



DEPARTMENT OF
ECOLOGY
State of Washington

Administrative Requirements for Recipients of Ecology Grants and Loans Managed in EAGL

**Washington State
Department of Ecology**

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PART I - INTRODUCTION

A. Purpose and Scope

This publication documents administrative requirements for all Washington State Department of Ecology grants and loans managed in the Ecology Administration of Grants and Loans (EAGL) system. Ecology uses the web-based EAGL to manage the entire grant or loan cycle; from applications and awards, payments and amendments, to agreement closeout.

"Administrative" requirements are those matters common to all grants and loans, including financial management, expenditure and income reporting, contracting, procurement and records retention. These are distinguished from "programmatic" requirements, which are specific to an agreement or to a grant or loan program.

"Programmatic" requirements are detailed in specific grant or loan program guidelines. Program guidelines describe the costs and activities that are eligible for support with Ecology funds under that program, application procedures, and match requirements. Program guidelines are consistent with these Administrative Requirements, although they may impose additional limitations.

All provisions for the administration of Ecology grants or loans that are less restrictive than these Administrative Requirements are superseded, except to the extent that they are:

- required by statute or regulation,
- pertain to existing agreements, or
- authorized in writing by Ecology's Chief Financial Officer.

B. Roles and Responsibilities

This section summarizes recipient responsibilities and the roles of Ecology staff relative to the recipient. A complete description of any procedure is included in these requirements.

RECIPIENT

Complete the project according to all terms of the agreement, including the budget, scope of work and performance schedule.

Submit billings, reports and other required documentation in an accurate and timely manner.

Keep all supporting documentation for audit purposes for at least three years after agreement closeout.

FINANCIAL AND PROJECT MANAGERS

Negotiate with recipient to develop budget, scope of work and performance schedule.

Act as central contact with recipient.

Review costs for eligibility, monitor project progress, and approve payment requests.

Respond to budget deviation and determine appropriate action.

Provide technical assistance, review/approve technical documents.

PROGRAM MANAGER

Sign agreements and amendments.
Oversee fund management.

CHIEF FINANCIAL OFFICER

Resolve policy and procedural issues related to grants and loans, and, involving more than one Ecology program.

FISCAL OFFICE

Issue payments in conformance with administrative regulations. Follow up on audit issues. Manage the loan repayment process.

CONTRACT/GRANT/LOAN ADMINISTRATION UNIT

Provide technical advice on agreement structure. Review agreements for enforceability. Track local government audit findings, and ensure that Ecology acts on applicable findings.

STATE AUDITOR

Audits state and local government agencies for compliance with grant/loan requirements.

C. Definitions

ACCOUNT MANAGER Provides general oversight of the account and is the Program Budget Manager for the lead program for the account.

ACQUISITION COST The net invoice price per unit. This includes the cost of modifications, attachments or accessories necessary to make it usable for the project. Other costs, such as installation, transportation, taxes, duty or in-transit insurance, are to be included or excluded from the acquisition cost according to the recipient's regular accounting practice

ADVERTISEMENT PACKAGE A package of documents that includes the application form and attached supplemental information (for example, funding program guidelines and Ecology administrative requirements) for a given funding opportunity that will be made available to applicants.

AGREEMENT The formal written contractual document, signed by authorized representatives of the recipient and Ecology, which details the terms of the grant or loan. A grant is a type of agreement that awards funds to accomplish a purpose. A loan is a type of agreement that awards funds to accomplish a public purpose that must be repaid.

AGREEMENT EFFECTIVE DATE The earliest date on which eligible costs can be incurred. Even though costs can be incurred starting at the effective date, they cannot be reimbursed until the agreement has been signed. Therefore, incurring costs after the effective date but before the signature date is done at the recipient's risk.

AGREEMENT SIGNATURE DATE The date the agreement document is signed by the Ecology authorized signatory.

ALLOWABLE COSTS Are those in which Ecology will participate, provided that the costs are not prohibited by program guidelines, are directly related to the grant project and meet all other eligibility requirements. If an allowable cost meets all eligibility requirements established in the terms of the agreement, it becomes eligible.

AMENDMENT A written document, signed by the authorized representative of Ecology and the recipient, which details the changes or revisions to the original terms of the grant or loan.

AMOUNT REQUESTED TO DATE The total amount of grant or loan funds requested from Ecology since the effective date.

APPLICANT An entity that applies for financial assistance through one or more funding programs.

APPLICATION A data entry form used by the Applicant to request funding from a funding program.

APPLICATION PACKAGE A package of documents prepared and submitted by an applicant that includes the completed application and attached supplemental documents.

ARCHITECTURAL AND ENGINEERING SERVICES Professional services of an architect or engineer.

AUTHORIZED OFFICIAL A person designated by the recipient or by Ecology to sign a grant or loan agreement and any formal amendments to it.

BACKUP DOCUMENTATION Supporting documentation for all expenditures reported on a payment request. Includes recipient salary and benefits, contractor and subcontractor invoices and receipts, accounting records or other forms of records that establish the appropriateness of an expense.

BID A written offer to perform a contract in response to a formal solicitation. The contract may be to purchase or supply property, equipment, services, tools or supplies.

BID OVERRUN The excess of the amount of the successful bid over the anticipated amount of the contract.

BIENNIUM A 24-month fiscal period. In Washington, the biennium extends from July 1 of odd-numbered years to June 30 of odd-numbered years.

BUDGET A task breakdown of the total eligible cost. Tasks can be grouped together with a total budget established for the group.

BUDGET LINE ITEM An individual element of a budget. For a 2 level budget, a budget line item would represent each unique level 1/level 2 combination.

CASH EXPENDITURES Any cash outlay by the recipient, regardless of the source of the funds, for project-related:

- Direct costs of goods and/or services.
- Salaries and benefits of recipient employees, including force account.
- Overhead costs.
- Payments made to contractors.

Under certain conditions, cash expenditures may also include the cash outlay by another entity for any of the above. See Part III, Section F, *Reimbursing Cash Expenditures by Other Governments*.

CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) A catalog of federal programs available to state and local governments. Some Ecology funding programs are funded by federal money.

CHANGE ORDER A written order to the contractor authorizing an addition, deletion or revision in the work within the general scope of the contract documents, or authorizing an adjustment in the contract price or contract time.

CLOSEOUT The process by which all administrative matters relative to a **grant** or **loan** are reconciled in order to close the file. A final payment request, progress report, recipient closeout report, Ecology closeout report, and final amendment (for loans only) are required before a grant or loan can be closed.

COGNIZANT AGENCY The federal agency responsible for reviewing, negotiating, and approving cost allocation plans, or indirect costs proposals developed under Code of Federal Regulations (CFR) 220, 225 or 230, on behalf of federal agencies. The Federal Office of Management and Budget (OMB) publishes a listing of all cognizant agencies.

COMPETITIVE SOLICITATION A process by which a recipient solicits bids or proposals from a sufficient number of bidders to assure adequate fair and open competition.

CONTINGENCY ALLOWANCE The amount that is encumbered by Ecology to cover unanticipated increases in the cost of the project.

CONTRACT A written document for which the principal purpose is the procurement, by purchase or lease, of goods or services for the direct benefit of the project.

CONTRACTOR Any entity who is paid by the recipient for goods or services received under a contract.

CONTRACTS AND GRANTS PAYABLE SYSTEM (CGP) An in house Ecology software application that handles the accounting portion of grants and loans.

CONTRACTS OFFICER The Contracts unit staff in the Ecology Fiscal Office who assigns unique agreement numbers and reviews and approves agreements for legal validity.

COST-PLUS FIXED FEE CONTRACT A contract in which the government pays reasonable, allowable, and allocable costs plus a negotiated fixed fee (profit). The fixed fee does not vary with actual costs.

COST-TYPE CONTRACT A contract in which the contractor is paid on the basis of costs incurred, with or without an additional fee for contractor profit.

COSTS All charges made to the project, either as cash expenditures or as in-kind contributions.

CURRENT REQUEST The amount of grant or loan funds requested from Ecology on the current billing.

DATA UNIVERSAL NUMBERING SYSTEM (DUNS) A system developed and regulated by Dun and Bradstreet that assigns a unique numeric identifier to a single business entity.

DELIVERABLE A quantifiable good or service that will be provided upon the completion of a task. Deliverables can be tangible or intangible.

DEPARTMENT The Washington State Department of Ecology.

DISBURSEMENT AMOUNT The total amount of funding disbursed to the recipient based on a grant/loan expenditures incurred.

ECOLOGY (ECY) The Washington State Department of Ecology.

ECOLOGY-AUTHORIZED SIGNATORY The person designated by Ecology to sign a grant or loan and any amendments to it.

ECOLOGY CLOSEOUT REPORT A data form that collects information about the accomplishments of a closing grant from Ecology's perspective. Some of the data is collected at the task level and some is collected at the agreement level.

ECOLOGY SHARE Ecology's share of the total eligible costs.

EFFECTIVE DATE (of an agreement) The earliest date on which eligible costs may be incurred. Unless otherwise stated in the agreement, the effective date is the date that the agreement was signed by Ecology.

ELEMENT A generic term that may refer to an object, a task, a sub-object or a sub-task.

