

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 8, 2022

CAO File No. 0130-02117-0000

Council File No. [Click and type #]

Council District:

To: The Mayor
The Council

From: Matthew W. Szabo, City Administrative Officer



Subject: **CITY AS GRANTEE AND PASS-THROUGH-ENTITY (PTE) FOR STATE SPECIFIED GRANTS TO VARIOUS ORGANIZATIONS**

RECOMMENDATION

That the Council, subject to approval by the Mayor:

1. Adopt the required Resolution for the five (5) State Specified Grant Projects awarded through the 2021-22 State Budget Process and administered by the California Natural Resources Agency (CNRA), as set forth in Attachment A (Resolution);
2. Approve the grant agreement templates with the State for the Specified Grant Projects with terms substantially similar to those set forth in the sample grant agreements attached to this Report as Attachments C and D (Construction and Non-Construction), subject to approval as to form by the City Attorney;
3. Relative to the disposition of the Specified Grant Project for the Alliance for Community Empowerment (ACE) as identified in Attachment B, direct and authorize the General Manager of the Bureau of Engineering or designee to:
 - a. Negotiate and execute a grant agreement with the CNRA to administer the State Specified Grant Project and submit all documents, including the Project Information Package, to the CNRA;
 - b. Establish a separate interest-bearing fund and accept and disburse the grant funds in the amount of \$500,000; and,
 - c. Negotiate and execute a contract, or contract amendment, with the ACE in accordance with terms substantially similar to those set forth in the aforementioned grant agreement;
4. Relative to the disposition of the Specified Grant Project for the Chinese American Museum (CAMLA) as identified in Attachment B, direct and authorize the General Manager of the Bureau of Engineering or designee to:

- a. Negotiate and execute a grant agreement with the CNRA to administer the State Specified Grant Project and submit all documents, including the Project Information Package, to the CNRA;
 - b. Establish a separate interest-bearing fund and accept and disburse the grant funds in the amount of \$2,000,000; and,
 - c. Negotiate and execute a contract or contract amendment with the CAMLA in accordance with terms substantially similar to those set forth in the aforementioned grant agreement;
5. Relative to the disposition of the Specified Grant Project for the Discovery Cube Los Angeles (DCLA) as identified in Attachment B, direct and authorize the Executive Director of the Bureau of Sanitation, or designee, to:
 - a. Negotiate and execute a grant agreement with the CNRA to administer the State Specified Grant Project and submit all documents, including the Project Information Package, to the CNRA;
 - b. Establish a separate interest-bearing fund and accept and disburse the grant funds in the amount of \$2,600,000; and,
 - c. Negotiate and execute a contract or contract amendment with the DCLA in accordance with terms substantially similar to those set forth in the aforementioned grant agreement;
6. Relative to the disposition of the Specified Grant Project for the Little Tokyo Service Center (LTSC), as identified in Attachment B, authorize the General Manager of the Department of Cultural Affairs, or designee, to:
 - a. Negotiate and execute a grant agreement with the CNRA to administer the State Specified Grant Project and submit all documents, including the Project Information Package, to the CNRA;
 - b. Establish a separate interest-bearing fund and accept and disburse the grant funds in the amount of \$300,000; and,
 - c. Negotiate and execute a contract or contract amendment with the LTSC in accordance with terms substantially similar to those set forth in the aforementioned grant agreement;
7. Relative to the disposition of the Specified Grant Project for the YMCA Weingart East Los Community Development Center (YMCA), as identified in Attachment B, authorize the General Manager of the Community Investment for Families Department, or designee, to:
 - a. Negotiate and execute a grant agreement with the CNRA to administer the State Specified Grant Project and submit all documents, including the Project Information Package, to the CNRA;
 - b. Establish a separate interest-bearing fund and accept and disburse the grant funds in the amount of \$500,000, and,

- c. Negotiate and execute a contract or contract amendment with the YMCA in accordance with terms substantially similar to those set forth in the aforementioned grant agreement;
8. Authorize the aforementioned General Managers or designees, of these administering departments to make any technical corrections or clarifications to the above fund transfer instructions in order to effectuate the intent of this matter, including any corrections and changes to fund or account numbers.

SUMMARY

In mid-November 2021, the State of California Natural Resources Agency (CNRA) notified the City that State-specified funds were approved for five (5) Los Angeles community-based organizational projects through the Fiscal Year 2021-22 California State budget process. Although the City is designated as the grantee and pass-through administrator of these grant funds, the funds are intended for the benefit and use by the organizations likewise identified in the State budget process. Typically when a Specified Grant has been approved (via the State Fiscal Year Budget) to the City of Los Angeles, the City of Los Angeles City Councilmember(s), the Assemblyperson, and/or the California Senator have agreed that the project in their district needs additional funding for improvements. The State Specified Grant Projects are identified in Attachment B for the benefit of the following organizations: 1) Alliance for Community Empowerment, 2) Chinese American Museum, 3) Discovery Cube Los Angeles, 4) Little Tokyo Service Center, and 5) YMCA Weingart East Los Angeles Community Development Center.

The process for specified grants is different than bond-funded or competitive project grants in that specified grants are funded out of the State's General Fund and allow for more flexibility from certain requirements. For State-specified grants, the State requires the grantee to first adopt a resolution. Once the resolution is adopted and submitted to the State, along with the requisite Project Information Packages comprised of a project summary, budget, proposed timeline, and if applicable, property ownership) on the five projects. The Project Information Packages form the basis for the CNRA to develop and execute grant agreements with each administering City department as detailed in the Procedural Guide for General Fund Specified Planning Grant Projects or the Procedural Guide for General Fund Specified Development and Acquisition Grant Projects (Attachments C and D respectively). The Guides outline the financial management and grant administration requirements, required Project Information Package documents (Project Information Form, Project Summary, Budget and Timeline templates), Sample Grant Agreement, Sample Resolution, payment instructions, and resources. Grantees and recipient organizations are expected to collaborate in submitting quarterly progress reports. All funds are to be expended no later than March 1, 2026. The State Specified Grant awards do not include any additional funds for City management and administrative costs. Departments are expected to manage the workload accordingly.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Departments must absorb the workload of administering these grants and contracts within existing resources. The successful completion of these State Specified grant-funded projects is the desired goal and outcome for both the CNRA and the City. The recipient organizations will utilize the grant funds to support their top priorities and critical needs including capital improvements, operating support, programmatic enhancements, or installation of a memorial garden. Once completed, these projects will strengthen and sustain the recipient organizations and their surrounding communities.

FINANCIAL POLICIES STATEMENT

The City's Financial Policies require that the City pursue federal, state and private grants but strictly limit financial support of these programs to avoid commitments that continue beyond available funding. The recommendations in this report comply with the City's Financial Policies in that the proposed funding is balanced against established revenue approved by Council actions and from Federal or State grant receipts. All funding is subject to the availability of grant funds and funding determinations by Mayor and Council.

MWS:JL:CLF:02220100c

Attachments: A Resolution
B List of State Specified Grant Projects
C Procedural Guide for General Fund Specified Planning Grant Projects
D Procedural Guide for General Fund Specified Development and Acquisition Grant Projects

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES

APPROVING THE ACCEPTANCE OF GENERAL FUND SPECIFIED GRANT FUNDS

WHEREAS, the California Natural Resources (CNRA) has been delegated the responsibility by the Legislature of the State of California for the administration of various grant projects to the City of Los Angeles, setting up necessary procedures governing the grant award (s); and,

WHEREAS, said procedures established by the California Natural Resources Agency require the Grantee's Governing Body to certify, by resolution, the approval of the Project Information Package(s) before submission of said packages to the State; and,

WHEREAS, the Grantee will enter into an agreement with the State of California for the subject project(s) as identified in Attachment B;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Los Angeles hereby:

1. Approves the acceptance of General Fund allocation for local assistance for the following specified grant projects identified in Attachment B;
2. Certifies that said Grantee has, or will have available, prior to commencement of project work utilizing specified grant funds, sufficient funds, including those provided by this grant, to complete the project;
3. Certifies that the Grantee has or will provide sufficient funds to develop, operate, and maintain the project(s) consistent with the land tenure requirements or will secure the resource to do so;
4. Certifies that the Grantee has reviewed, understands, and agrees to the General Provisions contained in the contract shown in this Procedural Guide;
5. Delegates the authority to the Department General Manager, Executive Officer, Assistant General Manager, and Chief Financial Officer, or designee per Attachment B, to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the project scope(s); and,
6. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.

Approved and adopted the day of , 2022

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Los Angeles at its meeting of _____.

HOLLY L. WOLCOTT, City Clerk

By: _____

State Specified Grant Projects						
Project Name	Location	CD	Grant Amount	Administering Department	Project Type	Project Description
Alliance for Community Empowerment	6925 Canoga Avenue, Canoga Park, CA 91303	3	\$ 500,000	Engineering	Capital Improvements	Retrofit and install an elevator in an existing three-story building and update the site for necessary ADA access requirements.
Chinese American Museum – Unity Garden	425 N. Los Angeles Street, Los Angeles, CA 90012	1	\$2,000,000	Engineering	Capital/New Construction	Planning, design, construction and installation of a unity garden to commemorate the 1871 Chinatown massacre.
Discovery Cube Los Angeles	11800 Foothill Blvd., Sylmar, CA 91342	7	\$2,600,000	Sanitation	Operating, debt repayment	Support for general operating expenses and repayment of debt.
Little Tokyo Service Center – Terasaki Budokan	231 E. Third Street, Los Angeles, CA 90013	14	\$ 300,000	Cultural Affairs	Operating/Program	Support and enhance Terasaki Budokan community service projects: Mi Casa Little Tokyo, Far East Lounge, Play Little Tokyo, Hoops Over Hate and other athletic programs for children, youth and seniors.
YMCA – Weingart East Los Angeles Community Development Center	2900 Whittier Blvd. Angeles, CA 90023	14	\$ 500,000	Community Investment in Families	Capital/Renovation	Renovate an existing facility into a multi-purpose community development center to accommodate current potential YMCA members.
			\$5,900,000			

**PROCEDURAL GUIDE
FOR GENERAL FUND SPECIFIED
PLANNING GRANT PROJECTS**



**Bonds & Grants Office
715 P Street, 20th Floor
Sacramento, CA 95814
(916) 653-2812**

www.resources.ca.gov/grants

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A. INTRODUCTION

This guide governs the administration of appropriations made to the California Natural Resources Agency (Agency) for specified projects. Enclosed are items that make up a Project Information Package, a Grant Agreement template, and a resolution template, payment instructions and resources. The completed Project Information Package provides a means to define projects for grant funding as well as to specify its authorized representative delegated to sign all documents to be submitted to the California Natural Resources Agency.

Project Information Package documents should be completed, signed, and emailed to the Bonds and Grants Unit Grant Administrator.

B. GENERAL GRANT INFORMATION, TERMS AND REQUIREMENTS

Grant Agreement - Funds will not be disbursed until there is a fully executed Agreement between the California Natural Resources Agency (Agency) and the grantee. Expenditures made prior to the effective date of the appropriation will not be reimbursed.

Grant Period - Agreements for funds approved by the Legislature must be executed within the period of availability provided in the state budget. Funds must be expended, and all invoices received by March 1, 2026, unless otherwise specified in the FY 21/22 Budget Act.

California Environmental Quality Act (CEQA) Compliance - As applicable, grantees must identify their CEQA compliance status. Grantees must receive CEQA approval for the proposed project prior to construction or be exempt from CEQA. Proper documentation of CEQA compliance will be required as part of the information package.

Required Approvals - The grantee must certify that all approvals (including, but not limited to, local permitting requirements, and/or rules from local agencies) required for the project, will be obtained.

Reporting Requirements - Grantees may be required to submit quarterly progress reports detailing progress on the project to date.

Financial Management and Grant Administration Requirements - It is the responsibility of all grantees to ensure appropriate stewardship of State grant funds. Each grantee must maintain financial management systems that provide accurate, current, and complete disclosure of the financial activities of the grant-funded project. To meet this requirement, grantees must maintain adequate accounting practices and procedures, internal controls, and audit trails.

Grant Agreement and Invoicing – In general, this is a reimbursement-based grant and expenses are incurred and paid for prior to the submission of invoices to Agency. Upon request however, advances are allowed to assist in cash flow. The amount of the advances will be determined based on need. Once an advance is reconciled, Grantee may seek another. Once an executed Grant Agreement is in place, grantees may invoice for expenses on a regular basis, but not more frequently than once a month. Generally, grantees will receive reimbursement within 6-8 weeks of submitting a properly completed invoice. Grantees are advised to maintain adequate funds to cover project costs prior to reimbursement. Ten percent of each payment request is retained until project completion.

C. PROJECT ADMINISTRATION

Process after Designation of Grant Award by Legislature

1. Grantee completes and submits Project Information Package (Package) to Agency.
2. Agency reviews Package and, if the proposed project scope meets the legislative intent, develops a Grant Agreement with the Grantee. Agency sends a Grant Agreement to Grantee for signature.
3. Grantee returns signed Grant Agreement to Agency.
4. Agency returns a fully executed Grant Agreement to Grantee.
5. Grantee submits periodic progress reports and periodic reimbursement requests for eligible expenses, subject to retention. (See Section M Payment Request Instructions.)
6. Grantee completes project and submits Project Completion Package.
7. The state may perform audits, as frequently as annually during the course of the project, and for 4 years after the project is completed.

Project Withdrawal

If a grantee fails to submit a Project Information Package for its allocated amount or otherwise elects not to use its allocation, the allocation will be lost to that grantee. In the event an approved project cannot be completed, and if grant funds were advanced, those funds plus any accrued interest must be returned to the State within 30 days.

Changes to Approved Project

A Grantee wishing to change an approved project shall submit the proposed change in writing to Agency for approval. Any change must be consistent with the authorizing legislation.

Time Extensions

A request for a time extension and its justification must be submitted to the State for approval.

D. PROJECT INFORMATION PACKAGE CHECKLIST

Grantee sends the completed Project Information Package to Agency. Grantee should keep a complete copy of the Project Information Package for future use and reference.

Provide the package in the order shown in the following checklist.

Required Documentation		Page
<input type="checkbox"/>	Project Information Package Checklist (this page)	4
<input type="checkbox"/>	Project Information Form	6
<input type="checkbox"/>	Project Summary	7
<input type="checkbox"/>	Authorizing Resolution	8
<input type="checkbox"/>	Cost Estimate	9
<input type="checkbox"/>	Project Timeline	10
<input type="checkbox"/>	Environmental Compliance Documents (if applicable)	11
<input type="checkbox"/>	Payee Data Form (Std. 204)	12

E. PROJECT INFORMATION PACKAGE - WHAT TO SUBMIT

1. **Project Information Form** - Fill out as follows:
 - a. **Grantee:** The grantee is the organization that takes formal responsibility and assumes liability for the project. All correspondence regarding the administrative process will be sent to the day-to-day contact person listed for the grantee.
 - b. **Project:** Provide the title of your project.
 - c. **District Information:** List the district numbers for the Congressional, State Senate, and State Assembly districts in which the project is located.
 - d. **CEQA Status:** Indicate the environmental compliance status of your project by checking the applicable box in this section.
 - e. **Site Control/Land Tenure:** Indicate how the Grantee will satisfy site control by checking the applicable box.
 - f. Individual authorized in the Resolution must sign the certification at the bottom of the page.
2. **Project Summary** - Provide a one-page overview of the project.
3. **Authorizing Resolution** - Provide a signed resolution from the governing board, providing authorization to accept the general fund allocation for local assistance. Follow the template included in this guide.
4. **Cost Estimate** – Provide a cost estimate reflecting all costs associated with the project. Projects using in-house services must also detail the labor, materials, and equipment costs as separate line items. (See Section I for a sample format.)
5. **Project Timeline** - Provide the timeline for key milestones and estimated date ranges of accomplishments. (See Section J for a sample format.)
6. **CEQA Compliance** - Grantees must demonstrate CEQA compliance, as applicable. If completed, provide with package. (See Section K Environmental Compliance.)
7. **Payee Data Record** - Fill in sections 1-5. (See Section L Payee Data Record Form.)

