



State Water Efficiency and Enhancement Program - Block Grant Pilot Program

Grant Award Procedures Manual - 2023



Office of Environmental Farming and Innovation

California Department of Food and Agriculture

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General Information

Authority and Purpose

The State Water Efficiency and Enhancement Program Block Grant Pilot (SWEEP BGP) is a part of the State Water Efficiency and Enhancement Program (SWEEP), which was first developed in 2014 in response to severe drought. SWEEP provides financial incentives for California agricultural operations to invest in irrigation systems that save water and reduce greenhouse gas (GHG) emissions. Through this Block Grant Pilot solicitation, which will provide funding to organizations that will further disburse the funds to individual agricultural operations. CDFA aims to support regional capacity building and provide opportunities for regional strategic use of SWEEP funding to address local concerns regarding water conservation and water efficiency.

Purpose of the Grant Award Procedures Manual

The 2023 SWEEP Block Grant Pilot Program Grant Award Procedures (GAP) Manual is designed to provide direction to Block Grant Recipients (BGR) for the successful management of funded projects. The GAP Manual identifies roles and responsibilities of all parties and describes the processes and procedures required by the Grant Agreement terms and conditions.

General Responsibilities

California Department of Food and Agriculture

The California Department of Food and Agriculture (CDFA), Office of Environmental Farming and Innovation (OEFI) oversees the BGR grant agreements and is responsible for monitoring BGR to ensure compliance with program requirements and grant terms and conditions. CDFA will provide BGR with assistance and consultation on all matters related to their Grant Agreement.

Block Grant Recipients

BGR are responsible for project implementation as outlined in the Grant Agreement Scope of Work (SOW) and Budget. These entities will enter into agreements with CDFA to disburse funds to on-farm projects. These entities will select on-farm projects, assist Grant Beneficiaries with project implementation, conduct verifications of on-farm project implementation and reimburse Grant Beneficiaries. BGR, or their subcontractors, will provide technical assistance to Grant Beneficiaries to implement funded conservation management practices. BGR are responsible for submitting timely and accurate invoices and required reporting documents during the project term.

Grant Beneficiaries

Individuals or entities that either own or control the agricultural land where SWEEP components will be installed through on-farm projects. These individuals or entities may be referred to as farmers, ranchers, agricultural operations, or farm lessee. For detailed information regarding Grant Beneficiaries continued expectations and responsibilities following project implementation, refer to the [Post-Project Requirements](#) section.

Assistance

The CDFA Grant Manager is available to answer questions regarding program requirements before, during, and after the Grant Agreement term. BGR will be assigned a CDFA Grant Manager from the SWEEP to answer questions and assist with grant management. For questions or assistance, BGR should contact their assigned CDFA Grant Manager. BGR may also reach out to the entire SWEEP team via emailing the tech inbox, .

Required Forms

Forms and templates referenced in this manual will be provided by the assigned CDFA Grant Manager. Forms can also be requested through email or may be found [at the Recipient Resource page](#). This document (the GAP Manual), and the 2023 Request for Grant Applications are also available at the above link.

Award Execution Process

The award execution process includes award notification, completion of payee data form (or STD 204), Grant Recipient Questionnaire (Form 1.1.4), Pre-project Consultation, scope of work and budget development, and Grant Agreement Execution through CDFA's Office of Grants Administration. During this time, CDFA will communicate information to BGR via email and awardee training presentations. Individual standard operating procedures (SOPs) for steps in the awarding process will be sent out as needed (e.g., STD 204, Form 1.1.4, Pre-project Consultation, etc.).

Project Management

Upon grant agreement execution, BGR may start to identify interested farmers and ranchers and assist them in developing on-farm project applications. The BGR will select Grant Beneficiaries and provide technical assistance for on-farm project implementation. On-farm project implementation must occur on the Assessor Parcel Number(s) (APNs) identified in the approved SOW and be reported to CDFA using the [SWEEP Block Grant On-Farm Project Reporting Template](#). Failure to meet program requirements for on-farm projects may result in all or any portion of the grant funding being withheld and/or termination of the Grant Agreement.

