

# 2023 DAIRY DIGESTER RESEARCH AND DEVELOPMENT PROGRAM

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*The 2023 Dairy Digester Research and Development Program is funded by the  
California State Budget General Funds.*



## GRANT AWARD PROCEDURES MANUAL



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# General Information

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## Program Purpose and Authority

The California Department of Food and Agriculture's (CDFA) [2023 Dairy Digester Research and Development Program \(DDRDP\)](#) awards competitive grants to California dairy operations and digester developers for the implementation of anaerobic dairy digesters that result in long-term methane emission reductions on California dairies and minimize or mitigate adverse environmental impacts.

The Budget Act of 2022 ([Senate Bill 154, Chapter 43](#)) appropriated \$48 million dollars from the California State Budget to CDFA for methane emissions reductions from dairy and livestock operations, which will be split evenly for distribution through the DDRDP and the Alternative Manure Management Program (AMMP). These appropriations will be distributed through two grant solicitations.

The 2023 DDRDP Grant Award Procedures (GAP) manual is designed to provide direction to Grant Recipients (Recipients) for the successful management and completion of DDRDP funded projects. The GAP manual 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 and manages the 2023 DDRDP 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 2023 DDRDP awarded projects, Recipients are expected to report to CDFA Greenhouse Gas (GHG) emissions reduction data for five (5) years after implementation of the digester. Refer to [Post-Project Completion Requirements](#) for detailed information regarding reporting requirements after project implementation.

## Required Forms

Forms and templates referenced in this manual will be provided by the assigned Grant Analyst. Forms can also be requested through email ([cdfa.oefi\\_ddrdp\\_tech@cdfa.ca.gov](mailto:cdfa.oefi_ddrdp_tech@cdfa.ca.gov)), or may be found at <https://www.cdfa.ca.gov/forms/#oefi>. This document (the GAP Manual), and the 2023 DDRDP Request for Grant Applications are available at <https://www.cdfa.ca.gov/oefi/ddrdp/> under Recipient Resources.

## 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 at [cdfa.oefi\\_ddrdp\\_tech@cdfa.ca.gov](mailto:cdfa.oefi_ddrdp_tech@cdfa.ca.gov) 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, work plan, objectives, activities, milestones, dates, or deliverables.
- Line-item shifts (e.g., budget revisions).
- Change in Recipient organization or key project team members, including contractors that were named in the original SOW, work plan, or budget.

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 request for reimbursement being denied.

### **IMPORTANT!**

Once a project has been awarded funds and until the project is complete and closed out, the project must not:

- Change or alter their biogas end-use during the project term.
- Change the herd size beyond the limits established by the dairy operation's existing permits at the time of application during the project term.
- Change ownership and/or partnership entities of the dairy. In the event the grantee needs to change ownership of the dairy and/or partnership entities or enters negotiations for the sale of the dairy for which a grant was awarded, the grantee shall disclose said negotiations to the CDFA immediately. The grant shall not be assigned to the purchaser, unless approved by the CDFA pursuant to any/all terms and conditions the CDFA deems necessary. Should the grantee or purchaser refuse to comply with the terms and conditions set forth by the CDFA or the grantee sells the dairy operation that was the subject of the grant award without approval of grant transfer from the CDFA, the grant agreement will be terminated, and the grantee shall reimburse all grant monies to the CDFA immediately.

# Project Management

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Recipients are responsible for the overall management of the project, ensuring all project activities are completed as identified in the Work Plan and follow program requirements and the Grant Agreement terms and conditions.

## Project Communication

Recipients are required to maintain clear and consistent communication with OEFI regarding project progress during the Grant Agreement term. This includes but is not limited to:

- Notification of changes to project implementation, timelines, contractors (reference [Scope of Work Revisions](#)).
- Notification of issues affecting project progress (reference [Notification of Problems and Delays](#)).
- Responding to requests for project status updates and revised work plans.