F. PROJECT INFORMATION FORM

Project Name Enter project name		Estimated Date of Completion: <u>Enter date</u>	
		Grant Amount: <u>\$Enter amount</u>	
		Estimated Total Project Cost: <u>\$Enter amount</u> (State grant, other funds, and in-kind)	
Grantee Name (with mailing address) Enter name Enter address Enter address		County Enter county	Nearest City/Town Enter city/town
Check one: <input type="checkbox"/> Nonprofit <input type="checkbox"/> Local Agency <input type="checkbox"/> State Agency		Project Address (or nearest cross street) Enter address Enter address	
		Senate Dist. Enter number	Assembly Dist. Enter number
		US Congressional Dist. Enter number	
Grantee's Representative Authorized in Resolution (Signature required at bottom of this page)			
Name: <u>Enter name</u>		Title: <u>Enter title</u>	
Phone: <u>Enter telephone number</u>		Email: <u>Enter email</u>	
Project Manager – Person with day to day responsibility for project (if different from authorized representative)			
Name: <u>Enter name</u>		Title: <u>Enter title</u>	
Phone: <u>Enter telephone number</u>		Email: <u>Enter email</u>	
Brief Description of Project (Summarize major activities to be funded by this Grant)		Latitude <u>Enter data</u>	Longitude <u>Enter data</u>
Enter brief project description		CEQA/Environmental Requirements <input type="checkbox"/> Exempt per CEQA Guidelines § <u>Enter section</u> Attach filed Notice of Exemption. <input type="checkbox"/> CEQA completed. Attach fled Notice of Determination, Negative Declaration, or Mitigated Negative Declaration <input type="checkbox"/> CEQA is not complete. Attach draft Initial Study with checklists. <input type="checkbox"/> CEQA does not apply under Code § <u>Enter section</u>	
Site Control/Land Tenure (check the box that applies) <input type="checkbox"/> Grantee owns the property. <input type="checkbox"/> Grantee leases the property – Term End: <u>Enter date</u> <input type="checkbox"/> Grantee owns an easement on the property. <input type="checkbox"/> Grantee has an MOU with the property owner.			
I certify that the information in this Project Information Form, including all attachments, is complete and accurate.			
Signed: _____		<u>Enter date</u>	
Grantee's Authorized Representative as shown in Resolution		Date	
<u>Enter name</u>	<u>Enter title</u>		
Print Name	Title	Designee? <input type="checkbox"/> Yes <input type="checkbox"/> No (If yes, attach letter of designation from authorized representative.)	

G. PROJECT SUMMARY

With your Project Information Package, submit a one-page summary that provides a description of the proposed project.

Grantees must comply with all current laws and regulations which apply to the Planning Project, including, but not limited to, environmental laws, health and safety codes, and disabled access laws. Grantee certifies that, prior to commencement of project, all applicable permits, and licenses (e.g., state contractor's license) will have been obtained.

H. AUTHORIZING RESOLUTION TEMPLATE

Resolution No. _____

RESOLUTION OF *(Governing Body)*
APPROVING THE ACCEPTANCE OF GENERAL FUND GRANT FUNDS FOR
_____ *(Title of Project)*

WHEREAS, the Legislature and Governor of the State of California have approved a grant for the project shown above; and

WHEREAS, the California Natural Resources Agency has been delegated the responsibility for the administration of the grant project, setting up necessary procedures; and

WHEREAS, said procedures established by the California Natural Resources Agency require the Grantee to certify by resolution the approval of the Project Information Package before submission of said package to the State; and

WHEREAS, the Grantee will enter into an agreement with the State of California for subject project(s):

NOW, THEREFORE, BE IT RESOLVED that the _____ *(Governing Body)*

1. Approves the acceptance of general fund allocation for local assistance for the above project(s); and
2. Certifies that said agency understands the assurances and certification in the Project Information Form; and
3. Certifies that said agency will have sufficient funds to develop/complete the planning project(s) or will secure the resources to do so; and
4. Certifies that said agency will comply with the provisions of Section 1771.5 of the California Labor Code.
5. If applicable, certifies that the project will comply with any laws and regulation including, but not limited to, the California Environmental Quality Act (CEQA), legal requirements for building codes, health and safety codes, disabled access laws, environmental laws and, that prior to commencement of construction, all applicable licenses and permits will have been obtained.
6. Certifies that said agency has reviewed and understands the General Provisions contained in the Project Agreement shown in the Procedural Guide; and
7. Appoints the _____ *(designated position, not person occupying position)* as agent to conduct all negotiations, execute and submit all documents including, but not limited to Project Information Form, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned project(s).

Approved and adopted the ___ day of _____ 20__ . I, the undersigned, hereby certify that the forgoing Resolution Number _____ was duly adopted by the _____ *(Governing Body)*.

Following Roll Call Vote: Ayes: _____
 Nos: _____
 Absent: _____

Clerk/Secretary for the Governing Board

I. SAMPLE COST ESTIMATE - PLANNING PROJECTS

#	PROJECT ELEMENTS	Estimated Costs	General Fund Grant	Funding Source (specify)	Funding Source (specify)
Planning, Coordination, Outreach					
Deliverables					
	Total				
Assessments and Data Collection					
Deliverables					
	Total				
Project Management					
	Total				
Grand Total					

Only direct project management costs are eligible, no overhead/indirect costs are reimbursable. In-service payroll may not include a “billable rate” or administrative cost allocation. Reimbursements based on completion of Deliverables which may be phases to reimburse upon completion of specific agreed upon tasks. Project management costs can be reimbursed incrementally in conjunction with payment requests for completed Deliverables. Tasks must be directly related to the planning project and supported by detailed time documents for in-house services. All invoices and receipts for all project expenditures from all funding sources will be retained and made available in the event of any future State Audits

J. SAMPLE PROJECT TIMELINE

Activity Description	Timeline
Planning, Coordination, Outreach	Month 20XX- Month 20XX
Assessments and Data Collection	Month 20XX
Submit final site design/plans/specifications	Month 20XX - Month 20XX
Development of Draft and Final Documents	Month 20XX
Submit Project Closeout package with final Payment Request to State	Month 20XX

K. ENVIRONMENTAL COMPLIANCE

Prior to approval and distribution of grant funds for construction/implementation, every proposed project shall comply with the California Environmental Quality Act, Division 13 (commencing with Section 21000; 14 California Code of Regulations section 15000 *et seq.* ["CEQA"]).

The State of California, acting through its administering agencies and departments, will typically act as a responsible agency for the purposes of CEQA. Therefore, prior to the State approving funding for a proposed project, **one** of the following must be submitted:

- a. The Notice of Exemption filed with the County Clerk and State Clearinghouse (as applicable) if the proposed project is categorically or statutorily exempt, with the appropriate Public Resources Code section citation to the exemption(s) being relied upon by the lead agency.
- b. The Negative Declaration or Mitigated Negative Declaration adopted by the lead agency and Initial Study, including a copy of the Environmental Checklist Form located in Appendix G of the CEQA Guidelines and the Notice of Determination filed with the County and with the State Clearinghouse. If the lead agency has adopted a Mitigated Negative Declaration, the grantee must also provide the adopted mitigation monitoring and reporting program*.
- c. The Final Environmental Impact Report certified and adopted by the lead agency with Initial Study, including a copy of the Environmental Checklist Form located in Appendix G of the CEQA Guidelines, the adopted mitigation monitoring and reporting program, and the Notice of Determination filed with the County and State Clearinghouse. Please include any State Clearinghouse Responses received by the grantee.

* For b and c, include documentation the State of California Department of Fish and Wildlife CEQA fee was paid or is not applicable.

- d. Projects that tier from a Programmatic, Master, or other Environmental Impact Report shall include a copy of any subsequent Initial Study for the proposed project together with a copy of any supplementary environmental documentation adopted by the lead agency, including, if applicable, any required findings pursuant to Public Resources Code section 21157.1, subdivision (c), and the Notice of Determination, filed with the County Clerk and with the State Clearinghouse, as applicable.

Pursuant to Section 75102 of the Public Resources Code 75102, before the adoption of a Negative Declaration or Environmental Impact Report, the lead Agency shall notify the proposed action to a California Native American tribe, which is on the contact list maintained by the Native Heritage Commission, if that tribe has traditional lands located within the area of the proposed project.

L. PAYEE DATA RECORDFillable form available online at: <https://resources.ca.gov/grants/Grant-Program-Resources>

STATE OF CALIFORNIA – DEPARTMENT OF FINANCE

PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)

STD 204 (Rev. 03/2021)

Section 1 – Payee Information

NAME (This is required. Do not leave this line blank. Must match the payee's federal tax return)	

BUSINESS NAME, DBA NAME or DISREGARDED SINGLE MEMBER LLC NAME (If different from above)	

MAILING ADDRESS (number, street, apt. or suite no.) (See instructions on Page 2)	

CITY, STATE, ZIP CODE	E-MAIL ADDRESS
_____	_____

Section 2 – Entity Type

Check one (1) box only that matches the entity type of the Payee listed in Section 1 above. (See instructions on page 2)	
<input type="checkbox"/> SOLE PROPRIETOR / INDIVIDUAL	<input type="checkbox"/> CORPORATION (see instructions on page 2)
<input type="checkbox"/> SINGLE MEMBER LLC <i>Disregarded Entity owned by an individual</i>	<input type="checkbox"/> MEDICAL (e.g., dentistry, chiropractic, etc.)
<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> LEGAL (e.g., attorney services)
<input type="checkbox"/> ESTATE OR TRUST	<input type="checkbox"/> EXEMPT (e.g., nonprofit)
	<input type="checkbox"/> ALL OTHERS

Section 3 – Tax Identification Number

<p>Enter your Tax Identification Number (TIN) in the appropriate box. The TIN must match the name given in Section 1 of this form. Do not provide more than one (1) TIN. The TIN is a 9-digit number. Note: Payment will not be processed without a TIN.</p> <ul style="list-style-type: none"> For Individuals, enter SSN. If you are a Resident Alien, and you do not have and are not eligible to get an SSN, enter your ITIN. Grantor Trusts (such as a Revocable Living Trust while the grantors are alive) may not have a separate FEIN. Those trusts must enter the individual grantor's SSN. For Sole Proprietor or Single Member LLC (disregarded entity), in which the sole member is an individual, enter SSN (ITIN if applicable) or FEIN (FTB prefers SSN). For Single Member LLC (disregarded entity), in which the sole member is a business entity, enter the owner entity's FEIN. Do not use the disregarded entity's FEIN. For all other entities including LLC that is taxed as a corporation or partnership, estates/trusts (with FEINs), enter the entity's FEIN. 	<p>Social Security Number (SSN) or Individual Tax Identification Number (ITIN)</p> <p>_____</p> <p>OR</p> <p>Federal Employer Identification Number (FEIN)</p> <p>_____</p>
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Section 4 – Payee Residency Status (See instructions)

- CALIFORNIA RESIDENT** – Qualified to do business in California or maintains a permanent place of business in California.
- CALIFORNIA NONRESIDENT** – Payments to nonresidents for services may be subject to state income tax withholding.
- No services performed in California
- Copy of Franchise Tax Board waiver of state withholding is attached.

Section 5 – Certification

I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the state agency below.

NAME OF AUTHORIZED PAYEE REPRESENTATIVE	TITLE	E-MAIL ADDRESS
_____	_____	_____
SIGNATURE	DATE	TELEPHONE (include area code)
_____	_____	_____

Section 6 – Paying State Agency

Please return completed form to:

STATE AGENCY/DEPARTMENT OFFICE	UNIT/SECTION		
_____	_____		
MAILING ADDRESS	FAX	TELEPHONE (include area code)	
_____	_____	_____	
CITY	STATE	ZIP CODE	E-MAIL ADDRESS
_____	_____	_____	_____

STATE OF CALIFORNIA – DEPARTMENT OF FINANCE

PAYEE DATA RECORD(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)
STD 204 (Rev. 03/2021)**GENERAL INSTRUCTIONS**

Type or print the information on the Payee Data Record, STD 204 form. Sign, date, and return to the state agency/department office address shown in Section 6. Prompt return of this fully completed form will prevent delays when processing payments.

Information provided in this form will be used by California state agencies/departments to prepare Information Returns (Form 1099).

NOTE: Completion of this form is optional for Government entities, i.e. federal, state, local, and special districts.

A completed Payee Data Record, STD 204 form, is required for all payees (non-governmental entities or individuals) entering into a transaction that may lead to a payment from the state. Each state agency requires a completed, signed, and dated STD 204 on file; therefore, it is possible for you to receive this form from multiple state agencies with which you do business.

Payees who do not wish to complete the STD 204 may elect not to do business with the state. If the payee does not complete the STD 204 and the required payee data is not otherwise provided, payment may be reduced for federal and state backup withholding. Amounts reported on Information Returns (Form 1099) are in accordance with the Internal Revenue Code (IRC) and the California Revenue and Taxation Code (R&TC).

Section 1 – Payee Information**Name** – Enter the name that appears on the payee's federal tax return. The name provided shall be the tax liable party and is subject to IRS TIN matching (when applicable).

- Sole Proprietor/Individual/Revocable Trusts – enter the name shown on your federal tax return.
- Single Member Limited Liability Companies (LLCs) that is disregarded as an entity separate from its owner for federal tax purposes - enter the name of the individual or business entity that is tax liable for the business in section 1. Enter the DBA, LLC name, trade, or fictitious name under Business Name.
- Note: for the State of California tax purposes, a Single Member LLC is not disregarded from its owner, even if they may be disregarded at the Federal level.
- Partnerships, Estates/Trusts, or Corporations – enter the entity name as shown on the entity's federal tax return. The name provided in Section 1 must match to the TIN provided in section 3. Enter any DBA, trade, or fictitious business names under Business Name.

Business Name – Enter the business name, DBA name, trade or fictitious name, or disregarded LLC name.**Mailing Address** – The mailing address is the address where the payee will receive information returns. Use form STD 205, Payee Data Record Supplement to provide a remittance address if different from the mailing address for information returns, or make subsequent changes to the remittance address.**Section 2 – Entity Type**

If the Payee in Section 1 is a(n)...	THEN Select the Box for...
Individual • Sole Proprietorship • Grantor (Revocable Living) Trust disregarded for federal tax purposes	Sole Proprietor/Individual
Limited Liability Company (LLC) owned by an individual and is disregarded for federal tax purposes	Single Member LLC-owned by an individual
Partnerships • Limited Liability Partnerships (LLP) • and, LLC treated as a Partnership	Partnerships
Estate • Trust (other than disregarded Grantor Trust)	Estate or Trust
Corporation that is medical in nature (e.g., medical and healthcare services, physician care, nursery care, dentistry, etc.) • LLC that is to be taxed like a Corporation and is medical in nature	Corporation-Medical
Corporation that is legal in nature (e.g., services of attorneys, arbitrators, notary publics involving legal or law related matters, etc.) • LLC that is to be taxed like a Corporation and is legal in nature	Corporation-Legal
Corporation that qualifies for an Exempt status, including 501(c) 3 and domestic non-profit corporations.	Corporation-Exempt
Corporation that does not meet the qualifications of any of the other corporation types listed above • LLC that is to be taxed as a Corporation and does not meet any of the other corporation types listed above	Corporation-All Other

Section 3 – Tax Identification Number

The State of California requires that all parties entering into business transactions that may lead to payment(s) from the state provide their Taxpayer Identification Number (TIN). The TIN is required by R&TC sections 18646 and 18661 to facilitate tax compliance enforcement activities and preparation of Form 1099 and other information returns as required by the IRC section 6109(a) and R&TC section 18662 and its regulations.

