.	Maximum 20% Combined*
<p>On-Farm Projects:</p> <ul style="list-style-type: none">• HSP Maximum: \$150,000 per project with a cap of \$75,000 per practice.• SWEEP Maximum: \$200,000 per project with no more than 40% of the project funds going toward a renewable energy strategy and no more than 40% of funds going toward an irrigation water management strategy.	Minimum 80%*

*BGRs who demonstrate a need for additional project administration funding by exceeding Climate Bond targets for SDFRs (a vulnerable population) may increase their project administration budget, not to exceed 23% of the total award budget, by shifting funds from on-farm projects. See [Common Objective 4](#) for details.

2.2.2.1 Supporting Documentation for Direct Costs

Maintain thorough supporting documentation for all invoices according to Section 325 of the CDFA Grant Administration Regulations and specific program requirements. This includes documentation for invoices from all subrecipients, contractors and on-farm projects. Credit card statements are never an acceptable form of documentation. Find the documentation requirements for each allowable expense type below. OARS will review this documentation to ensure compliance at least annually.

2.2.2.1.1 Contractors (including Consultants)

Request prior approval from OARS for contractors not explicitly included in the budget. Leverage existing internal policies for managing and documenting contractor expenses, but those policies must meet minimum requirements

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outlined in Sections 320.1, 320.2 and 320.3 of the CDFA Grant Administration Regulations.

Collect and maintain invoices with enough detail to show a clear relationship to the scope of work.

2.2.2.1.2 Equipment

Refers to items with an acquisition cost of more than \$10,000/unit, including equipment for on-farm projects. Request prior approval from OARS for any equipment not explicitly included in the administrative portion of the budget¹. For approved equipment, maintain vendor invoices and receipts. Vendor invoices must clearly show the vendor's name, the BGR or Beneficiary as the bill party, invoice date, invoice number, quantity, item description, unit price, subtotal per item, and total invoice amount.

2.2.2.1.3 Miscellaneous Direct Costs

OARS allows some miscellaneous direct costs. These may include, but are not limited to:

- Honorariums for review committee members.
- Honorariums for farmers hosting a demonstration day.

Request prior approval from OARS for miscellaneous direct costs not explicitly included in the budget. OARS will advise on appropriate documentation based on the nature of those costs.

2.2.2.1.4 On-Farm Projects

Ensure grant Beneficiaries pass the OARS eligibility screening and follow collect [verification documentation](#) demonstrating compliance with [on-farm project design standards](#) to be eligible for reimbursement. There may be times when on-farm projects do not go exactly as planned and the reimbursement scenario is unclear. Reach out to OARS for assistance in these situations.

For purchases made by the BGR or the Beneficiary, collect and maintain invoices and receipts². Vendor invoices must clearly show the vendor's name, the BGR or Beneficiary as the bill party, invoice date, invoice number, quantity, item description, unit price, subtotal per item, and total invoice amount.

¹ For SWEEP, on-farm equipment approval is implicit in meeting the program's on-farm project design standards.

² For HSP bulk purchase and invoice-based, reimbursement, see requirements in [Appendix 2](#).

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2.2.2.1.5 Personnel Salary and Wages, and Fringe Benefits

In addition to standard organizational payroll records, maintain a Time and Activity Report (T&A Report) ([Template TBD](#)) to document the actual salary, wage, and fringe benefit expenditures for each employee charged to the Block Grant Program based on time spent fulfilling specific grant objectives. The employee and the supervisor must both sign the T&A Report.

2.2.2.1.6 Subrecipients

Request prior approval from OARS for any subrecipients not explicitly included in the budget. Subrecipients will need to generate a full and separate budget using the template provided during the solicitation and OARS will need to approve it. Subrecipients have the same documentation requirements as BGRs for each budget category.

2.2.2.1.7 Supplies

Refers to Items with an acquisition cost less than \$10,000/unit. Maintain vendor invoices and receipts. Vendor invoices must clearly show the vendor's name, the BGR or Beneficiary as the bill party, invoice date, invoice number, quantity, item description, unit price, subtotal per item, and total invoice amount.

2.2.2.1.8 Travel and Refreshments

Request prior approval from OARS for any out-of-state travel not explicitly included in the budget. International travel is not allowed. Follow Section 322 of the [CDFA Grant Administration Regulations](#) for rules and requirements for reimbursement of travel expenses. Sections 322.1 and 322.2 outline requirements for transportation expenses. Section 322.3 outlines requirements for reimbursement of meals, incidental and lodging expenses.

Follow these allowable rates, as referenced in the grant regulations:

- [Mileage](#)
- [In-State Meals, Incidentals and Lodging](#)
- [Out-of-State Meals, Incidentals and Lodging](#)

Refreshments at outreach events follow the same rate rules as meals for standard travel. Events must last at least 2 hours to qualify for refreshment reimbursement. Use an RSVP system to avoid over-purchasing food and exceeding the allowable meal rate per person.

Organize supporting documentation into folders for each trip/event. In each folder, maintain travel receipts and mileage logs, even for per diem reimbursements, and a brief written justification explaining the trip's connection

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to the Scope of Work's (SOW) objectives. For standard repetitive trips (like Beneficiary site visits), it is not necessary to create multiple justifications. To document refreshment purchase for events, maintain an agenda and a list of attendees in addition to all receipts.

2.2.2.2 Supporting Documentation for Indirect Costs

The executed grant agreement specifies the indirect cost (IDC) rate for the award. OARS will not accept requests to modify the indirect cost rate after agreement execution. Apply the agreed-upon indirect cost rate to each submitted invoice. OARS does not routinely collect supporting documentation to justify indirect costs during the grant term; however, the State of California may conduct an [audit](#) at any time and may request records to substantiate the IDC rate. Calculate indirect costs from the Modified Total Direct Costs (MTDC), which is the sum of all costs subject to the indirect rate. On-farm project costs are not included in the MTDC. Include up to \$50,000 of each subrecipient budget and/or contract in the MTDC.