BGR must maintain clear and consistent communication with CDFA and their assigned CDFA Grant Manager regarding project progress, at least quarterly, throughout the grant term, particularly if problems or issues arise resulting in project delays. Upon discovery of problems and/or delays, BGR must notify their assigned CDFA Grant Manager immediately for purposes of resolving such problems and/or delays. (Refer to [Notification of Problems and Delays](#) section for further details.)

Utility Service Process

For projects requiring utility service for interconnection, etc., Grant Beneficiaries, with assistance from BGR, are advised to begin the application process with their local utility company immediately after enrolling a project with a BGR. If there are delays with scheduling and/or completing utility work (e.g., interconnection, new service, etc.),

Recipients must immediately notify their assigned CDFA Grant Manager in writing for assistance with this process.

Contractors/Consultants

BGR may contract for services that cannot be performed by staff employed by the BGR. Generally, contractors should provide a specific and identifiable product or service. For example, a BGR may contract a third party to participate in the selection process or form a review panel or board for identifying on-farm projects. Another example could be contracting with translation services. All contractors/consultants must have the proper licenses/certificates required for their BGR are responsible for ensuring their contractors/consultants comply with all applicable state and local laws, regulations, and ordinances. Contracting out must not affect the BGR's overall responsibility for the management of the project, and the BGR must reserve sufficient rights and control to enable them to fulfill their responsibilities for the project.

All contractor expenses should be listed in the budget. 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 another contractor for a specific product and/or service, supporting contractor invoices must also include detailed itemization to ensure that only actual expenses are charged to grant funds. In addition, all contractor/consultants must retain all project records for a period of three years following project implementation for purposes of an examination/audit by CDFA.

If adding or changing a contractor that is serving in the role as technical assistance provider, BGR must provide reasonable notice of the new responsible person to their assigned CDFA Grant Manager in writing and a project modification form and updated scope of work may be required to formalize the addition or change.

Notification of Problems and Delays

Upon discovery of problems, delays, or adverse conditions that will materially affect Grant Beneficiary(GB)/on-farm project implementation, the BGR must notify their CDFA Grant Manager through the quarterly reporting process. Examples of these scenarios include delays in technology availability or utility interconnect beyond the expected timeframe for on-farm project completion.

Upon discovery of problems, delays, or adverse conditions that will materially affect the administration of the SWEEP block grant, the BGR must notify their CDFA Grant Manager in writing within 10 business days.

Example include, but are not limited to:

- Significant staffing change at BGR organization or TAP.
- Scenarios that jeopardize completion of the block grant objectives

Block Grant Scope of Work Revisions

SOW revisions may be required for staffing or budget changes.

Requests for project revisions must be made by using a Project Modification Request Form, and must provide a detailed justification explaining the need for the change and how the proposed change benefits or enhances the project. SOW revision requests must clearly outline changes to project components and any impacts to the implementation timeline and budget.

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

- Changes within the budget line items (addition/deletion of personnel, travel, supplies, indirect costs, etc.).
- Replacement or changes in the status of the Primary Contact and/or Contract Signer 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 percent or more.
- Transfer of project work to a third party through a subcontract, sub-grant, or any other means.
- Addition or deletion of activities, deliverables, or a contractor, or revisions to existing activities, deliverables, or contractor activities or deliverables.
- Change of staff personnel involved in project and their roles.

BGR must obtain prior approval from CDFA in writing and/or approved project modification form before proceeding with project revisions to the SOW. Failure to obtain prior approval of SOW revisions may result in unallowable costs. CDFA will provide detailed instructions on completing the Project Modification Form during awardee training.