## Allowable Costs

A cost is allowable if it directly relates to project implementation of the digester, associated biogas end-use, and nutrient management technologies (if applicable), and is incurred solely to advance work under the Grant Agreement SOW as identified in the approved Budget Worksheet. Allowable costs may include supplies and materials, equipment, and contractor/consultant services, and other costs associated with implementation of a digester as described below:

- Supplies: Supplies and materials are items with an acquisition cost of less than \$5,000 per unit and have a useful life of less than one year.
- Equipment: Equipment is an article of nonexpendable, tangible personal property and has a useful life of more than one year, and a purchase cost that equals or exceeds \$5,000 per unit.
- Contractor/Consultant: Contractor fees are limited to labor to install the project. Consultant fees are for a specific and identifiable service that is directly related to project implementation. Compensation for individual contractor/consultant fees must be reasonable and consistent with fees in the marketplace for the same or similar services.
- Design and engineering: Design and engineering costs, including those provided by contractor/consultants up to 5% of the total amount requested are allowable. Compensation for design and engineering fees must be reasonable and consistent with fees in the marketplace for the same or similar services.

- Other Costs: Other direct costs and expenses for implementing the project not covered in any of the previous categories, including secondary lagoon lining costs.

Expenditures must conform to the 2023 DDRDP requirements (refer to the [2023 Request for Grant Applications](#)), 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 2023 DDRDP project. The project costs must be incurred for the purpose for which the funding was granted and charged to the award on a specifically calculated basis. Documents must be maintained for all expenses billed to the project, including, but not limited to invoices, receipts and agreements. In addition, project expenses must be necessary for award performance, as well as prudently incurred.

Note: all the project expenses billed to the project must be paid by the recipient prior to reimbursement, and must be supported with proper documentation including, but not limited to a copy of cashed check(s) or receipts of wire transfer(s) of payment, or reference number(s) of specific transactions made toward these payments.

## 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, including those incurred for the Dairy Plus Program (2) is not directly related to the implementation of a digester, associated biogas end-use, and nutrient management technologies (if applicable), and (3) is not supported with adequate proof of payment documentation. 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 grant agreement term.
- Costs that are not directly related to the implementation of the anaerobic



digester and nutrient management technologies (if applicable).

- Costs related to the grant management and fulfilling the requirements set by the Program, included but not limited to invoicing, quarterly progress reports, final performance reports, post-project completion reports preparation, and virtual or in-person site visits for critical project review/verification.
- Costs covered by another State or Federal grant program, including funds provided by the Investor-Owned Utilities as result of the CPUC Order Instituting Rulemaking to implement dairy biomethane pilot project process, and costs incurred for the Dairy Plus Program.
- Pre-development costs, including, but not limited to application preparation, permits obtained prior to the grant agreement term, project designs, and any other activities that contribute to a project's "shovel-readiness".
- Costs of all permits necessary for the completion of the project. Examples include but are not limited to air district permits, county building permits, water board permits.
- Costs associated with CEQA or other environmental review, such required for project permits, including preparation of Environmental Impact Report.
- Direct and/or indirect expenditures for purchasing or leasing land and/or buildings, including costs associated with the land use or loss of agricultural production.
- Direct and/or indirect expenditures for purchasing dairy manure (tipping fees) or other feedstocks.
- Costs associated with travel (e.g., hotels, flights, per diem, etc.).
- Costs associated with the five-year of post-project completion reporting.
- Costs incurred during community outreach.
- Costs associated with mitigation of potential adverse impacts (i.e., California Government Code Section 16428.86(a)).
- Costs not supported with adequate proof of payment documentation.
- Costs that were already incurred by the AMMP award.

\*For more guidance on Allowable and Unallowable Costs please refer to CCR 330.2 and guidance posted by CDFA at [Final Selected Items of Cost Guidance](#) webpage.

## Matching Funds

Matching Funds are a portion of project costs not borne by the DDRDP grant. Matching contributions include allowable costs (i.e., supplies and materials, equipment, contractor/consultant fees, and other associated project costs) incurred by the Recipient that are directly related to the implementation of the project. Other State or

Federal grants may serve as matching funds, however, Dairy Plus Program funds will not be considered as matching funds.

In-kind contributions are donated goods or services for which fees would ordinarily be paid or provided to the applicant at no cash cost. In-kind contributions include contributions in the form of project installation (labor), pre-development activities conducted prior to the project term, and donated supplies, materials, or equipment necessary to the project. In-kind contributions must not exceed 25% of the total matching contribution to the project.

For donated services, the project team members and contractors/consultants performing the service must have the proper licenses/certificates required in their respective disciplines. (For in-kind contributions to be considered an allowable match for services donated to a project, refer to [Timekeeping Requirements](#).)