2.2.2.3 Submitting Supporting Documentation

When OARS requests supporting documentation, upload it through the GMS. To expedite payment and minimize administrative burden on both OARS and the BGR, the level of OARS supporting document review will depend on the BGR's status in one of the following three categories:

- **Onboarding:** Submit all supporting documentation. OARS provides feedback and training for each expense category.
- **Maintenance:** OARS assigns this status when all requirements, performance objectives, and reimbursement procedures are consistently met. Submit supporting documentation only as requested by OARS. OARS conducts annual compliance reviews of supporting documentation to ensure that reimbursement is requested only for allowable costs. If performing a compliance review, OARS will request this documentation at the time of invoice submission.
- **Remedial:** Submit all supporting documentation. OARS assigns remedial status when expenses are not properly documented, performance is inadequate, suspected fraudulent activity is identified, or an audit finding is issued.

2.2.3 Payment Timeline

Timely payment is dependent on the completeness and correctness of the submitted invoice documentation and responsiveness of the BGR to requests for

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corrected or additional information. After final approval by OARS, it takes up to 45 calendar days for the State Controller's Office to issue a check. The OARS Grant Analyst will notify the BGR within 5 business days of receipt of the reimbursement invoice if they are unable to approve an invoice due to incomplete or incorrect documentation or unallowable costs and provide the instructions to resolve the issues. To appeal delays in reimbursement invoice approval, reference the procedure in [CDFA Grant Administration Regulations Section 340](#).

2.3 Reporting and Performance Management

The project scope of work identifies [Common Objectives and Performance Measures](#) (Appendix 3) set by OARS, as well as indicators and deliverables identified by the BGR in the application. OARS will monitor performance throughout the grant term including but not limited to tracking the timeliness and completeness of reports and deliverables. OARS collects this information to amplify project successes and identify opportunities for OARS to provide technical assistance to BGRs.

OARS will provide some flexibility in performance management in the case of unforeseen circumstances, such as acts of God, illness or death of individuals involved in the grant agreement implementation, or loss of key personnel. Reach out as early as possible if these situations arise as they may require a formal [agreement modification](#).

2.3.1 Monthly Meetings

OARS will schedule monthly 45-minute check-in meetings with each BGR and provide a standing agenda to guide the conversation. Both the Grant Project Manager and Fiscal Contact must attend these meetings. Other key personnel, subrecipients and contractors are welcome to attend.

2.3.2 Project Phase 1: Soliciting On-Farm Projects

Follow the deliverable deadlines set in the approved scope of work.

2.3.2.1 Objective 1: Design Selection Process

Develop a process for selecting on-farm projects to create a fair, transparent and goal-aligned selection process. Using **Template TBD**, describe the selection criteria and review process and submit to OARS for review and feedback.

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2.3.2.2 Objective 2: Plan and Schedule Outreach

Develop an *Outreach Plan* (Template TBD) to reach target Beneficiaries and submit it to OARS for review and feedback.

As part of this plan, develop a [website or webpage with all necessary information](#) for growers to apply for on-farm project funding. As appropriate, OARS will use the plan and the website to amplify the opportunity for growers in the service area.

2.3.2.3 Objective 3: Deliver Technical Assistance

During the solicitation process, collect data on technical assistance delivery using Template TBD. OARS will use this data and data from selected on-farm projects to assess progress toward state goals:

- Climate Bond: 40% of all funds provide meaningful and direct benefits to DACs, SDACs and vulnerable populations (including SDFRs and Tribes); of which at least 10% benefits SDACs
- CDFA: 25% of TA funds support SDFRs

2.3.2.4 Objective 4: Select On-Farm Projects

Submit the *Summary of Selected On-Farm Projects* (Template TBD) to OARS prior to notifying successful applicants. OARS will screen projects for eligibility. The BGR is responsible for [approving project designs](#) after completing training

On-Farm Project Eligibility Screening

OARS will screen projects for eligibility using past project data and according to program requirements and restrictions ([HSP](#) , [SWEEP](#)). OARS staff will have fifteen (15) business days to review the *On-Farm Project Selection Summary* from the date of submission and reach out if additional time is needed. OARS will categorize projects as:

- **Eligible:** Proceed with project as screened or with specified conditions.
- **Ineligible:** Do not proceed with project as screened. OARS will provide rationale to share with the Beneficiary.
- **Pending:** Submit additional information for screening to continue.

[Change to on-farm project parameters](#) used in the eligibility screening may necessitate rescreening.

If a BGR demonstrates that 40% or more of the final selected on-farm projects serve SDFRs, the BGR can [request an increase](#) to their project administration budget by shifting funds from their on-farm project budget. The modified project administration budget cannot exceed 23% of the total award.

2.3.3 Project Phase 2: Facilitating On-Farm Projects

After OARS approves on-farm projects, BGRs track and report performance indicators to demonstrate implementation progress.

2.3.3.1 Objectives 5, 6 and 7: Report Quarterly Progress

Submit the Quarterly Reporting Narrative [\(Template TBD\)](#) and an updated Quarterly On-Farm Project Tracker [\(Template TBD\)](#) via *the GMS* along with each quarterly invoice. Provide the report even during quarters with “no expenditures.” OARS staff will have ten (10) business days after the initial submission or submission of a revision to review and approve the report or require more information/changes.

2.3.3.2 Objective 8: Amplify Outcomes

2.3.3.2.1 Demonstration Day Summary

Notify OARS of scheduled demonstration days via the *Outreach Plan*, during monthly check-ins and/or during quarterly reporting. Summarize outcomes using the *Demonstration Day Summary* [\(Template TBD\)](#).

Provide the [Demographic Survey](#) to all attendees.

2.3.3.2.2 Case Studies

Submit photos, data metrics, and accompanying narrative text for three (3) on-farm projects for the development of case studies for use in OARS promotional materials [\(Template TBD\)](#). Obtain Grant Beneficiary [consent](#) prior to submitting the case studies.

2.3.4 Critical Project Review

If a BGR fails to meet milestones and submit deliverables on time or performance indicators show lack of progress, OARS will conduct a Critical Project Review to assess the project status in depth, including a site visit. OARS may engage CDFA's Audit Office for assistance.

2.3.5 Final Report

Submit an ADA-compliant *Final Report* [\(Template TBD\)](#) by the deadline identified in the scope of work. OARS staff will have 10 business days after the initial submission or submission of a revision to review and approve the report or require more information/changes. OARS will post Final Reports publicly. OARS staff will treat the final monthly meeting as an exit interview with the BGR, using

the Final Report as a guide. Feedback during this process helps OARS improve the program.

