

# 2017 ALTERNATIVE MANURE MANAGEMENT PROGRAM

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*The Alternative Manure Management Program is funded by the “California Climate Investments” program*

## *GRANT AWARD PROCEDURES MANUAL*

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## Revisions

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August 2018

Revised Reporting Requirements “*Final Performance Report*” to “*Final Verification*” page 8

Removed Final Performance Report requirement and replaced with Final Verification requirement.

Revised “Withhold Pending Closeout,” page 8 and “Project Closeout,” page 10

Incorporated Verification requirement.

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## General Information

### Program Purpose and Authority

The Alternative Manure Management Program (AMMP) provides financial assistance for the implementation of non-digester manure management practices in California, which will result in reduced greenhouse gas emissions.

Assembly Bill 1613 (Chapter 370, Statutes of 2016) appropriated \$50 million dollars from the Greenhouse Gas Reduction Fund (GGRF) to the California Department of Food and Agriculture (CDFA) for early and extra methane emissions reductions from dairy and livestock operations.

The 2017 AMMP Grant Award Procedures (GAP) manual is designed to provide direction to Grant Recipients (Recipients) for the successful management and completion of “California Climate Investments” program funded projects. The GAP identifies roles and responsibilities of all parties, and describes the processes and procedures required by the terms and conditions in the Grant Agreement.

### General Responsibilities

#### *Office of Grants Administration*

The California Department of Food and Agriculture (CDFA), Office of Grants Administration (OGA) manages the 2017 AMMP Grant Agreements and ensures Recipients are compliant with program requirements and grant terms and conditions. OGA also provides Recipients with assistance and consultation throughout the duration of the project term.

#### *Office of Environmental Farming and Innovation*

The CDFA, Office of Environmental Farming and Innovation will provide consultation on technical aspects of project implementation as necessary to OGA and Recipients.

#### *Grant Recipients*

Recipients are responsible for project implementation as outlined in the Grant Agreement Scope of Work (SOW). Further, Recipients must ensure all project activities, including contractor/consultant activities, are compliant with applicable federal, state, and local laws, regulations, and ordinances set forth in the Grant Agreement terms and conditions. Moreover, Recipients are responsible for obtaining and maintaining all necessary permits, licenses, agreements, and approvals for the construction, operation and maintenance of projects.

Recipients are responsible for submitting timely and accurate invoices and reports during the project term. Additionally, Recipients must maintain clear and consistent communication regarding project progress status throughout the grant term, particularly if problems or issues arise resulting in project delays. Upon discovery of problems and/or delays, Recipients must notify the CDFA Grant Specialist immediately for purposes of resolving such problems and/or delays.

Recipients may be required to provide specific requested documentation related to the project as CDFA deems necessary.

To demonstrate the estimated benefits from 2017 AMMP awarded projects, Recipients are expected to report to CDFA their adopted manure management practice data for three years after implementation of the project. Refer to Project Reporting for detailed information regarding reporting requirements after project implementation.

### *Recipient Resources*

Forms and templates referenced in this manual, as well as other resources can be found on CDFA's AMMP [Recipient Resources](#) page

### **Assistance**

A CDFA Grant Specialist is available to answer questions regarding program requirements and Grant Agreement terms and conditions. Recipients should contact their assigned CDFA Grant Specialist for assistance with grant management.

### **Prior Approval Required**

Prior approval is required from CDFA for material revisions, including, but not limited to:

- Revision of the SOW, objectives, activities, milestones, dates or deliverables
- Line item shifts (i.e., budget revisions)
- Change in Recipient organization or key project team members

Failure to obtain prior approval may result in costs being deemed unallowable and request for reimbursement being denied.

## **Project Management**

### **Allowable Costs**

A cost is allowable if it directly relates to project implementation of the non-digester manure management practice(s), and is incurred solely to advance work under the Grant Agreement SOW. Allowable costs may include supplies and materials, equipment, and contractor/consultant services, and other costs associated with implementation of a non-digester manure management practice.