ELIGIBLE

- A task is eligible for funding by a particular fund source if the activities performed in that task are permitted by the fund source requirements.
- An entity such as a local government or other applicant for a grant or loan, is eligible for a grant or loan if it meets the applicant criteria in the program guidelines.

ELIGIBLE COST The cost that meets all eligibility criteria established in the terms of the agreement. This includes any criteria related to the nature and the amount of the costs. If cash expenditure is eligible, this implies that it will be reimbursed, in whole or in part. If an in-kind contribution is eligible, a recipient may use it to meet the match requirement.

ELIGIBLE PROJECT COSTS The sum of eligible in-kind contributions and eligible cash expenditures applied to a project.

ELIGIBILITY GROUP Those costs which are eligible for support from the same fund source with the same fund share and the same match requirements.

ELIGIBILITY PERCENTAGE The portion of allowable costs which is eligible. Also, the eligibility percentage is not derived from comparing task costs with total project costs or with available grant/loan funding. It is strictly based on statutes or other regulations governing the categories of costs that may be eligible. If the terms of the agreement do not specify any eligibility percentages, the assumed percentage is 100%.

EMERGENCY Unforeseen circumstances beyond the control of the recipient that present a real, immediate and extreme threat to the proper performance of essential functions and that without immediate corrective action may reasonably be expected to result in bodily injury or loss of life or excessive loss or damage to property.

ENCUMBERED Money set aside (earmarked) to cover a financial obligation that will be incurred in the future.

ENVIRONMENTAL INFORMATION MANAGEMENT SYSTEM (EIM) An in house Ecology system that manages environmental monitoring data.

EQUIPMENT Tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of at least \$5,000 per functional unit or system.

EVALUATE The rating and ranking of screened application that are associated with a funding opportunity.

EVALUATOR Person responsible for the reviewing and ranking grant applications according to pre-established evaluation criteria. Can be internal or external.

EXPENDITURE An outlay by the recipient for an agreement / project related costs.

EXPENDITURE ITEM CATEGORY A category of expenditure. The categories include the following:

- Salaries
- Benefits
- Professional Services Contracts – An agreement with a consultant or technical expert for the rendering of professional services to the state which is consistent with state law.
- Goods and Services – Products, materials and supplies.
- Travel
- Equipment – Tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of at least \$5,000 per functional unit or system.
- Property – Land, including crops and mineral rights, land improvements, structures, and appurtenances to them, excluding movable machinery and equipment.
- Overhead / Indirect – those costs that benefit more than one activity or cost objective of the recipient (including grant or loan project), that cannot be easily or readily directly assigned to an objective of the project.
- Other

EXPENDITURE TYPE The type of outlay. Expenditure types can be cash, in kind interlocal and in other kind.

EXPIRATION DATE (of an agreement or amendment) The last date on which costs may be incurred and be considered eligible.

FACILITY SITE (FS) An in house Ecology system that tracks information about facilities and site of environmental interest to Ecology.

FEDERAL FISCAL YEAR For federal government, a 12-month period extending from October 1 of one calendar year to September 30 of the next calendar year.

FEDERALLY RECOGNIZED INDIAN TRIBAL GOVERNMENT The governing body or governmental agency of any Indian tribe, band, nation, or other organized group or community (including any Native village as defined in the Alaska Native Claims Settlement Act, 85 Stat. 688) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.

FINANCIAL MANAGER Responsible for the financial and administrative aspects of an agreement. Develops final agreement, coordinates agreement approval, responds to reimbursement requests (after approved by the project manager), coordinates with the project manager on amendments and manages agreement closeout process.

FIRM FIXED PRICE CONTRACT A contract in which the contractor is paid a fixed amount agreed to at the outset of the contract.

FISCAL ANALYST Fiscal Office staff who sets up and manages the financial aspects of agreements.

FORCE ACCOUNT Services related to a construction project which are provided by employees of the recipient, generally because it is determined that the work may be performed more economically or more efficiently by using materials, and/or equipment of a public body. Force account does not include administrative services applied to the construction project.

FUND AMOUNT (\$) The maximum amount of the eligible costs which will be supported by the fund.

FUND COORDINATOR Responsible for the entire funding program. Develops funding program policies, procedures and guidelines for program manager's approval. This includes development of the application, funding opportunity timeline, evaluation criteria and agreement template. Responsible for internal and external communications.

FUND SHARE (%) The maximum percentage of eligible project costs which will be supported by a particular fund.

FUNDING OFFER An offer to an applicant stating that the application was accepted and that a grant or loan agreement may be negotiated.

FUNDING OPPORTUNITY An advertised round of funding that is made available to applicants for a funding program. For example, FY13 Combined WQ Assistance, FY 11-13 CPG.

FUNDING PROGRAM A financial assistance program with a distinct set of requirements that provides grant or loan funding to eligible applicants via an advertised opportunity. For example, 319, PPG, Clean Diesel, etc.

FUNDING SOURCE A distinct pool of money that becomes available for a funding opportunity of a funding program that needs to be tracked. The amount available in a funding source is the original amount of the funding source minus the amount awarded to grants/loans. For example, WQ Combined 319, CPG Beyond Waste Proviso.

GOVERNMENT A federal, state or local government, or a federally recognized Indian tribal government.

GRANT An award of money or property to accomplish a public purpose authorized by statute.

GRANT/LOAN AMOUNT The maximum dollar amount of financial assistance that may be paid to the recipient under the terms of the agreement.

GRANT/LOAN OFFER A letter sent to the grant or loan applicant stating that the application was accepted and that a grant or loan agreement may be negotiated.

GRANT/LOAN PERCENTAGE The maximum percentage of eligible costs that may be supported by grant/loan funds.

GRANT/LOAN REMAINING The amount of grant or loan funds which has not yet been disbursed to the recipient.

GUIDELINES A set of rules that give guidance on how to meet and manage the funds of a funding opportunity.

HEADQUARTERS The Ecology office located in Lacey, Washington.

HYDROLOGIC UNIT CODES (HUC) A code that identifies all of the drainage basins in the United States in a nested arrangement from largest (Regions) to smallest (cataloging units).

INDIRECT RATE A term commonly used to refer to the rate that is approved by the federal cognizant agency, to cover overhead/indirect costs for those entities that receive funding directly from a federal agency. All entities receiving funding directly from the federal government are assigned a cognizant agency by the Federal Office of Management and Budget (OMB). Cost allocation plans or indirect cost proposals are the method used by entities to seek approval for overhead/indirect costs from their cognizant agency.

IN-KIND CONTRIBUTIONS Property or services that benefit a project and are contributed to the recipient by a third party without direct monetary compensation. In-kind contributions include interlocal costs, donated or loaned real or personal property, volunteer services, and employee services donated by a third party.

IN-KIND INTERLOCAL A type of In-kind contributions made to a project by another government pursuant to a valid written agreement between the recipient and the contributing entity which details the work to be accomplished, the goods and services to be provided, and the value thereof.

IN-KIND OTHER A type of in-kind contributions made to a project other than interlocal contributions.

INTERLOCAL COSTS A type of in-kind contribution made to a project by another government pursuant to a valid written agreement (such as an Interlocal Agreement) between the recipient and the contributing entity which details the work to be accomplished, the goods and services to be provided, and the value thereof. Interlocal costs are distinguished from other in-kind contributions **ONLY** when the project has a cash match requirement and the program guidelines permit the use of interlocal costs to

meet that requirement. See also *Cash Match Requirement -Interlocal Costs* in Part III, Section F. NOTE: Because interlocal costs are a form of in-kind contributions, no monetary reimbursement for them may be made by the recipient to the contributing entity.

LOAN A contractual agreement between the recipient and Ecology involving disbursement of funds that must be repaid. It includes loan terms - such as interest rates and a repayment schedule - along with a scope of work, performance schedule and project budget.

LOBBYING Funds expended to influence or attempting to influence an officer or employer of an agency, a legislator, an officer or employee of the legislature or an employee of an individual legislature.

LOCAL GOVERNMENT A county, municipality, city, town, township, municipal corporation, quasi-municipal corporation, local public authority, conservation district, school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of a local government.

MATCH That portion of the cash expenditures provided by the recipient for the project and the value of the eligible in-kind contributions applied to the project.

MATERIAL An obligation central to the reason for the agreement, without which there would be no agreement.

MAXIMUM ELIGIBLE COSTS The maximum amount eligible.

MAXIMUM AMOUNT (\$) The maximum amount of funding.

MAXIMUM SHARE (%) The maximum percentage of eligible project costs which may be supported by agreement funds.

METRICS Pre-determined criteria with a numeric response. For example, number of feet of fence constructed. The metrics will be used on a progress report and the recipient would enter a numeric response.

MINORITY BUSINESS ENTERPRISES/WOMEN BUSINESS ENTERPRISES (MBE/WBE) A business that has been certified by Washington State's Office of Minority and Women Business Enterprises. MBE/WBE businesses that receive grant/loan funding are reported.

OBJECT Any of the standard categories of expenditures listed in the Budget and Accounting Reporting System (BARS), such as "salaries" or "supplies."