Block Grant Budget Revisions, including Line-Item Shifts

If changes to the Budget are necessary to implement the project, BGR are required to contact their CDFA Grant Manager prior to implementing the changes for further instructions. BGR are required to complete and submit to their assigned CDFA Grant Manager a Line-Item Shift Request (LISR) form to request adjustments to budget items. The LISR must be accompanied by a revised Budget Worksheet. The total project award amount cannot be increased or decreased through this process. CDFA Grant Managers can be reached at the following address: cdfa.sweepstech@cdfa.ca.gov.

BGR must obtain written approval from CDFA prior to incurring costs under the revised Budget. Failure to obtain prior approval of Budget revisions may result in CDFA disallowing expenditures.

On-Farm Project Revisions

Block Grant Recipients are responsible for reviewing and approving or denying any request by Grant Beneficiaries to revise the Grant Beneficiary on-farm project as approved in the SOW or Budget. CDFA SWEEP staff will provide training to BGRs regarding

factors to consider in determining to approve a project revision. Changes that result in reduced water savings and GHG reduction estimates should not be approved.

Prior approval is required from BGR for the following:

- Revision of the SOW and/or Budget
- Line-item shifts (i.e., Budget revision)

Agreement Terminations

If the Block Grant Recipient wishes to terminate the Block Grant Project, they must send an official termination request via email to their assigned CDFA Grant Manager. The CDFA Grant Manager will provide the Block Grant Recipient with further instructions on the project termination process. It's important to note that if the agreement is terminated for any reason, the Block Grant Recipient shall be responsible for remitting any unspent advance payment or overpayment funds within (30) days of the termination request. The Recipient should be aware that by requesting project termination, any remaining funds will revert back to CDFA.

Financial Management

BGR are accountable for all grant funds awarded and must ensure all funds are used solely for their authorized purposes. BGR must maintain receipts, invoices, etc. for project expenditures submitted to CDFA for reimbursement.

Allowable Costs

Project costs must be itemized and clearly support implementation of practices including supplies, special purpose equipment, labor, and any other allowable costs necessary for project implementation. Project costs must be reasonable and consistent with costs paid for equivalent work on non-grant funded activities or for comparable work in the labor market.

Examples of allowable costs include:

- Costs of materials needed for outreach activities (e.g., printed handouts or brochures).
- Travel expenses such as mileage, lodging, per diem, vehicle rental, etc., for outreach, project implementation and verification assisting Grant Beneficiaries.
- Translation services.

Allowable costs must be easily identifiable to a specific project component or activity as approved in the SOW and Budget. Project costs must be incurred for the purpose of which the funding was granted and charged to the award on a specifically calculated basis. Project expenditures must be adequately documented.

Award Breakdown:

Award Breakdown

Administrative Cost (Direct & Indirect cost)	Maximum 15%
Technical Assistance (No more than \$100K in reimbursement per year)	Maximum 5%
On-Farm Projects (Max \$200,000 per project)	Minimum 80%

On-Farm Grants

The total amount of funds that the organization can distribute based on the number of on-farm grants that the BGR can assist implementing during the grant period.

Personnel Salary and Wages, and Fringe Benefits - Timekeeping Requirement (Administrative and Technical Assistance)

Time and Activity reports are required to support salary and wage, and fringe benefit expenditures charged to BGP grants. Each report must account for the total activity for which each hourly and salaried employee is compensated, as well as the hours worked on a particular project. A description of activities must be included, and the description must include enough detail to determine whether the activity is project-related. Costs not adequately supported are unallowable and will not be reimbursed.

Travel (Administrative and Technical Assistance)

All travel costs must be substantiated by BGR. Costs not substantiated by receipts are considered unallowable and will not be reimbursed. Credit card statements are not acceptable as receipts to support travel costs. Reimbursement is available for actual costs up to the maximum allowance for meal, incidental, and lodging expenses for each complete 24 hours of travel. The maximum travel rates allowable are established by CalHR and can be found on their website for travel reimbursements: Travel Reimbursements - CalHR, except for awards to the UCs which will be reimbursed at the UC travel rates.