2.3.6 Beneficiary Satisfaction Survey

As a part of the grant close out process, BGRs will send an online satisfaction survey created by OARS to their Grant Beneficiaries. The survey will help OARS understand program and BGR experience and performance from a producer perspective. OARS will provide a link to the survey toward the end of the grant term.

2.4 Site Visits and Compliance Reviews

During the grant term, OARS' staff will conduct site visits and compliance reviews to verify compliance with program requirements. OARS will provide reasonable prior notice.

- **Site Visits:** OARS staff will coordinate annual site visits to a subset of on-farm projects. Submit full project documentation to OARS prior to the visit.
- **Compliance Reviews:** OARS staff will annually review a subset of project documentation to monitor compliance with the requirements of the grant program and terms and conditions of the award. These reviews include financial and on-farm project documentation. OARS may institute more frequent compliance reviews if the BGR struggles to meet the project's objectives or comply with the terms and conditions of the award, including following the GAP manual. [Government Auditing Standards \(Yellow Book\)](#)

2.5 Publicity and Acknowledgements

Acknowledge the program funding source on all public-facing documents and media. Publicizing the success of block grants demonstrates the value of the state's investment in these programs and builds a foundation for future investment. OARS will collect publicity content through the quarterly reporting process and case studies and may request additional materials.

In addition to the minimum project publicity requirements in the [CDFA Grant Administration Regulations](#) (Section 331), OARS has the following provisions/requirements listed below.

2.5.1 Consent

Some Beneficiaries may have legitimate privacy concerns around participating in project publicity. Obtain Beneficiary consent prior to releasing any publicity

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featuring the Beneficiary and/or elements of their funded project and retain the records according to the [recordkeeping requirements](#) (Template TBD). Do not submit any publicity content to OARS without consent.

2.5.2 Logo Use and Brand Guidelines

After successfully completing the onboarding training, OARS grants provisional use of OARS logos and Climate Bond logos without explicit approval of each use. Follow [the OARS brand guidelines](#).

Use the logos solely for the purpose of acknowledging activities funded by the grant. If in doubt, reach out to the Grant Manager for input. OARS can revoke provisional use at any time and may require explicit permission for further use. Do not use the standalone CDFA logo.

2.5.3 Social Media

On social media platforms where CDFA and/or OARS have an account, tag both OARS and CDFA in posts about the projects and outreach activities.

Recommended Language: *This project is part of the [CDFA/OARS SOCIAL MEDIA HANDLES] [FULL PROGRAM NAME].*

- **OARS Social Media Handles**
 - Facebook: @CDFA Office of Agricultural Resilience and Sustainability
 - Instagram: @cdfa_oars
 - X: @CDFA_OARS
- **CDFA Social Media Handles**
 - Facebook: @California Department of Food and Agriculture
 - Instagram: @cafoodandag
 - X (formerly Twitter): @CDFAnews
 - YouTube: California Department of Food and Agriculture
 - LinkedIn: California Department of Food and Agriculture

2.5.4 Printed Materials and Website

On printed materials and websites/webpages, acknowledge CDFA, OARS, the specific program and the funding source (Climate Bond).

Recommended Language: *This project is part of the Office of Agricultural Resilience and Sustainability's [FULL PROGRAM NAME with hyperlink if digital], under the California Department of Food and Agriculture. This project received funding from the Safe Drinking Water, Wildfire Prevention, Drought Preparedness,*

and Clean Air Bond Act of 2024. The grant agreement number is [GRANT AGREEMENT NUMBER].

2.5.5 Signage

BGRs may offer or require signage acknowledging the on-farm projects' funding source and the cost of the signage is an eligible project cost. The signs must display the grant program logo and the Climate Bond logo.

2.6 Agreement Modifications

Adverse or unexpected conditions may necessitate block grant project modifications. Changes that materially affect the block grant project implementation require approval from OARS and may require modification and re-execution of the grant agreement. OARS will consider the program guidelines, intent of the grant agreement as selected during a competitive process, GAP manual, CDFA Grant Administration Regulations, and grantee performance when deciding to approve or deny a modification. Consult with the OARS Grant Program Manager to assess whether the proposed change is material.

To begin an agreement modification, submit a Project Modification Request (PMR, **Form TBD**) to the OARS Grant Program Manager and Grant Program Analyst along with supporting documentation outlined below for each type of modification.

Failure to obtain prior approval of changes may result in OARS disallowing expenditures, suspending payments, or terminating the grant agreement. OARS will approve or deny the request in writing within 15 business days of receiving the completed PMR and any additional requested documentation.

Below are common material changes that require modification and re-execution of the grant agreement.

2.6.1 Scope of Work Changes

OARS requires Scope of Work (SOW) revisions when there are material changes to activities, deadlines, deliverables, and/or budgets. In the PMR, provide sufficient information to explain the need for the proposed change and how the change affects the project, including any impacts to the implementation timeline, budget, and project components. The OARS Grant Program Manager will determine if SOW changes are substantial enough to require revision and re-execution of the grant agreement.

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Examples of project changes that require a SOW revision include, but are not limited to:

- Transfer of project work to a third party through a contract, sub-grant, or any other means.
- The addition, deletion, or revision of activities and/or deliverables.
- Receipt of funds to support similar project costs/activities from other sources.
- Reduction of the time base for key personnel by 25% or more.

When proposing modifications to the SOW, do the following to identify changes in the revised document:

- Keep the original SOW content and previously approved revisions in order. Do not delete content.
- Use strikethrough to identify content that no longer applies.
- Add new information where applicable. Identify sequential amendments using the following color coding:
 - Amendment Round 1: Red
 - Amendment Round 2: Blue
 - Amendment Round 3: Green

2.6.2 No-Cost Extensions

No-cost extensions are agreement amendments that lengthen the grant term, with no additional funds added to the award. OARS' decision to approve extensions will depend on state budget requirements from the funding source, internal staff capacity to manage the grant for a longer period, reasonableness of the request, and BGR performance. OARS reserves the right to refuse a project extension request for any reason. No-cost extensions require re-execution of the grant agreement.

Examples of justifications may include, but are not limited to:

- Labor disturbances or disputes of any kind, accidents, the inability to obtain any required government approval to proceed, civil disorders, acts of aggression, acts of God, energy or other conservation measures, failure of utilities, mechanical breakdowns, materials shortages, disease, pandemics, or similar occurrences.
- Implementation delays in time-sensitive grant activities (e.g., running a grant solicitation, on-farm permitting, supply issues).