Section 4 – Payee Residency Status

Are you a California resident or nonresident?

- A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.
- A partnership is considered a resident partnership if it has a permanent place of business in California.
- An estate is a resident if the decedent was a California resident at time of death.
- A trust is a resident if at least one trustee is a California resident.
 - For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.

For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:

Withholding Services and Compliance Section: 1-888-792-4900 E-mail address: wscs.gen@ftb.ca.gov
 For hearing impaired with TDD, call: 1-800-822-6268 Website: www.ftb.ca.gov

Section 5 – Certification

Provide the name, title, email address, signature, and telephone number of individual completing this form and date completed. In the event that a SSN or ITIN is provided, the individual identified as the tax liable party must certify the form. Note: the signee may differ from the tax liable party in this situation if the signee can provide a power of attorney documented for the individual.

Section 6 – Paying State Agency

This section must be completed by the state agency/department requesting the STD 204.

Privacy Statement

Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, state, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it. It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and state law imposes noncompliance penalties of up to \$20,000. You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the state agency(ies) with which you transact that business.

All questions should be referred to the requesting state agency listed on the bottom front of this form.

M. PAYMENT REQUEST INSTRUCTIONS

Before Submitting

- Check the Grant Agreement to confirm that any funding requirements outlined in the special provisions section have been fulfilled.
- Check that all costs are allowable.
 - a. Costs must be incurred within the project performance period outlined on the Grant Agreement cover page and/or subsequent amendments and must align with the cost estimate.
 - b. All costs must directly relate to the grant funded project (i.e. no overhead costs such as rent or utilities).

What to Include

- Payment Request Form** filled out with original signature of authorized agent.
- Payment Tracking Sheet** filled in with amounts for the current request.
- Project Expenditure Form, Grantee Labor Cost Form, and Equipment Cost Form** (as applicable). Descriptions should clearly tie to the line items on the payment tracking sheet, as well as the backup documentation.
- Proof of time worked/services rendered** for each item listed on the above forms
 - a. For contracted labor or materials, include copies of invoices or receipts.
 - If an invoice is to be only partially reimbursed with grant funds, the portion allocated to the grant should be clearly marked.
 - b. For mileage include a log kept by employees documenting date, hours and destinations related to the grant project. Provide documentation of policy to support rate used.
 - c. For equipment, include the schedule showing the rate as well as a log showing the days and hours the equipment was used for this project and by whom.
 - d. For in house labor, include documentation of hours worked on the project and hourly rate.
 - Send timesheets detailing the days and number of hours each employee who worked on the project.
 - Fill out the *Employee Compensation Chart* to demonstrate the rate being charged.
 - With first request or when rates change, submit copies of pay stubs that show the employee's pay rate or salary (may redact personal information).
 - Only salary plus benefits are eligible. No indirect rates or overhead costs may be folded into the hourly rate. No billable rates may be used.
- Proof of payment** showing that payment was made for each cost. Examples include:
 - a. Copy of both sides of a cancelled check (and breakdown if check is for multiple invoices)
 - b. Copy of bank statement with cleared checks and/or Electronic Fund Transfer's (EFT) highlighted
 - c. Invoice stamped "Paid" by the vendor/contractor
 - d. Pre-paid card Statement showing credit remaining after particular project charge e.g., pre-paid photo copier card
 - e. Credit card Statement showing payment made accompanied with original credit card receipt listing specific charges. Must also include proof that the credit card was paid off.
 - f. For grantee personnel services one of the following:
 - Chief Financial Officer's signature on the certification on the Grantee Labor Cost Form
 - Payroll stubs or payroll service printout for each pay period

- Signed acknowledgement from employees regarding receipt of paychecks for a specific time period

Certification Form and Deliverables for applicable benchmarks for Planning Grants only

Advances - Advances are allowed to assist with cash flow for outside consultants, contractors, materials, etc. In-house labor costs are not eligible for advances. The amount of the advance is determined based on need. Once an advance is reconciled, Grantee may seek another. Contact the project grants administrator to request an advance and protocol for administering.

Final Payments - Final retention will not be released until all closeout documents (in addition to regular payment request documents if applicable) have been received. This includes:

- a. Summary of Expenditures from all Project Funding Sources
- b. Certification of Completion Form
- c. Notice of Completion (if applicable)

Helpful Hints

- Organize documentation in an easy to follow format (i.e. chronologically) with related information together and relevant information marked. Include any necessary explanations or notes to clarify certain documentation.
- Bill for the full amount and Agency will take out the retention of 10% for reimbursements. Retention will be released at closeout.
- Ensure numbers match (e.g. check numbers, amounts on forms and back up documentation, etc.) and that they are accurately calculated. Everything must add up to the penny.

All payment forms and these instructions can be found on our website here:

<http://resources.ca.gov/grants/project-administration-forms/>

Contact your Grant Administrator for further clarification or questions.

N. STATE AUDIT AND ACCOUNTING REQUIREMENTS

Contact your assigned Grant Administrator for questions about the following requirements:

Accounting Requirements

Grantees must use accounting practices that:

- Provide accounting data that clearly records costs incurred on the project and accurately reflects fiscal transactions, with the necessary controls and safeguards.
- Provides a good audit trail, including original source documents such as purchase orders, receipts, progress payments, invoices, employee paystubs and time cards, evidence of payment, etc.
- Provides accounting data so the total cost of each individual project can be readily determined.

Accounting Rules for Employee Services (force account labor)

Grantees must follow these accounting practices for employee services:

- Maintain time and attendance records as charges are incurred, identifying the employee through a name or other tracking system, and that employee's actual time spent on the project.
- Time estimates for work performed on the project are not acceptable.
- Time sheets that do not identify the specific employee's time spent on the project are not acceptable.
- Costs of the salaries and wages must be calculated according to the grantee's wage and salary scales and may include employer paid benefit costs such as "workers' compensation."
- Overtime costs may be allowed under the grantee's established policy, provided that the regular work time was devoted to the same project.

State Audit

- All projects are subject to an audit by the State of California, Department of Finance within three (3) years following the final payment of grant funds. If the project is selected for an audit, the grantee will be contacted in advance. The audit shall include all books, papers, accounts, documents, canceled checks or other records of the grantee, as they relate to the project for which the funds were granted.
- The grantee must retain the project records for a period of three (3) years and one (1) year following an audit. All documents must be readily available, and an employee with knowledge of the project must be available to assist the auditor. The Grantee must provide a copy of any document, paper, record, or the like, requested by the auditor.

Documents Required for the Department of Finance Audit

Please have the following documents, files, records, and other resources available for the Department of Finance during their audit of the grant.

Internal Controls:

1. Grantee's organization charts.
2. Written internal procedures and flowcharts for the following procedures:
 - a. Grantee's receipts and deposits
 - b. Grantee's disbursements
 - c. Grantee's invoice preparation
3. Audit reports covering the Grantee's internal control structure and/or expenditures within the last two years.

Contracts:

1. Original contract between the Grantee and the State, including any amendments.
2. All contract documents between the Grantee and any subcontractors.
3. Listing of all active or completed contracts funded by Proposition 12, 13, 40, and 50.

Budgets:

1. Budget modification documents.

Invoices:

1. Invoices from the Grantee to the State for payments made under the grant.
2. Invoices from the subcontractors to the Grantee for payments made under the grant.
3. All supporting documentation associated with the above invoices.

Cash Documents:

1. Receipts showing payments received from the State.
2. Deposit slips showing deposit of the payments received from the State.
3. Canceled checks or disbursement documents showing payments made to vendors for contract disbursements.
4. Bank statements showing the deposit of the receipts and interest earned on any monies held by the Grantee.

Accounting Records:

1. Ledgers showing entries for cash receipts and cash disbursements.

Travel/Per Diem:

1. Grantee travel policies.
2. Travel claims for travel costs charged to the contract organized by the Grantee Invoice on which the travel was charged.
3. Mileage logs if mileage for grantee employees claimed and paid with Grant funds.

Project Files:

1. All supporting documentation maintained in the project files.

O. SAMPLE GRANT AGREEMENT

STATE OF CALIFORNIA NATURAL RESOURCES AGENCY GRANT AGREEMENT

Grantee Name: *Insert Here*

Project Title: *Insert Here*

Agreement Number: XXXXXX-0

Authority: Budget Act of 2021 (Chapters 21, 69, and 240, Statutes of 2021)

Program: General Fund Specified Grant Projects

PROJECT DESCRIPTION

Brief Project Description

A detailed project scope and activities, project schedule and project budget are described and attached hereto as Exhibit A.

Grant Funds are to be for planning projects in accordance with the provisions contained in the Procedural Guide for General Fund Specified Planning Projects and this Agreement.

TERMS AND CONDITIONS OF GRANT

Special Provisions

1. *If the Grantee is a nonprofit:* If the Grantee is a nonprofit organization and ceases to exist, all of its rights, title and interest in the real property shall vest in the State of California. The State may, at its discretion, identify an appropriate public or private entity to accept the right, title, and interest in the real property in lieu of the State.
2. *If Grantee is a federally recognized Indian Tribe replace Section F below with the following:* **Grantee's Limited Waiver of Sovereign Immunity and Hold Harmless**
 1. The Parties acknowledge that Grantee is a federally recognized Indian tribe and, as such, possesses sovereign immunity from suit. Nothing in this Grant Agreement is or shall be deemed to be a waiver of Grantee's sovereign immunity from suit, which immunity is expressly asserted, except for the limited waiver set forth in this section.
 2. Limited Waiver of Sovereign Immunity and hold harmless. Notwithstanding any other provision in this Agreement (including, without limitation, any provision of any Exhibit incorporated in this Agreement by reference) to the contrary, nothing in this Agreement shall be deemed to be a general waiver of Grantee's sovereign immunity from suit, which immunity is expressly asserted. Provided, however, that Grantee hereby expressly, unequivocally, and irrevocably provides a limited waiver of sovereign immunity from suit to allow the Natural Resources Agency to exercise all of its rights under the terms of this Agreement, and Grantee consents to suit in any court of the State of California for any claim to interpret or to enforce this Agreement. This shall include the right to contribution for loss of damage to persons or property arising from, growing out of or in any way connected with or incident to this Agreement, except claims arising from the gross negligence of State, its officers, agents, and employees.
 3. Grantee shall indemnify, hold harmless State, its officers, agents and employees in perpetuity against any and all claims, demands, damages, costs, expenses or liability costs arising out of the Project, which claims, demands or causes of action arise under Government Code Section 895.2 or otherwise, including but not limited to items to which the Grantee has certified, except for liability arising out of the gross negligence of State, its officers, agents or employees. Grantee acknowledges that it is solely responsible for compliance with

items to which it has certified. Under this indemnification provision, Grantee shall not be responsible for defending State in court but shall reimburse for actual invoiced costs associated with the defense.

Grantee and State agree that in the event of judgment entered against the State and Grantee because of the gross negligence of the State and Grantee, their officers, agents or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.

3. Other special provisions, if applicable

General Provisions

A. Definitions

1. The term "Act" means Budget Act of 2021 (Chapters 21, 69, and 240, Statutes of 2021).
2. The term "Agreement" means this Grant Agreement.
3. The term "Application" means the Project Information Package and any applicable materials supplied by grantee to the State pursuant to the Application Guidelines.
4. The term "Application Guidelines" means the Procedural Guide for General Fund Specified Planning Grant Projects.
5. The term "Grant" or "Grant Funds" means the money provided by the State to the Grantee in this Agreement.
6. The term "Grant Agreement" means a contractual arrangement between the State and Grantee specifying the payment of funds by the State for the performance of specific project objectives within a specific project performance period by the Grantee.
7. The term "Grantee" means an entity who has a signed agreement for grant funds.
8. The term "Other Sources of Funds" means cash or in-kind contributions that are required or used to complete the project beyond the grant funds provided by this Agreement.
9. The term "Payment Request Form" means Form RA212.
10. The term "Project" means the planning activity described in the Application as modified by Exhibit A to be accomplished with grant funds.
11. The term "Project Budget" means the State approved cost estimate included as Exhibit A to this Agreement.
12. The term "Project Scope" means the description or activity for work to be accomplished by the project.
13. The term "Public Agency" means any State of California department or agency, a county, city, public district, or public agency formed under California law.
14. The term "State" means the Secretary for California Natural Resources or his/her representatives, or other political subdivision of the State.

B. Project Execution

1. Subject to the availability of funds in the Act, the State hereby grants to the Grantee a sum of money (Grant Funds) not to exceed the amount stated on the signature page in consideration of and on condition that the sum be expended in carrying out the purposes as set forth in the description of project in this Agreement and its attachments and under the Terms and Conditions set forth in this Agreement.

2. Grantee shall furnish any and all additional funds that may be necessary to complete the project.
3. Grantee shall complete the project in accordance with the Project Performance Period set forth on the signature page unless an extension has been formally granted by the State and under the Terms and Conditions of this Agreement. Extensions may be requested in advance and will be considered by State, at its sole discretion, in the event of circumstances beyond the control of the Grantee, but in no event beyond **March 1, 2026**.
4. Grantee certifies that the scope of work does and will continue to comply with all current laws and regulations which apply to the planning project identified in Exhibit A, including but not limited to, environmental laws, including but not limited, CEQA, health and safety codes, and disabled access laws
5. Projects must comply with any applicable laws pertaining to prevailing wage and labor compliance.
6. Prior to the commencement of any work, Grantee agrees to submit in writing to the State for prior approval any deviation from the original Project Scope per Exhibit A and the Application. Changes in Project Scope must continue to meet the need cited in the original application or they will not be approved. Any modification or alteration in the Project as set forth in the Application on file with the State must be submitted to the State for approval. Any modification or alteration in the Project must also comply with all current laws and regulations, including but not limited to CEQA.

