OFF-HIGHWAY MOTOR VEHICLE RECREATION (OHMVR) DIVISION

GRANTS AND COOPERATIVE AGREEMENTS PROGRAM

GRANTS PROGRAM MANUAL

CHAPTER 3
PROJECT ADMINISTRATION PROCEDURES

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3.0 PROJECT ADMINISTRATION PROCEDURES

3.1 Project Administration Procedures Overview

Consistent with California Code of Regulations (CCR), Title 14, Section 4970.68(c), the Commission reviews Applications and approves the issuance of Project Agreements by the Division. This section provides the Grantee awarded a Grant or Cooperative Agreement with administrative and reporting responsibilities and requirements during the life of the Grant or Cooperative Agreement. The Grantee has full responsibility for adhering to the requirements contained in these regulations and this section of the Grants Program Manual as it pertains to the Project Agreement and other requirements.

3.1.1 Project Agreement

Upon approval of Projects by the Commission, the Division shall prepare and execute the Project Agreement to the Grantee as set forth in the Grants Program Manual Appendix, Project Agreement and General Provisions.

The Project Costs/Deliverables (PC/D), General Provisions, and Application become part of the Project Agreement between the State and the Grantee. The Project Agreement sets forth the terms and conditions of the Project.

NOTE: If the available funding is different from the amount requested by the Grantee, the Grantee must submit a modified PC/D prior to the Division preparing and executing the Project Agreement, to reflect the amount of funding available and any resulting change in Deliverables to meet the original Project intent.

The Division will submit five (5) copies of the Project Agreement to the Grantee. The Grantee's Authorized Representative must sign and return four (4) copies to the Division for execution. Upon execution by the State, the Grantee receives a copy of the fully executed Project Agreement The Grantee may not submit claims for reimbursement or for advance payments until a fully executed Project Agreement is on file.

3.1.2 Project Performance Period

The Project Performance Period is the period of time between the start date and the end date in which the work under the contract must be completed as specified in the Project Agreement. The Grantee shall not charge expenditures prior to the start date or subsequent to the end date.

- The type of Project determines the Project Performance Period. The Project Performance Period is fifteen (15) months for the following Project types: Facilities Operation and Maintenance (FO&M), Law Enforcement, OHV Safety and/or Education Program, and Trail Maintenance. The Project Performance Period is three (3) years for the following Project types: Acquisition, Conservation, Development, Planning, and Restoration. For other Projects not exceeding $15,000 per year, Funds may be requested for expenditure over a three (3) year period.

3.2 Project Amendments

An amendment is required if a modification/change to the Project costs, Deliverables or extension of the Project Performance Period (time extension) is needed to accomplish the objectives of the original Project Agreement. An amendment that would change the original intent or purpose of the Project Agreement will not be allowed.

3.2.1 Minor Project Amendment

A Minor Project Amendment constitutes a modification/change to the Project costs as specified in Part 2, Project Cost Estimates, of the original PC/D and does not involve a change in the Project Deliverables or a time extension.

Grantees requesting a Minor Project Amendment must submit to the Division in writing the following:

- An explanation of the reasons/circumstances that lead to the change;
- A description of the potential implications if the amendment is not approved; and
- A revised PC/D clearly identifying the change(s) to the Project cost items.

The Division shall review the requested amendment and make a determination for approval/disapproval. If the amendment is disapproved, the Division will provide written notification to the Grantee with an explanation why the request was denied. If the Division approves the request, the Division will provide written notification of the approval and the Division and the Grantee shall retain the written notification on file.

3.2.2 Major Project Amendment

A Major Project Amendment constitutes a modification/change in the Project Deliverables as specified in Part 1, Deliverables, of the original PC/D or a time extension. Major Project Amendment requests will only be considered where there are circumstances beyond the Grantee's control that would otherwise result in the Project not being completed.

