

2019 ALTERNATIVE MANURE MANAGEMENT PROGRAM

The Alternative Manure Management Program is funded by the California Climate Investments



GRANT AWARD PROCEDURES MANUAL



California Department of Food and Agriculture

Office of Environmental Farming and Innovation

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Table of Contents

General Information	1
Program Purpose and Authority.....	1
General Responsibilities	1
Required Forms.....	3
Assistance	3
Prior Approval Required.....	3
Project Management.....	4
Allowable Costs	4
Unallowable Costs	4
Cost Share	5
Contractors/Consultants.....	5
Permits, Licenses, Agreements, and Approvals.....	6
Notifications of Problems and Delays	6
Scope of Work Revisions.....	6
Budget Revisions	7
Publicity and Acknowledgement	7
Financial Management	7
Invoices.....	8
Proof of Expenditures and Matching Funds.....	9
Line Item Shift Request.....	9
Withholds.....	10
Reporting Requirements	11
Final Verification.....	11
Post-Project Completion Reporting	11
Compliance Reviews	12
Financial Review	12
Project Closeout	12
Record Retention	12

General Information

Program Purpose and Authority

The [2019 Alternative Manure Management Program \(2019 AMMP\)](#) provides financial assistance for the implementation of non-digester manure management practices in California, which will result in reduced greenhouse gas emissions.

The Budget Act of 2018 (Chapter 30, Statutes of 2018) appropriated \$99 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. All projects that receive GGRF monies are required by Government Code Section 16428.9 to achieve GHG emission reductions and further the purposes of the Global Warming Solutions Act of 2006 (AB 32).

The 2019 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

California Department of Food and Agriculture

The CDFA, Office of Environmental Farming and Innovation (OEFI) oversees the 2019 AMMP Recipient Grant Agreements. The OEFI is responsible for monitoring Recipients to ensure compliance with program requirements and grant terms and conditions. The OEFI will also provide Recipients with on-going assistance and consultation throughout the duration of the project term. The OEFI is also responsible for conducting verifications for the projects.

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 OEFI Grant Analyst 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 2019 AMMP awarded projects, Recipients are expected to report to CDFA Greenhouse Gas (GHG) emissions reduction data for three years after implementation of the manure management practice. Refer to Phase II Reporting for detailed information regarding reporting requirements after project implementation.

Required Forms

Forms and templates referenced in this manual can be found at <https://www.cdfa.ca.gov/oefi/AMMP/>.

Assistance

A CDFA OEFI Grant Analyst (Grant Analyst) is available to answer questions regarding program requirements and Grant Agreement terms and conditions. Recipients should contact their assigned Grant Analyst 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

Recipients should contact their assigned Grant Analyst in writing whenever a change requiring prior approval is necessary or if they are uncertain whether a project activity or cost requires prior approval. Failure to obtain prior approval may result in costs being deemed unallowable and requests 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 2019 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. 2019 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 2019 AMMP project must maintain all invoices, receipts, agreements, etc. In addition, 2019 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 Grant Analyst.

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.
- Costs associated with purchasing general purpose equipment (e.g., tractors, loaders, etc.) that will be used primarily for non-manure management practices/activities.
- Non-labor cost (e.g., management) and fees associated with project oversight and coordination.
- Consulting fees not directly related wot project implementation.
- Costs associated with, or actual expenditures of, purchasing or leasing land and/or buildings
- General costs associated with grant management (e.g., invoicing, reporting, oversight, ordering equipment).
- Costs associated with travel (e.g., hotels, flights, per diem, etc.)
- Purchase of dairy manure (tipping fees) or other feedstock.
- Costs associated with the three-year GHG emission reductions reporting.

Cost Share

Cost share (matching funds and/or in-kind 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 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 matching funds are contributed to the project, Recipients must report the matching funds expenditures and maintain all supporting documentation (invoices, receipts, etc.) associated with matching funds. All matching funds supporting documentation must be made available to OEFI or its representatives.

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 Grant Analyst.

Timekeeping Requirements

Activity reports or timesheets must be submitted to support salary and wage, and fringe benefit expenditures charged to 2019 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 2019 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 Grant Analyst 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 Grant Analyst.

Recipients must demonstrate compliance with the California Environmental Quality Act (CEQA) and all applicable permits within 6 months of the execution of the grant agreement.

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

Recipients must acknowledge the Climate Change Investments (CCI) program's 2019 AMMP support whenever projects funded, in whole or in part, are publicized in any news media, brochures, publications, audiovisuals, or other types of promotional material. Outreach materials must include the CCI logo.

Acknowledgements must be consistent with the guidance provided in the CCI Media and Communications Style Guide available 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 Grant Analyst for reimbursement and matching funds contributed to the project.

Invoices

Reimbursement Payments

Recipients submit invoices to the Grant Analyst for reimbursement of actual expenditures incurred to implement their project. Invoices must be submitted quarterly and include all financial supporting documentation to substantiate 2019 AMMP expenses.

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

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:

Quarterly Period	Invoice Due
October 1 – December 31	January 31
January 1 – March 31	April 30
April 1 – June 30	July 31
July 1 – September 30	October 31

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.

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

Completing an Invoice

Request for Reimbursement Invoice

The Grant Analyst initiates each invoice cycle by generating an electronic invoice template. The Grant Analyst 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 Analyst:

- 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

Recipient checks the “NO EXPENDITURES” box, signs, dates, and returns the invoice to the Grant Analyst. 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 Grant Analyst. Proof of expenditures and matching funds must be submitted during the quarterly invoice period and include all financial supporting documentation to substantiate project expenditures. Personal checks containing confidential and sensitive information such as routing and account numbers should not be submitted as a form of supporting documentation. 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 Analyst:

- 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 Grant Analyst 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 Grant Analyst 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 Grant Analyst 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 Performance Report, 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, Suite 400
Sacramento, CA 95814

Or via email to: 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 OEFL. 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 Grant Analyst in writing that the project implementation is complete. Once OEFI is notified that projects are complete, a representative or OEFI 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 estimated GHG reductions for the entire project, quantifiable improvements in air and water quality resulting from the project, and any additional co-benefits achieved during the grant term.

Post-Project Completion Reporting

2019 AMMP projects supported by GGRF, 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 2019 AMMP projects by documenting the project data.

After the practice becomes operational, CDFA will work with Recipients to collect data and to validate initial project estimations. Recipients are required to determine and report project GHG emission reductions consistent with guidelines in the CARB Compliance Offset Protocol – Livestock Projects.

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. In addition to GHG emission reduction data, 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 upon reasonable notice at any time during the project term. The purpose is to review financial records and project documentation to ensure 2019 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 Grant Analyst 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 2019 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.

Project Closeout

Before the Grant Agreement is closed, OEFI will review the 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.