Supplies and Equipment (Administrative and Technical Assistance)

Supplies are items with an acquisition cost less than \$5,000 per unit that are used exclusively for the objectives of the project. Categorize the types of supplies to be purchased. General use office supplies (e.g., paper, printer ink, pens, etc.), facilities costs (telephone, internet, etc.), and administrative costs are considered indirect and should not be included under "Supplies". Also, estimate the cost of equipment associated with each activity. Equipment is nonexpendable, tangible personal property with a useful life of more than one year and an SWEEP – Block Grant Pilot California Department of Food and Agriculture Page 25 of 36 acquisition cost which equals or exceeds \$5,000. Applicants must provide detailed justification including why such purchase(s) are necessary over renting such equipment. Please refer to California Code of Regulations Title 3, Division 1, Chapter 5 [Grants Administration](#) including procurement, property records and disposition of equipment. These regulations are applicable budget category

(D) and any equipment identified under the other budget categories, including On-Farm Grants (A).

Contractual (Administrative and Technical Assistance)

Contractual is the cost of work on the project that will be performed by individuals/organizations other than the Recipient (e.g., consultants, contractors, partner organizations, etc.). This amount should include all associated salary and wages, fringe benefits, travel, equipment, supplies, other, and indirect costs.

Other (Administrative and Technical Assistance)

All other costs that are necessary for administration or technical assistance but not covered under the categories above.

Indirect Costs (Administrative and Technical Assistance)

Indirect costs are facilities and administrative costs that cannot easily be tied directly to the activities of the grant. Examples of common indirect costs include administrative/clerical services, rent, utilities, internet and telephone service, maintenance, and general office supplies. The University of California or California State University may claim their agreed upon indirect cost rate with CDFA, all other entities are eligible for up to 25% of total direct costs as indirect cost (not including on-farm grant funds).

Please note that the total administrative cost must not exceed 15% of total funds requested and total technical assistance cost must not exceed 5% of total funds requested.

Please refer to the list of allowable/ unallowable costs of [the California Code of Regulations – Title 3, Division 1, Chapter 5 Grants Administration](#), and refer to the lists below.

Estimated project costs must be reasonable and consistent with cost paid for equivalent work on non-grant funded activities or for comparable work in the labor market.

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 is not contained in the approved SOW and Budget or is not necessary or reasonable to advance the work of the project. Unallowable costs will not be reimbursed. Questions regarding allowable costs should be directed to the assigned CDFA Grant Manager.

Unallowable expenses include, but are not limited to:

- Costs incurred outside of the grant term
- Costs covered by another State or Federal grant program
- Costs of activities unrelated to program and project objectives
- Research, product development or evaluation
- Purchase of a vehicle
- Expenditures for purchasing or leasing land or buildings

- Out of state traveling costs

Executive Order N-6-22 – Russia Sanctions

On March 4, 2022, Governor Gavin Newsom issued Executive Order (EO) N-6-22 regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. By submitting a bid, proposal, or application, Bidder/Applicant represents that it is not a target of Economic Sanctions. Should the State determine Bidder/Applicant is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for rejection of the Bidder's/Applicant's bid/proposal/application any time prior to contract/agreement execution, or, if determined after contract/agreement execution, shall be grounds for termination by the State.

Payment Methods

The BGR will receive payments through both advances and reimbursements. CDFA will provide BGR with the necessary grant award and invoicing documents. Invoices must be submitted quarterly and include all supporting financial documentation to substantiate expenses. The BGRs are eligible for no more than 15% of awarded funds as administrative expenses. The administrative costs may be requested quarterly. It may take up to 45 days from the date the invoice payment request is approved for a payment check to be issued by the State Controller's Office. It may take 45 days from the date that the advance payment request is approved for an advanced payment check to be issued by State Controller's Office. The two payment methods are discussed in turn below:

Advance Payments

The BGR may request advance payments of up to 25% of the award amount on a recurring basis. Additional advance payment requests may not be processed without a proof of successful disbursement of prior advance payment. The advance payment must also be fully expended within a three-month period. Be advised, if you do not expend the funds within the three-month period, you may not qualify for future advance payments. Advance payments are subject to the provisions of section 316.1 "Advance Payments" of the California Code of Regulations, Division 1, Chapter 5. These costs cannot have already been incurred prior to the grant start date of the funded project.