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- Implementation delays due to grant Beneficiary challenges (e.g., non-responsive, on-farm project modifications).
- Reduced staff capacity (e.g., staff turnover, illness).

Submit the PMR no less than 180 days prior to the grant term ending. OARS will only consider later requests in extenuating circumstances.

2.6.3 Key Personnel Substitutions

To replace or fill in [key personnel](#), submit a resume/CV for the proposed substitution with the PMR so OARS can evaluate the substitution's qualifications. Key personnel substitutions require re-execution of the grant agreement. The Publicity Lead is the only member of Key Personnel not subject to this policy—simply notify the OARS Grant Manager of changes to that role.

OARS need not approve changes to other supporting personnel.

2.6.4 Line-Item Shift Requests

Using the original executed grant agreement budget as the baseline, OARS allows BGRs to shift up to 10% of funds between the project administration budget direct cost budget categories (line items) without requesting permission. In the executed grant agreement and subsequent invoices, OARS will provide these 10% thresholds for each direct cost budget category. Track these limits carefully.

If the proposed line-item shift results in more than a 10% increase or decrease in funds from the baseline, OARS must approve the shift in advance to ensure that the change does not compromise the BGR's ability to complete the approved SOW. Submit a PMR including the completed Line-Item Shift Request (LISR) table. The Grant Program Manager will approve or deny the request, or request additional information, within 15 business days. If approved, the OARS Program Analyst will keep a record of the change in the files and adjust subsequent invoices but will not re-execute the grant agreement.

2.6.5 Changes to the Total Budget

OARS cannot increase the total project budget. Decreasing the total project budget, however, can free up funding for other sustainability projects and OARS encourages BGRs to proactively decrease their budget if the award is going to be underspent. To begin this process, submit a PMR with a completed LISR table. Decreasing the grant budget requires re-execution of the grant agreement.

The total project award amount cannot be increased.

2.7 Closeout and Post-Project Responsibilities

Upon satisfactory submission of the Final Report and Final Invoice, OARS will initiate closeout of the grant agreement following procedures outlined in [CDFA Grant Administration Regulations](#) Section 329.

2.7.1 Withholds

In accordance with CDFA Grant Administration Regulations Section 317(b), OARS will withhold a portion of the award until approval of the final invoice, final report, and any outstanding deliverables (e.g., case studies) and/or resolution of any performance issues prior to close-out. Given the size and nature of the block grants, OARS is exercising discretion allowed for in Section 317(c) to only withhold up to \$20,000.

2.7.2 General Record Retention

Pursuant to Section 325 of the [CDFA Grant Administration Regulations](#), retain financial records, project records, and any other relevant supporting documents for a period of 3 years from the date of the closeout notification or until any litigation related to the grant is resolved, whichever is later. Make records available to OARS or its designees upon request.

Retain records including:

- Time and activity reports and payroll records that reflect the total activity (including descriptions) for which each employee is compensated.
- Actual expenditure invoices of direct costs charged to grant funds.
- Employee reimbursement claims including lodging, per diem, and transportation receipts.
- Documentation supporting calculation or methodology to determine indirect costs.
- All other supporting documentation related to the Grant Agreement (e.g., policies, procedures, contracts, etc.).

2.7.3 Property Records and Disposition

All equipment holders (BGRs, Subrecipients and Beneficiaries) must follow [CDFA Grant Regulations Section](#) 324 regarding recordkeeping and disposition of equipment purchased with grant funds. The 3-year recordkeeping limit for this grant does not apply to equipment records. For each piece of equipment, the equipment holder must fill out and maintain Form 2.1.6 (Property Management and Disposition) for as long as the fair market value of the piece of equipment exceeds \$10,000 and is responsible for requesting permission to dispose of

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equipment for as long as the fair market value exceeds \$10,000, even after the grant term ends. The BGR is responsible for collecting a copy of all these forms by the end of the grant term and submitting them to OARS.

2.7.4 Practice Continuation

OARS generates environmental impact statistics based on the assumed practice lifespan for each program (HSP: 3 years of implementation for annual practices, 10 years of maintenance for woody plantings; SWEEP: 10 years of equipment maintenance). In the future, OARS may directly, or through a contractor, reach out to the BGR or directly to Beneficiaries to collect data and information for a program evaluation. OARS greatly appreciates assistance in these efforts.

2.8 Termination of Grant Agreement

2.8.1 Termination by OARS

The Executed Grant Agreement, Exhibit B, General Terms and Conditions of the Executed Grant Agreement, as well as CDFA Grant Administration Regulations Section 328, grants OARS the authority and lays out the procedure to terminate a project prior to the agreement end date in three cases:

- Convenience
- Violation of [Executive Order N-6-22](#) (Russia Sanctions)
- Cause: Failure to remedy non-compliance

BGRs can only appeal terminations for cause due to failure to remedy non-compliance. To appeal, follow the procedure in [CDFA Grant Administration Regulations](#) Section 340. The termination remains in effect while the appeal is under review.

2.8.2 Termination by BGR

To terminate the grant agreement prior to the project end date, the Authorized Official must send a termination request to the OARS Grant Program Analyst and OARS Grant Program Manager at least 30 calendar days prior to the intended date of termination. The request should be a PDF on official letterhead and include the:

- Grant agreement number
- Project name
- Effective termination date
- Reason for termination
- Authorized official's dated signature

[Return unliquidated advance payment funds](#) to OARS.

3 Working with Beneficiaries

OARS wants to provide BGRs with reasonable autonomy and flexibility to manage their relationships with potential and awarded Grant Beneficiaries (Beneficiaries) as works for their community and their organization. The following are minimum standards for those interactions. It may be useful to use OARS's own processes for working with BGRs as a model for working with Beneficiaries and modify them as necessary. Consult the OARS Grant Program Manager for advice on best practices.

3.1 Communications Expectations

Initiate a direct relationship with each Grant Beneficiary (Beneficiary). The Beneficiary must provide their own direct contact phone number and email to the BGR as the primary contact for the project. Include the Beneficiary as the primary contact in all verbal, written, and digital communication and additional contacts as requested. Include translators identified by the Beneficiary or provided as a component of technical assistance as necessary. Maintain clear and consistent communication with the Beneficiary during the grant term and facilitate communication with vendors or partners, as needed.