OBLIGATION The amounts of orders placed, contracts awarded, goods and services received, and similar transactions during a given period that will require payment by the recipient

OVERHEAD COSTS A term often used interchangeably with Indirect Costs. Costs that benefit more than one activity or cost objective of the recipient (Including grant or loan project), that cannot be easily or readily directly assigned to an objective of the project

OVERTIME Employee hours in excess of the Fair Labor Standards Act.

OVERTIME DIFFERENTIAL The additional hourly rate applied to an individual's overtime hours. For instance, the overtime differential is 50% when overtime is paid at "time-and-a-half."

PAYMENT DUE The amount of grant or loan funds to be disbursed to the recipient.

PAYMENT REQUEST A data entry form used to report agreement/project expenditures. The amount of disbursement is based on the approved expenditures and budget rules.

PERFORMANCE SCHEDULE The calendar of dates showing when scheduled elements of an agreement are due. For example, payment requests and progress reports.

PERSONAL PROPERTY Property of any kind except real property. It may be tangible (having physical existence) or intangible (such as patents, inventions and copyrights.)

PERSONAL SERVICES Professional services of a consultant.

PHOTO AND IMAGE MANAGEMENT SYSTEM (PIMS) An in-house Ecology system that stores all agency owned photos and images.

PRIOR AUTHORIZATION Written documentation authorizing the recipient to incur eligible project costs before the execution of the agreement.

PRIOR WRITTEN APPROVAL Documentation indicating that Ecology gave the recipient the authority to incur the particular costs, or take the particular actions, before the costs were incurred or the actions taken.

PROGRAM A division within Ecology. For example, Water Quality, Waste 2 Resources, etc.

PROGRAM MANAGER Person with overall responsibility for an Ecology program (i.e., Water Quality, Waste 2 Resources, etc.).

PROGRESS REPORT A data entry form used to collect agreement progress information by task and overall agreement/project. The progress report is used to justify payment requests.

PROJECT A specific, connected set of activities that are eligible for funding and have explicit objectives and a predetermined cost. A project can be funded by one or more grants or loans.

PROJECT INCOME Gross income received by the recipient and directly generated by a project, or earned only as a result of the project during the period of the agreement.

PROJECT MANAGER Responsible for the project management aspects of an agreement. Develops agreement content (scope, task, deliverables, including negotiation with recipients. Monitors progress and deliverables, approves reimbursement requests and assists financial managers with closeout process steps.

REAL PROPERTY Land, including crops and mineral rights, land improvements, structures, and appurtenances to them, excluding movable machinery and equipment.

RECIPIENT An entity that has been approved to receive a grant or loan from one or more funding programs.

RECIPIENT AUTHORIZED SIGNATORY The person designated by the recipient to sign a grant or loan and any amendments to it.

RECIPIENT BILLING CONTACT The person designated by the recipient to be the main contact for billing issues related to the grant or loan.

RECIPIENT CLOSEOUT REPORT A data form that collects information about the accomplishments of a closing grant from the recipient's perspective. Some of the data is collected at the agreement level.

RECIPIENT MATCH % The percentage of the total eligible costs that will be contributed by the recipient.

RECIPIENT PROJECT MANAGER The person designated by the recipient to be the main contact for project management issues related to the grant or loan program.

REGION Ecology's satellite office located throughout the state. Northwest Regional Office (NWRO) – Bellevue, Southwest Regional Office (SWRO) – Lacey, Central Regional Office (CRO) – Yakima, Eastern Regional Office (ERO) – Spokane.

SCOPE OF WORK The tasks and deliverables of the agreement.

SHARE (of an entity's portion of real property, equipment or supplies) The percentage of the acquisition cost of the property provided by the entity. Only cash expenditures are to be counted - not the value of third-party in-kind contributions.

SHARE (of an entity's portion of project charges) The percentage of the total project charges - including both cash expenditures and in-kind contributions provided by that entity.

SITE VISIT REPORT A data form that collects information about a visit an Ecology staff member made to the recipient. The visit may be a phone, office or field visit.

STATE means Washington State.

STATE FISCAL YEAR For Washington State government, a 12-month period extending from July 1 of one calendar year to June 30 of the next calendar year.

STATEWIDE VENDOR NUMBER A 10-digit number issued by the Office of Financial Management that uniquely identifies State of Washington vendors. A statewide vendor number is required for recipients to receive a disbursement.

SUBRECIPIENT A recipient who receives *federal* monies and/or federal matching monies from Ecology. Subrecipients, who meet expenditure criteria, are required to have a single audit performed in accordance with OMB Circular A-133.

SUPPLIES All tangible personal property other than tools or equipment.

SUSPENSION The temporary withdrawal of the authority to obligate previously awarded project funds pending either termination or corrective action by the recipient.

TASK A particular objective of a project.

TASK GOAL A description of why the task is being done.

TASK OUTCOME A quantitative and measurable change as a result of doing the task.

TAXPAYER IDENTIFICATION NUMBER (TIN) An identifier number used by the Internal Revenue Service in the administration of tax laws.

TECHNICAL ADVISOR Responsible for one or more of the following: technical review of a proposed agreement; technical evaluation of applications; review and approval of interim and final technical deliverables when needed and at the request of the project manager.

TERMINATION Permanent withdrawal, before the expiration date, of the authority to obligate previously awarded project funds. It also means the voluntary relinquishment of that authority by the recipient. Termination does not include:

- Withdrawal of funds awarded on the basis of the recipient's underestimate of the unobligated balance in a prior period.
- Withdrawal of the unobligated balance at agreement expiration.
- Refusal to extend/renew an agreement or award additional funds.
- Voiding an agreement upon determination that the award was obtained fraudulently, or was otherwise illegal or invalid from inception.

TERMS OF AGREEMENT All requirements of the grant or loan, whether in statute, regulations, administrative requirements, program guidelines or the agreement document. General terms and conditions are the terms and conditions that apply to all Ecology grants and loans. Special terms and conditions are the terms and conditions that are applicable to a specific funding program. Agreement specific terms and conditions are the terms and conditions that are applicable to a specific agreement.

THIRD PARTY An entity who is not the recipient or a contractor under the grant agreement.

TOOLS Tangible, personal property having a useful life of more than one year and an acquisitions cost of less than \$5,000 per functional unit.

TOTAL COST The total cost of the project. Some costs may not be eligible under the agreement.

TOTAL CUMULATIVE AMOUNT ELIGIBLE FOR REIMBURSEMENT The lesser of the sum of all cash expenditures divided by Ecology share (%) or the sum of all expenditure by budget line item with expenditures capped at 10% of the total agreement amount. The total group 1 budget and total overall budget cannot be exceeded.

TOTAL ELIGIBLE COST The total cost of the agreement that is eligible under the agreement.

UNOBLIGATED BALANCE The portion of the funds authorized by Ecology that has not been obligated by the recipient; it is determined by subtracting the cumulative obligations from the grant or loan amount.

WATER RESOURCE INVENTORY AREAS (WRIA) A watershed is an area draining into a river, lake or other water body. Washington state has been divided into multiple WRIsAs to delineate the state's major watersheds.

PART II - TERMS OF THE AGREEMENT

A. Application For Grants And Loans

Each Ecology grant or loan is administered according to statutory authority detailed in the following:

- Statutes (RCWs) and/or rules (WACs)
- Application instructions
- Program guidelines

Recipients should consult the program guidelines governing the project for instructions.

B. Agreement Document

The agreement document must contain:

Grant/Loan Number

Ecology will assign a grant or loan number to the agreement. The recipient should include the grant or loan number in all project-related correspondence and payment requests.

Effective Date

After the award offer has been made, the recipient and Ecology negotiate the scope of work, eligibility criteria, performance schedule, budget, and other terms of the agreement. The Project Officer drafts the agreement and forwards it to the recipient for review and approval. After signature by the recipient, the agreement is signed by the authorized Ecology official. Unless specifically indicated otherwise in the agreement, the date of Ecology signature is the effective date. *Any costs incurred before the effective date are not eligible.*

Expiration Date

The expiration date is the last date on which a cost may be incurred and be considered eligible. An amendment is required to extend the expiration date.

General Terms and Conditions

General Terms and Conditions are general requirements contained in all Ecology grant and loan agreements, and are not negotiable.

Special Terms and Conditions

Special Terms and Conditions are written into an agreement to detail restrictions or conditions specific to the project or to program guidelines. Special Terms and Conditions are consistent with the General Terms and Conditions, *but may provide additional restrictions or limit the applicability of certain provisions of the General Terms and Conditions.* The Special Terms and Conditions take precedence over the General Terms and Conditions and will be controlling.

Scope of Work

The agreement must contain a detailed scope of work describing the project and measurable objectives to be used to determine satisfactory achievement. The scope of work will contain a performance schedule with specific milestones, outcomes and/or deliverables related to project objectives, and regular reporting dates.

Project Budget

The agreement must include a project budget that establishes eligible costs for tasks and/or budget objects. The budget will also detail funding sources and amounts, any limitations on in-kind or overhead, and other financial matters.

Signature of Authorized Representatives

The agreement must be signed by an Ecology Director, Deputy Director, Program Manager, or authorized delegate, and by an authorized official of the recipient. At project officer discretion, the recipient's signatory may be required to submit a letter from the chief executive of the recipient, authorizing him/her to sign the agreement for the recipient.