Advance Payment Request Process:

- Estimate the advance amount needed for a three-month period for project implementation. An advance payment shall not exceed the amount necessary for project expenses for a three-month period. Be advised, if you do not expend the funds within the three-month period, you may not qualify for future advance payments.
- If the agreement is terminated for any reason, the recipient shall be responsible for remitting any unspent advance payment funds within 30 days.
- When you are ready to request the advance, alert your CDFA Grant Manager you would like an Advanced Payment. The CDFA Grant Manager will provide the

form(s) documents to submit an advance payment request and justification (e.g., cash flow issues) to your assigned CDFA Grant Manager. CDFA Grant Managers for the SWEEP can be reached at cdfa.sweepstech@cdfa.ca.gov.

- The State Controller's Office issues only checks via mail; no other payment options are available.

Unallowable Advance Payment Request

Advance payment is not allowable in the following circumstances:

- An existing advance is not completely liquidated.
- The advance will reduce the project balance below ten percent of the award amount.
- An unresolved invoice dispute exists.
- Resolution of an audit or agreed-upon-procedure finding of overpayment, unallowable costs, inadequately supported costs, or unsupported costs is pending.
- The project is not current in invoicing or reporting.
- The project is in the final three months of the project duration.
- Additional conditions imposed prohibit an advance payment.

Reimbursement Payments

To request reimbursement payments, BGR must submit a completed and signed CDFA invoice template, including all supporting invoices and receipts to detail expenses, to their assigned CDFA Grant Manager for reimbursement of allowable project costs incurred to implement their project. More information on the invoicing schedule can be found in the section, [When to Submit Invoices](#). No more than \$100,000 may be reimbursed annually for technical assistance expense, as directed by AB 2377.

Supporting invoices and receipts submitted must include an itemized account for total supplies, equipment, subcontractor (labor) fees, on-farm project implementation documentation, and all other allowable project costs necessary for the project. Further, BGR must also submit subcontractor invoices to account for total fees charged to the grant. All supporting invoices for subcontractor fees charged to the grant must include the hours worked and provide a brief description of activities performed. CDFA reserves the right to reduce the amount reimbursed if costs are found to be unallowable.

Reimbursements must be requested on the CDFA invoice template provided by the assigned Grant Manager. BGR can email a scanned or electronically completed, legible copy of the signed invoice to their assigned Grant Manager at cdfa.sweepstech@cdfa.ca.gov.

Invoices

When to Submit Invoices

Invoices are due no later than 90 calendar days after the quarterly period and are required regardless of whether project costs are incurred during the invoice period. CDFA

will process the invoice for payment as long as the accompanying quarterly progress report is deemed satisfactory.

The quarterly periods are:

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

Invoicing and closeout of all project expenditures must be completed within 30 days after the grant agreement term expires or the project is complete, whichever comes first.

CDFA quarterly reports, invoices, and supporting invoices and receipts submitted to the CDFA Grant Manager will be reviewed for completeness and accuracy. The CDFA Grant Manager will promptly notify the BGR of any incompleteness or deficiencies which appear on the invoice. Once the incompleteness or deficiencies are corrected, the CDFA Grant Manager will process the invoice for payment. The CDFA Grant Manager may request additional information or supporting documentation to determine the eligibility and/or ineligibility of allowable costs.

Completing an Invoice

Request for Reimbursement Invoice

Instructions for how to request the reimbursement of project costs from CDFA will be provided by your assigned CDFA Grant Manager after the start of the grant agreement.