Grantees requesting a Major Project Amendment must submit to the Division in writing the following:

- An explanation of the reasons/circumstances that lead to the change;
- A description of the potential implications if the amendment is not approved;
- A revised PC/D clearly identifying the change(s) to the Project Deliverables; and any resulting changes to the Project cost items.

Requests for a time extension include the following additional requirements:

- A written request must be submitted to the Division at least thirty (30) calendar days prior to the end date specified in the Project Agreement;
- A progress/status report of the Project to date;
- The length of additional time required to complete the Project; and
- A justification for the extension.

NOTE: Unspent funds that remain at the end of the Project Performance Period are not in themselves sufficient justification for time extensions.

The Division shall review the requested amendment and make a determination for approval/disapproval. If the amendment is disapproved, the Division will provide written notification to the Grantee with an explanation why the request was denied. If the amendment is approved, the Division will process an Amendment to Project Agreement specifying the modifications and the revised Project Performance Period (if applicable). The Grantee will receive five (5) copies of the Amendment to Project Agreement from the Division. The Grantee's Authorized Representative must sign and return four (4) copies to the Division for execution. Upon execution by the State, the Grantee receives a copy of the fully executed Amendment to the Project Agreement. The amendment becomes effective when the Division returns the executed Amendment to Project Agreement to the Grantee. The Division and the Grantee shall retain copies of the Amendment to Project Agreement on file.

3.3 Project Withdrawal

An Applicant or a Grantee may at any time unilaterally cancel or withdraw a Commission approved Project by written notification to the Division.

If the Project work has not commenced and the Grantee received advanced funds for the withdrawn Project, the Grantee shall return the advanced funds plus accrued interest to the State.

If the Grantee has commenced the Project, eligible costs will be allowed to the date the Grantee ceases work on the Project. The cost of goods purchased on a reimbursement basis, but not consumed for the Project as of the date of work cessation, will not be reimbursed, or must be returned if advance payment was made. The Project will be subject to all record keeping and Audit requirements contained in these regulations.

3.4 Project Breach-Termination

Failure of a Grantee to comply with the terms and conditions of the Project Agreement may be treated by the Division as a breach of contract. If the Division determines there is a breach of the Project Agreement, the Division shall give the Grantee written notification that the Grantee has thirty (30) calendar days to cure the breach. If the Grantee has not cured the breach or commenced actions to cure the breach within thirty (30) calendar days or shown diligent progress to cure the breach, the Division may terminate the Project Agreement and void the Division's obligations. If the Division determines breach was due to no fault of the Grantee, the Division may waive reimbursement of funds paid or advanced or make payment for any work performed up to the date of termination. In the event of a breach that the Division waives, such waiver shall not serve to excuse the future performance of the breached term that was waived or performance of any other term of the Project Agreement. The Project shall remain subject to all record keeping and Audit requirements contained in these regulations.

3.5 Failure to Perform

If a Grantee has not completed a Project within the Project Performance Period specified in the Project Agreement, the Grantee shall provide written notification to the Division describing the issues, reasons, or problems that prevented the Grantee from completing the Project. In addition, the Grantee shall submit a written request to the Division to: (1) cease

work on the Project and return any remaining OHV Trust Funds, or (2) request an amendment pursuant to Section 3.2.

3.6 Financial Responsibilities

The acceptance of a Project Agreement creates a legal duty on the part of the Grantee organization to use the funds made available in accordance with the terms and conditions of the Grant or Cooperative Agreement.

3.6.1 Equipment Management Requirements

The following requirements apply to all Equipment purchased with OHV Trust Funds:

- Equipment must be used solely for OHV related purposes unless the Applicant is funding the portion of the purchase price not dedicated to OHV purposes;
- Grantees shall keep Equipment purchased with OHV Trust Funds stored securely and maintained in safe working order; and
- All Equipment purchased with OHV Trust Funds must display an approved version of the OHMVR Division "OHV Trust Funds at Work" insignia. Grantees may obtain insignias free of charge from the Division.