Additional Certifications or Sworn Statements of Compliance

By signing an agreement the recipient certifies that it will comply with the procedures of the Office of Minority and Women's Business Enterprises as reflected in the Special Terms and Conditions of the agreement. Additional certifications or statements of compliance with specific federal or state regulations may be required.

C. Amendments

Amendments are numbered consecutively over the agreement period.

Amendments are not required for administrative adjustments such as changes in telephone numbers, addresses, or contact persons for Ecology or the recipient. However, the Recipient must keep their organization and contact information up to date in the online grant/loan management system (EAGL).

An amendment is signed by the authorized officials of both Ecology and the recipient.

An amendment is necessary whenever:

- There is a revision in the scope of work or the objectives of the project (whether or not there is an associated budget revision).
- There is a need for additional funds above the maximum amount from any fund source, or the need to de-obligate funds.
- On research projects, there is a change in the project director or principal investigator;
- The expiration date is extended (see program guidelines for additional restrictions for the program's grants or loans).
- Costs are redistributed among budget elements (see *Ensuring Budget Conformance* in Part IV, E).
- Fund shares (%) are changed.
- Changes to general terms or conditions.

D. Monitoring Project Progress

Ecology Review

Ecology will monitor projects to assure compliance with applicable regulations and all terms of the agreement, and will make site visits according to program needs and as determined by risk assessments. Ecology's project manager will document monitoring and site visits. This documentation must be maintained in the online grant/loan management system (EAGL).

Progress Reports

Recipients must submit a progress report with each payment request. Progress reports shall cover the periods specified in the agreement or in program guidelines. Reports shall be due thirty (30) days following the end of the period being reported.

Progress reports must contain:

- A by task summary of accomplishments and a percent complete for the period.
- A summary and reasons for delays.
- A summary and reasons for any cost overruns.
- Any additional pertinent information.

Final Recipient Closeout Report

Recipients must submit a final closeout report and other closing documentation required by program guidelines. The Project Manager must certify that all documentation has been received and the project has been satisfactorily completed before final payment will be made.

Reporting Significant Developments

Events with significant impact on the project may occur between progress reports. The recipient must inform Ecology as soon as any of the following situations are known:

- Problems, delays, or adverse conditions that will materially impair the ability to meet the objective of the project. The report should include a statement of any action taken or contemplated, and any assistance needed to resolve the situation.
- Favorable developments that enable the recipient to meet schedules or objectives sooner or at less cost than anticipated, or that produce more beneficial results than originally planned.
- Any changes in significant project staff or contractors.

E. Termination and Suspension

An agreement may be terminated or suspended in whole or in part if:

- The legislative appropriation or state allotment is withdrawn from the grant or loan program. In such cases, Ecology will renegotiate the terms of the agreement.
- The recipient's authority to commit funds to the project is withdrawn. In such cases, Ecology may request repayment of all or part of the funds already disbursed, or take other remedies which may be legally available.
- The recipient does not commence the project within four months after the effective date of the agreement, or by any date mutually agreed upon in writing.

- The recipient fails to comply with any material term of the agreement, whether stated in a statute, regulation, plan, application, award, or elsewhere.

If there is a material compliance failure, Ecology will take one or more of these actions:

- Temporarily withhold cash payments pending correction of the deficiency.
- Disallow all or part of the cost of the noncompliant activity or action.
- Request repayment of all or part of the funds already disbursed to the recipient.
- Withhold further awards.
- Take other legally available remedies.

In taking any of these actions, Ecology will provide an opportunity for hearings, appeals, or other administrative proceedings to which the recipient is entitled under the agreement. The Project Manager will send written notice to the recipient at least five working days prior to the effective date of the suspension or termination.

If the recipient incurs costs during a suspension or after termination, these costs are not allowable unless expressly authorized by Ecology.

F. Appeal Process

The Ecology project manager is authorized to make determinations of cost eligibility, to disallow costs, to track projects through other Ecology work units, and to ensure compliance with the program guidelines and the administrative requirements. Recipients should direct their concerns and questions directly to the project officer, who will coordinate matters with the Fiscal Office or other Ecology staff.

Any questions will be decided by the project officer, unless otherwise provided in the agreement or program guidelines. The project officer will provide a written decision to the recipient. The decision of the project officer will be final unless the recipient directs a written appeal to Ecology within thirty days of receipt of the project officer's decision.

Some programs have specific appeal procedures, and recipients should follow those procedures in appealing the project officer decision relative to a particular project.

In the absence of specific program appeal procedures, recipients are to use the Ecology "chain of command" in making an appeal. Recipients should address the appeal directly to the project officer's section manager, and then to the appropriate program manager. This will ensure a more timely response for recipients.

The recipient will have the opportunity to be heard and to offer evidence in support of the appeal. The decision of the Director of Ecology, or his/her authorized representative will be final. Appeals of any final decisions must be filed in the Thurston County Superior Court. The recipient is expected to continue progress on the project while waiting for the final decision on an appeal, according to all terms of the agreement. Administrative costs and other expenses incurred as part of an unsuccessful appeal are not allowable.

PART III - ELIGIBLE COSTS

A. Eligibility Criteria

Only eligible cash expenditures are reimbursable, in whole or in part, with agreement funds. Only eligible in-kind contributions and cash expenditures may be used to meet a match requirement.

To be eligible, a cost must:

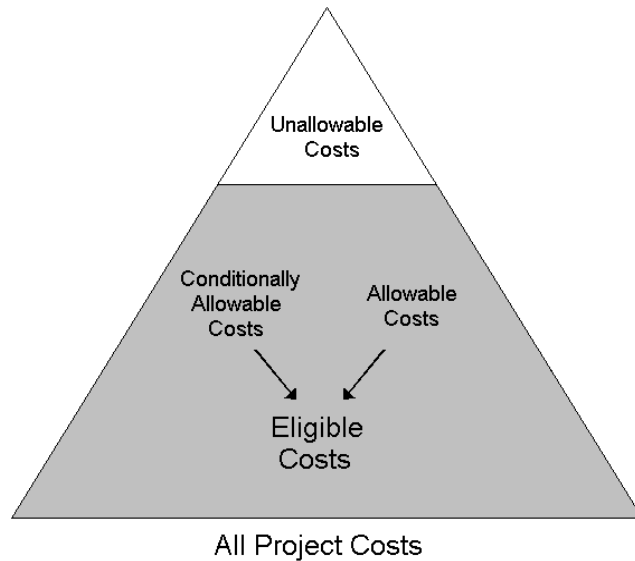
- Be allowable, according to the criteria set out below.
- Be necessary and reasonable for proper and efficient completion of the project. Necessary costs are determined by the nature and scope of the project as detailed in the terms of the agreement.
- Be authorized or not prohibited under federal, state or local laws and regulations, and the applicable program guidelines.
- Conform to the project budget and any other financial limitations in the terms of the agreement. Costs in excess of the budget, and costs which do not conform to match requirements or other financial restrictions are not eligible.
- Be incurred after the effective date of the agreement and before the expiration date. If a cost is incurred after the expiration date, the cost is not eligible unless an amendment is done to extend the expiration date.
- Be net of all applicable credits (such as rebates, discounts, etc.). If any rebate or discount is applied to a cost, the amount which is eligible is the net cost after the rebate or discount is applied.
- Be documented. Costs which are not supported by invoices, time sheets or other required documentation are not eligible.
- Be consistent with the standard business practices of the recipient. A cost is not eligible if it is computed differently than it would have been if incurred in any other recipient activity.
- Not be charged to any other project in the current or other fiscal years. Costs can be split between projects, but the same cost cannot be billed to two separate projects.

Categories of Costs

Costs are divided into three categories:

- Allowable costs, which may be allowed for any project funded through Ecology, including federal grants.
- Unallowable costs, which are never allowed under any project administered through Ecology.
- Conditionally allowable costs, which are allowable only under certain conditions such as prior written approval.

An allowable cost which meets all of the eligibility criteria on the following page becomes an eligible cost as shown in the graphic. If a cash expenditure meets all eligibility criteria, it becomes reimbursable, in whole or in part with Ecology-administered funds. If an in-kind contribution meets all eligibility criteria, it may be used to meet a match requirement.



For instance, travel costs are allowable. However, if the program guidelines did not allow travel costs, if the costs were not necessary to the project, or if the costs exceeded the budgeted amount, those travel costs would not be eligible. Therefore, they would not be reimbursed, and they could not be used as match.

B. Allowable Costs

This section sets standards for determining the allowability of an individual cost. These standards will apply whether a particular cost is treated as a direct or an overhead cost. Failure to mention a particular cost does not imply that it is either allowable or unallowable. That determination should be made by reference to standards for similar or related costs.

Note: Program guidelines or other terms of the agreement may further restrict the categories or amounts of costs that are allowable.

Accounting - the cost of establishing and maintaining accounting and other information systems required for the management of projects. This includes costs incurred by central service agencies for these purposes.