C. Project Costs

1. Unless otherwise agreed upon, Grant Funds provided to Grantee under this Agreement will be disbursed for eligible costs, on a reimbursement basis, as follows, but shall not exceed in any event the amount set forth on the signature page of this Agreement:
 - a. Approved costs attributed to the planning project. Up to ten percent (10%) of the reimbursement amount will be held back and issued as a final payment upon completion of the Project.
 - b. Remaining Grant Funds shall be paid up to the total amount of the Grant Funds or the actual Project cost, whichever is less, upon completion of the Project, receipt of a detailed summary of Project costs from the Grantee found to be satisfactory by the State, and the satisfactory completion of a site inspection by the State.
 - c. Advance payments may be made at the discretion of the State.
 - d. Grantee agrees to use any Grant Funds advanced by the State under the terms of this Agreement solely for the Project herein described.
2. Payment Documentation:
 - a. All payment requests must be submitted using a completed Payment Request Form. This form must be accompanied by an itemized list of all expenditures that clearly documents the check numbers, dates, recipients, line-item description as described in the project budget approved by the State and amounts. Each payment request must also include proof of payment such as receipts, paid invoices, canceled checks or other forms of documentation demonstrating payment has been made.
 - b. Any payment request that is submitted without the required itemization and documentation will not be authorized. If the payment request package is incomplete, inadequate, or inaccurate, the State will inform the Grantee and hold the payment request until all required information is received or corrected. Any penalties imposed on the Grantee by a contractor, or other consequence, because of delays in payment will be paid by the Grantee and is not reimbursable under this Agreement.
3. Grant funds in this award have a limited period in which they must be expended. Grantee expenditures funded by the State must occur within the time frame of the Project Performance Period as indicated in this Agreement.
4. Except as otherwise provided herein, the Grantee shall expend grant funds in the manner described in the Exhibit A approved by the State. The total dollars of a category in the project budget may be increased by up

to ten percent (10%) through a reallocation of funds from another category, without approval by the State. However, the Grantee shall notify the State in writing when any such reallocation is made and shall identify both the item(s) being increased and those being decreased. Any cumulative increase or decrease of more than ten percent (10%) from the original budget in the amount of a category must be approved by the State. In any event, the total amount of the grant funds may not be increased, nor may any adjustments exceed the limits for management costs as described in the Application Guidelines.

D. Project Administration

1. Grantee shall promptly provide project reports upon request by the State. In any event Grantee shall provide the State a report showing total final project expenditures with the final payment request and required closing documents.
2. Grantee shall make property and facilities acquired or developed pursuant to this Agreement available for inspection upon request by the State.
3. If Grant Funds are advanced, the Grantee shall place these Funds in a separate interest-bearing account, setting up and identifying such account prior to the advance. Interest earned on Grant Funds shall be used on the Project, as approved by the State. Any overpayment of Grant Funds in excess of final project costs shall be returned to the State within sixty (60) days of completion of the Project or the end of the Project performance period as shown on the signature page, whichever is earlier.
4. Grantee shall submit all documentation for project completion, including a notice of completion as applicable and final reimbursement within ninety (90) days of project completion, but in no event any later **than March 1, 2026.**
5. Final payment is contingent upon State verification that project is consistent with project scope as described in Exhibit A, together with any State approved amendments.
6. This Agreement may be amended by mutual agreement in writing between Grantee and State. Any request by the Grantee for amendments must be in writing stating the amendment request and reason for the request. The Grantee shall make requests in a timely manner and in no event less than sixty (60) days before the effective date of the proposed amendment.
7. Grantee must report to the State all sources of other funds for the project.

E. Project Termination

1. Prior to the completion of Project either party may terminate this Agreement by providing the other party with thirty (30) days' written notice of such termination. The State may also terminate this Grant Agreement for any reason at any time if it learns of or otherwise discovers that there is a violation of any state or federal law or policy by Grantee which affects performance of this or any other grant agreement or contract entered into with the State.
2. If the State terminates without cause the Agreement prior to the end of the Project Performance Period, the Grantee shall take all reasonable measures to prevent further costs to the State under this Agreement. The State shall be responsible for any reasonable and non-cancelable obligations incurred by the Grantee in the performance of the Agreement prior to the date of the notice to terminate, but only up to the undisbursed balance of funding authorized in this Agreement.
3. If the Grantee fails to complete the project in accordance with this Agreement, or fails to fulfill any other obligations of this Agreement prior to the termination date, the Grantee shall be liable for immediate repayment to the State of all amounts disbursed by the State under this Agreement, plus accrued interest and any further costs related to the project. The State may, at its sole discretion, consider extenuating circumstances and not require repayment for work partially completed provided that the State determines it is in the State's best interest to do so. This paragraph shall not be deemed to limit any other remedies available to the State for breach of this Agreement.

4. Failure by the Grantee to comply with the terms of this Agreement or any other agreement under the Act may be cause for suspension of all obligations of the State hereunder.
5. Failure of the Grantee to comply with the terms of this Agreement shall not be cause for suspending all obligations of the State hereunder if, in the judgment of the State, such failure was due to no fault of the Grantee. At the discretion of the State, any amount required to settle at minimum cost any irrevocable obligations properly incurred shall be eligible for reimbursement under this Agreement.
6. Because the benefit to be derived by the State, from the full compliance by the Grantee with the terms of this Agreement, is the for the purposes as stated in the Application for the people of the State of California, and because such benefit exceeds to an immeasurable and unascertainable extent the amount of money furnished by the State by way of grant funds under the provisions of this Agreement, the Grantee agrees that payment by the Grantee to the State of an amount equal to the amount of the grant funds disbursed under this Agreement by the State would be inadequate compensation to the State for any breach by the Grantee of this Agreement. The Grantee further agrees therefore, that the appropriate remedy in the event of a breach by the Grantee of this Agreement shall be the specific performance of this Agreement, unless otherwise agreed to by the State.

F. Hold Harmless

1. Grantee shall waive all claims and recourses against the State, including the right to contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to this Agreement, except claims arising from the gross negligence of State, its officers, agents and employees.
2. Grantee shall indemnify, hold harmless and defend State, its officers, agents and employees in perpetuity against any and all claims, demands, damages, costs, expenses or liability costs arising out of the project, including development, construction, operation or maintenance of the property described in the project description which claims, demands or causes of action arise under Government Code Section 895.2 or otherwise, including but not limited to items to which the Grantee has certified, except for liability arising out of the gross negligence of State, its officers, agents or employees. Grantee acknowledges that it is solely responsible for compliance with items to which it has certified.
3. Grantee and State agree that in the event of judgment entered against the State and Grantee because of the gross negligence of the State and Grantee, their officers, agents or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.

G. Financial Records

1. Grantee shall maintain satisfactory financial accounts, documents, and records for the project and to make them available to the State for auditing at reasonable times. Grantee shall also retain such financial accounts, documents, and records for three (3) years after final payment and one (1) year following an audit.
2. Grantee agrees that during regular office hours, the State and its duly authorized representatives shall have the right to inspect and make copies of any books, records or reports of the Grantee pertaining to this Agreement or matters related thereto. Grantee shall maintain and make available for inspection by the State accurate records of all of its costs, disbursements, and receipts with respect to its activities under this Agreement.
3. Grantee shall use applicable Generally Accepted Accounting Principles, unless otherwise agreed to by the State.

H. Materials/Plans

1. The Grantee agrees that all data, plans, drawings, specifications, surveys, studies, and other written or graphic work produced in the performance of this Agreement, herein referred to as "materials" are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so.

2. Grantee agrees that the grantee shall use the materials developed with grant funds under this agreement only for the purpose for which the grant funds were requested and no other use of the materials shall be permitted except by written permission.
3. Grantee must certify the materials developed with grant funds under this agreement shall remain available for public review. This Agreement shall not prevent the transfer of the materials from the Grantee to a Public Agency, if the successor Public Agency assumes the obligations imposed by this Agreement.
4. If the use of the materials is changed to a use that is not permitted by the Agreement, or if the materials are sold or otherwise disposed of, at the State's sole discretion, an amount equal to (1) the amount of the Grant, or (2) the proceeds from the sale or other disposition, whichever is greater, may be reimbursed to the State.

I. Nondiscrimination

1. During the performance of this grant, grantee and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any person because of sex, sexual orientation, race, color, religious creed, marital status, denial of family and medical care leave, ancestry, national origin, medical condition (cancer/genetic characteristics), age (40 and above), disability (mental and physical) including HIV and AIDS, denial of pregnancy disability leave or reasonable accommodation. Grantee and subcontractors shall ensure that the evaluation and treatment of all persons, and particularly their employees and applicants for employment are free from such discrimination and harassment. Grantee and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, §12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Code Regs, tit. 2, §7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12990 (a)–(f), are incorporated into this grant by reference and made a part hereof as if set forth in full (Cal. Code Regs, tit. 2, §7285.0 et seq.). Grantee shall include this non-discrimination and compliance provisions of this clause in all subcontracts to perform work under the grant.
2. The Grantee shall not discriminate against any person on the basis of residence except to the extent that reasonable difference in admission or other fees may be maintained on the basis of residence and pursuant to law.
3. The completed Project shall be available to members of the public generally.

J. Application Incorporation

The Grant Guidelines and the Application and any subsequent changes or additions to the Application approved in writing by the State are hereby incorporated by reference into this Agreement as though set forth in full in this Agreement.

K. Severability

If any provision of this Agreement or the Application thereof is held invalid, that invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

L. Waiver

No term or provision hereof will be considered waived by either party, and no breach excused by either party, unless such waiver or consent is in writing and signed on behalf of the party against whom the waiver is asserted. No consent by either party to, or waiver of, a breach by either party, whether expressed or implied, will constitute consent to, waiver of or excuse of any other, different, or subsequent breach by either party.

M. Assignment

Except as expressly provided otherwise, this Agreement is not assignable by the Grantee either in whole or in part.

N. Disputes

If the Grantee believes that there is a dispute or grievance between Grantee and the State arising out of or relating to this Agreement, the Grantee shall first discuss and attempt to resolve the issue informally with the Agency Grants Administrator. If the issue cannot be resolved at this level, the Grantee shall follow the following procedures:

1. If the issue cannot be resolved informally with the Agency Grants Administrator, the Grantee shall submit, in writing, a grievance report together with any evidence to the Deputy Assistant Secretary for Bonds and Grants for the California Natural Resources Agency. The grievance report must state the issues in the dispute, the legal authority, or other basis for the Grantee's position and the remedy sought. Within ten (10) working days of receipt of the written grievance report from the Grantee, the Deputy Assistant Secretary shall make a determination on the issue(s) and shall respond in writing to the Grantee indicating the decision and reasons, therefore. Should the Grantee disagree with the Deputy Assistant Secretary's decision, the Grantee may appeal to the Assistant Secretary for Administration and Finance for the Natural Resources Agency.
2. The Grantee must submit a letter of appeal to the Assistant Secretary explaining why the Deputy Assistant Secretary's decision is unacceptable. The letter must include, as an attachment, copies of the Grantee's original grievance report, evidence originally submitted, and response from the Deputy Assistant Secretary. The Grantee's letter of appeal must be submitted within ten (10) working days of the receipt of the Deputy Assistant Secretary's written decision. The Assistant Secretary or designee shall, within twenty (20) working days of receipt of Grantee's letter of appeal, review the issues raised and shall render a written decision to the Grantee. The decision of the Assistant Secretary or designee shall be final.

O. Audit Requirements

Grant projects are subject to audit by the State annually and for three (3) years following the final payment of grant funds. The audit shall include all books, papers, accounts, documents, or other records of the Grantee, as they relate to the project for which the grant funds were granted.

PROCEDURAL GUIDE FOR GENERAL FUND SPECIFIED DEVELOPMENT AND ACQUISITION GRANT PROJECTS



**Bonds & Grants Office
715 P Street, 20th Floor
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www.resources.ca.gov/grants

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A. INTRODUCTION

This guide governs the administration of appropriations made to the California Natural Resources Agency (Agency) for specified projects. Enclosed are items that make up a Project Information Package, a Grant Agreement template, and a resolution template, payment instructions and resources. The completed Project Information Package provides a means to define projects for grant funding as well as to specify its authorized representative delegated to sign all documents to be submitted to the California Natural Resources Agency.

Project Information Package documents should be completed, signed and emailed to the Bonds and Grants Unit Grant Administrator.

B. GENERAL GRANT INFORMATION, TERMS AND REQUIREMENTS

Grant Agreement - Funds will not be disbursed until there is a fully executed Agreement between the California Natural Resources Agency (Agency) and the grantee. Expenditures made prior to the effective date of the appropriation will not be reimbursed.

Grant Period - Agreements for funds approved by the Legislature must be executed within the period of availability provided in the state budget. Funds must be expended and all invoices received by March 1, 2026, unless otherwise specified in the FY 21/22 Budget Act.

California Environmental Quality Act (CEQA) Compliance - As applicable, grantees must identify their CEQA compliance status. Grantees must receive CEQA approval for the proposed project prior to construction or be exempt from CEQA. Proper documentation of CEQA compliance will be required as part of the information package.

Required Approvals - The grantee must certify that all approvals (including, but not limited to, local permitting requirements and/or rules from local agencies) required for the project, will be obtained.

Reporting Requirements - Grantees may be required to submit quarterly progress reports detailing progress on the project, to date.

Financial Management and Grant Administration Requirements - It is the responsibility of all grantees to ensure appropriate stewardship of State grant- funds. Each grantee must maintain financial management systems that provide accurate, current, and complete disclosure of the financial activities of the grant-funded project. To meet this requirement, grantees must maintain adequate accounting practices and procedures, internal controls, and audit trails.

Grant Agreement and Invoicing – In general, this is a reimbursement-based grant and expenses are incurred and paid for prior to the submission of invoices to the Agency. Upon request however, advances are allowed to assist in cash flow. The amount of the advances will be determined based on need. Once an advance is reconciled, Grantee may seek another. Once an executed Grant Agreement is in place, grantees may invoice for expenses on a regular basis, but not more frequently than once a month. Generally, grantees will receive reimbursement within 6-8 weeks of submitting a properly completed invoice. Grantees are advised to maintain adequate funds to cover project costs prior to reimbursement. Ten percent of each payment request is retained until project completion.

For acquisition projects, grantee may request an advance of funds into escrow (subject to retention).

C. PROJECT ADMINISTRATION

Process after Designation of Grant Award by Legislature

1. Grantee completes and submits Project Information Package (Package) to Agency.
2. Agency reviews Package and, if the proposed project scope meets the legislative intent, develops a Grant Agreement with the Grantee. Agency sends a Grant Agreement to Grantee for signature.
3. Grantee returns signed Grant Agreement to Agency.
4. Agency returns a fully executed Grant Agreement to Grantee
5. For acquisitions, grantee submits an appraisal for Department of General Services (DGS) review.
6. Grantee submits final site control documents.
7. Grantee commences preliminary work (planning, design, permitting, CEQA, etc.) and submits payment requests for reimbursement of project expenditures. (see Section Q Payment Request Instructions).
8. Prior to commencing construction, grantee submits final design plans for the State's review, as well as evidence of environmental compliance.
9. Grantee commences project construction work.
10. Grantee submits periodic progress reports and periodic reimbursement requests for eligible expenses (subject to retention).
11. For acquisition projects, grantee may request an advance of funds into escrow (subject to retention).
12. As applicable, Grantee records Deed Restrictions.
13. Grantee completes project and submits Project Completion Package.
14. Agency Grants Administrator makes final project inspection and approves final payment.
15. The state may perform audits, as frequently as annually during the course of the project, and for 4 years after the project is completed.

Project Withdrawal

If a grantee fails to submit a Project Information Package for its allocated amount or otherwise elects not to use its allocation, the allocation will be lost to that grantee. In the event an approved project cannot be completed, and if grant funds were advanced, those funds plus any accrued interest must be returned to the state within 30 days.

Changes to Approved Project

A Grantee wishing to change an approved project shall submit the proposed change in writing to Agency for approval. Any change must be consistent with the authorizing legislation.

Time Extensions

A request for a time extension and its justification must be submitted to the State for approval.

D. PROJECT INFORMATION PACKAGE CHECKLIST

Grantee sends the completed Project Information Package to Agency. Grantee should keep a complete copy of the Project Information Package for future use and reference.