3.6.2 Development Project Procedures

Plans and specifications must be prepared for each Development Project as identified in the Project Agreement. A registered civil or structural engineer or a licensed architect must sign plans for structural items. Prior to the start of the Project, the Division may choose to review plans, specifications, and bid documents for each component of the Project

The Grantee must follow all laws that pertain to public works projects, including the Americans with Disabilities Act (ADA) and Title 24 Disability Codes (for local agencies), prevailing wages, and local health and safety requirements. For all sub-contracted work, a Notice of Completion is required.

3.6.3 Accounting Practices

Record Keeping

Grantees of OHV Trust Funds are responsible for maintaining fiscal controls and fund accounting procedures based on Generally Accepted Accounting Principles (GAAP) approved by the American Institute of Certified Public Accountants (AICPA), the Securities and Exchange Commission (SEC), the Financial Accounting Standards Board (FASB), and the American Accounting Association (AAA). Bill of Sale, Bill of Lading, or Collection Agreements are some examples of proof that materials or Equipment will be received. Invoices are also considered valid proof that materials or Equipment have been received. Purchase orders are not considered valid proof that materials or Equipment have been received.

Time Sheets
The Grantee must document all labor, including all Force Account, match and Volunteer time, on time sheets or comparable documents. Time sheets showing days worked must be signed by a supervisor and must contain appropriate expenditure codes related to the Project.

All labor charged to a Project, must be recorded on a time sheet. A detailed logbook or comparable document may be used in lieu of a timesheet. The supervisor responsible for the employee whose time is entered must sign entries in the logbook.

Equipment Use
Costs associated with Equipment used for a Project will be paid on a use basis at the State rates in accordance with the Caltrans Division of Equipment, Equipment Rental Rates, but in no event more than the Grantee's actual cost. The Grantee may not charge a use fee for vehicles or Equipment purchased with OHV Trust Funds, except for fuel and minor maintenance costs. A logbook or source document must describe the operator, work performed, and hours or miles charged to the Project. The operator and the operator's supervisor must sign the logbook.

Record Retention
The Grantee shall retain all financial accounts, documents, and records pertinent to the Project for: a) three (3) years from the expiration date of the Project Agreement or b) until an Audit started during the three (3) years following the expiration of the Project Agreement has been completed; a report is published; and any Audit findings are resolved and/or payment or other correction made with regard to any Audit findings contained in the final Audit report.

Requesting Advances
If a Grantee requests advance payments, the Grantee must submit to the Division written justification to explain the need for the advance. The Division will provide written notification to the Grantee of approval/disapproval for the advance. If the advance request is approved, advances must be placed in a separate interest-bearing account (if the Grantee's agency is legally able to do so). The interest accrued from this account must be documented. The interest earned on the OHV Trust Funds must be returned to the Division at the end of the Project.

Matching Funds and Agency Contributions
Matching funds and agency contributions may include actual cash contributions toward the Project Deliverables, cash value for Volunteers or salaried employee hours, Administrative Costs, grants from sources other than this Grant or Cooperative Agreement Program, expenditures of the OHV in-lieu of Property Tax Funds, and other OHV Recreation related expenses paid for with funds other than Grants or Cooperative Agreements funded through this program. The match or agency contribution must be directly related to the Project, and the same match or agency contribution may not be used for more than one (1) Project.

The match or agency contribution specified on the PC/D must be documented the same way as other expenditures incurred in the Project closeout documents. Volunteer hours of work and salaried employees must be documented through a log or report identifying dates, hours worked, and duties performed.

Cost value for Volunteers may be determined using the hourly reimbursement rate for the paid classification that most closely matches the duties performed by the Volunteer. Cost value for salaried employees must be based on the agency's hourly reimbursement rate for the classification.

3.6.4 Payment Requests

Grantees are required to request payments for advances or reimbursements by submitting a current Payment Request form (DPR 364) to the Division. The Division is responsible for approving and processing payment requests.