Advertising - newspapers, magazines, radio and television programs, direct mail, trade papers, etc. when the purpose of the advertisement is to:

- recruit personnel needed for the project.
- solicit bids for procuring project-related goods and services.
- dispose of scrap or surplus materials acquired during the project.
- advise the public about a project activity. Or, for other purposes specifically provided for in the agreement.

Audit service - the cost of audits necessary to administer and manage the project.

Bonding - costs of premiums on bonds covering employees who handle project funds.

Budgeting - identifiable costs related to developing, preparing, presenting, and executing the project budget.

Central stores - maintaining and operating a central stores organization for supplies, equipment, and materials used directly or indirectly for the project.

Communications - project-related costs incurred for telephone calls or service (including cellular), facsimile service, wide area telephone service (WATS), Centrex, telpak (tie lines), internet service, postage, messenger service and similar expenses.

Compensation for personal services - wages, salaries and supplementary compensation and benefits - paid currently or accrued - for services rendered under the contract, including compensation for employees of the recipient. Such compensation is allowable if it:

- is reasonable for the services rendered, and consistent with compensation paid for similar work in the recipient's labor market.
- complies with applicable local, state or federal laws or rules governing procurement or merit system requirements.
- is not compensated by any other governmental entity, recipient or sub-recipient.

Conference and meeting costs - meeting room rental, registration fees, supplies, contracts with facilitators, etc., when the primary purpose of the meeting is the dissemination of technical information relating to the project and the individual costs are in themselves allowable. (NOTE: See *Light Refreshments* in Part III, C.)

Disbursing service - the costs of disbursing project funds by the Treasurer or other designated officer. Disbursing services cover the processing of checks or warrants, from preparation to redemption, including all records required for accountability and reconciliation.

Employee fringe benefits - to the extent that total compensation for employees is reasonable. Compensation paid to employees during periods of authorized absences from the job (annual leave, sick leave, court leave, military leave, etc.) and employer contributions (social security, employees' life and health insurance plans, unemployment insurance coverage, workmen's compensation insurance, pension plans, severance pay, etc.) are allowable if they are provided according to an approved plan and their cost is equitably allocated to all related activities, including projects.

Equipment rental - the total cost during the project does not exceed the fair market value of the equipment and the costs are consistent with rental rates in the recipient's market.

Exhibits - relating specifically to the project.

Maintenance and repair - costs incurred for normal preventive maintenance, necessary repair, and upkeep of property as required to maintain an efficient operating condition. But, not costs for work which adds to the permanent value of the property or appreciably

extends its designed life. This is not the same as "Operation and Maintenance" costs, which include all costs related to the operation of a facility.

Materials and supplies - necessary to carry out the project. Purchases are to be charged to the project at their actual cost after deducting all cash discounts, trade discounts, rebates, and allowances received by the recipient. Withdrawals from general stores or warehouses should be charged at the appropriate cost under any recognized and consistently applied method of pricing. Incoming transportation charges are an allowable part of material cost.

Motor pools - project-related costs of a service organization that provides automobiles to the recipient at mileage or fixed rate. And/or provides vehicle maintenance, inspection and repair services. If the vehicle is purchased with grant funds, only regular maintenance costs are allowable.

Payroll preparation - project-related costs of preparing payrolls and maintaining necessary related wage records.

Personnel administration - costs of recruiting, examining, certifying, classifying, training, establishing pay standards, and performing other project-related activities.

Printing and reproduction - project-related materials such as forms, reports, manuals, and informational literature.

Procurement service, - soliciting bids, preparing and awarding contracts, and all phases of contract administration to provide goods, facilities and services for projects.

Reference material or subscriptions - directly related to the project.

Rental of office space - in privately or publicly owned buildings, provided that the costs do not exceed the rental costs of similar facilities in the same locality. (Note: for Federal grants other conditions may apply.)

Taxes (or payments in lieu of taxes) - that the recipient is legally required to pay.

Transportation - costs for freight, cartage, express, postage and other transportation costs relating to goods purchased, delivered, or moved from one location to another.

Travel Expenses - costs of transportation; lodging, subsistence, and related items incurred by employees in travel status on official business related to a project. The following costs are excluded:

- Any part of the cost exceeding that allowed by state travel regulations.
- The difference in cost between first-class air fares and less than first-class air fares. The exception is when less than first-class air fares are not reasonably available.
- Meals and/or lodging within the metropolitan area of the employee's home or official work station.

Travel costs may be charged on an actual basis, on a per diem/mileage basis, or on a combination of the two. Provided, that the method used is applied to an entire trip and

the charges are consistent with those normally allowed in similar circumstances for other recipient activities.

Use Allowances - for equipment or facilities owned by the recipient, provided that the charge does not exceed the portion of acquisition cost that could be reasonably attributed to the project. AND, does not exceed the rental rate for comparable equipment or facilities in the recipient's market.

C. Conditionally Allowable Costs

The following costs may require (specific) prior written approval from Ecology. In such cases, the recipient must send a written request for approval to the project officer before incurring the obligation. The project officer will promptly review the request and approve or disapprove it in writing. If the request requires prior Federal approval, the project officer will first obtain the federal agency's approval.

All applicable conditions are indicated in italics. Program guidelines or other terms of the agreement may further restrict the categories or amounts of costs that are allowable.

Advisory councils - costs incurred by advisory councils or committees established according to federal or state requirements to carry out projects, when provided for in the agreement.

Application costs - costs of preparing grant or loan applications are allowable when specifically provided for in the agreement.

Capital expenditures – with prior written approval, the cost of facilities, other capital assets, and repairs that materially increase the value or useful life of capital assets is allowable.

NOTE: When assets acquired with Ecology funds are sold, no longer available for use in an Ecology project, or used for purposes not authorized by Ecology, then Ecology will be reimbursed in the same proportion as its share of the asset's cost. If any preexisting asset is traded on a new item, only the net cost of the newly acquired asset is allowable. See also *PART V-B, Property Management*, which outlines some of the criteria to be used in determining the extent to which a capital expenditure is allowable (if any), and the procedure for determining the amount to be charged back against the grant at project expiration.

Computers - all costs of hardware, software and/or licenses for projects must have prior written approval. This includes rental costs, use allowances, or the acquisition cost.

Equipment and tools - the cost of equipment, tools and other personal property is allowable with written approval. See NOTE under CAPITAL EXPENDITURES (above).

Force account - to the extent provided in program guidelines.

Indemnification - securing the recipient against liabilities to third persons and other losses not compensated by insurance or otherwise. Is an obligation of Ecology only to

the extent expressly provided for in the agreement, except as provided in insurance (below).

Insurance costs - including the costs of insurance required, or acquired and maintained according to the agreement. Types, extent and cost of coverage will be in accordance with general state or local government policy and sound business practice.

- Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, federal or Ecology property are allowable with prior written approval.
- Contributions to a reserve for a self-insurance project approved by Ecology or the federal grantor are allowable to the extent that the type of coverage, extent of coverage, and the rates and premiums would have been allowed had insurance been purchased to cover the risks.
- Actual losses that could have been covered by permissible insurance (through an approved self-insurance program or otherwise) are not allowable unless expressly provided for in the agreement. Costs are allowable, however, if they are incurred because of losses not covered under nominal deductible insurance coverage provided in keeping with sound management practice. Or, if they are minor losses not covered by insurance, such as spoilage, breakage and disappearance of small hand tools that occur in the ordinary course of operations.

Landscaping for erosion control or for site-specific landscaping directly related to a project.

Legal expenses - the cost of legal expenses required to administer projects are allowable with prior written approval.

Light refreshments at meetings or conferences, when specifically provided by the conditions of the advisory group and when permitted by Ecology Travel Policies. *See Appendix A.*

Magazine or newspaper subscriptions to the extent that they are included in the overhead rate.

Management studies - the cost of management studies to improve the effectiveness and efficiency of project management for ongoing projects is allowable. However, the cost of studies performed by agencies other than the recipient department or outside consultants is allowable only with prior written approval.

Memberships in civic, business, technical and professional organizations, only to the extent that they are included in the overhead rate.

Operation and maintenance costs of a facility that are routine or ongoing are allowable only when specifically provided for in the agreement.

Overtime compensation - straight salaries and benefits for employee hours in excess of 40 per week, is allowable only with prior written approval.

Overtime differential may be allowable only when 100% of an employee's time is spent on tasks specific to the grant project.

Professional services - costs of professional services rendered by individuals or organizations not a part of the recipient department are allowable with prior written approval, provided that they are procured pursuant to state law.

Rental, maintenance and leasehold improvements to building space and related facilities, in privately or publicly owned buildings used for the benefit of the project, are allowable subject to the following conditions:

- The total cost of space may not exceed the rental cost of comparable space and facilities in a privately owned building in the same locality.
- When space has been procured for project use, the cost for periods of nonoccupancy may not be charged to the project without prior written approval.
- Rental costs for publicly owned buildings newly occupied on or after October 1, 1980, are allowable where charges are determined on the basis of actual cost (including depreciation based on the useful life of the building, interest paid or accrued, operation and maintenance, and other allowable costs). Where these costs are included in rental charges, they may not be charged elsewhere. For Federal grants, no costs will be included for purchases or construction that were originally financed by the federal government.
- The cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, normal repairs and alterations and the like, are allowable to the extent they are not otherwise included in rental or other charges for space.
- Rearrangements and alterations required specifically for the project, or those that materially increase the value or useful life of the facilities, are allowable with prior written approval.
- Occupancy of space under rental purchase or a lease with option to purchase agreement is allowable with prior written approval.