Expenditures must conform to the 2017 AMMP requirements, be made in compliance with federal and state laws and regulations as applicable, and be:

- Necessary and reasonable for proper and efficient performance and administration of the project.
- Easily identifiable to a specific project activity and tracked separately from other funding sources.

- Determined in accordance with generally accepted accounting principles.
- Authorized or not prohibited under federal, state, and local laws, regulations, and ordinances.

Allowable costs must be documented, reasonable, and allocable to the project. 2017 AMMP project costs must be incurred for the purpose for which the funding was granted and charged to the award on a specifically calculated basis. All project expenses billed to the 2017 AMMP project must maintain all invoices, receipts, agreements, etc. In addition, 2017 AMMP project expenses must be necessary for award performance, as well as prudently incurred.

### **Unallowable Costs**

A cost is unallowable if it does not comply with program requirements or other terms and conditions in the Grant Agreement. A cost is also unallowable if it: (1) is covered by another Federal or State grant program; and (2) is not directly related to the implementation of a manure management practice. Unallowable costs will not be reimbursed. Questions regarding allowable costs should be directed to the assigned CDFA Grant Specialist.

Unallowable expenses may include, but are not limited to:

- Costs incurred outside of the proposed project period.
- Costs covered by another State or Federal grant program.
- Pre-development costs (i.e., permits, project designs, and any other activities that contribute to a project's "shovel-readiness").
- Costs associated with environmental review required for project permits, including preparation of Environmental Impact Report.
- Purchasing or leasing land and/or buildings.
- Purchase of dairy manure (tipping fees) or other feedstock.
- Costs associated with the three-year post-project reporting.

### **Matching Funds**

Matching contributions include project costs (i.e., supplies, equipment, and contractor/consultant labor cost/hour, and any other necessary costs) incurred by the Recipient that directly support project implementation. Matching contributions can include cash and/or in-kind contributions. Matching funds (cash contributions) are the amount of funds that are contributed by the Recipient to the project. In-kind contributions include contributions by the Recipient in the form of contractor/consultant (labor) involved with project installation and donated supplies and/or equipment necessary to implement the project.

If Recipients are contributing matching funds, Recipients must report the matching funds expenditures and maintain all invoices, receipts, etc. associated with matching funds contributed to the project. Recipients must report matching funds to-date with all invoices submitted to their assigned Grant Specialist, and include invoices and receipts to substantiate matching funds contributed.

Matching funds documentation (i.e., invoices, receipts, etc.) must include sufficient information to determine expenditures invoiced for reimbursement support project implementation.

## **Contractors/Consultants**

Recipients may contract for services that cannot be performed by staff employed by the Recipient. Generally, these services are for a short-term period and provide a specific and identifiable product or service.

Recipients are responsible for ensuring their contractors/consultants comply with all applicable federal, state, and local laws, regulations and ordinances. Moreover, all contractors/consultants must have the proper licenses/certificates required for their respective disciplines.

If adding or changing a contractor/consultant, Recipients must provide reasonable notice to the CDFA Grant Specialist.

### *Timekeeping Requirements*

Activity reports or timesheets must be submitted to support salary and wage, and fringe benefit expenditures charged to 2017 AMMP grants or contributed to the project as match/in-kind contributions. Each report must account for the total activity for which each employee is compensated, as well as hours worked on a particular 2017 AMMP grant project. Costs not supported by timekeeping requirements are potentially unallowable.

## **Permits, Licenses, Agreements, and Approvals**

Recipients must obtain and maintain any and all permits, licenses, agreements, and approvals required for the project.

Recipients are required to notify the CDFA Grant Specialist in writing regarding the status of all necessary permits, licenses, agreements, and approvals. Furthermore, once permits, licenses, agreements, and approvals are issued, the Recipient is required to provide a copy to the CDFA Grant Specialist.

If there are issues or unforeseen circumstances resulting in delays in obtaining required permits, licenses, etc., Recipients must notify the CDFA Grant Specialist immediately in writing.