Recipients must have a mechanism in place to track costs associated with 2023 DDRDP project activities. Accordingly, Recipients must ensure cost of 2023 DDRDP activities are readily distinguishable from all other matching funding sources.

Recipients are required to report matching funds expenditures, and therefore, must maintain all financial records associated with matching funds contributed to the project. Recipients must report matching funds to date with all invoices submitted to CDFA and include supporting financial documentation (examples include, but are not limited to, receipts and invoices) to substantiate matching funds contributed to the project. Matching funds must be supported with proper documentation including, but not limited to a copy of cashed check(s) or receipts of wire transfer(s) of payment, or reference number(s) of specific transactions made toward these payments. For detailed information regarding matching funds reporting requirements, refer to [Proof of Matching Funds](#).

Recipients must expend matching funds at a rate that is equal to or exceeds the amount of 2023 DDRDP funds requested for reimbursement. CDFA will withhold reimbursement anytime the amount of matching funds is less than the cumulative amount of funds requested for reimbursement (e.g., if a Recipient submits an invoice for \$100,000 and has only contributed \$50,000 in matching funds; CDFA will reduce the invoice to \$50,000). For more information refer to [Withhold Notification](#).

## **Contractors/Consultants**

Recipients may contract 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.

Contractor invoices shall include sufficient detail and information so CDFA can make a determination that the expenditures invoiced are deemed reasonable and allowable under the approved SOW and Budget. In the event the contractor outsources to a subcontractor for a specific product and/or service, supporting subcontractor invoices must also include detailed itemization to ensure that only actual expenses are charged to grant funds.

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 2023 DDRDP 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 2023 DDRDP 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. Furthermore, once permits, licenses, agreements, and approvals are issued, the Recipient is required to provide a copy to the Grant Analyst.

Recipients are required to notify the Grant Analyst in writing regarding the status of all necessary permits, licenses, agreements, and approvals.

Recipients are expected to demonstrate compliance with the California Environmental Quality Act (CEQA) and all applicable permits within six (6) months of the execution of the grant agreement. Additionally, grant applicants are also required to demonstrate progress within twelve (12) months by accomplishing at least one of the listed items. For example, securing matching funding, ordering related supplies/equipment, submitting invoices to CDFA for reimbursement, providing proof of matching costs expenditures, obtaining necessary planning permits, and demonstrating site preparation for the implementation of the project. Failure to demonstrate progress in the activities mentioned above may result in termination of the grant agreement.

If there are issues or unforeseen circumstances resulting in delays in obtaining required permits and licenses, 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, the 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 construct the digester, associated biogas end-use setup, and project components.
- Substituting supplies, materials, or equipment identified in the Budget Worksheet.
- 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 by using a [Project Modification Request Form](#) and provide detailed information explaining the need and how the change affects the estimated project GHG emission reductions, timeline, budget and directly and/or indirectly the project implementation.

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 or deliverables outlined in the Work Plan.
- Budget revisions.
- Change in 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 will not be approved.

For detailed instructions on completing the Project Modification Request Form, refer to

## [Appendix B.](#)

### **Budget Revisions**

For SOW revisions that also require adjustments to the Budget Worksheet, a Line-Item Shift Request (LISR) using the [Project Modification Request Form](#) must be submitted in advance for CDFA approval. Follow instructions under [Financial Management- LISR](#) section to request a budget revision.

The LISR must be accompanied by a revised Budget Worksheet. The total project budget cannot be increased or decreased through this process.

### **Project Termination**

If the Recipient chooses to terminate their grant agreement, forgoing the grant award, the Recipient will need to request this in writing using a provided template or in a letter which must include all of the following information:

- Program
- Grant Agreement number
- Name of grant recipient and project name/operation
- Reason for termination request
- Date of termination
- Date and Signature of grant recipient

The Program will send a closeout letter confirming termination of the project 30 days following the effective date of termination indicated in the request. Once confirmed by the Program, the termination is irreversible. If any approved project costs were reimbursed prior to termination date, the project will be considered failed and the Recipient unable to re-apply to the program for three (3) years.

# Financial Management

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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) 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 (i.e., paid for by recipient prior to reimbursement) to implement their project. Invoices must be submitted quarterly and include all financial supporting documentation to substantiate 2023 DDRDP expenses.