No Expenditure Reimbursement

If no costs were incurred during a billing period, Recipient marks the "NO EXPENDITURES" box, names, dates, and returns the invoice template to their assigned CDFA Grant Manager. No Expenditure invoices must be accompanied by an explanation of why costs were not incurred during the billing period.

Advance Payment Offset Invoice

BGR must follow the instructions for a Request for Reimbursement Invoice. The invoice template automatically calculates the amount to be paid less the advance payment. The CDFA Grant Manager adjusts the "Less Advance" amount for the following billing period until the advance is offset 100 percent by expenditures.

Final Reimbursement

Recipient marks "Final Reimbursement" below the invoice number on the CDFA Invoice template, indicating all payment obligations are met and no further payment is due. Any remaining balance will be reverted back to CDFA.

Withholds

Withhold Payment Notice

The CDFA Grant Manager issues a Withhold Payment Notice to delay payment of an invoice if there are discrepancies or issues regarding project implementation. The Notice describes the reason for withholding payment and what actions, if any, may be required. The CDFA Grant Manager will contact the BGR within ten business days of receiving the Notice for purposes of resolving any issues. Invoices are processed once all issues are resolved.

Withhold Pending Closeout

CDFA will withhold ten percent (10%) from the total grant award until approval of the final invoice, the verification requirement, and/or resolution of any performance issues prior to close-out. A Withhold/Dispute will not be sent, and the ten percent withhold may not be appealed.

Suspension of Payments

If a BGR 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, the BGR 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 and addressed to the CDFA Legal Hearing and Appeals Office and sent to the address below or emailed to CDFA.LegalOffice@cdfa.ca.gov:

California Department of Food and Agriculture

Legal Hearing and Appeals Office

1220 N Street

Sacramento, CA 95814

The appeal must include a copy of the notification or the name of the BGR Lead Organization, the project 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 business days of the notice of action from CDFA. 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

The BGRs and technical assistance providers are responsible for keeping CDFA up to date on grant activities. There are three main reporting categories:

On-Farm Project Selection and Approval

As the BGR selects the on-farm projects, the projects will be submitted to CDFA for clearance on an ongoing basis to ensure a proposed project does not include the same APN/field where a same implementation was funded by the State Water Efficiency and Enhancement Program previously. The program will at minimum require the following information to review and approve on-farm projects:

A. [Letter of commitment from Grant Beneficiary](#)

B. On-farm project level information using [SWEEP Block Grant On-Farm Project reporting template](#).

- CDFA will review each on-farm project summary for any conflicts with SWEEP implementation requirements or potential conflicts of awards with CDFA's past SWEEP funding.
- Farmers and ranchers that have received SWEEP funding in the past may receive funding for the same APN, but proposed projects must build upon past projects as opposed to replace past projects. SWEEP projects are expected to have a 10-year project life. A SWEEP recipient (Grant Beneficiary) may not receive more than \$600,000 in cumulative SWEEP funding from 2014 to present. This funding cap will be tracked with tax identification number, name and mailing address.
- For a subset of the projects, CDFA staff may consult with irrigation experts at University of California or California State University to validate calculations prior to indicating approval to BGR.
- All on-farm projects submitted to CDFA must have passed administrative and technical review conducted by the BGR and are eligible for funding whether the BGR has enough funding to award them or not.

Quarterly Progress Reports

BGR 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 from their SOW. The progress reports should identify practices implemented, and tasks and activities accomplished during the reporting period. The format/templates for the quarterly reports will be provided by CDFA staff as needed. The reports can include but are not limited to following topics:

- Progress status of each awarded on-farm project
- Geo-tagged photographs of completed projects
- Components installed during the reporting period
- Funds disbursed
- Changes and delays encountered in on-farm project implementation
- Number of SDFRs assisted.
- Number of farms and ranches of 500 acres or less assisted
- Technical assistance benefiting SDFRs

- All activities and expenses incurred that benefits SDFR's during the reporting period including number of projects assisted, and number of SDFR's assisted and/or funded

Final Report

BGRs are required to submit a Final Report at the close of the grant agreement term, or when all on-farm projects' activities have been completed, whichever comes first. The final report will include high-level metrics such as total number of on-farm projects implemented, number of farmer/rancher partners, number of SDFR partners, cumulative estimated water and GHG benefits.