Training and education - the cost of in-service training, customarily provided for employee development that directly benefits projects is allowable. (See personnel administration in section B). Out-of-service training involving extended periods of time is allowable only with prior written approval.

D. Unallowable Costs

THE FOLLOWING COSTS CANNOT BE CHARGED TO ANY ECOLOGY PROJECT:

Bad debts - any losses arising from uncollectible accounts and other claims, and related costs.

Contributions to a contingency reserve - any funds set aside by the recipient in order to reimburse unanticipated expenses. Such reserves may not be charged to any Ecology project.

Depreciation - of facilities or equipment.

Entertainment - costs of amusements, social activities, and incidental costs relating thereto, such as, meals, beverages, lodgings, rentals, transportation, and gratuities.

Fines and penalties - costs resulting from violations of, or failure to comply with federal, state and local laws.

General expenses required to carry out the overall responsibilities of state or local government - this includes Governor's expenses, including salaries and expenses of the Office of the Governor of a state, or the chief executive of a political subdivision.

General expenses required to carry out the overall responsibilities of a federally recognized Indian tribal government - this includes salary and expenses of the office of the chief executive. The portion of salaries and expenses directly attributable to managing and operating projects by the chief executive and their staff is allowable. The allowable portion shall be determined by Ecology and the Indian government representative.

Interest and other financial costs - Interest on borrowings (however represented), bond discounts, cost of financing and refinancing operations, and legal and professional fees (paid in connection therewith), are unallowable except when authorized by federal or state legislation.

Legal expenses - related to claims against Ecology, and legal services furnished by the chief legal officer of the state, local or Indian tribal government (or his/her staff) solely for the purpose of discharging his/her general responsibilities as legal officer.

Legislative expenses - salaries and other expenses of the state legislature or similar local governmental bodies (such as county boards, etc.), whether incurred for purposes of legislation or executive direction.

Lobbying - or expenses related to lobbying.

Maintenance equipment - for site and building (lawnmowers, snow removal equipment, shovels, brooms, etc.)

Overtime differential - any excess over the straight salaries and benefits associated with regular employee time, except as noted in conditionally allowable costs.

Personal injury compensation - or damages arising out of the project, whether determined by adjudication, arbitration, negotiation or otherwise.

Underrecovery of costs - incurred during a project, including any excess of cost over Ecology's contribution. No costs which are determined to be ineligible for one project may be charged to another project.

E. Direct Costs and Overhead Costs

Direct Costs

Direct costs are costs that can be identified specifically with a particular objective of the project, such as:

- Compensation of employees for the time worked on the project.
- Cost of materials and approved capital expenditures used specifically for the project.
- Costs of services furnished for the project by other entities.

Overhead Costs

Overhead costs are those incurred for a common purpose and not readily identifiable with a particular project. Overhead includes costs incurred by the recipient, and may include costs incurred by others who supply goods, services or facilities to the recipient, such as, costs of:

- Utilities for a facility shared by a project and other recipient activities.
- Maintaining a department that provides services to a project as well as other recipient activities (e.g., a warehouse or mailroom).
- Supervisory personnel who oversee project activities as well as other recipient activities.

Computing Overhead Charges

There is no universal rule for classifying certain costs as either direct or overhead. A cost may be direct with respect to some of the recipients functions, but be overhead with respect to the project. It is essential only that each item be treated consistently throughout the project either as a direct or an overhead cost as follows:

- The recipient may direct bill all allowable costs which can be identified specifically with the project. The recipient must compute the direct charges in the same way as the charges would be computed if the costs were related to any other recipient activity. For instance, if the recipient's motor pool normally bills vehicle mileage back to individual jobs, mileage applied to the project may be direct billed. Otherwise, it must be included in the overhead charge. In addition,
- The recipient may charge as overhead an amount up to 25% of salaries and benefits of recipient employees for time worked specifically on the project. That amount is intended to include all costs in the categories below, which generally are not direct billed.

For example, "*Communication*" is included in the overhead rate, and is intended to cover the basic telephone charges associated with maintaining a line to the recipient's project administrator. Any long distance calls associated directly with the project may be direct billed. *Insurance*, such as the project portion of the recipient's regular fire and liability insurance is included in the overhead, while the cost of an insurance policy taken out specifically for the project may still be direct billed.

Some projects are subject to state or federal laws that limit the amount of overhead costs that may be eligible. In such cases, the ineligible amount may not be charged to another Ecology project.

Overhead charges are to be reported on the same billing as the salaries and benefits on which they are based.

Costs Included in the Overhead Rate

The following costs will generally be covered by the overhead rate. BARS code numbers are indicated in the parentheses at right.

Office furnishings and operating supplies (31) Office furnishings, stationery/supplies, forms, cleaning supplies, etc.

Fuel consumed (32) to generate power or provide heat.

Small tools and minor equipment for administrative use. (35) Calculators, fax machines, telephones, etc.

Professional services (41) Auditors, management consultants, legal, custodial, janitorial, messenger services, etc., shared by the project and other recipient activities.

Communication (42) Includes, but is not limited to, basic telephone, cell phone, pagers, internet connections, facsimile (fax) and postage charges.

Operating rentals and leases (45) Rental costs for facilities or equipment - such as buildings or copy machines that are shared by the project and other recipient activities.

Insurance (46) Fire, casualty, theft, bonds, liability, etc.

Utility services (47)

Repairs and maintenance (48) Labor and supplies to repair or maintain real or personal property

Miscellaneous (49) Court costs, dues, subscriptions, memberships, laundry, information and credit services, printing and binding, judgments, damages, registration, tuition, etc.

Intergovernmental professional services (51) Costs charged by other governmental entities for functions normally provided by governments and not by private businesses, (such as police or fire protection).

Capital outlays (60-66) Costs of shared real property, equipment, easements, etc.

Intergovernmental interfund services (90-98) Costs to other recipient departments for services rendered jointly to the project as well as to other recipient activities.

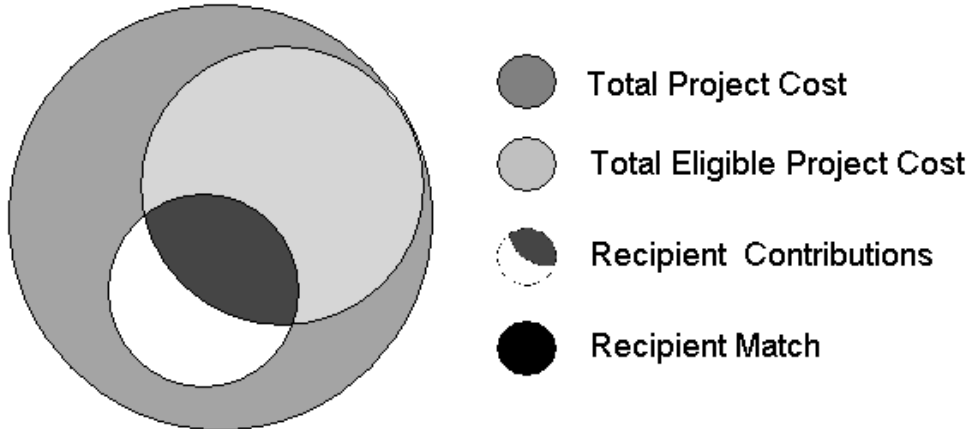
Allowable costs include direct costs and overhead costs. Ecology recognizes that some recipients have a federally approved indirect rate, which may differ from the overhead

rate established in this section. In some cases, the amount of overhead costs which may be eligible may be less than the amount of the federally approved indirect costs.

However, in order to distribute our limited resources to as many projects as possible, and, in order to assure equitable treatment of grant/loan recipients, we have adopted a uniform overhead rate for application to all Ecology grants and loans. A uniform rate will permit us to simplify reporting requirements and will assure more consistent treatment of recipients across Ecology programs. It is also intended to ensure that a project conducted by a recipient which does not have a federal indirect rate is supported in the same proportion as a project conducted by a recipient which may have a federal rate. An Ecology program may choose to disallow any overhead as part of its grant program.

F. Match Requirements

Definition of Recipient Match



Recipient match consists of:

- That portion of eligible cash expenditures which is not reimbursed by Ecology grant/loan funds. This includes eligible costs reimbursed by another grant or by cash donations. And/or
- **The value of eligible in-kind contributions.** In-kind contributions are valid match only to the extent that they would be eligible if the recipient had paid for them, and to the extent permitted by the terms of the agreement. Note that cash, whether from the recipient sources or donated by a third party, becomes "match" only if it is applied to the project to support eligible cash expenditures. All ineligible costs are at the expense of the recipient and are not valid match.

The following are not valid match:

- **Costs used as match on another project.** No cash expenditures or in-kind contributions used as match on one project may be used as match on another.
- Match that comes from the same funding source, even if it passes through another recipient.