Reimbursements must be requested on the invoice template provided by the Grant Analyst. A scanned, legible copy of the signed invoice or a signed digital invoice must be emailed to the Grant Analyst at [cdfa.oefi\\_ddrdp\\_tech@cdfa.ca.gov](mailto:cdfa.oefi_ddrdp_tech@cdfa.ca.gov).

### When to Submit Invoices

Final 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 (no later than)</b>
January 1 – March 31	April 30
April 1 – June 30	July 31
July 1 – September 30	October 31
October 1 – December 31	January 31

Final invoices are due no later than 30 days following the expiration of the Grant Agreement term or after the project is verified and complete, whichever comes first. Please note that final invoicing not submitted within 60 days of the end of the grant term may not be reimbursed.

CDFA Invoices and supporting financial 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. The Grant Analyst may request additional information or supporting documentation to determine the eligibility of allowable costs. Once the incompleteness or deficiencies are corrected, the Grant Analyst will process the invoice for payment as long as the accompanying quarterly progress report is deemed satisfactory. It may take up to 45 days from the date the invoice is approved for a payment check to be issued by the State Controller's Office.

## **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 – Time period inclusive of - when costs occurred.
- Amount Requested – Dollar amount requested by budget category. *Recipients should refer to the project's approved Budget Worksheet; reimbursement for project expenditures is based on these budget categories and amounts.*
- Preparer/Authorized Certification – Name of Preparer and Authorized Representative (individual authorized on the Grant Agreement), phone number, email address and date, certifying the requested amount is for actual and allowable expenditures incurred for project activities performed in accordance with Grant Agreement provisions.

For detailed instructions on completing the CDFA invoice template, refer to [Appendix A](#).

### No Expenditure Invoice

If no expenses were incurred during the quarter/billing period, the Recipient checks the "NO EXPENDITURES" box, completes the prepare/authorized representative verification box 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. Any remaining



balance will revert back to CDFA after the project close out.

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

Recipients must submit Proof of Expenditures and Matching Funds form with the CDFA invoice template to the Grant Analyst when requesting reimbursement. The Proof of Expenditures and Matching Funds form must be submitted during the quarterly invoice period and include all financial supporting documentation (e.g., invoices, receipts for expenses incurred) to substantiate project expenditures. As such, proof of expenditures and matching funds form are due no later than 30 days after the quarterly invoice period.

Recipients complete the following in the form and return to the Grant Analyst:

- Budget Category: Itemize project expenditures and matching funds activities into the applicable budget category (refer to project's approved Budget Worksheet).
- Invoice Number: All itemized expenditures and matching funds activities must correlate to a project invoice submitted as supporting documentation.
- Description: Provide a brief description of the quantity or service (expenditures should be identifiable to items and activities in the approved Budget Worksheet).
- CDFA Reimbursement, Matching Funds, In-Kind Contributions, State/Federal Funds (Dairy Plus Program funds will not be considered as matching 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) using the [Project Modification Request Form](#) to the Grant Analyst. All un-shaded areas of the LISR on the Project Modification Request 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 LISR must be accompanied by a revised Budget Worksheet. 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 completion of the final verification, 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](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 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

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## **Quarterly Progress Report**

Recipients are required to submit quarterly progress reports no later than 30 days after each reporting period ends. The progress report is used to identify tasks and activities achieved (including but not limited to progress on construction activities, permitting, licensing, and/or agreement status, equipment purchased), potential concerns or delays, matching funds expended to date, and other pertinent information such as estimated GHG reductions and co-benefits achieved during the reporting period.

## **Final Verification/Critical Project Review**

Recipients must notify their assigned Grant Analyst in writing that the project implementation is complete. Once OEFI is notified that projects are complete, an OEFI Scientist or representative will contact Recipients to schedule a site visit to complete the verification requirement. CDFA may consider alternative methods including but not limited to project photographs and video conferencing. 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.

## **Final Performance Report**

Recipients are required to submit a Final Performance Report no later than 30 calendar days following the expiration date of the Grant Agreement or after the Final Verification is conducted, whichever comes first. The Final Performance Report is used to 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.

## **Post-Project Completion Requirements**

2023 DDRDP recipients are expected to provide real and quantifiable GHG emission reductions data to CDFA for five (5) years after the end of the project term and/or after the digester becomes operational. The purpose of such follow-up reporting is to demonstrate the long-term success of 2023 DDRDP projects by

documenting the actual GHG emission reductions data and other project co-benefits.