Provide the package in order shown in the following checklist.

Required Documentation		Page
<input type="checkbox"/>	Project Information Package Checklist (this page)	4
<input type="checkbox"/>	Project Information Form	6
<input type="checkbox"/>	Project Summary	7
<input type="checkbox"/>	Authorizing Resolution	8
<input type="checkbox"/>	Cost Estimates (Development/Acquisition)	9, 10
<input type="checkbox"/>	Project Timeline	13
<input type="checkbox"/>	Property Data Sheet	14
<input type="checkbox"/>	Land Tenure/Site Control Documents	6
<input type="checkbox"/>	Photos of the Project Site	7
<input type="checkbox"/>	Site Plan, if applicable	7
<input type="checkbox"/>	Environmental Compliance Documents (if applicable)	15
<input type="checkbox"/>	Permit Approval Status, if applicable	16
<input type="checkbox"/>	Payee Data Form (Std. 204)	18

E. PROJECT INFORMATION PACKAGE - WHAT TO SUBMIT

1. Project Information Form - Fill out as follows:

- a. Grantee: The grantee is the organization that takes formal responsibility and assumes liability for the project. All correspondence regarding the administrative process will be sent to the day-to-day contact person listed for the grantee.
- b. Project: Provide the title of your project.
- c. District Information: List the district numbers for the Congressional, State Senate, and State Assembly districts in which the project is located.
- d. CEQA Status: Indicate the environmental compliance status of your project by checking the applicable box in this section.
- e. Site Control/Land Tenure: Indicate how the Grantee will satisfy site control by checking the applicable box.
- f. Individual authorized in the Resolution must sign the certification at the bottom of the page.

2. Project Summary - Provide a one-page overview of the project.

3. Authorizing Resolution - Provide a signed resolution from the governing board, providing authorization to apply for the project. Follow the template included in this guide.

4. Cost Estimate – Provide a cost estimate reflecting all costs associated with the project. Projects using in-house services must also detail the labor, materials, and equipment costs as separate line items. (See Section I for a sample format for development projects and Section J for a sample format for acquisition projects.)

5. Project Timeline - Provide the timeline for key milestones and estimated date ranges of accomplishments. See Section K for a sample project timeline.

6. Property Data Sheet - Complete the Property Data Sheet for all property/ parcels to be developed. See Section L for the Property Data Sheet form.

7. Land Tenure/Site Control Documents - Provide copies of documents identifying current ownership information associated with each property/parcel on which the project will take place. Documents may include recorded deeds, tax records, and owner data sheets from county records, title reports or other documents that verify ownership. All documents verifying ownership must have the parcel numbers clearly indicated on the document (handwritten acceptable).

If the project site is owned by a party other than the grantee: provide a copy of the land tenure agreement (lease, easement, Memorandum of Understanding, etc.) which gives the Grantee legal access, permission to construct and maintain the project, and public access to the resultant project for the required number of years

If a signed agreement is not fully executed at the time of submittal, provide a letter from each landowner identifying the property/parcel(s), and indicating that the owner is willing to enter into a long-term agreement with the grantee to allow long-term access for construction, maintenance and public use of project on the affected parcel(s). No funds can be released until all agreements have been fully executed and submitted to Agency.

8. **Photos** - Provide a maximum of five (5) labeled color photographs of the project site.
9. **Site Plan** -Plans should contain details of the property to be developed and show where each of the features and amenities listed in the scope/cost estimate will be located at the project site.
10. **Permit Approval Status** - Indicate the types of permits necessary to complete the project. See Section N for the Permit Approval Status form.
11. **CEQA Compliance** - Grantees must demonstrate CEQA compliance, as applicable. If completed, provide with package. (See Section M for information on Environmental Compliance.)
12. **Payee Data Record** - Fill in sections 1-5. (See Section P for the Payee Data Record Form.)

For Acquisition Projects

13. **Conservation Easement** – If acquiring a conservation easement, describe the proposed restrictions and reservations and the funding mechanism to support long-term stewardship.
14. **Evidence of Willing Seller** - Provide a letter from each landowner indicating they are a willing participant in the proposed real property transaction. The letter should clearly identify the parcels owned by each seller and state if grant funds are awarded, the seller is willing to enter into an agreement or negotiation for an agreement for the sale of the real property at a purchase price not to exceed fair market value. (See Appendix K for a sample letter.) If available, include a copy of the fully executed purchase option agreement as well. See Section O for sample Willing Seller Letter.
15. **Appraisal** – If available.
16. **Preliminary Title Report** – If available.

F. PROJECT INFORMATION FORM

Project Name Enter project name		Estimated Date of Completion: <u>Enter date</u>	
		Grant Amount: <u>\$Enter amount</u>	
		Estimated Total Project Cost: <u>\$Enter amount</u> (State grant, other funds, and in-kind)	
Grantee Name (with mailing address) Enter name Enter address Enter address		County Enter county	Nearest City/Town Enter city/town
Check one: <input type="checkbox"/> Nonprofit <input type="checkbox"/> Local Agency <input type="checkbox"/> State Agency		Project Address (or nearest cross street) Enter address Enter address	
		Senate Dist. Enter number	Assembly Dist. Enter number
		US Congressional Dist. Enter number	
Grantee's Representative Authorized in Resolution (Signature required at bottom of this page)			
Name: <u>Enter name</u>		Title: <u>Enter title</u>	
Phone: <u>Enter telephone number</u>		Email: <u>Enter email</u>	
Project Manager – Person with day to day responsibility for project (if different from authorized representative)			
Name: <u>Enter name</u>		Title: <u>Enter title</u>	
Phone: <u>Enter telephone number</u>		Email: <u>Enter email</u>	
Brief Description of Project (Summarize major activities to be funded by this Grant)		Latitude <u>Enter data</u>	Longitude <u>Enter data</u>
Enter brief project description		CEQA/Environmental Requirements	
		<input type="checkbox"/> Exempt per CEQA Guidelines § <u>Enter section</u> Attach filed Notice of Exemption.	
		<input type="checkbox"/> CEQA completed. Attach fled Notice of Determination, Negative Declaration, or Mitigated Negative Declaration	
		<input type="checkbox"/> CEQA is not complete. Attach draft Initial Study with checklists.	
		<input type="checkbox"/> CEQA does not apply under Code § <u>Enter section</u>	
Site Control/Land Tenure (check the box that applies)			
<input type="checkbox"/> Grantee owns the property.			
<input type="checkbox"/> Grantee leases the property – Term End: <u>Enter date</u>			
<input type="checkbox"/> Grantee owns an easement on the property.			
<input type="checkbox"/> Grantee has an MOU with the property owner.			
I certify that the information in this Project Information Form, including all attachments, is complete and accurate.			
Signed: _____ Grantee's Authorized Representative as shown in Resolution		_____ Date	
_____ Enter name Print Name	_____ Enter title Title	Designee? <input type="checkbox"/> Yes <input type="checkbox"/> No (If yes, attach letter of designation from authorized representative.)	

G. PROJECT SUMMARY

With your Project Information Package, submit a one-page summary that provides a description of the proposed project.

Grantees must comply with all current laws and regulations which apply to the Project, including, but not limited to, legal requirements for construction contracts, building codes, environmental laws, health and safety codes, and disabled access laws. Grantee certifies that, prior to commencement of construction, all applicable permits and licenses (e.g., state contractor's license) will have been obtained.

H. AUTHORIZING RESOLUTION TEMPLATE

Resolution No. _____

RESOLUTION OF *(Governing Body)*
APPROVING THE ACCEPTANCE OF GENERAL FUND GRANT FUNDS FOR
_____ *(Title of Project)*

WHEREAS, the Legislature and Governor of the State of California have approved a grant for the project shown above; and

WHEREAS, the California Natural Resources Agency has been delegated the responsibility for the administration of the grant project, setting up necessary procedures; and

WHEREAS, said procedures established by the California Natural Resources Agency require the Grantee to certify by resolution the approval of the Project Information Package before submission of said package to the State; and

WHEREAS, the Grantee will enter into an agreement with the State of California for subject project(s):

NOW, THEREFORE, BE IT RESOLVED that the _____ *(Governing Body)*

1. Approves the acceptance of general fund allocation for local assistance for the above project(s); and
2. Certifies that said agency understands the assurances and certification in the Project Information Form; and
3. Certifies that said agency will have sufficient funds to develop, operate and maintain the project(s) consistent with the land tenure requirements; or will secure the resources to do so; and
4. Certifies that said agency will comply with the provisions of Section 1771.5 of the California Labor Code.
5. If applicable, certifies that the project will comply with any laws and regulation including, but not limited to, the California Environmental Quality Act (CEQA), legal requirements for building codes, health and safety codes, disabled access laws, environmental laws and, that prior to commencement of construction, all applicable licenses and permits will have been obtained.
6. Certifies that said agency has reviewed and understands the General Provisions contained in the Project Agreement shown in the Procedural Guide; and
7. Appoints the _____ *(designated position, not person occupying position)* as agent to conduct all negotiations, execute and submit all documents including, but not limited to Project Information Form, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned project(s).

Approved and adopted the ___ day of _____ 20__ I, the undersigned, hereby certify that the forgoing Resolution Number _____ was duly adopted by the _____ *(Governing Body)*.

Following Roll Call Vote: Ayes: _____
Nos: _____
Absent: _____

Clerk/Secretary for the Governing Board

I. SAMPLE COST ESTIMATE FORM FOR DEVELOPMENT PROJECTS

All cost elements included should be consistent with the scope, site plan and CEQA documents. Add and delete project elements as applicable to your project.

Project Elements (EXAMPLES ONLY)	Total Project Costs	General Fund Grant	Other Funding (if applicable)	Other Funding (if applicable)
NON-CONSTRUCTION COSTS				
Direct Project Management Administration				
Staff Time (direct costs only)				
Incidental Charges		Ineligible		
Consultants				
Subtotal – Direct Management				
Planning, Design & Permitting				
Staff Time (direct costs only)				
Consultants				
Permit Costs				
Subtotal Planning, Design & Permitting				
CEQA Compliance (if applicable)				
Staff Time (direct costs only)				
Consultants				
Subtotal – CEQA				
SUB-TOTAL Non-Construction Costs				
CONSTRUCTION COSTS				
Component X (Specify)				
Component Y (Specify)				
Component Z (Specify)				
SUBTOTAL Construction Costs				
Contingency				
PROJECT GRAND TOTAL				

Category listing should be detailed and customized to fit the project. Each Funding source, whether In-Kind or cash should have its own column. Specify In-Kind or cash in each column heading. The General Fund Grant and Other Funding Sources should sum to the Total Project Costs column. *All project expenditure documentation should be available for audit whether paid with grant funds or other funds. **Only direct project management costs are eligible, no overhead/indirect costs are reimbursable. In-service payroll may not include a "billable rate" or administrative cost allocation.

J. COST ESTIMATE FORM FOR ACQUISITION PROJECTS

(Complete one form for each separate escrow)

Project Title:				
Assessor's Parcel Number(s)	Acreage	Indicate Fee or Easement	Willing Seller Name and Address	
ACQUISITION COST ESTIMATE				
	Total Cost*	General Fund Program Grant	Other Funding Source (Name)	Other Funding Source (Name)
Estimated Fair Market Value				
Relocation Costs				
Preliminary Title Reports, Appraisal				
Escrow Fees, Title Insurance, Closing Costs				
Surveying <i>(limited to boundary line adjustments)</i>				
Direct Costs -Staff and Consultants <i>(limited to \$10,000 per grant)**</i>				
State approval of appraisal, transaction review, etc. <i>(recommend budgeting \$10,000)</i>	\$10,000			
Contingency <i>(not to exceed 10% of grant)</i>				
Other <i>(specify)</i>				
Grand Total				

*All invoices and receipts for project expenditures from all funding sources will be retained and made available for state audit.

**Only direct project management costs are eligible; no overhead/indirect costs are reimbursable. In-service payroll may not include a "billable rate" or administrative cost allocation.

Acquisition Schedule*	Completion Date
Complete Appraisal	
Submit appraisal, purchase docs and title report to State	
Open escrow & request advance into escrow	
Submit instruments of conveyance	
Close escrow and submit final closing documents to State	
Install funding acknowledgement sign	
Close-out	

*Grantee should submit evidence of progress on the acquisition within 6 months of grant execution.

K. SAMPLE PROJECT TIMELINE

Activity Description	Timeline
Preliminary work on the project	Month 20XX- Month 20XX
Submit CEQA documents	Month 20XX
Submit final site design/plans/specifications	Month 20XX - Month 20XX
Submit evidence of bond acknowledgement sign	Month 20XX
Construction period	Month 20XX- Month 20XX
Submit Project Closeout package with final Payment Request to State	Month 20XX

L. PROPERTY DATA SHEET

Complete the Property Data Sheet listing each parcel included in the proposed project, as well as the owner(s) of each parcel. Indicate and attach all required documents* including any clarifying comments below. Attach additional sheets if necessary.

No	Owner Name	Assessor Parcel Number(s)	Acreage	Indicate type of ownership. For acquisitions, indicate type of purchase.			For all parcels, indicate *document used to demonstrate ownership and attach a copy of each document-clearly labeled with the APN-to this document	If parcel(s) not owned by Grantee(s) indicate *document verifying long-term Permission to Develop and maintain and attach					Entity to perform O&M	# of years O&M to be performed
				Fee Simple	Easement	Other (describe)		O&M Agreement	Lease	JPA	Letter from Owner	Other (describe)		
1														
2														
3														
4														
5														
6														
7														
8														
9														
10														
Comments:														

Total Number of Parcels: _____ Total Number of Acres: _____

M. ENVIRONMENTAL COMPLIANCE

Prior to approval and distribution of grant funds for construction/implementation, every proposed project shall comply with the California Environmental Quality Act, Division 13 (commencing with Section 21000; 14 California Code of Regulations section 15000 *et seq.* ["CEQA"]).

The State of California, acting through its administering agencies and departments, will typically act as a responsible agency for the purposes of CEQA. Therefore, prior to the State approving funding for a proposed project, **one** of the following must be submitted:

- a. The Notice of Exemption filed with the County Clerk and State Clearinghouse (as applicable) if the proposed project is categorically or statutorily exempt, with the appropriate Public Resources Code section citation to the exemption(s) being relied upon by the lead agency.
- b. The Negative Declaration or Mitigated Negative Declaration adopted by the lead agency and Initial Study, including a copy of the Environmental Checklist Form located in Appendix G of the CEQA Guidelines and the Notice of Determination filed with the County and with the State Clearinghouse. If the lead agency has adopted a Mitigated Negative Declaration, the grantee must also provide the adopted mitigation monitoring and reporting program*.
- c. The Final Environmental Impact Report certified and adopted by the lead agency with Initial Study, including a copy of the Environmental Checklist Form located in Appendix G of the CEQA Guidelines, the adopted mitigation monitoring and reporting program, and the Notice of Determination filed with the County and State Clearinghouse. Please include any State Clearinghouse Responses received by the grantee.

* For b and c, include documentation the State of California Department of Fish and Wildlife CEQA fee was paid or is not applicable.

- d. Projects that tier from a Programmatic, Master, or other Environmental Impact Report shall include a copy of any subsequent Initial Study for the proposed project together with a copy of any supplementary environmental documentation adopted by the lead agency, including, if applicable, any required findings pursuant to Public Resources Code section 21157.1, subdivision (c), and the Notice of Determination, filed with the County Clerk and with the State Clearinghouse, as applicable.