3.6.4.1 Advances

Requests for an advance typically may not be more than half the total amount of the Grant or Cooperative Agreement approved by the Commission and must include a summary list of proposed expenditures. If and advance request is needed for more than half the amount to accomplish the Project, the Grantee must submit written justification to the Division. The Division will provide written notification to the Grantee of approval/disapproval. The sum of the proposed expenditures must match the amount indicated on the Payment Request form.

Subsequent advances must be supported by invoice, canceled warrant, time sheet, transaction register, or by other such records incurred with the prior advance. The supporting documents, including match and agency contribution costs, must be attached to the Payment Request form.

3.6.4.2 Reimbursements

Requests for reimbursement must be supported by invoice, canceled warrant, time sheet, transaction register, or by other such records. The supporting documents, including match and agency contribution costs, must be attached to the Payment Request form.

3.6.5 Billing/Reporting Requirements

Grantees are required to submit quarterly billings (payment requests)/reports to the Division on a quarterly basis no later than February 15th, May 15th, August 15th, and November 15th during the life of the Grant or Cooperative Agreement. If quarterly expenditures are less than $5,000 no billing is required; however, the Grantee must submit a report detailing the status of the Project and quarterly expenditures. Failure to submit quarterly billings or reports in a timely manner may result in suspension of future payments and reimbursement to the State of any advances or other payments made.

3.7 Performance Reviews and Site Visits

CCR Section 4970.50(qq) defines a "Performance Review" as the review of a Project to identify any areas where the Division may provide technical advice and consultation to the Grantee to improve their program or Project funded by OHV Funds and may include assessing progress toward the accomplishment of Deliverables.

3.7.1 Performance Reviews

Performance Reviews may include, but are not limited to, review of a Project to determine progress toward the completion of Deliverables, review of implementation of WHPP/HMP and Soil Conservation Programs, or other requirements contained in the Project Agreement. Performance Reviews may be accomplished by, but not limited to, desk reviews, questionnaires, and other standards of inquiry, Site Visits, and or other means consistent with these regulations.

Failure to cooperate with Performance Review requests made pursuant to these regulations may result in denial of payment requests and/or reimbursement to the State of amounts already paid or advanced

3.7.2 Site Visits

The Grantee shall permit Division staff, with a minimum of twenty-one (21) calendar days notice, to conduct a Site Visit to review the Grantee's Project(s). The Site Visit will include review of progress towards the accomplishment of Deliverables, which may become part of Audit findings.

Grantees shall make their Project Areas, applicable documentation, and staff who are knowledgeable about or oversee the Project available to the Division for Site Visits. The Grantee shall also make any reports or plans developed, as a result of a Project Agreement, available for observation. In the event the Division is not able to provide its own transportation to survey a Project, the Grantee shall make every effort to provide Equipment that may be necessary to conduct the Site Visit and include a person dedicated to providing a tour of the Project.

3.7.3 Site Visit Reports

When the Division staff conducts a Site Visit, staff shall develop a report containing any comments and recommendations with regard to the performance of the Grantee's Project. A copy of the report shall be provided to the Grantee.

Grantees shall respond in writing to the Division within sixty (60) calendar days of receipt of the Site Visit Report, to all comments and recommendations provided by Division staff as a result of a Site Visit. The response shall describe all actions taken or proposed in response to the recommendations in the Site Visit Report.

3.8 Project Closeout

The Grantee shall submit a Payment Request form marked "FINAL" within ninety (90) days after the completion of the Project, or the end date as specified in the Project Agreement or Amendment to Project Agreement, whichever comes first. The Grantee must include the following documentation with the final payment request:

- A summary of the Project Deliverables completed;
- All documents supporting the expenditures claimed under the payment request;
- A summary of costs that provides detailed information regarding staff, contracts, materials/supplies, vehicle maintenance, Equipment, other expenses, and Administrative Costs;

- Any Project that requires a report or reports as part of its Deliverables will provide the Division with two (2) copies of all reports as required by the Project Agreement. Monitoring results must be reported to the Division at the end of the Project; and
- For all sub-contracted work, a Notice of Completion.