OARS encourages BGRs to collect a secondary contact name, phone number and email in case the Beneficiary becomes unresponsive. The secondary contact cannot, however, make decisions about the project or cancel the project. In the case that the Beneficiary becomes permanently indisposed, it is at the BGR's discretion to transfer the project to a different Beneficiary. Designation of a new beneficiary requires OARS to [reconfirm eligibility](#).

3.1.1 Vendor Relationships

Vendors may be valuable partners in on-farm project implementation; however, they are not formally party to the block grant agreement and therefore cannot be held accountable for meeting project requirements. Do not assign the management of any on-farm project to a third-party vendor and/or require block grantees to use specific vendors. Beneficiaries are responsible for the quality of on-farm projects and oversight of any vendors involved in their project. OARS recommends incorporating guidance on working with vendors into Beneficiary agreements to make their responsibility for oversight of the vendors to meet on-farm project specifications clear.

3.2 Demographic Survey

Through the Technical Assistance Delivery Summary (Template TBD) On-Farm Project tracker (Template TBD), OARS collects basic demographic data (SDFR/DAC/SDAC) about producers receiving technical assistance and incentive funding. OARS uses this data to assess performance in meeting the program's goals for those groups and to enable program assessment.

CDFA further requires OARS to administer a more comprehensive demographic survey to assess the Department's service across programs. The results of that survey are anonymous, and the survey is optional for the producer. CDFA uses this data collected across all the Department's programs to assess effectiveness in serving all California producers.

Survey Requirements

- Provide the survey as a link to this site: LINK TBD.
- Administer the online survey to all on-farm project applicants (funded and not funded) at the time of on-farm project selection, and to attendees at outreach events, including demonstration days. E-mail the link or offer a QR Code with the link during in-person events.
- **Do not require** producers to fill out the survey to obtain technical or financial assistance.

3.3 Required Website Information

As a deliverable under [Common Objective 2](#), develop a webpage to support outreach and transparency associated with the block grant award. OARS will refer producers in the service area to the website. At a minimum, the website will contain up-to-date information that explains how producers can apply for on-farm project funding, including:

- BGR contact information
- Technical assistance provider contact information (if different than BGR)
- Program details, including BGR funding priorities and a description of the approved on-farm project selection process
- Links to the "How to Participate" program document ([HSP](#), [SWEEP](#))
- Solicitation timeline
- Solicitation workshop dates and times
- [Acknowledgement of the funding source](#)

3.4 Technical Assistance

3.4.1 Free Services

Do not charge fees to applicants or Beneficiaries for any technical assistance (TA) activities, including but not limited to assistance with project design and development, applications, application selection, project implementation, project verification, or payment reimbursement. Widely advertise technical assistance services but provide TA only to potentially eligible Beneficiaries and only for on-farm projects within the grant program's scope. The BGR may require, as a condition of applying, that all interested producers consult with the BGR TA Providers to discuss program offerings and assist in the submission of project applications.

3.4.2 Providing Workshops and Trainings

In addition to the required [Demonstration Days\(s\)](#), OARS recommends hosting two types of live events:

- [Solicitation Workshops](#): These workshops provide information on, but not limited to, the Block Grant Program, technical assistance, the application process, eligibility, and funded practices and benefits.
- [Grant Beneficiary Trainings](#): These trainings onboard Grant Beneficiaries and provide information on topics such as technical assistance, on-farm project designs, on-farm project implementation, project modifications, verifications, and reimbursements.

Live events allow participants to ask questions in real time, point out where the BGR can communicate more clearly, learn from fellow participants, and develop a common understanding of the program. Consider hosting these events both during and after business hours to cater to a variety of schedules and providing non-English interpretation resources when relevant. Recording these workshops and posting them on the program website further extends the accessibility of each event.

Include scheduled application workshops in the [Outreach Plan \(Objective 2\)](#) so that OARS can amplify the opportunities.

3.5 On-Farm Project Administration

3.5.1 On-Farm Project Selection to Meet Bond Targets

The Climate Bond specifies that 40% of funds must provide meaningful and direct benefits to DACs, SDACs and vulnerable populations (including SDFRs and

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Tribes), of which at least 10% benefits SDACs. DAC and SDAC are broad community categories that apply to individuals regardless of race/ethnicity, while “SDFR” and “Tribal Member” are individual identifiers. Use the guidance in Appendix 4 to assess whether benefits for proposed on-farm projects meet the standard of meaningful and direct.

Do not use race/ethnicity-based individual identifiers to preferentially award on-farm projects to meet the Climate Bond Targets. Use targeted outreach and technical assistance to increase applications from these individuals.

3.5.2 On-Farm Project Design and Approval

As with the onboarding process for invoicing, OARS will phase in independence in project approval with BGRs by providing training until BGRs are proficient in using the program benefit calculation tools and complying with the project requirements. Find project requirements for each program on the OARS website and refer potential Beneficiaries to these documents during outreach:

- **HSP:** [How to Participate in HSP](#) and [HSP Practice Guidelines](#)
- **SWEEP:** [How to Participate in SWEEP](#)

Collect the necessary information from each potential Beneficiary and project. The training process for each program is as follows:

3.5.2.1 HSP

- **Onboarding:** Prior to the BGR announcing on-farm project awards, the OARS Grant Program Manager will review the [Summary of Selected On-Farm Projects](#), which will contain links to the benefit calculation tool ([RePlan](#)) reports for each proposed on-farm project, and select at least three projects in each [practice category](#) to review for compliance with program requirements. The Grant Program Manager will supply additional training as needed.
- **Maintenance:** As the BGR demonstrates proficiency with project design within each practice category, the OARS Grant Program Manager will transition the BGR to the “Maintenance” phase in which the BGR independently approves on-farm projects in that category. The OARS Grant Manager may do compliance checks during this phase.