Pursuant to Section 75102 of the Public Resources Code 75102, before the adoption of a Negative Declaration or Environmental Impact Report, the lead Agency shall notify the proposed action to a California Native American tribe, which is on the contact list maintained by the Native Heritage Commission, if that tribe has traditional lands located within the area of the proposed project.

N. PROJECT PERMIT/APPROVAL STATUS

Indicate the status of all federal, state, and local permits required for the project. Describe any potential delays due to permitting (indicate specific permits). **If acquiring a long-term encroachment permit, submit evidence the entity with jurisdiction is aware of the project and is willing to work with Grantee to issue the permit.**

This list is not all inclusive. It is Grantee's responsibility to identify and obtain applicable permits.

Permitting Agency	Type of Requirement	Required	Applied	Acquired	Date Expected
State Agencies:					
California Department of Fish and Wildlife	Lake or Streambed Alteration Agreement (Section 1600)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
California Department of Fish and Wildlife	Incidental Take Permit or Consistency Determination (CESA) (California Endangered Species Act)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Department of Transportation	Encroachment Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Coastal Commission	Coastal Development Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Coastal Commission	Letter of Consistency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Regional Water Quality Control Board	401 Water Quality Certification or Waste Discharge Requirement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
State Water Resources Control Board	Water Rights Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
State Water Resources Control Board	General Industrial Storm Water Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
State Lands Commission	Permit (if using State owned property)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
State Office of Historic Preservation	Section 106 Consultation with State Historic Preservation Officer (National Historic Preservation Act of 1986)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Federal Agencies					
U.S. Fish and Wildlife Service (USFWS)	Section 7 Consultation, Biological Opinion or Section 10 Permit (Endangered Species Act)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
U.S. Army Corps of Engineers (ACOE)	Section 404 Permit (Clean Water Act)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
U.S. Army Corps of Engineers	Section 10 Permit (Rivers & Harbors Act of 1899)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
U.S. Coast Guard / U.S. Army Corps of Engineers	Section 9 Permit (Rivers & Harbors Act of 1899)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
U.S. National Resources Conservation Service	Section 106 Consultation (National Historic Preservation Act of 1986)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
National Marine Fisheries Service (NMFS)	Section 7 consultation if federal nexus see ACOE, or Section 10 Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Local and Regional Planning Agencies					
City/County	Grading Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
City/County	Environmental Health Department	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
City/County	Model Water Efficient Landscape Ordinance – Landscape Documentation Package	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Central Valley Flood Protection Board	Permission to Encroach on Waterways within Designated Floodways	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
San Francisco Bay Conservation and Development Commission	Any relevant permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Tahoe Regional Planning Agency	Any relevant permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Local Resource Conservation District	Consultation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Flood Control Districts	Floodway & Hydrological Analysis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Others (e.g., CalRecycle, State Contractors Board, etc.):					

O. WILLING SELLER LETTER (ACQUISITIONS ONLY)

If a purchase option agreement has not been executed, acquisition projects must provide a willing seller letter from **each person on the title**. The letter must include the following information and be signed and dated by the legal owner(s) of each parcel to be acquired.

(Sample -- Willing Seller Letter)

Date:

To: California Natural Resources Agency

From: Name(s) of Legal Owner (*Trust, etc.*)
Address of Legal Owner(s)

Re: Parcel number(s):
County:
Property Address:

To Whom It May Concern:

This letter is provided to confirm that (*name of owner(s), trust, etc.*), owner of the above referenced property, is a willing participant in the proposed real property transaction and willing to enter into negotiations for the sale of the real property for a purchase price not to exceed fair market value.

Acknowledged:

Signature of landowner (trustee, etc.)

Date signed

Signature of landowner (trustee, etc.)

Date signed

Signature of landowner (trustee, etc.)

Date signed

P. PAYEE DATA RECORDFillable form available online at: <https://resources.ca.gov/grants/Grant-Program-Resources>**Print Form****Reset Form**

STATE OF CALIFORNIA – DEPARTMENT OF FINANCE

PAYEE DATA RECORD(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)
STD 204 (Rev. 03/2021)

Section 1 – Payee Information			
NAME (This is required. Do not leave this line blank. Must match the payee's federal tax return)			
BUSINESS NAME, DBA NAME or DISREGARDED SINGLE MEMBER LLC NAME (if different from above)			
MAILING ADDRESS (number, street, apt. or suite no.) (See instructions on Page 2)			
CITY, STATE, ZIP CODE		E-MAIL ADDRESS	
Section 2 – Entity Type			
Check one (1) box only that matches the entity type of the Payee listed in Section 1 above. (See instructions on page 2)			
<input type="checkbox"/> SOLE PROPRIETOR / INDIVIDUAL <input type="checkbox"/> SINGLE MEMBER LLC <i>Disregarded Entity owned by an individual</i> <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> ESTATE OR TRUST		CORPORATION (see instructions on page 2) <input type="checkbox"/> MEDICAL (e.g., dentistry, chiropractic, etc.) <input type="checkbox"/> LEGAL (e.g., attorney services) <input type="checkbox"/> EXEMPT (e.g., nonprofit) <input type="checkbox"/> ALL OTHERS	
Section 3 – Tax Identification Number			
Enter your Tax Identification Number (TIN) in the appropriate box. The TIN must match the name given in Section 1 of this form. Do not provide more than one (1) TIN. The TIN is a 9-digit number. Note: Payment will not be processed without a TIN.		Social Security Number (SSN) or Individual Tax Identification Number (ITIN) _____ - _____ - _____ OR Federal Employer Identification Number (FEIN) _____ - _____ - _____	
<ul style="list-style-type: none"> For Individuals, enter SSN. If you are a Resident Alien, and you do not have and are not eligible to get an SSN, enter your ITIN. Grantor Trusts (such as a Revocable Living Trust while the grantors are alive) may not have a separate FEIN. Those trusts must enter the individual grantor's SSN. For Sole Proprietor or Single Member LLC (disregarded entity), in which the sole member is an individual, enter SSN (ITIN if applicable) or FEIN (FTB prefers SSN). For Single Member LLC (disregarded entity), in which the sole member is a business entity, enter the owner entity's FEIN. Do not use the disregarded entity's FEIN. For all other entities including LLC that is taxed as a corporation or partnership, estates/trusts (with FEINs), enter the entity's FEIN. 			
Section 4 – Payee Residency Status (See instructions)			
<input type="checkbox"/> CALIFORNIA RESIDENT – Qualified to do business in California or maintains a permanent place of business in California. <input type="checkbox"/> CALIFORNIA NONRESIDENT – Payments to nonresidents for services may be subject to state income tax withholding.			
<input type="checkbox"/> No services performed in California <input type="checkbox"/> Copy of Franchise Tax Board waiver of state withholding is attached.			
Section 5 – Certification			
<i>I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the state agency below.</i>			
NAME OF AUTHORIZED PAYEE REPRESENTATIVE		TITLE	E-MAIL ADDRESS
SIGNATURE		DATE	TELEPHONE (include area code)
Section 6 – Paying State Agency			
Please return completed form to:			
STATE AGENCY/DEPARTMENT OFFICE		UNIT/SECTION	
MAILING ADDRESS		FAX	TELEPHONE (include area code)
CITY	STATE	ZIP CODE	E-MAIL ADDRESS

STATE OF CALIFORNIA – DEPARTMENT OF FINANCE

PAYEE DATA RECORD(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)
STD 204 (Rev. 03/2021)**GENERAL INSTRUCTIONS**

Type or print the information on the Payee Data Record, STD 204 form. Sign, date, and return to the state agency/department office address shown in Section 6. Prompt return of this fully completed form will prevent delays when processing payments.

Information provided in this form will be used by California state agencies/departments to prepare Information Returns (Form1099).

NOTE: Completion of this form is optional for Government entities, i.e. federal, state, local, and special districts.

A completed Payee Data Record, STD 204 form, is required for all payees (non-governmental entities or individuals) entering into a transaction that may lead to a payment from the state. Each state agency requires a completed, signed, and dated STD 204 on file; therefore, it is possible for you to receive this form from multiple state agencies with which you do business.

Payees who do not wish to complete the STD 204 may elect not to do business with the state. If the payee does not complete the STD 204 and the required payee data is not otherwise provided, payment may be reduced for federal and state backup withholding. Amounts reported on Information Returns (Form 1099) are in accordance with the Internal Revenue Code (IRC) and the California Revenue and Taxation Code (R&TC).

Section 1 – Payee Information**Name** – Enter the name that appears on the payee's federal tax return. The name provided shall be the tax liable party and is subject to IRS TIN matching (when applicable).

- Sole Proprietor/Individual/Revocable Trusts – enter the name shown on your federal tax return.
- Single Member Limited Liability Companies (LLCs) that is disregarded as an entity separate from its owner for federal tax purposes - enter the name of the individual or business entity that is tax liable for the business in section 1. Enter the DBA, LLC name, trade, or fictitious name under Business Name.
- Note: for the State of California tax purposes, a Single Member LLC is not disregarded from its owner, even if they may be disregarded at the Federal level.
- Partnerships, Estates/Trusts, or Corporations – enter the entity name as shown on the entity's federal tax return. The name provided in Section 1 must match to the TIN provided in section 3. Enter any DBA, trade, or fictitious business names under Business Name.

Business Name – Enter the business name, DBA name, trade or fictitious name, or disregarded LLC name.**Mailing Address** – The mailing address is the address where the payee will receive information returns. Use form STD 205, Payee Data Record Supplement to provide a remittance address if different from the mailing address for information returns, or make subsequent changes to the remittance address.**Section 2 – Entity Type**

If the Payee in Section 1 is a(n)...	THEN Select the Box for...
Individual • Sole Proprietorship • Grantor (Revocable Living) Trust disregarded for federal tax purposes	Sole Proprietor/Individual
Limited Liability Company (LLC) owned by an individual and is disregarded for federal tax purposes	Single Member LLC-owned by an individual
Partnerships • Limited Liability Partnerships (LLP) • and, LLC treated as a Partnership	Partnerships
Estate • Trust (other than disregarded Grantor Trust)	Estate or Trust
Corporation that is medical in nature (e.g., medical and healthcare services, physician care, nursery care, dentistry, etc.) • LLC that is to be taxed like a Corporation and is medical in nature	Corporation-Medical
Corporation that is legal in nature (e.g., services of attorneys, arbitrators, notary publics involving legal or law related matters, etc.) • LLC that is to be taxed like a Corporation and is legal in nature	Corporation-Legal
Corporation that qualifies for an Exempt status, including 501(c) 3 and domestic non-profit corporations.	Corporation-Exempt
Corporation that does not meet the qualifications of any of the other corporation types listed above • LLC that is to be taxed as a Corporation and does not meet any of the other corporation types listed above	Corporation-All Other

Section 3 – Tax Identification Number

The State of California requires that all parties entering into business transactions that may lead to payment(s) from the state provide their Taxpayer Identification Number (TIN). The TIN is required by R&TC sections 18646 and 18661 to facilitate tax compliance enforcement activities and preparation of Form 1099 and other information returns as required by the IRC section 6109(a) and R&TC section 18662 and its regulations.

Section 4 – Payee Residency Status**Are you a California resident or nonresident?**

- A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.
- A partnership is considered a resident partnership if it has a permanent place of business in California.
- An estate is a resident if the decedent was a California resident at time of death.
- A trust is a resident if at least one trustee is a California resident.
 - o For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.

For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:

Withholding Services and Compliance Section: 1-888-792-4900

E-mail address: wscs.gen@ftb.ca.gov

For hearing impaired with TDD, call: 1-800-822-6268

Website: www.ftb.ca.gov**Section 5 – Certification**

Provide the name, title, email address, signature, and telephone number of individual completing this form and date completed. In the event that a SSN or ITIN is provided, the individual identified as the tax liable party must certify the form. Note: the signee may differ from the tax liable party in this situation if the signee can provide a power of attorney documented for the individual.

Section 6 – Paying State Agency

This section must be completed by the state agency/department requesting the STD 204.

Privacy Statement

Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, state, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it. It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and state law imposes noncompliance penalties of up to \$20,000. You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the state agency(ies) with which you transact that business.

All questions should be referred to the requesting state agency listed on the bottom front of this form.

Q. PAYMENT REQUEST INSTRUCTIONS

Before Submitting

- Check the Grant Agreement to confirm that any funding requirements outlined in the special provisions section have been fulfilled (e.g. agreements, CEQA compliance, signage, DGS review, etc.)
- Check that all costs are allowable.
 - a. Costs must be incurred within the project performance period outlined on the Grant Agreement cover page and/or subsequent amendments and must align with the cost estimate.
 - b. All costs must directly relate to the grant funded project (i.e. no overhead costs such as rent or utilities).

What to Include

- Payment Request Form** filled out with original signature of authorized agent.
- Payment Tracking Sheet** filled in with amounts for the current request.
- Project Expenditure Form, Grantee Labor Cost Form, and Equipment Cost Form** (as applicable). Descriptions should clearly tie to the line items on the payment tracking sheet, as well as the backup documentation.
- Proof of time worked/services rendered** for each item listed on the above forms
 - a. For contracted labor or materials, include copies of invoices or receipts.
 - If an invoice is to be only partially reimbursed with grant funds, the portion allocated to the grant should be clearly marked.
 - b. For mileage include a log kept by employees documenting date, hours and destinations related to the grant project. Provide documentation of policy to support rate used.
 - c. For equipment, include the schedule showing the rate as well as a log showing the days and hours the equipment was used for this project and by whom.
 - d. For in house labor, include documentation of hours worked on the project and hourly rate.
 - Send timesheets detailing the days and number of hours each employee who worked on the project.
 - Fill out the *Employee Compensation Chart* to demonstrate the rate being charged.
 - With first request or when rates change, submit copies of pay stubs that show the employee's pay rate or salary (may redact personal information).
 - Only salary plus benefits are eligible. No indirect rates or overhead costs may be folded into the hourly rate. No billable rates may be used.
- Proof of payment** showing that payment was made for each cost. Examples include:
 - a. Copy of both sides of a cancelled check (and breakdown if check is for multiple invoices)
 - b. Copy of bank statement with cleared checks and/or Electronic Fund Transfer's (EFT) highlighted
 - c. Invoice stamped "Paid" by the vendor/contractor
 - d. Pre-paid card Statement showing credit remaining after particular project charge e.g., pre-paid photo copier card
 - e. Credit card Statement showing payment made accompanied with original credit card receipt listing specific charges. Must also include proof that the credit card was paid off.
 - f. For purchase of real property: copy of Final Buyer's Closing Statement
 - g. For grantee personnel services one of the following:

- Chief Financial Officer's signature on the certification on the Grantee Labor Cost Form
- Payroll stubs or payroll service printout for each pay period
- Signed acknowledgement from employees regarding receipt of paychecks for a specific time period

Advances - Advances are allowed to assist with cash flow for outside consultants, contractors, materials, etc. In-house labor costs are not eligible for advances. The amount of the advance is determined based on need. Once an advance is reconciled, Grantee may seek another. Contact the project grants administrator to request an advance and protocol for administering.