Final payment requests cannot be processed until the Division has received all supporting documentation to support expenditures claimed, including documentation that the Grantee has fulfilled its match or agency contribution commitment. An amount equal to any unmet match or agency contribution commitment will be withheld from the final payment.

If a request for final payment is received after ninety (90) calendar days, it may be ineligible for payment or result in suspension of future payments and reimbursement to the State of any advances or other payments made. The Division may also deem the Project closed and forward to the Department's Audits Office for an Audit.

3.9 Audits

Public Resources Code (PRC) Chapter 1.25, Article 3, Section 5090.32(l) requires the Division to *"Conduct, or cause to be conducted, an annual audit of grants and cooperative agreements, and the performance of any recipient in expending a grant or cooperative agreement made pursuant to Article 5 (commencing with Section 5090.50).*" CCR Section 4970.50(j) defines "Audit" as a comprehensive review in accordance with Generally Accepted Auditing Standards (GAAS), developed by the American Institute of Certified Public Accountants (AICPA) and the Government Auditing Standards issued by the United States General Accounting Office (GAO). The Audit is a review of the Grantee's relevant financial records by the Department's Audit Office staff or other Department designee to determine that they support the expenditures authorized in the Project Agreement.

The Division will forward Projects to the Department's Audit Office for an Audit as appropriate. The Grantee is required to cooperate with the Audits Office during an Audit. Requested records, documents, and files pertaining to the expenditures or other fiscal and/or programmatic elements of the expired Project funded by the Grant or Cooperative Agreement shall be provided.

3.9.1 Inspection of Books, Records, and Reports

Failure to maintain records supporting the expenditures made pursuant to the Project Agreement, these regulations, and other applicable law, and/or failure of such records to support expenditures claimed and payments received, shall be grounds for an Audit exception requiring a refund to the State of amounts paid.

The Department's Audit Office staff shall have the right to visit Project Areas to confirm completion of Deliverables and inspect and/or make copies of any books, records, or reports of the Grantee pertaining to all Projects.

3.9.2 Final Audit Report

Upon completion of the Audit, the Grantee shall be provided a copy of the final Audit report that shall contain the results of the Audit including all Audit exceptions and any refunds found to be due.

If the Audit results identify exceptions resulting in refunds due to the State, the Grantee shall have sixty (60) calendar days from receipt of the Audit report to refund the overpayment to the State unless the Grantee elects to request review of the Audit results.

A Grantee may request review of the Audit report. The Grantee must request the review in writing to the Division within thirty (30) calendar days of receipt of the Audit report. Where a Grantee has requested such review, the Division will have final authority to determine what, if any, amount is due back to the State. The Division will have thirty (30) calendar days to respond to the request. If the Division does not provide a response within thirty (30) calendar days, the final Audit report will be deemed accepted.

The Grantee shall have sixty (60) calendar days from the date Audit results are deemed final to remit payment. Failure to remit payment within the sixty (60) calendar days may result in the withholding or commensurate reduction of future reimbursement payments or advances on other Grantee Projects or such other remedies to collect the money as may be available by law.

3.10 How To Contact the Division

All inquiries and correspondence related to the Grant or Cooperative Agreement shall be addressed to:

Mailing Address:
(Name), Grant Administrator
California Department of Parks and Recreation
Off-Highway Motor Vehicle Recreation (OHMVR) Division
1725 23rd Street, Suite 200
Sacramento, CA 95816-7100

Inquiries may also be made directly by phone or e-mail to a Grant Administrator. Consult the Division's Website at http://ohv.parks.ca.gov for a list of Grant Administrators.

General inquiries should be directed to:
Phone: (916) 324-4442 or
Fax (916) 324-1610 or
E-mail: ohvinfo@parks.ca.gov.