After the digester becomes operational, CDFA will work with Recipients to collect GHG emission reductions data 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](#). Failure to work with CDFA or its designees to provide the necessary project-related documentation will be considered non-performance. In the event of nonperformance, CDFA shall take any action deemed necessary to recover all or any portion of the grant funding.

Recipients will be required to collect data and submit Post-Project Completion report to CDFA on an annual basis for a period of five years to support GHG quantification. In addition to GHG emission reduction data, Post-Project Completion reporting may include, but is not limited to:

- Tons of waste digested and type of waste
- Amount of methane destroyed (MT CH<sub>4</sub>/year)
- Amount of methane utilized (MT CH<sub>4</sub>/year)
- Surplus renewable energy generated (in kWh/year, or scf/year, or MMBtu/year)
- Compost Produced (short tons/year)
- Employment information, such as, but not limited to:
  - Job Classification
  - Job Education Required
  - Job Experience Required
  - Job Training Credentials Provided
  - Number of Jobs Provided
  - Number of Jobs Provided to Priority Populations
  - Total Project Work Hours
  - Project Work Hours for Priority Populations
  - Average Hourly Wage
  - Average Hourly Wage for Priority Populations
  - Total Number of Workers that Completed Job Training
  - Number of Workers in Priority Populations that Completed Job Training
  - Employer-Paid Health Insurance
  - Paid Leave
  - Retirement Plan
  - Targeted Hiring Strategy

# Compliance Reviews

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CDFA can 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 2023 DDRDP funds are used for their intended purpose and the project is meeting the deliverables as approved in the SOW and evaluate project implementation progress to ensure projects are complete within the project term.

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 2023 DDRDP 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, and permitting fees.

## Project Closeout

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Before the Grant Agreement is closed, OEFI will review the Critical Project Review Report, Final Performance Report, Final Invoice, pictures of implemented project, 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 closeout review and any needed resolution is complete.

## Record Retention

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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.

# Appendix A: CDFA Invoice Template

<b>Bill to:</b> STATE OF CALIFORNIA CA DEPARTMENT FOOD & AGRICULTURE OFFICE OF ENVIRONMENTAL FARMING AND INNOVATION 1220 N STREET, ROOM 162-1 SACRAMENTO, CA 95814 GRANTS INVOICE Rev. 9/2023	<b>INVOICE</b> <b>Dairy Digester Research and Development Program</b> <div style="border: 1px solid red; padding: 2px; margin: 5px 0;">Recipient must complete all yellow shaded sections below</div>	<b>Make Check Payable to:</b> <b>RECIPIENT NAME</b> Address City, State, Zip Code Attn: Name
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Grant Agreement Number: _____	2	Billing Period: <div style="border: 1px solid red; padding: 2px;">MMDD/YYYY - MMDD/YYYY</div>	3	Invoice Date: <div style="border: 1px solid red; padding: 2px;"></div>	Invoice Number: _____
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 Recipient's Name: \_\_\_\_\_
   
  

<b>1</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #e0f0ff;"> <th colspan="2">Project Budget</th> </tr> </thead> <tbody> <tr><td>1 OPERATING EXPENSES</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>2 a) Supplies</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>3 CONTRACTORS/ LABOR COSTS</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>4 OTHER DIRECT COSTS</td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td><b>Totals:</b></td><td style="text-align: right;"><b>\$0.00</b></td></tr> </tbody> </table>	Project Budget		1 OPERATING EXPENSES	\$0.00	2 a) Supplies	\$0.00	3 CONTRACTORS/ LABOR COSTS	\$0.00	4 OTHER DIRECT COSTS	\$0.00		\$0.00		\$0.00		\$0.00	<b>Totals:</b>	<b>\$0.00</b>	<b>7</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #e0f0ff;"> <th colspan="2">Invoiced to Date</th> </tr> </thead> <tbody> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td><b>Totals:</b></td><td style="text-align: right;"><b>\$0.00</b></td></tr> </tbody> </table>	Invoiced to Date			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	<b>Totals:</b>	<b>\$0.00</b>	<b>4</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #ffffe0;"> <th colspan="2">Amount Requested</th> </tr> </thead> <tbody> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td><b>Totals:</b></td><td style="text-align: right;"><b>\$0.00</b></td></tr> </tbody> </table>	Amount Requested			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	<b>Totals:</b>	<b>\$0.00</b>	<b>6</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #e0f0ff;"> <th colspan="2">Remaining Balance</th> </tr> </thead> <tbody> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td></td><td style="text-align: right;">\$0.00</td></tr> <tr><td><b>Totals:</b></td><td style="text-align: right;"><b>\$0.00</b></td></tr> </tbody> </table>	Remaining Balance			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	<b>Totals:</b>	<b>\$0.00</b>
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Funds to be withheld Until Project Completion and Verification: 10% = \$0.00 Matching Funds to Date: <div style="border: 1px solid red; padding: 2px;">N/A</div> Approved Line Item Shifts: <div style="border: 1px solid red; padding: 2px;">0</div>	8	Less Remaining Advance: \$0.00 <b>5</b> Amount to be Paid: <div style="border: 1px solid red; padding: 2px;">\$0.00</div>	5	<div style="border: 1px solid red; padding: 2px; background-color: #ffffe0;">NO EXPENDITURES</div>
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**9** I certify the amount requested is for actual and allowable expenditures incurred for Projects activities performed in accordance with the Grant Agreement provisions.
 