- **Costs financed by project income** are not valid match unless they are expressly permitted in the terms of the agreement.
- **Services or property financed by income earned by contractors.** Contractors under a grant or loan agreement may earn income from the activities carried out under the contract in addition to the amounts earned from the recipient awarding the contract. No costs of services or property supported by this income may count as match unless expressly permitted in the agreement.
- **On federal grants, costs borne by another federal grant.** Except as provided by statute, costs borne by one Federal grant are not valid match on another Federal grant project. This prohibition does not apply to income earned by a recipient from a contract awarded under another Federal grant. Note: for purposes of match, general revenue sharing funds distributed under 31 U.S.C. 6702 are not considered Federal grant funds.
- **Costs financed by penalties and/or fines.**

Grant/loan funds may be used only to reimburse eligible cash expenditures. In no event may the recipient receive reimbursement in excess of actual cash expenditures. Grant funds may not be used to provide any profit to the recipient.

Documentation of Match

All eligible costs must be reported as they are incurred. This requirement is true for costs which are reimbursed by grant or loan funds, as well as costs used to meet the match requirement. Without documentation demonstrating that the match requirement has been met, a recipient will not receive the entire payment which would be due.

Cash expenditures and in-kind contributions must be verifiable from recipient records. Cash expenditures must be supported by invoices, and the value of in-kind contributions must be documented.

Cash Match Requirement

Some Ecology grant or loan programs require that a specific percentage of the match consist of cash expenditures on the part of the recipient. Generally, a cash match requirement cannot be met by in-kind contributions, which means that goods or services provided to the project by a third party at no charge to the recipient are not valid cash match. However, in order to facilitate cooperative ventures between the recipient and other local governmental entities, program guidelines may permit the costs of goods and services provided to the project by another governmental entity to be used as cash match. While such costs are in-kind contributions - and therefore may not be reimbursed with grant funds - they may be used to meet the cash match requirement.

Interlocal Costs

Interlocal costs are in-kind contributions made to the project by a governmental entity other than the recipient according to a valid written agreement which details the work to be accomplished, the goods to be provided, and the value thereof. The interlocal agreement must be sent to Ecology's project officer to be included as part of the grant file. Interlocal costs may be used to meet a cash match requirement when all of the following conditions apply:

- The other governmental entity receives no reimbursement from the recipient (just as with other in-kind contributions).
- The costs would have been eligible if incurred by the recipient.
- The program guidelines permit the contributions of the other governmental entity to be used to meet a cash match requirement. Generally, in-kind contributions are considered interlocal costs only if contributed by an entity which would itself be eligible for a grant or loan according to program guidelines. However, program guidelines may make specific exceptions or impose additional conditions in this regard.
- The project officer has reviewed the written agreement between the recipient and the other contributing entity.
- The costs are reported as interlocal costs and documented in the same way as costs incurred by the recipient.
- The contributing entity and the specific interlocal costs are identified in the terms of the agreement.

No other in-kind contributions are valid cash match, and the amount of in-kind which is eligible is limited to the portion of the match which is not required to be cash.

For example, suppose the recipient has a 75% grant, with a 12.5% cash match requirement. Then:

- At least 87.5% (75% + 12.5%) of the project costs must be formed by actual cash expenditures incurred by the recipient and/or interlocal costs on the part of the contributing entities.
- In-kind may not constitute more than 12.5% of the eligible project costs.
- The recipient may not receive payment for more than the amount of actual cash expenditures on its part. Therefore, if the recipient expends \$60,000 on a \$100,000 project, and the remaining \$40,000 consists of interlocal costs, the recipient would receive \$60,000. This is because \$60,000 is the lesser of the recipient's cash outlay and 75% of the total costs.

Reimbursing Cash Expenditures by Other Governments

If the recipient is required by the interlocal agreement to reimburse the other government for any portion of its cash outlay for the project, the other government's cash expenditures are not considered Interlocal Costs. Cash outlay made by another entity in relation to a project may be considered cash expenditures, and the recipient will be reimbursed for such costs in the same way that it would be reimbursed for its own cash outlay, as long as:

- There is a valid written agreement, reviewed by the project officer, between the recipient and the other government detailing the work to be accomplished, the goods to be provided and the value thereof.
- The agreement specifies that any reimbursement received by the recipient for the cash outlay of the other government will be passed through to the other government.
- The other government and the cash costs to be incurred by it are identified in the agreement.
- The other government's cash costs are reported as cash expenditures.
- The costs would have been eligible if incurred by the recipient.

Suppose the recipient has a 75% grant for a \$100,000 project. The recipient expends \$60,000 and another government expends \$40,000. If the recipient has contracted with the other government to pass grant funds through in the same proportion it receives, then the recipient would receive \$75,000 from Ecology. Of this \$75,000, the recipient would be required to pass through \$30,000 (75% of \$40,000) to the other government, and the recipient would keep \$45,000 (75% of \$60,000). Each entity would then receive 75% of its costs.

G. Valuation of Donated Property and Services

Values placed on donated property or services must conform to the principles in this section. If a donation is not described here, the value placed on it shall be fair and reasonable. If it is necessary to establish the market value or fair rental rate of real property, Ecology may require that it be set by an independent appraiser. Ecology reserves the right to make the final determination of value.

Donated services must be documented on the Monthly Time Sheet form. If no invoice is provided by the contributor, donated supplies, donated property, and loaned equipment or space must be documented on the Valuation of Donated Property form.

Volunteer Services

Adult individuals who provide unpaid services provided to the project are valued at \$15.00 per hour. Minors who provide unpaid services will be valued at the minimum wage at the time the services are provided. These rates are intended to include the value of travel expenses contributed by volunteers. Therefore additional in-kind contributions for volunteer travel expenses are not allowable. Time spent by state employees in performance of their official duties may not be counted as volunteer services.

The adult volunteer rate will be reviewed in March of each odd-numbered year, using figures provided by the Bureau of Labor Statistics, unadjusted for fringe benefits. Any rate adjustments will become effective on July 1 of the odd-numbered year.

Employee Services Donated by a Third Party

When a third party employer (i.e., not the recipient or a contractor under the agreement) contributes the services of an employee in the employee's normal line of work, to the project at no charge to the recipient, the services will be valued at the employee's regular rate of pay. If the services are in a different line of work, see VOLUNTEER SERVICES above. If the third party reimburses the employee for travel expenses incurred relative to the project, such costs are allowable in-kind contributions on the part of the third party.

Donated Supplies

If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation.

Donated Equipment, Buildings, and Land

If a third party donates equipment, buildings, or land, and title passes to the recipient, the donated property will be treated in one of the following two ways:

- If the purpose of the agreement is to help the recipient acquire property, the assigned value is the market value of the property at the time of donation.
- If helping the recipient to acquire property is not the purpose of the agreement, a use allowance for any application of the property to the project may be charged to the project. Such use allowances are not treated as in-kind contributions, but as cash expenditures incurred by the recipient. They are computed and allocated in the same way as use allowances for other equipment and buildings owned by the recipient. The amount of the use allowance is based on the fair rental rate for similar property. However, the use allowance over the period of the agreement may not exceed the amount for which the equipment or space could have been purchased at prevailing rates.

Real property donated by the recipient for construction or acquisition.

If a recipient donates real property for a construction or facilities acquisition project, the current market value of that property is an allowable cost. If any part of the donated property was acquired with Federal funds, only the nonfederal share of the property is allowable. Unless otherwise provided in the agreement, if any part of the donated property was acquired with Ecology funds, only the non-Ecology share of the property is allowable.

Loaned Equipment or Space

If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space. However, the use allowance over the period of the agreement may not exceed the amount for which the equipment or space could have been purchased at prevailing rates.

PART IV - FINANCIAL REQUIREMENTS

A. Fiscal Management

Standards for Fiscal Systems

A recipient must expend and account for project funds in accordance with state laws and its own procedures.

Recipient accounting procedures (and those of its contractors) **must:**

- Provide accurate and complete disclosure of the financial results of projects in accordance with all financial reporting requirements of the agreement.
- Identify the source and application of project funds. Records must contain copies of all agreements and authorizations, obligations, assets, liabilities, expenditures, and income.
- Provide effective internal control and accountability for all project cash, real and personal property, and other assets. Recipients must adequately safeguard all such property and assure that it is used solely for authorized purposes.
- Conform to the budget. Actual expenditures must be in accordance with budgeted amounts for each agreement. Financial data must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the agreement.
- Conform with applicable cost principles detailed in all terms of the agreement.
- Maintain appropriate supporting source documentation. This includes canceled checks, invoices, purchase receipts, payrolls, time and attendance records, contract award documents, and vouchers sent to Ecology.

Standards for Accounting Records

Required accounting records include the following or their equivalent:

- General ledger, which classifies, records and summarizes all accounting transactions relevant to the project.
- Accounts receivable ledger, which records all funds (cash, checks, money orders, etc) received by the recipient.
- Accounts payable ledger, which records all expenditures made by the recipient, including date, warrant or voucher number, payee, and purpose of the payment.

Ecology may review the fiscal systems of any applicant as part of a pre award review or at any time after the award.