## **Notifications of Problems and Delays**

Upon discovery of problems, delays, or adverse conditions that will materially affect project implementation, Recipient must immediately notify CDFA in writing.

Examples include, but are not limited to:

- Inability to complete any portion of the project installation according to the Grant Agreement SOW
- Inability to obtain the necessary permits or licenses to implement a manure management practice
- Substituting supplies, materials, or equipment identified in the Cost Summary
- Change in project technologies
- Inability of contractor/consultants to perform work resulting in activities delayed or eliminated.

## Scope of Work Revisions

Scope of Work revisions may be required when project modifications are essential to complete project implementation. Requests for revisions must be made in writing to the CDFA Grant Specialist, and must provide detailed information explaining the need and how the change affects the estimated project GHG emission reductions.

Examples of project changes requiring a SOW revision include but are not limited to:

- Change in project design
- Modifications or material changes to any technical aspect of a project
- Addition or deletion of activities and/or deliverables outlined in the Work Plan
- Budget revisions
- Change of Recipient organization name or organizational status
- Changes in the status of the Project Manager, such as withdrawing from the project entirely, being absent during any continuous period of three months or more, or reducing the time base by 25% or more.
- Changes to project partners and/or project team members

Recipients must obtain approval from CDFA before proceeding with revision to the SOW. Changes that result in a lower estimated projected project GHG emission reduction may not be approved.

## Budget Revisions

For SOW revisions that also require adjustments to the Cost Summary, a Line Item Shift Request (LISR) must be submitted in advance for CDFA approval. Follow instructions under Financial Management, LISR section to request a budget revision.

LISR must be accompanied by a revised Cost Summary. A total project budget cannot be increased or decreased through this process.

## Publicity and Acknowledgement

Whenever projects funded, in whole or in part, are publicized in any news media, conferences, meetings, brochures, publications, audiovisuals, or other types of promotional material, Recipients must acknowledge the California Climate Investments program.

Acknowledgements must read as follows:

This publication [or project] was supported by the “California Climate Investments” program.

Recipients must use the California Climate Investments logo but may not use the CDFA logo. Guidance on California Climate Investments logo usage, signage guidelines, and high-resolution files is contained in a style guide at: <http://www.caclimateinvestments.ca.gov/logo-graphics-request>.

## Financial Management

Recipients are accountable for all grant funds awarded and must ensure all funds are used solely for their authorized purposes. Recipients must maintain financial supporting documentation (i.e. receipts, invoices,



etc.) for all project expenditures. Accordingly, Recipients must provide financial supporting documentation for both expenditures submitted to the CDFA Grant Specialist for reimbursement and matching funds contributed to the project.

## **Invoices**

### *Reimbursement Payments*

Recipients submit invoices to the CDFA Grant Specialist for reimbursement of actual expenditures incurred to implement their project. Invoices must be submitted quarterly and include all financial supporting documentation to substantiate 2017 AMMP expenses.

Reimbursements must be requested on the invoice template provided by the CDFA Grant Specialist. A scanned, legible copy of the signed invoice can be emailed to the CDFA Grant Specialist.

### *When to Submit Invoices*

Invoices are due no later than 30 days after the quarterly invoice period, and are required regardless of whether or not project costs are incurred during the invoice period. The quarterly invoice periods are:

<b>Quarterly Period</b>	<b>Invoice Due</b>
February 1 – April 30	May 31
May 1 – July 31	August 31
August 1 – October 31	November 30
November 1 – January 31	February 28

Final invoices are due no later than 30 days following the expiration of the Grant Agreement term or after the project is complete, whichever comes first.

Recipients can email a scanned, legible copy of the signed invoice to their assigned Grant Specialist, or a hard copy can be mailed to:

California Department of Food and Agriculture  
Office of Grants Administration  
1220 N Street, Suite 120  
Sacramento, CA 95814

Invoices and financial supporting documentation submitted to the CDFA Grant Specialist will be reviewed for completeness and accuracy. The CDFA Grant Specialist will promptly notify the Recipient of any incompleteness or deficiencies, which appear on the invoice. Once the incompleteness or deficiencies are corrected, the CDFA Grant Specialist will process the invoice for payment.