PREPARER'S NAME _____	PHONE NUMBER _____	E-MAIL ADDRESS _____	DATE _____
AUTHORIZED NAME (REQUIRED) _____	PHONE NUMBER _____	E-MAIL ADDRESS _____	DATE _____

**FOR STATE USE ONLY**

\$ <div style="border: 1px solid black; width: 100px; height: 20px;"></div>	STATE FISCAL YEAR <div style="border: 1px solid black; width: 100px; height: 20px;"></div>	GRANT SPECIALIST INITIALS AND DATE <div style="border: 1px solid black; width: 100px; height: 20px;"></div>	ACCOUNT CODE <div style="border: 1px solid black; width: 100px; height: 20px;"></div>	PROGRAM CODE <div style="border: 1px solid black; width: 100px; height: 20px;"></div>	SUPPLIER ID <div style="border: 1px solid black; width: 100px; height: 20px;"></div>
CDFA AUTHORIZED APPROVER <div style="border: 1px solid black; width: 100px; height: 20px;"></div>	CDFA AUTHORIZED SIGNATURE <div style="border: 1px solid black; width: 100px; height: 20px;"></div>	DATE <div style="border: 1px solid black; width: 100px; height: 20px;"></div>	OBJECT CODE <div style="border: 1px solid black; width: 100px; height: 20px;"></div>	FROM COST ACCT (PCA) <div style="border: 1px solid black; width: 100px; height: 20px;"></div>	VENDOR ID <div style="border: 1px solid black; width: 100px; height: 20px;"></div>

☐ Liquidate against Advance payment.
 ☐ Withhold 10% of Grant Award until Project is verified.
 ☐ Project verified. Final payment.

\* - CDFA withholds 10% of the total grant amount and it will not be released until all tasks noted in project Scope of Work are completed by Recipient and verified by CDFA, including approval of the Final Project Report by CDFA. A Withhold Payment Notification will not be sent, and the 10 percent withhold may not be appealed.

## CDFA Invoice Template Instructions and Definitions

*Recipients must complete all yellow shaded sections (when applicable) identified on the CDFA invoice template. The following provides definitions and instructions on completing specific sections of the CDFA invoice template to request reimbursement payments for costs incurred to implement the project. For questions regarding and assistance with completing this template, Recipients should contact their assigned Grant Analyst.*

**1) Project Budget:** The total grant award amount for each budget category (for DDRDP these are Supplies, Contractor/Labor, and Other Direct Costs) as identified in the approved Budget. Reimbursement for project expenditures is based on these categories and amounts.

**2) Billing Period:** The period in which project costs were incurred. For example, if project costs were incurred during the second billing quarter, the billing period is April 1<sup>st</sup>, 2024 – June 30<sup>th</sup>, 2024.

**3) Invoice date:** The date Recipient completes and signs the CDFA Invoice template. This date cannot precede the latest date indicated on the Billing Period.

**4) Amount Requested:** Review the dollar amounts in each budget category to request reimbursement for project costs that were incurred during the billing period. The amount requested in each budget category cannot exceed the total amounts listed under the “Project Budget” or the amount detailed in the Scope of Work section of the Grant Agreement under Attachment 1a - Budget Details.