FOR ADVANCE TO ESCROW FOR ACQUISITION PROJECTS

To request money to be advanced to escrow, submit the following:

- Payment Request Form** for the amount of the grant budgeted to Fair Market Value of the property
- Evidence of Willing Seller**
- Letter requesting funds be deposited to** escrow on Grantee's letterhead containing the following:
 - a. Name and address of Grantee
 - b. Number of Grant Agreement
 - c. Dollar amount of disbursement requested
 - d. Name, address, and telephone number of the title company or escrow holder, and the escrow account number to which the grant funds will be disbursed
 - e. A statement by the Grantee that all funds needed for completion of acquisition of the real property (or conservation easement) have been secured and have been or will be deposited into escrow at or about the same date as the requested grant funds
 - f. Anticipated close of escrow date
- Payee Data Record** for the escrow company

Final Payments - Final retention will not be released until all closeout documents (in addition to regular payment request documents if applicable) have been received. This includes:

- a. Summary of Expenditures from all Project Funding Sources
- b. Certification of Completion Form
- c. Notice of Completion (if applicable)
- d. Recorded MOUGA/Deed Restriction (if applicable)

Helpful Hints

- Organize documentation in an easy to follow format (i.e. chronologically) with related information together and relevant information marked. Include any necessary explanations or notes to clarify certain documentation.
- Bill for the full amount and Agency will take out the retention of 10% for reimbursements. Retention will be released at closeout.
- Ensure numbers match (e.g. check numbers, amounts on forms and back up documentation, etc.) and that they are accurately calculated. Everything must add up to the penny.

All payment forms and these instructions can be found on our website here:

<http://resources.ca.gov/grants/project-administration-forms/>

Contact your Grant Administrator for further clarification or questions.

R. STATE AUDIT AND ACCOUNTING REQUIREMENTS

Contact your assigned Grant Administrator for questions about the following requirements:

Accounting Requirements

Grantees must use accounting practices that:

- Provide accounting data that clearly records costs incurred on the project and accurately reflects fiscal transactions, with the necessary controls and safeguards.
- Provides a good audit trail, including original source documents such as purchase orders, receipts, progress payments, invoices, employee paystubs and time cards, evidence of payment, etc.
- Provides accounting data so the total cost of each individual project can be readily determined.

Accounting Rules for Employee Services (force account labor)

Grantees must follow these accounting practices for employee services:

- Maintain time and attendance records as charges are incurred, identifying the employee through a name or other tracking system, and that employee's actual time spent on the project.
- Time estimates for work performed on the project are not acceptable.
- Time sheets that do not identify the specific employee's time spent on the project are not acceptable.
- Costs of the salaries and wages must be calculated according to the grantee's wage and salary scales, and may include employer paid benefit costs such as "workers' compensation."
- Overtime costs may be allowed under the grantee's established policy, provided that the regular work time was devoted to the same project.

State Audit

- All projects are subject to an audit by the State of California, Department of Finance within three (3) years following the final payment of grant funds. If the project is selected for an audit, the grantee will be contacted in advance. The audit shall include all books, papers, accounts, documents, canceled checks or other records of the grantee, as they relate to the project for which the funds were granted.
- The grantee must retain the project records for a period of three (3) years and one (1) year following an audit. All documents must be readily available, and an employee with knowledge of the project must be available to assist the auditor. The Grantee must provide a copy of any document, paper, record, or the like, requested by the auditor.

Documents Required for the Department of Finance Audit

Please have the following documents, files, records, and other resources available for the Department of Finance during their audit of the grant.

Internal Controls:

1. Grantee's organization charts.
2. Written internal procedures and flowcharts for the following procedures:
 - a. Grantee's receipts and deposits
 - b. Grantee's disbursements
 - c. Grantee's invoice preparation
3. Audit reports covering the Grantee's internal control structure and/or expenditures within the last two years.

Contracts:

1. Original contract between the Grantee and the State, including any amendments.
2. All contract documents between the Grantee and any subcontractors.
3. Listing of all active or completed contracts funded by Proposition 12, 13, 40, and 50.

Budgets:

1. Budget modification documents.

Invoices:

1. Invoices from the Grantee to the State for payments made under the grant.
2. Invoices from the subcontractors to the Grantee for payments made under the grant.
3. All supporting documentation associated with the above invoices.

Cash Documents:

1. Receipts showing payments received from the State.
2. Deposit slips showing deposit of the payments received from the State.
3. Canceled checks or disbursement documents showing payments made to vendors for contract disbursements.
4. Bank statements showing the deposit of the receipts and interest earned on any monies held by the Grantee.

Accounting Records:

1. Ledgers showing entries for cash receipts and cash disbursements.

Travel/Per Diem:

1. Grantee travel policies.
2. Travel claims for travel costs charged to the contract organized by the Grantee Invoice on which the travel was charged.
3. Mileage logs, if mileage for grantee employees claimed and paid with Grant funds.

Project Files:

1. All supporting documentation maintained in the project files.

S. SAMPLE GRANT AGREEMENT

STATE OF CALIFORNIA NATURAL RESOURCES AGENCY GRANT AGREEMENT

Grantee Name: Insert Here

Project Title: Insert Here

Agreement Number: XXXXXX-0

Authority: Budget Act of 2021 (Chapters 21, 69, and 240, Statutes of 2021)

Program: General Fund Specified Grant Projects

PROJECT DESCRIPTION

Brief Project Description

A detailed project scope and activities, project schedule and project budget are described and attached hereto as Exhibit A.

Grant Funds are to be used to support capital asset projects in accordance with the provisions contained in the Procedural Guide for General Fund Specified Grant Projects and this Agreement.

TERMS AND CONDITIONS OF GRANT

Special Provisions

Special Provisions, if applicable. EXAMPLES ONLY: (see other Sample Special Provisions in B&G/Procedures–Various/Preparation of Grant Agreement)

1. The Grantee may be required to record Deed Restrictions, incorporating by reference this Grant Agreement and giving public notice that the Grantee received funds under this Agreement in order to assist Grantee in acquiring or developing the real property and that, in consideration for the receipt of the Grant Funds, the Grantee has agreed to the terms of this Agreement.
2. As a condition precedent to the State's obligation to deposit funds into escrow or to provide reimbursement related to the Acquisition, the Grantee shall have obtained approval of the language contained in the grant deed by the Natural Resources Agency. Said deed shall include the State's required protections, restrictions of use and subsequent transfer requirements.
3. The State Department of General Services (DGS) may review and approve in writing all documents pertaining to the Grantee's Acquisition of real property, including any preliminary title reports, agreements for purchase and sale, escrow instructions and the instruments of conveyance prior to the release of any Grant Funds. Such review and approval by the State shall be timely and shall not be unreasonably withheld.
4. DGS shall review and approve in writing the appraisal of the real property.
5. The Grantee agrees to pay DGS directly the amount invoiced by DGS for services rendered for its review of the appraisal, transaction review, or other related activities as described above. Should the Grantee fail to pay DGS, the State is authorized to pay DGS by directly transferring from the Grant Funds the amount invoiced by DGS. The State will notify the Grantee at the time of the transfer and provide a copy of the appraisal review letter and invoice upon receipt.

6. **Insert if more than one escrow is anticipated:** The Grantee agrees that all parcels to be acquired by this project will have concurrent escrows.
7. **Insert if the Grantee is a nonprofit:** If the Grantee is a nonprofit organization and ceases to exist, all of its rights, title and interest in the real property shall vest in the State of California. The State may, at its discretion, identify an appropriate public or private entity to accept the right, title and interest in the real property in lieu of the State.
8. **If Grantee is a federally recognized Indian Tribe replace Section F below with the following: Grantee's Limited Waiver of Sovereign Immunity and Hold Harmless**
- a. The Parties acknowledge that Grantee is a federally recognized Indian tribe and, as such, possesses sovereign immunity from suit. Nothing in this Grant Agreement is or shall be deemed to be a waiver of Grantee's sovereign immunity from suit, which immunity is expressly asserted, except for the limited waiver set forth in this section.
 - b. Limited Waiver of Sovereign Immunity and hold harmless. Notwithstanding any other provision in this Agreement (including, without limitation, any provision of any Exhibit incorporated in this Agreement by reference) to the contrary, nothing in this Agreement shall be deemed to be a general waiver of Grantee's sovereign immunity from suit, which immunity is expressly asserted. Provided, however, that Grantee hereby expressly, unequivocally, and irrevocably provides a limited waiver of sovereign immunity from suit to allow the Natural Resources Agency to exercise all of its rights under the terms of this Agreement, and Grantee consents to suit in any court of the State of California for any claim to interpret or to enforce this Agreement. This shall include the right to contribution for loss of damage to persons or property arising from, growing out of or in any way connected with or incident to this Agreement, except claims arising from the gross negligence of State, its officers, agents and employees.
 - c. Grantee shall indemnify, hold harmless State, its officers, agents and employees in perpetuity against any and all claims, demands, damages, costs, expenses or liability costs arising out of the Project, which claims, demands or causes of action arise under Government Code Section 895.2 or otherwise, including but not limited to items to which the Grantee has certified, except for liability arising out of the gross negligence of State, its officers, agents or employees. Grantee acknowledges that it is solely responsible for compliance with items to which it has certified. Under this indemnification provision, Grantee shall not be responsible for defending State in court but shall reimburse for actual invoiced costs associated with the defense.
- Grantee and State agree that in the event of judgment entered against the State and Grantee because of the gross negligence of the State and Grantee, their officers, agents or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.
9. **If Planned transfer of property:** The State is aware of and approves a subsequent conveyance of the property to the **Long-Term Landowner Name**. Such approval is contingent, however, upon the **Long-Term Landowner Name's** written commitment to:
- a. Accept title to the property, and
 - b. Provide for the long-term operations and maintenance of the property for the uses intended by this grant program as specified in the grant agreement.
10. As conditions precedent to the State's obligation to make any **construction or acquisition** funding available pursuant to this Agreement, Grantee shall first provide evidence of compliance with CEQA by **XX/XX/20XX**.
11. **Insert if nonprofit:** If the Grantee is a nonprofit organization and ceases to exist, all of its rights, title and interest in the real property shall vest in the State of California. The State may, at its discretion, identify an appropriate public or private entity to accept the right, title, and interest in the real property in lieu of the State.
12. **Insert if grantee has not yet obtained land tenure/site control:** As conditions precedent to the State's obligation to make any funding available pursuant to this Agreement, Grantee shall first provide evidence of adequate land tenure and evidence that the project will be operated and maintained for a minimum of **__ years** satisfactory to the State for all land to be improved under this Agreement.

General Provisions

A. Definitions

1. The term "Act" means Budget Act of 2021 (Chapters 21, 69, and 240, Statutes of 2021).
2. The term "Acquisition" means obtaining a fee interest or any other interest, including easements, leases, and development rights.
3. The term "Agreement" means this Grant Agreement.
4. The term "Application" means the Project Information Package and any applicable materials supplied by grantee to the State pursuant to the Application Guidelines.
5. The term "Application Guidelines" means the Procedural Guide for General Fund Specified Grant Projects.
6. The term "Development" means improvement, rehabilitation, restoration, enhancement, preservation, protection and interpretation or other similar activities.
7. The term "Fair Market Value" means the value placed upon the property as supported by an appraisal that has been reviewed and approved by the California Department of General Services (DGS).
8. The term "Grant" or "Grant Funds" means the money provided by the State to the Grantee in this Agreement.
9. The term "Grant Agreement" means a contractual arrangement between the State and Grantee specifying the payment of funds by the State for the performance of specific project objectives within a specific project performance period by the Grantee.
10. The term "Grantee" means an entity who has a signed agreement for grant funds.
11. The term "Interpretation" means visitor-serving amenities that communicate the significance and value of natural, historical, and cultural resources in a manner that increases the understanding and enjoyment of these resources, or other similar activities.
12. The term "Other Sources of Funds" means cash or in-kind contributions that are required or used to complete the project beyond the grant funds provided by this Agreement.
13. The term "Payment Request Form" means Form RA212.
14. The term "Project" means the acquisition or development activity described in the Application as modified by Exhibit A to be accomplished with grant funds.
15. The term "Project Budget" means the State approved cost estimate included as Exhibit A to this Agreement.
16. The term "Project Scope" means the description or activity for work to be accomplished by the project.
17. The term "Public Agency" means any State of California department or agency, a county, city, public district, or public agency formed under California law.
18. The term "State" means the Secretary for California Natural Resources or his/her representatives, or other political subdivision of the State.

B. Project Execution

1. Subject to the availability of funds in the Act, the State hereby grants to the Grantee a sum of money (Grant Funds) not to exceed the amount stated on the signature page in consideration of and on condition that the

sum be expended in carrying out the purposes as set forth in the description of project in this Agreement and its attachments and under the Terms and Conditions set forth in this Agreement.

2. Grantee shall furnish any and all additional funds that may be necessary to complete the project.
3. Grantee shall complete the project in accordance with the Project Performance Period set forth on the signature page, unless an extension has been formally granted by the State and under the Terms and Conditions of this Agreement. Extensions may be requested in advance and will be considered by State, at its sole discretion, in the event of circumstances beyond the control of the Grantee, but in no event beyond **March 1, 2026**.
4. Grantee shall at all times ensure that project complies with the California Environmental Quality Act (CEQA) (Public Resources Code, Division 13, commencing with section 21000, et. seq., Cal Code Regs tit. 14, section 15000 et. seq.) and all other environmental laws, including but not limited to obtaining all necessary permits. Grant funds will not be disbursed before the close of the period for legal challenge under CEQA.

Grant funds for planning and document preparation may be available sooner if included in the grant project scope (Exhibit A) and approved by the State. CEQA compliance shall be completed within one (1) year from the Grant Agreement start date, unless an extension is granted by the State.

Changes to the scope resulting from CEQA compliance are permitted provided the State determines that the project continues to meet all objectives of the General Fund Specified Grant Project and is consistent with the intent cited in the original Application.

If a grantee's project is disapproved on grounds related to the California Natural Resource Agency's CEQA determination, the grantee shall have the option of either: (1) reimbursing the Natural Resources Agency for all state-reimbursed preliminary costs (e.g., planning, design, etc.), or (2) relinquishing any planning/design documents, including all copies, reproductions, and variations resulting from said funding, without a license to use or otherwise retain in any form.

5. Projects must comply with any applicable laws pertaining to prevailing wage and labor compliance.
6. Grantee certifies that the project does and will continue to comply with all current laws and regulations which apply to the project, including, but not limited to, legal requirements for construction contracts, building codes, environmental laws, health and safety codes, and disabled access laws. Grantee certifies that, prior to commencement of construction; all applicable permits and licenses (e.g., state contractor's license) will have been obtained.
7. Grantee shall provide access by the State upon 24-hours' notice to determine if project work is in accordance with the approved project scope, including a final inspection upon project completion.
8. Grantee agrees to comply with all applicable state and local laws or ordinances that apply to relocation and real property acquisition by Public Agencies.
9. Lands acquired with Grant Funds from this Agreement shall be acquired from a willing seller of the land at a price not to exceed Fair Market Value. Any acquisition of Project lands by Grantee following award shall not involve eminent domain proceedings or threat of eminent domain proceedings.
10. Prior to the commencement of any work, Grantee agrees to submit in writing to the State for prior approval any deviation from the original project scope per Exhibit A and the Application. Changes in project scope must continue to meet the need cited in the original Application or they will not be approved. Any modification or alteration in the project as set forth in the Application on file with the State must be submitted to the State for approval. Any modification or alteration in the project must also comply with all current laws and regulations, including but not limited to CEQA.
11. Grantee shall provide for public access and/or educational features where feasible.
12. Grantee must have (1) fee title, (2) leasehold, or (3) other interest to project lands and demonstrate to the satisfaction of the State that the proposed project will provide public benefits that are commensurate with the type and duration of the interest in land.