### *Completing an Invoice*

#### *Request for Reimbursement Invoice*

The CDFA Grant Specialist initiates each invoice cycle by generating an electronic invoice template. The CDFA Grant Specialist emails Recipients an invoice template with the Grant Agreement Number,

Recipient Name, Project Title, Invoice Number, and the Project Budget Entered. Recipients complete the following and return to the Grant Specialist:

- Billing Period – Month/year when costs occurred
- Amount Requested – Dollar amount requested by budget category
- Preparer’s Signature – Signature, phone number, email address of preparer and date prepared
- Authorized Signature – Signature, phone number, email address of the authorized representative

### No Expenditure Invoice

Regardless of whether any expenses were incurred during the Quarterly Period, Recipients must still submit an invoice template. Recipient checks the “NO EXPENDITURES” box, signs, dates, and returns the invoice to the CDFA Grant Specialist. No Expenditure invoices must be accompanied by an explanation of why costs were not incurred during the billing period.

### Final Invoice

Recipient marks “Final Invoice” in the Invoice Number area, indicating all payment obligations have been met and no further payments are due.

## **Proof of Expenditures and Matching Funds**

Recipients must submit proof of expenditures and matching funds to the CDFA Grant Specialist. Proof of expenditures and matching funds must be submitted during the quarterly invoice period, and include all financial supporting documentation to substantiate project expenditures. As such, proof of expenditures and matching funds are due no later than 30 days after the quarterly invoice period.

Recipients complete the following and return to the Grant Specialist:

- Budget Category: Itemize project expenditures and matching funds activities into the applicable budget category
- Invoice Number: All itemized expenditures and matching funds activities must correlate to a project invoice.
- Description: Provide a brief description of the quantity or service
- CDFA Reimbursement, Matching Funds, In-Kind Contributions, State/Federal Funds, Other Funds: Dollar amount contributed for each project cost.

## **Line Item Shift Request**

When adjustments to the project result in the need to shift funds from one budget line item to another, Recipients are required to complete and submit to the CDFA Grant Specialist a Line Item Shift Request (LISR). All un-shaded areas of the LISR form should be completed. Recipient must enter the following:

- Enter the current approved budget values (these amounts should be taken from the most recent approved invoice, Project Budget column).

- Enter the amount of funds shifted from a budget category as a negative by using brackets “()”, and the amount of funds shifted to a budget category as a positive amount by using the plus sign “+”. The revised budget will automatically be calculated.

The total project budget cannot be increased or decreased through this process.

## **Withholds**

### *Withhold Payment Notification*

Upon discovery of an invoice discrepancy or material issues adversely affecting project implementation, the CDFA Grant Specialist will issue a Withhold Payment Notification (Notification) to delay payment of an invoice. The Notification describes the reason for withholding payment and what actions may be required. Within ten (10) calendar days from receipt of the notice, the CDFA Grant Specialist will contact the Recipient for purposes of resolving any issues. Invoices are processed once all issues are resolved.

### *Withhold Pending Closeout*

CDFA will withhold 10% of the Grant Agreement award until approval of the Final Invoice and Final Verification, and/or resolution of any performance issues or audit findings.

### *Suspension of Payments*

If a Recipient is not compliant with the Grant Agreement terms and conditions, CDFA may suspend reimbursement. Upon discovery of any violations of the Grant Agreement terms and conditions, Recipient will be advised in writing of the terms breached and the reasons for imposing suspension of payments.