3.5.2.2 SWEEP

- **Onboarding:** SWEEP funds projects containing a diversity of components. Four components result in frequent environmental benefits calculation errors: renewable energy technologies, pump retrofit or replacement,

crop conversion, and irrigation conversion. Prior to the BGR announcing on-farm project awards, the OARS Grant Program Manager will review the [Summary of Selected On-Farm Projects](#) and select at least one project containing each of those four elements (as applicable), plus two additional projects, for a total of at least 6 projects. Submit the SWEEP Project Assessment Tool (LINK TBD) report, pump tests (if applicable), energy records (if applicable), pump specification documents (if applicable), solar quote (if applicable) and the itemized budget for those projects. The Program Manager will identify any calculation errors with the use of the tool and supply additional training as needed. The Grant Manager will also verify completeness of supporting documentation.

- **Maintenance:** As the BGR demonstrates proficiency in project design and benefits calculation, the OARS Grant Manager will transition the BGR to the “Maintenance” phase in which the BGR independently approves on-farm projects. The OARS Grant Manager may do random compliance checks during this phase.

3.5.3 In-Person Project Site Visits

During the application process or between the application period and establishment of an agreement, perform a pre-project site visit to establish direct contact and inspect the project site. During the site visit, observe the conditions of the site to ensure that the pre-project scenario is accurately described in the application materials.

After establishing agreements with Beneficiaries, OARS encourages BGRs to perform in-person check-ins at projects sites as often as it is necessary and feasible to provide support and ensure successful on-farm project completion. At a minimum, BGR's must meet the following minimum program requirements:

- **HSP:** Pre-project site visit and mid-project site visit.
- **SWEEP:** Pre-project site visit and final project verification site visit.

3.5.4 Beneficiary Agreement and Supporting Documents

Develop an agreement with Beneficiaries that lays out the responsibilities of both the Beneficiary and the BGR in implementing the on-farm project, including the approved on-farm project design and project lifetime expectations (HSP: 3 years of implementation for annual practices, 10 years of maintenance for woody plantings; SWEEP: 10 years of equipment maintenance), and have the Beneficiary sign the agreement. To the best of their ability, BGRs must verify an individual's authority to sign on behalf of the business entity and have

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reasonable assurance that the individual or business will maintain control of the project site throughout the course of the project term. If the Beneficiary does not own the land, OARS encourages BGR's to involve the landowner in decisions to install permanent plantings or long-term equipment. OARS does not expect the BGR to monitor or enforce project maintenance after the grant term.

These agreements are an opportunity to solidify the project expectations and record-keeping requirements, as well as to lay out organization-specific policies the BGR will follow, such as payment timelines. OARS cannot provide legal advice on agreement development, and the format of the agreement is at the discretion of the BGR.

3.5.5 Beneficiary Payment Timelines

Specify the reimbursement processes and timeline in the Beneficiary Agreement or another supporting grant management document provided to the Beneficiary. Pay Beneficiaries for approved on-farm project invoices **within 30 days of receiving payment for those projects from OARS**, whether through a [regular reimbursement process or an advance payment process](#).

3.5.5.1 Advance Payment

OARS offers BGRs the opportunity to request advance payment for on-farm practice payments to Beneficiaries. BGRs can use these advance payments to offer advances to Beneficiaries or to pay to Beneficiaries post practice implementation. BGRs are responsible for ensuring that advance payments to Beneficiaries follow OARS' [financial management expectations](#). BGRs are accountable for unused or misused funds. BGRs have discretion to provide or deny advance payments to Beneficiaries based on risk and their own organizational capacity.

3.5.6 On-farm Project Modifications

Work with Beneficiaries to review and process reasonable on-farm project modification requests. In fairness to other applicants who were unsuccessful in a competitive selection process based on the original on-farm project design, the project modifications should be modest and necessary.

Project modifications can never:

- Increase the budget beyond total on-farm project funding caps.
- Increase GHG emissions or water use relative to the farm's baseline as assessed by the SWEEP Project Assessment Tool (SWEEP only).

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- Violate practice and associated payment rate requirements (HSP only).

Project modifications that involve the following require eligibility re-screening by OARS:

- Changing project location (affecting Assessor Parcel Number (APN)).
- Changing the Beneficiary, including switching between Entities and/or related Persons who might be Entity owners.
- Changing practices (HSP) or project components (SWEEP).

Notify the OARS Grant Program Manager if a project requires re-screening for eligibility. Reflect on-farm project modifications in the quarterly updates to the On-Farm Project Tracker [\(Template TBD\)](#).

3.5.7 On-Farm Project Cancellations

If a BGR or Beneficiary chooses to cancel a Beneficiary agreement, the BGR may reallocate relinquished funds to starting a new eligible project or to modifying an existing project in line with the on-farm project modification rules.

If a Beneficiary becomes sick, unable to continue the project for reasons beyond their control, or loses their formal land tenure for any reason and wishes to transfer the project as originally approved to a replacement Beneficiary or new owner/tenant, the BGR may assess eligibility of the potential Beneficiary and establish an [agreement](#) with the new Beneficiary.

3.5.8 Tax Liabilities

OARS does not provide tax advice to BGRs, nor is it responsible for BGR's compliance with applicable tax laws. BGRs and Beneficiaries may have tax liabilities related to the grant program. Seek legal counsel regarding tax compliance from an attorney.

3.6 On-Farm Project Verification

Verification is the process of confirming that a Beneficiary implemented an on-farm project as approved by the BGR and in compliance with program requirements. Provide Beneficiaries with technical assistance to comply with program requirements throughout the grant term to ensure on-farm activities are reimbursable.

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OARS will phase in independence in project verification with BGRs by providing training until BGRs are proficient with assembling required documentation. The OARS Grant Program Manager is available throughout the grant term for additional training and troubleshooting.

3.6.1 HSP Verifications

Verify HSP practices for each year of required implementation for each project, following requirements in the [HSP Practice Guidelines](#). Geotagged photos are not necessary for practices verified in-person but may be required when verifying practices remotely.

- **Onboarding:** OARS will review at least three verifications for each [practice category](#) (Appendix 5) and provide feedback to comply with program requirements. Submit verification materials to the OARS Grant Program Manager as they are received. The Grant Program Manager will review submissions within 10 business days and provide feedback. Once the BGR demonstrates proficiency across practice categories, the Program Manager will notify the BGR that they are in the maintenance phase.
- **Maintenance:** OARS performs annual compliance reviews. Maintain verification documentation for all projects and submit them to the Program Manager upon request.
- **Remedial:** If OARS identifies consistent issues with specific practices during compliance reviews, OARS will require the BGR to submit all verifications for that practice until the BGR demonstrates proficiency.