BGRs will submit at least three one-page case studies highlighting Grant Beneficiaries who have successfully implemented SWEEP projects. Case studies will include photos, water and GHG savings metrics, and a description of the project. BGR's will ensure that featured producers consent to CDFA using the case studies in promoting SWEEP, including but not limited to website, print and social media channels.

Following submission of the final report, a CDFA staff, or a CDFA-contracted third party, may conduct an exit interview with the BGR or Grant Beneficiary(ies).

Verification Requirements

Following the completion of each on-farm project, the BGR will visit the site to verify project completion. As part of the reporting process, the BGR will submit geo-tagged and dated photographs to CDFA of all the major project components. The BGR will remind Grant Beneficiaries of CDFA's Continuing Expectations and post-project outcome monitoring.

BGRs are required to collect and maintain all required documentation during the verification process.

Critical Project Review

The State of California has the right to review project documents and conduct audits during project implementation and over the project life. CDFA may conduct a Critical Project Review upon reasonable notice at any time during the grant term. The purpose is to determine whether deliverables are being met and evaluate project implementation progress to ensure projects are complete within the project term.

If a BGR is not meeting deliverables resulting in delays with project implementation, CDFA will conduct a Critical Project Review to assess the project status. BGR may be required to submit financial records and project documentation to ensure HSP funds are used for their intended purposes in compliance with the Grant Agreement terms and conditions, and this GAP manual. Documentation may include, but is not limited to, invoice/receipts for project costs, contractor/consultant and sub-contractor invoices and agreements, permitting/agreement fees associated with interconnection, etc. BGR must allow access to project records and documentation relevant to the Grant Agreement.

Project Close-out

Before the Grant Agreement is closed, CDFA will review the Final Performance Report, Final Invoice, and ensure resolution of any project concerns. CDFA may 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.

Note: Close-out does not cancel record retention, financial accountability, or post-project requirements.

Post-Project Requirements

BGR will retain all project records for a period of three (3) years after final payment is made by the State.

The BGR will remind Grant Beneficiaries of CDFA's Continuing Expectations and post-project outcome monitoring.

Grant Beneficiaries are expected to maintain documentation related to the SWEEP on-farm project, including energy and water use documentation, be responsive to requests for information about the project, and may be asked to report actual water and energy use for a period of three years after project completion. The purpose of this reporting is to evaluate the long-term success of SWEEP awarded projects. After the project is operational, a CDFA Environmental Scientist will work with Grant Beneficiaries to collect the necessary data, evaluate the co-benefits and maintenance of the project and to quantify water savings and GHG emission reductions. This may entail enrollment with a third-party contractor to monitor energy and/or water use from the project site. In the situation that a third-party contractor enrollment is required, the Grant Beneficiary shall take all required steps for timely enrollment. Besides the enrollment, the Grant Beneficiary may be required to provide data which could not be collected utilizing third-party services.

Record Retention

Records must be retained for a period of three (3) years after final payment is made by the State or as specified in closeout notification. The BGR must retain all project records at least one (1) year following an audit.

In addition to SWEEP requirements, awarded projects may be subject to State Audit and Accounting Requirements listed below. Projects are subject to audit by the State annually and for three (3) years following the final payment of grant funds. If the project is selected for an audit, the BGR will be contacted in advance. The audit shall include all books, papers, accounts, documents, or other records of the BGR, as they relate to the project. All project expenditure documentation should be available for an audit, whether paid with grant funds or other funds.

The BGR must have project records, including source documents and evidence of payment, readily available and must provide an employee with knowledge of the

project to assist the auditor. The BGR must provide a copy of any document, paper, record, etc., requested by the auditor.