A determination of breach may be appealed in writing either mailed to:

California Department of Food and Agriculture  
Attn: Legal Hearing and Appeals Office  
1220 N Street,  
Sacramento, CA 95814

Or via email to: Or via email to: [CDFA.LegalOffice@cdfa.ca.gov](mailto:CDFA.LegalOffice@cdfa.ca.gov)

The appeal must include a copy of the notification or the name of the Recipient organization, the grant agreement number, the title of the project, the reasons the action should not be imposed, including any documentation to support the appeal, and the signature of the authorized representative. Appeals must be postmarked (date stamped if via email) within 10 calendar days of the date of the notification of the action from OGA. Appeals not received within this timeframe will be denied. The action specified in the notification remains in effect while the appeal is under review.

## **Reporting Requirements**

### **Final Verification**

Recipients must notify their assigned CDFA Grant Specialist in writing that project implementation is complete. Once OGA is notified projects are complete, a representative or CDFA Environmental Scientist will contact Recipients within 30 days to schedule a site visit to complete the verification requirement.

The purpose of the final verification is used to verify proper completion of the project according to the approved SOW, summarize project accomplishments, including benefits to disadvantaged communities, estimated GHG reductions for entire project, quantifiable improvements in air and water quality resulting from the project, and any additional co-benefits achieved during the grant term.

During the site visit, the verifier will take a minimum of three pictures and one video and complete a verification report indicating project results and other project related information as applicable. The verification must be approved in order for Recipients to receive final payment. Recipients must be present on the date the verification is conducted.

## **Post-Project Completion Reporting**

The 2017 AMMP projects are supported by the GGRF and Recipients are expected to provide data to CDFA for three years after the end of the project term and/or the alternative management practice becomes operational. The purpose of such follow-up reporting is to demonstrate the long-term success of 2017 AMMP projects by documenting the project data.

After the practice becomes operational, CDFA may work with Recipients to collect data and to validate initial project estimations.

Recipients will be required to collect data and submit reports to CDFA on an annual basis for a period of three years to support GHG quantification. Reporting may include, but is not limited to:

- Weeks per year livestock spent at pasture before and during reporting period
- Confirmation that solid separation or dry scrape technology is operational and being utilized
- Detailed explanation of project co-benefits achieved and description of efforts planned or in place for sustaining the project's co-benefits through the life of the project.
- Detailed explanation of economic benefits (including but not limited to number of jobs provided, average wages and benefits) achieved and describe efforts planned or in place for sustaining the project's economic benefits.

## **Compliance Reviews**

CDFA will conduct a Financial Audit and/or Critical Project Review upon reasonable notice at any time during the project term. The purpose is to review financial records and project documentation to ensure 2017 AMMP funds are used for their intended purpose and the project is meeting the deliverables as approved in the SOW, specifically relating to the Work Plan and Budget.

## **Financial Review**

All invoices submitted to the CDFA Grant Specialist are subject to a financial compliance desk review by a CDFA auditor. The purpose is to review financial records and documentation, including matching and in-kind contribution records, to ensure 2017 AMMP funds are used for their intended purposes in compliance with the GAP manual as well as the Grant Agreement terms and conditions. Documentation may include, but is not limited to, invoices/receipts for operating costs, contractor/consultant invoices and agreements, timesheets and payroll records, travel receipts, permitting fees, etc.

## **Critical Project Review**

2017 AMMP awarded projects are subject to a minimum of one critical project review during the project term for CDFA to verify project progress as reported in Progress Reports.

## **Project Closeout**

Before the Grant Agreement is closed, OGA will review the Critical Project Review Report, Final Verification, Final Invoice, and ensure resolution of any project concerns. CDFA will withhold 10% of the Grant Agreement amount pending resolution of any issues. A closeout letter and final payment will be issued when a resolution is complete.

## **Record Retention**

Recipient must retain supporting financial records, project records, and any other relevant supporting documents for a period of three (3) years from the date the Grant Agreement is closed or until final resolution of any litigation related to the grant.

Records that must be retained include:

- Actual expenditure invoices of supplies and materials and equipment charged to grant fund;
- Contractor/Consultant reimbursement claims for work performed on the project;
- Permits, licenses, approvals and agreements obtained for project implementation;
- All other supporting financial documentation related to the Grant Agreement.