13. Grantee shall promptly provide photographs of the site during and after implementation of project at the request of the State.

C. Project Costs

1. Any Grant Funds provided to Grantee under this Agreement **for Acquisition** of real property will be disbursed for eligible costs as follows, but shall not exceed in any event the amount set forth on the signature page of this Agreement:
 - a. The State approved purchase price, together with the State approved costs of Acquisition, within sixty (60) days of close of escrow. All disbursements are subject to up to ten percent (10%) withhold pending Project completion, the final close-out site visit by the State, completion of the conditions described in Sections 3, D.6 and D.7 below and all Special Conditions set forth in this Agreement.
 - b. Costs of obtaining approval of the purchase price and transaction review from the DGS. The amount disbursed by the State in any event shall not exceed the amount set forth on the signature page of this Agreement. The remainder of the Grant Funds, if any, shall be available on a reimbursable basis.
2. Requests for advance payment of Grant Funds into escrow must be submitted via a completed Payment Request Form and be accompanied by a letter requesting funds be deposited to escrow on the Grantee's letterhead, containing all of the following:
 - a. Name and address of Grantee.
 - b. Number of Agreement.
 - c. Dollar amount of disbursement requested.
 - d. Name, address and telephone number of the title company or escrow holder, and the escrow account number to which the Grant Funds will be disbursed.
 - e. A statement by Grantee that all funds (exclusive of the Grant Funds to be provided under this Agreement) needed for completion of Acquisition of the real property have been secured and have been or will be deposited to escrow at or about the same date as the requested Grant Funds. In making this statement, Grantee shall be entitled to reasonably rely on the representations of the transferor of the real property.
 - f. Anticipated close of escrow date.

The letter shall be accompanied by a Payee Data Record (Form 204) completed for and by the escrow company.

3. Requests for payment of Grant Funds on a reimbursable basis for Acquisitions shall include all of the following:
 - a. Complete Payment Request Form.
 - b. Buyer's closing statement.
 - c. Copies of recorded Memoranda of Unrecorded Grant Agreement/Deed Restrictions.
 - d. Policy of title insurance.
 - e. Project Certification Form (if the Project is complete and payment in full is requested).
 - f. Evidence of compliance with signage requirement.
 - g. Summary report of final total Project expenditures.

4. Grant funds provided to Grantee under this Agreement for Development will be disbursed for eligible costs, on a reimbursement basis, as follows, but shall not exceed in any event the amount set forth on the signature page of this Agreement:
 - a. Approved direct management costs or construction and development costs. Up to ten percent (10%) of the reimbursement amount will be held back and issued as a final payment upon completion of the project.
 - b. Remaining Grant Funds shall be paid up to the total amount of the Grant Funds or the actual Project cost, whichever is less, upon completion of the Project, receipt of a detailed summary of Project costs from the Grantee found to be satisfactory by the State, and the satisfactory completion of a site inspection by the State.
 - c. Advance payments may be made at the discretion of the State.
 - d. Grantee agrees to use any Grant Funds advanced by the State under the terms of this Agreement solely for the Project herein described.
5. Payment Documentation:
 - a. All payment requests must be submitted using a completed Payment Request Form. This form must be accompanied by an itemized list of all expenditures that clearly documents the check numbers, dates, recipients, line-item description as described in the project budget approved by the State and amounts. Each payment request must also include proof of payment such as receipts, paid invoices, canceled checks or other forms of documentation demonstrating payment has been made.
 - b. Any payment request that is submitted without the required itemization and documentation will not be authorized. If the payment request package is incomplete, inadequate or inaccurate, the State will inform the Grantee and hold the payment request until all required information is received or corrected. Any penalties imposed on the Grantee by a contractor, or other consequence, because of delays in payment will be paid by the Grantee and is not reimbursable under this Agreement.
6. Grant funds in this award have a limited period in which they must be expended. Grantee expenditures funded by the State must occur within the time frame of the Project Performance Period as indicated in this Agreement.
7. The State reserves the right to request reimbursement of any funds spent on the project, even funds deemed eligible costs, if the project is not completed in accordance with the Grant Agreement and the guidelines.
8. Except as otherwise provided herein, the Grantee shall expend grant funds in the manner described in the Exhibit A approved by the State. The total dollars of a category in the project budget may be increased by up to ten percent (10%) through a reallocation of funds from another category, without approval by the State. However, the Grantee shall notify the State in writing when any such reallocation is made and shall identify both the item(s) being increased and those being decreased. Any cumulative increase or decrease of more than ten percent (10%) from the original budget in the amount of a category must be approved by the State. In any event, the total amount of the grant funds may not be increased, nor may any adjustments exceed the limits for management costs as described in the Application Guidelines.

D. Project Administration

1. Grantee shall promptly provide project reports and/or photographs upon request by the State. In any event Grantee shall provide the State a report showing total final project expenditures with the final payment request and required closing documents.
2. Grantee shall make property and facilities acquired or developed pursuant to this Agreement available for inspection upon request by the State.
3. Grantee shall use any income earned by the Grantee from use of the project to further project purposes, or, if approved by the State, for related purposes within the jurisdiction.

4. If Grant Funds are advanced, the Grantee shall place these Funds in a separate interest-bearing account, setting up and identifying such account prior to the advance. Interest earned on Grant Funds shall be used on the Project, as approved by the State. Any overpayment of Grant Funds in excess of final project costs shall be returned to the State within sixty (60) days of completion of the Project or the end of the Project performance period as shown on the signature page, whichever is earlier.
5. Grantee shall submit all documentation for project completion, including a notice of completion as applicable and final reimbursement within ninety (90) days of project completion, but in no event any later than **March 1, 2026**.
6. Final payment is contingent upon State verification that project is consistent with project scope as described in Exhibit A, together with any State approved amendments.
7. This Agreement may be amended by mutual agreement in writing between Grantee and State. Any request by the Grantee for amendments must be in writing stating the amendment request and reason for the request. The Grantee shall make requests in a timely manner and in no event less than sixty (60) days before the effective date of the proposed amendment.
8. Grantee must report to the State all sources of other funds for the project.

E. Project Termination

1. The State reserves the right to terminate a Grant Agreement for any reason at any time. There are no vested rights or entitlements to funding that a Grantee can or should rely upon, and once a notice of termination is provided to the Grantee, only authorized and eligible work prior to that notification of termination will be paid by the State.
2. Prior to the completion of project construction, either party may terminate this Agreement by providing the other party with thirty (30) days' written notice of such termination. The State may also terminate this Grant Agreement for any reason at any time if it learns of or otherwise discovers that there is a violation of any state or federal law or policy by Grantee which affects performance of this or any other grant agreement or contract entered into with the State.
3. If the State terminates without cause the Agreement prior to the end of the Project Performance Period, the Grantee shall take all reasonable measures to prevent further costs to the State under this Agreement. The State shall be responsible for any reasonable and non-cancelable obligations incurred by the Grantee in the performance of the Agreement prior to the date of the notice to terminate, but only up to the undisbursed balance of funding authorized in this Agreement.
4. If the Grantee fails to complete the project in accordance with this Agreement, or fails to fulfill any other obligations of this Agreement prior to the termination date, the Grantee shall be liable for immediate repayment to the State of all amounts disbursed by the State under this Agreement, plus accrued interest and any further costs related to the project. The State may, at its sole discretion, consider extenuating circumstances and not require repayment for work partially completed provided that the State determines it is in the State's best interest to do so. This paragraph shall not be deemed to limit any other remedies available to the State for breach of this Agreement.
5. Failure by the Grantee to comply with the terms of this Agreement or any other agreement under the Act may be cause for suspension of all obligations of the State hereunder.
6. Failure of the Grantee to comply with the terms of this Agreement shall not be cause for suspending all obligations of the State hereunder if, in the judgment of the State, such failure was due to no fault of the Grantee. At the discretion of the State, any amount required to settle at minimum cost any irrevocable obligations properly incurred shall be eligible for reimbursement under this Agreement.
7. Because the benefit to be derived by the State, from the full compliance by the Grantee with the terms of this Agreement, is for the purposes as stated in the Application for the people of the State of California, and because such benefit exceeds to an immeasurable and unascertainable extent the amount of money furnished by the State by way of grant funds under the provisions of this Agreement, the Grantee agrees that

payment by the Grantee to the State of an amount equal to the amount of the grant funds disbursed under this Agreement by the State would be inadequate compensation to the State for any breach by the Grantee of this Agreement. The Grantee further agrees therefore, that the appropriate remedy in the event of a breach by the Grantee of this Agreement shall be the specific performance of this Agreement, unless otherwise agreed to by the State.

F. Hold Harmless

1. Grantee shall waive all claims and recourses against the State, including the right to contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to this Agreement, except claims arising from the gross negligence of State, its officers, agents and employees.
2. Grantee shall indemnify, hold harmless and defend State, its officers, agents and employees in perpetuity against any and all claims, demands, damages, costs, expenses or liability costs arising out of the project, including development, construction, operation or maintenance of the property described in the project description which claims, demands or causes of action arise under Government Code Section 895.2 or otherwise, including but not limited to items to which the Grantee has certified, except for liability arising out of the gross negligence of State, its officers, agents or employees. Grantee acknowledges that it is solely responsible for compliance with items to which it has certified.
3. Grantee and State agree that in the event of judgment entered against the State and Grantee because of the gross negligence of the State and Grantee, their officers, agents or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.

G. Financial Records

1. Grantee shall maintain satisfactory financial accounts, documents and records for the project and to make them available to the State for auditing at reasonable times. Grantee shall also retain such financial accounts, documents, and records for three (3) years after final payment and one (1) year following an audit.
2. Grantee agrees that during regular office hours, the State and its duly authorized representatives shall have the right to inspect and make copies of any books, records or reports of the Grantee pertaining to this Agreement or matters related thereto. Grantee shall maintain and make available for inspection by the State accurate records of all of its costs, disbursements, and receipts with respect to its activities under this Agreement.
3. Grantee shall use applicable Generally Accepted Accounting Principles, unless otherwise agreed to by the State.

H. Use of Facilities

1. The real property (including any portion of it or any interest in it) may not be sold or transferred without the written approval of the State of California, acting through the Natural Resources Agency, or its successor, provided that such approval shall not be unreasonably withheld as long as the purposes for which the grant was awarded are maintained.
2. Grantee shall maintain, operate, and use the project in fulfillment of the purpose funded pursuant to this grant for a minimum of **XXXXXXXX (XX) YEARS**, consistent with the Land Tenure/Site Control requirements included in the Application Guidelines. The Grantee, or the Grantee's successor in interest in the property, may assign without novation the responsibility to maintain and operate the property in accordance with this requirement only with the written approval of the State. Grantee may be excused from its obligations for operation and maintenance of the project site only upon the written approval of the State for good cause. "Good cause" includes, but is not limited to, natural disasters that destroy the project improvements and render the project obsolete or impracticable to rebuild.
3. Grantee shall use the property for the purposes for which the grant was made and shall make no other use or sale or other disposition of the property. This Agreement shall not prevent the transfer of the property

from the Grantee to a Public Agency, if the successor public agency assumes the obligations imposed by this Agreement.

4. If the use of the property is changed to a use that is not permitted by the Agreement, or if the property is sold or otherwise disposed of, at the State's sole discretion, an amount equal to (1) the amount of the Grant (2) the Fair Market Value of the real property, or (3) the proceeds from the sale or other disposition, whichever is greater, may be reimbursed to the State. If the property sold or otherwise disposed of is less than the entire interest in the property funded in the Grant, an amount equal to either the proceeds from the sale or other disposition of the interest or the Fair Market Value of the interest sold or otherwise disposed of, whichever is greater, shall be reimbursed to the State.
5. The Grantee shall not use or allow the use of any portion of the real property for mitigation without the written permission of the State.
6. The Grantee shall not use or allow the use of any portion of the real property as security for any debt.

I. Nondiscrimination

1. During the performance of this grant, grantee and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any person because of sex, sexual orientation, race, color, religious creed, marital status, denial of family and medical care leave, ancestry, national origin, medical condition (cancer/genetic characteristics), age (40 and above), disability (mental and physical) including HIV and AIDS, denial of pregnancy disability leave or reasonable accommodation. Grantee and subcontractors shall ensure that the evaluation and treatment of all persons, and particularly their employees and applicants for employment are free from such discrimination and harassment. Grantee and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, §12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Code Regs, tit. 2, §7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12990 (a)–(f), are incorporated into this grant by reference and made a part hereof as if set forth in full (Cal. Code Regs, tit. 2, §7285.0 et seq.). Grantee shall include this non-discrimination and compliance provisions of this clause in all subcontracts to perform work under the grant.
2. The Grantee shall not discriminate against any person on the basis of residence except to the extent that reasonable difference in admission or other fees may be maintained on the basis of residence and pursuant to law.
3. The completed project and all related facilities shall be open to members of the public generally, except as noted under the special provisions of this Agreement or under provisions of the Act.

J. Application Incorporation

The Grant Guidelines and the Application and any subsequent changes or additions to the Application approved in writing by the State are hereby incorporated by reference into this Agreement as though set forth in full in this Agreement.

K. Severability

If any provision of this Agreement or the Application thereof is held invalid, that invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

L. Waiver

No term or provision hereof will be considered waived by either party, and no breach excused by either party, unless such waiver or consent is in writing and signed on behalf of the party against whom the waiver is asserted. No consent by either party to, or waiver of, a breach by either party, whether expressed or implied, will constitute consent to, waiver of or excuse of any other, different, or subsequent breach by either party.

M. Assignment

Except as expressly provided otherwise, this Agreement is not assignable by the Grantee either in whole or in part.

N. Disputes

If the Grantee believes that there is a dispute or grievance between Grantee and the State arising out of or relating to this Agreement, the Grantee shall first discuss and attempt to resolve the issue informally with the Agency Grants Administrator. If the issue cannot be resolved at this level, the Grantee shall follow the following procedures:

1. If the issue cannot be resolved informally with the Agency Grants Administrator, the Grantee shall submit, in writing, a grievance report together with any evidence to the Deputy Assistant Secretary for Bonds and Grants for the California Natural Resources Agency. The grievance report must state the issues in the dispute, the legal authority, or other basis for the Grantee's position and the remedy sought. Within ten (10) working days of receipt of the written grievance report from the Grantee, the Deputy Assistant Secretary shall make a determination on the issue(s) and shall respond in writing to the Grantee indicating the decision and reasons therefore. Should the Grantee disagree with the Deputy Assistant Secretary's decision, the Grantee may appeal to the Assistant Secretary for Administration and Finance for the Natural Resources Agency.
2. The Grantee must submit a letter of appeal to the Assistant Secretary explaining why the Deputy Assistant Secretary's decision is unacceptable. The letter must include, as an attachment, copies of the Grantee's original grievance report, evidence originally submitted, and response from the Deputy Assistant Secretary. The Grantee's letter of appeal must be submitted within ten (10) working days of the receipt of the Deputy Assistant Secretary's written decision. The Assistant Secretary or designee shall, within twenty (20) working days of receipt of Grantee's letter of appeal, review the issues raised and shall render a written decision to the Grantee. The decision of the Assistant Secretary or designee shall be final.

O. Audit Requirements

Grant projects are subject to audit by the State annually and for three (3) years following the final payment of grant funds. The audit shall include all books, papers, accounts, documents, or other records of the Grantee, as they relate to the project for which the grant funds were granted.