**5) Amount to be Paid:** The total payment amount requested for project costs that were incurred during a billing period. The invoice template will automatically calculate this total. Once OEFI approves the invoice, the “Amount to be Paid” will be the amount issued for reimbursement. In case the Recipient had no expenditures to report in a billing period, please mark the box “No Expenditures”.

**6) Remaining Balance:** The amount of grant funding remaining that has not been paid. OEFI will not approve an invoice with negative balances in this column. Contact your assigned Grant Analyst if a budget revision is needed.

**7) Invoiced to Date:** The total project cost amount reimbursed for each budget category based on previously approved invoices. OEFI will adjust the “Invoiced to Date” amount each billing period.


**8) Matching Funds to Date:** Input the total matching funds and/or in-kind contributions contributed by Recipient to implement the project. The Grant Analyst will review this information based on the expenditure record and

supporting documentation provided by the Recipient and will adjust the value if necessary.

**9) Preparer/Authorized Name:** An authorized representative (individual authorized on the Grant Agreement) must print their name on the “Authorized Name” line to certify the amount requested for each billing period. If the invoice was prepared on behalf of the Recipient, the preparer should print their name on the “Preparer’s Name” line.



# Appendix B: Project Modification Request Form

		<b>State of California</b> <b>California Department of Food and Agriculture</b> Office of Environmental Farming and Innovation	
		<b>Project Modification Request Form</b>	
Date:	Grant Agreement #:	Grant Award Amount:	Revision Request #:
		\$0.00	
<b>Grant Recipient Information:</b>			
Grant Program			
Organization Name:			
Contact Name:			
Telephone:			
Email:			
<b>Type of Modification (Check All Applicable)</b>			
<input type="checkbox"/> Work Plan (e.g. addition or deletion of activities/deliverables; change to start/end dates of tasks) <input type="checkbox"/> Scope of Work (e.g. project narrative, design, project partners/team members) <input type="checkbox"/> Budget <input type="checkbox"/> Others (explain below)			
<b>Description of the Modification</b>			
1. Provide a detailed description of proposed modification in this section. 2. For all modifications except Budget Revisions: Attach a revised document as applicable. Please review the project's SOW and mark any proposed modifications by <del>striking through</del> any old text (do not delete), and adding new text in <b>red font</b> . 3. For Budget Revisions: Please fill out the section "Line Item Shift Budget Adjustment Table" below. If the budget revision includes changes in cost of equipment, supplies or services, please provide an updated quote.			
<b>Justification:</b>			
Justification should cover reasons for request and detailed explanation of how the change will impact the project, including but not limited to: 1) Project Timeline 2) Budget 3) Estimated GHG Emission Reduction 4) Permits			
<b>Line Item Shift Budget Adjustment Table (only fill out if applicable)</b>			
Project Budget Categories	Current Project Budget Amounts (A)	Line Item Shift Revisions enter negative amount with (-) enter positive amount with (+) (B)	Revised Project Budget (A+B)
1. OPERATING EXPENSES			
a) Supplies and Materials	\$0.00	\$0.00	\$0.00
b) Equipment	\$0.00	\$0.00	\$0.00
2. CONTRACTORS/LABOR	\$0.00	\$0.00	\$0.00
3. OTHER DIRECT COSTS	\$0.00	\$0.00	\$0.00
<b>Totals:</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
		(MUST NET \$0)	(MUST EQUAL GRANT AWARD AMOUNT)
<b>Requestor Information:</b>			
<input type="checkbox"/> By checking this box, I certify that I am an authorized representative for this project			
Name		Telephone Number	
Title/Role on Project		Date	
<b>For Department Use Only</b>			
<b>Program Comments and Recommendation:</b>			
<input type="checkbox"/> Reviewed by Program staff			
<input type="checkbox"/> Approval does not require SO 36S Form <input type="checkbox"/> Approval requires SO 36S Form <input type="checkbox"/> NOT APPROVED			
CDFA AUTHORIZED SIGNATURE:		DATE:	

Recipients should complete all appropriate sections. For Requestor Information, an ink or digital signature is not needed – checking the box serves as certification that an authorized representative of the project (usually the Recipient or authorized contact identified on the grant agreement) is submitting the request. The form should be returned as an Excel document.