3.6.2 SWEEP Specific Requirements for Verification Reviews

Visit the on-farm project in-person to complete the verification process.

Document that all project components have been installed and are functional using photographs (geo-tagging not required) and the SWEEP Verification Form (Template TBD).

- **Onboarding:** Submit verification materials with the itemized budget for each project to the OARS Grant Program Manager as they are completed. The Program Manager will review submissions within 10 business days. OARS will review at least six project verifications and provide feedback. Once the BGR demonstrates proficiency, the Program Manager will notify the BGR that they are in the maintenance phase.
- **Maintenance:** OARS performs annual compliance reviews. Maintain verification documentation for all projects.

Appendix 1. Glossary

Advance Payment: A payment to a BGR for anticipated or obligated expenditures for the performance of grant award activities.

Advance Payment Liquidation: Using a progress payment to offset or repay an advance payment made earlier in a project agreement. This is a method to recoup the funds advanced to a recipient for future work.

Beneficiary: Individuals or entities that either own or lease the agricultural land in California where an on-farm project will be implemented. These individuals or entities may be referred to as farmers, ranchers, agricultural operations, or farm lessee.

Block Grant Recipient (BGR): The entities that will receive the HSP/SWEEP Block Grants. These entities will enter into agreements with OARS to disburse funds to Grant Beneficiaries for on-farm projects.

CDFA Grant Administration Regulations: The [CDFA Grant Administration Regulations](#) are part of the California Code of Regulations (CCR) under Title 3, Division 1, Chapter 5. The CCR is a compilation of regulations adopted by state agencies.

Contractor / Consultant: An entity that undertakes a contract to perform an activity. The term Contractor includes Consultants.

Grant Agreement Term: Grant duration or grant period. The time during which the grant agreement is in effect and the recipient may carry out the grant award activities.

Outreach: Widely advertise the funding opportunity to the service area identified in the Scope of Work, with a focus on reaching growers who will help the project meet identified goals.

Request for Grant Applications (RGA): The request for grant applications is a document in which the funding available for each solicitation is described, applicant eligibility is defined, and the program's objectives and requirements are outlined.

Scope of Work: A detailed description of the work to be performed under a grant award, including the workplan with specific activity dates and the budget.

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Subrecipients: Hold responsibility for completing a portion of the grant workplan. Has programmatic involvement in the project identified as a separate scope of work and separate budget.

Technical Assistance Provider: BGR Team member(s) with demonstrated technical expertise in designing and implementation of agricultural management practices, who will assist Grant Beneficiaries with project design and implementation.

Appendix 2. Invoice-Based or Direct Purchasing of Compost, Mulch and/or Biochar

Premise:

BGRs may make bulk purchases of or reimburse Beneficiaries based on actual costs for compost, woodchip mulching, natural materials mulching, and/or biochar application. The service provided by the BGR can include purchase, transport, and spreading. This option can make practices more accessible to a diversity of farmers, generate cost savings, and simplify reporting.

The [HSP Practice Guidelines](#) lay out specifications for these practices.

Procedure:

To document expenses, collect quoted estimates for materials, transportation and spreading costs for the duration of the practice. If applicable, BGRs can document and be reimbursed for storage costs they incur. Anticipate price increases when awarding on-farm projects by allowing for a buffer within the project budget.

Prohibitions:

- Do not require beneficiaries to make up the shortfall if prices increase over the course of the project. Reduce the amount of tonnage provided to each Beneficiary by a fixed percentage if prices exceed the buffer.
- Do not reimburse Beneficiaries for their own labor or use of their own equipment.
- Do not require beneficiaries to use a particular materials source, however, use discretion in approving the costs and the qualities of materials and services proposed with knowledge of locally appropriate prices and sources.

Appendix 3. Common Objectives and Performance Measurement Framework

Definitions

- Goal: Strategic desired outcomes achieved through the grant.
- Objective: A workstream that advances progress toward goals.
- Activities: Specific actions within a workstream.
- Performance Indicator: A continuous measurement that indicates progress toward a goal or objective.
- Target: A specific performance indicator value that demonstrates success.
- Deliverable: A discrete product that demonstrates progress toward or completion of an objective.

Framework

Each of the Common Objectives requires deliverables and/or performance indicators as outlined below. OARS will use the goals, objectives, indicators, targets and deliverables, collectively known as the Performance Management Framework, to follow and assess performance, provide targeted technical assistance to BGR's, and support storytelling about the program's impact. The baseline Performance Measurement Framework is as follows:

Phase 1. Outreach and On-Farm Project Selection

Objective 1: Develop the Process for Selecting On-Farm Projects (Administration)– In collaboration with OARS, create a fair, transparent and goal-aligned selection process.

- Deliverable: Selection Process Design (template provided)

Objective 2: Perform Outreach (Technical Assistance) - Widely advertise the funding opportunity to the service area identified in the Scope of Work, with a focus on reaching growers who will help the project meet identified goals.

- Deliverable 1: Outreach Plan and Schedule (template provided)

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- Deliverable 2: Website (minimum standards provided)

Objective 3: Provide Application and Project Design Technical Assistance (Technical Assistance) - Work closely with producers to gather necessary application information and prepare an eligible project design.

- Deliverable: Technical Assistance Delivery Summary (template provided), including breakdown of funds spent on DAC/SDAC/SDFR

Objective 4: Select On-Farm Projects (Administration) – Complete on-farm project selection.

- Deliverable: On-Farm Project Selection Summary (template provided), including breakdown of funds obligated to DAC/SDAC/SDFR

Phase 2. On-Farm Project Implementation and Outcomes

In Phase 2, OARS will provide a template for BGR's report on performance indicators quarterly and provide narrative context. BGRs submit deliverables as indicated for each item.

Objective 5: Obtain Grant Beneficiary Commitments (Administration)- Develop written agreements with producers that lay out the responsibilities of both the Beneficiary and the BGR in implementing the on-farm project.

- Performance Indicator: Percent of on-farm funding obligated to specific projects

Objective 6: Provide implementation Technical Assistance and Facilitate On-Farm Project Completion (Technical Assistance) – Maintain technical assistance throughout the on-farm project implementation with a commitment to the best possible outcomes for beneficiaries, including recurring site visits as appropriate. The target for each Performance Indicator is 100%.

- Performance Indicator 1: Percent of projects on schedule
- Performance Indicator 2: Percent of projects verified completed
- Performance Indicator 3: Percent of projects receiving an in-person pre-project site visit (before or after beneficiary agreement and application)
- Performance Indicator 4: Percent of projects receiving in-person or remote implementation technical assistance this project year
- Performance Indicator 5: Percent of SDFR projects receiving in-person or remote implementation technical assistance this project year

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- Performance Indicator 6: Percent of technical assistance funds spent providing assistance to SDFRs.
- Performance Indicator 7 (SWEEP Only): Percent of projects receiving a post-project verification in person.
- Quarterly Deliverable: Update of On-farm Project Details (template provided)

Objective 7: Disburse funds to Grant Beneficiaries in a timeline manner (Administration) – Provide advances and/or reimbursements in a timely manner as on-farm projects progress and are verified as complete.

- Performance Indicator 1: Average reimbursement time from submission of invoice and/or verification documents

Objective 8: Amplify Project Outcomes (Technical Assistance) – During the grant term host at least one demonstration field day and develop case studies and media materials to document the outcomes of on-farm projects.

- Deliverable 1: Demonstration Day Summary (template provided, submitted according to workplan schedule)
- Deliverable 2: Three case studies from funded on-farm projects (minimum template provided, submitted according to workplan schedule)

Appendix 4. Assessing Meaningful and Direct Benefits

Definitions

Benefits: The Climate Bond makes this funding available “for improving the climate resilience and sustainability of agricultural lands”. HSP and SWEEP block grant projects can provide a variety of benefits to communities and individuals. Examples include, but are not limited to:

- Keeping farmland healthy and productive for the longer term
- Reducing water and energy use and cutting utility costs for producers
- Reducing greenhouse gas emissions and naturally storing carbon to help slow climate change
- Improving air and water quality for nearby communities

Disadvantaged Community (DAC): A community with a median household income of less than 80 percent of the area average or less than 80 percent of statewide median household income.

Severely Disadvantaged Community (SDAC): A community with a median household income of less than 60 percent of the area average or less than 60 percent of statewide median household income.

To identify DACs and SDACs use the [Climate Bond Disadvantaged Community Map](#). DACs are shown in blue, SDACs are shown in golden brown. Clicking into a community on the map will open information about that community. Refer to the “Overall (S)DAC Status” at the top to identify a selected area as a DAC, SDAC or neither.

Vulnerable Population: A subgroup population within a region or community that faces a disproportionately heightened risk or increased sensitivity to impacts of climate change and that lacks adequate resources to cope with, adapt to, or recover from such impacts. For the purposes of this grant program, Tribes and Socially Disadvantaged Farmers and Ranchers are vulnerable populations.

- **Socially Disadvantaged Farmers and Ranchers (SDFRS):** defined in the [2017 Farmer Equity Act](#) as a farmer or rancher who is a member of a socially disadvantaged group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members

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of a group without regard to their individual qualities. These groups include all the following:

- African Americans
- Native Indians
- Alaskan Natives
- Hispanics
- Asian Americans
- Native Hawaiians and Pacific Islanders
- **Tribe:** A federally recognized Native American tribe or a nonfederally recognized Native American tribe listed on the California Tribal Consultation List maintained by the Native American Heritage Commission.

Meaningful and Direct Benefits: For a project to provide a meaningful and direct benefit it must meet all four of the following criteria:

1. Ensures the creation of direct, tangible, and substantial benefits to individuals of the (S)DAC or vulnerable population that would not have materialized without its implementation. The benefits are not incidental, indirect, or speculative, and can be articulated.
2. Protects or enhances a (S)DAC or vulnerable population's resources and quality of life by building climate resilience, such as reducing risks to the community or population from climate hazards, protecting resources threatened by climate change (e.g., drinking water supply/quality, urban tree canopy, critical infrastructure, etc.), or creating/enhancing community or population assets (e.g., wetlands, resilience centers, etc.).
3. Directly responds to the (S)DAC's or vulnerable population's expressed need or desired benefit, either through direct project input or as part of a larger planning or engagement effort. The project is inherently designed to meet needs that have been identified by the (S)DAC or vulnerable population and that project scoping, development, and implementation integrated (S)DAC or vulnerable population input to the maximum extent feasible.
4. Does not result in a long-term degradation or reduction of any (S)DACs' or vulnerable populations' resources identified in (2). Benefits should not be provided to one community or population at the expense of or burdening

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another – harms should be avoided and minimized. If the project has the potential to reduce or degrade community resources, then predefined mechanisms or commitments for remediation are in place to avoid these harms.

Assessing Meaningful and Direct Benefits to SDFRs

Allow potential Beneficiaries to self-identify as an SDFR using the definition and categories above. Do not require Beneficiaries to self-identify and do not require substantiation for SDFR status beyond self-identification. If a potential Beneficiary self-identifies as an SDFR, OARS considers the benefit meaningful and direct.

Assessing Meaningful and Direct Benefits for (S)DAC

During the application process, BGRs may have identified service areas that included (S)DACs and justified their meaningful and direct benefits to those areas.

To identify an on-farm project as providing a meaningful and direct benefit to an (S)DAC, simply confirm that the project is located within an (S)DAC using the map linked above. The project must be in the BGR's service area.

Appendix 5. HSP Practice Categories for On-Farm Projects

- Biochar
- Compost
- Cover Crops
- Cropland Planting Management (Crop rotation, Strip Cropping)
- Hedgerows
- Mulch (Natural Mulch, Woodchip Mulch, and Whole Orchard Recycling)
- Non-Woody Permanent Plantings (Pasture/Hay, Conservation Covers, Strip-Cropping, Riparian Herbaceous Cover, Contour Buffer, Filter Strips, Grassed Waterway, Herbaceous Wind Barrier, Vegetative Barrier)
- Range (Range Planting and Silvopasture)
- Re-Saturating Delta Peat Soils through Rice Cultivation
- Residue and Tillage Management (Reduced-Till and No-Till)
- Woody Permanent Plantings (Alley Cropping, Windbreaks, Riparian Forest Buffer, Multistory, Tree/Shrub Establishment)