Standards for Recipient's Banks

A recipient shall maintain a separate bank account when required by the agreement. If a separate account is required, the recipient must use a bank that is a member of the Federal Deposit Insurance Corporation for deposits of all project related funds.

Standards for Payment

Generally, Ecology funds will be disbursed as reimbursement for actual costs or obligations incurred. Recipients are expected to make payments to contractors on the same basis.

Ecology shall not make payments for amounts withheld from contractors as retainage. Ecology shall make payments only when the recipient actually incurs costs for payments due to contractors or to escrow accounts established to assure satisfactory completion of work.

B. Budget Design

Establishing Fund Sources

In negotiating the project budget, the program project officer determines the specific fund sources and the amount of state support. Funding for specific tasks is determined according to the eligibility requirements established by each fund source. For instance, a fund source may prohibit the use of in-kind contributions as match, or a fund source may specify that it may only be used to support certain kinds of activities. This information is generally included in program guidelines.

General Principles

The budget will be tracked by task. There is a worksheet for budgets tracked by tasks. During budget negotiation the worksheet forms the basis of review by the recipient and the project manager. The recipient will be expected to track and report costs incurred by task, reporting cash expenditures and in-kind contributions and identifying them with the appropriate task.

The budget for a project is established at the time that the agreement is drafted, and is incorporated into the agreement as a condition of the grant or loan. Budgets establish the costs associated with project objectives and the amount of eligible costs.

Recipients are expected to conform to the budget. Costs will be reimbursed up to 10% of total eligible costs in excess of the per task budget.

Project budgets are established to the following principles:

- There must be at least one task, which may be the project itself.
- Projects with more than one funding source and different eligibility requirements will be established with separate funding distributions.
- Contingency allowances: When specifically permitted in program guidelines, a contingency allowance may be listed as a separate task to permit encumbrance of sufficient funds. This amount is to be used **ONLY** in extenuating circumstances, and requires Project Manager approval.
- Bid overruns/change orders: If Ecology grant to recipient is written before the construction contract has been awarded, a bid overrun allowance equal to 10% of the maximum anticipated bid may be included as a task which includes the contract. If the contract was awarded before the agreement was written, a change orders allowance equal to 5% of the contract amount may be included as a task.

- Sales and use tax: Some programs are permitted by statute to recover the funds paid in sales and use tax. If so, the amount of sales and use tax for a task is to be identified as a task which includes the taxed purchase.
- In-kind and overhead are not separate tasks, but their amounts must be included in the total task cost in order to be eligible.
- An eligibility percentage may be multiplied by the task cost when only a fixed percentage of the cost is eligible. Where no eligibility percentage is specified, the default is 100%. If an eligibility percentage is applied at the task level, that percentage must be applied to all sub-tasks below that task.

C. Budget Section of the Agreement

After the budget is negotiated, the project budget is drafted. The budget section of the agreement provides all of the financial information required by the recipient, Project Manager, auditor and fiscal staff. It is to contain the following information:

- Task budget.
- Fund sources showing maximum shares and amounts from each fund source.

D. Payment Requests

Submitting Payment Requests

Unless stated otherwise in the grant or loan agreement, recipients shall submit payment requests at least quarterly, but no more often than once per month. Recipients are to report all eligible costs incurred on the project, regardless of the source of funding for those costs. This includes costs used as match.

The recipient shall submit payment requests through the online grant/loan management system (EAGL).

Final Payment Requests

Final payment requests are due within thirty (30) days of grant expiration.

Supporting Documentation

Recipients are to submit all required supporting documentation with each payment request.

Forms

The following pages contain descriptions of all forms used in documentation of costs. Blank samples of each form may be found in Appendix B.

Contractor Participation Report - Form D

The Contractor Participation Report is required in order to provide information for the Office of Minority and Women's Business Enterprises. This form must be completed for federally funded agreements. Recipients must list any contractors to which payment was made in the current payment request, even those which are not minority- or women-owned. Recipients should follow the instructions on the form to determine if subcontractors must be reported.

Reporting Paid and Volunteer Hours - Form E

Unless the recipient has their own time sheet which provides the required information, this form must be completed by each individual who provides services to the project. This includes recipient employees, volunteers and employees of a third party.

The individual is required to complete the section at the top of the form, enter the number of hours of service to the project provided each day of the month, total each row, and certify the form by signature at the bottom.

After verifying the information, the recipient must multiply the total hours in each row by the hourly rate (NOTE: for adult volunteer services, the hourly rate is \$15.00).

Reporting Meeting Attendance - Form F

This form is required for all meetings where volunteer hours are claimed as in-kind contributions. Recipients are to ensure that each individual signs the form. The recipient must then total the hours, multiply the total hours by \$15.00 to obtain the total in-kind contribution for the meeting.

Converting Salaries to an Hourly Rate - Form H

This form is used to convert salaries to hourly wages. It is not required to be submitted with each payment request, but may be used as a worksheet.

Valuation of Donated Property - Form I

When the contributor does not provide an invoice, this form is used to document the value of donated supplies, donated property, and loaned equipment or facilities. It may be required by program guidelines as back-up documentation for an in-kind contribution of property.

E. Ensuring Budget Conformance

Project Manager Review

The Project Manager will review each billing for accuracy and completeness and will verify that all costs are billed to the correct task. If the Project Manager determines that a cost is not eligible (in whole or in part), they will indicate the correct eligible amount, and use that amount to compute the total eligible project costs.

Budget Revisions

If the Project Officer determines that a revision is warranted, the budget must be amended per the amendment procedure.

F. Project Income

Definition of Project Income

Project income means income which is received by the recipient and directly generated by a project or earned only as a result of the project during the agreement period. Project income includes income from:

- Fees for services performed.

- The use or rental of real or personal property acquired with project funds.
- The sale of commodities or items fabricated under an agreement.
- Payments of principal and interest on loans made with project funds.
- Income from royalties and/or license fees for copyrighted material, patents or inventions developed by a recipient, if specifically identified as such in the terms of the agreement.

Unless specifically identified as project income in the terms of the agreement, project income does not include:

- Interest on project funds, rebates, credits, discounts, refunds, etc. and interest earned on any of them.
- Taxes, special assessments, levies, fines, and other such revenues raised by a recipient.
- Proceeds from the sale of real property or equipment, when handled in accordance with the requirements of Part V-B, Property Management.

Computing Project Income

Recipients are encouraged to earn income to defray program costs.

Project income shall generally be deducted from total eligible costs to determine the maximum eligible costs. For example, if eligible costs of \$5,000 are reported in a payment request, and the recipient has received \$200 in use allowances for equipment purchased under the grant, the net eligible costs would be \$4800. Enter eligible costs and allowances on payment request form in EAGL.

The fund share (%) is applied to the net costs after deducting the project income to compute reimbursement.

When authorized in program guidelines, project income may be used as match (e.g., where a recipient takes out a loan to meet its match requirements, and uses project proceeds to repay the loan). The amount of state support remains the same.

There are no Federal or state requirements governing the disposition of project income earned after the expiration of the agreement. Such income will be disposed of according to the terms of the agreement.

G. Cash Flow Projections

In order to ensure that funding is available to cover the needs of all recipients in a timely manner, Project Officers may periodically ask that recipients provide estimates of their cash flow requirements, using a Cash Flow Projections form. Cash flow projections should provide the recipient's best estimate of future payment requests by fund and by month.

Cash flow projections are used by the State Treasurer's Office, the Office of Financial Management and Ecology. The primary purpose of the projections is to permit the State Treasurer to track the cash position of all treasury and trust funds, both for investment

purposes and to account for interest and principal payments on all state bonded indebtedness.

Based on the cash flow projections, Ecology provides quarterly cash disbursement estimates to the Office of Financial Management (OFM). OFM is required by law to ensure that no agency overspends its budget authority and that projected cash disbursements do not exceed available cash. Cash flow projections help OFM effectively carry out this responsibility.

Ecology also uses cash flow projections to prepare its biennial capital budget, and to provide ongoing information to the Legislative Budget Committee and OFM, both of which conduct policy research and analysis and long-range planning research on the funds which support Ecology's capital budget.

PART V - CONTRACTS, PROPERTY AND RECORDS

A. Contracting for Goods and Services

This section is intended to provide recipients with an overview of contracting and procurement requirements affecting a grant or loan from Ecology. Requirements must conform to current statute or regulation. Recipients are referred to their contracting and procurement departments for further information. [RCW 39.26](#) and all applicable statutes affecting their entity's contracting and procurement practices.

General Practices

A recipient may contract to buy goods or services related to performance under a grant or loan. The recipient must have a standard procurement process, or follow current state procurement procedures. Recipients may be required to provide written certification that they have followed their standard procurement procedures and/or applicable state law in awarding contracts. Recipients with no standard procurement process may be required to certify that they have complied with the standards outlined below as well as applicable state law. Recipients receiving funds from federal sources must also follow applicable federal laws and regulations.

Any costs incurred as a result of procurement practices not in compliance with these or the recipient's normal procedures may be disallowed at the sole discretion of Ecology.

In procuring, awarding and administering contracts, recipients must:

- **Use sound business judgment.**
Recipient is to use sound business judgment and fair administrative procedures in procuring goods and services. This applies to invitations to bid, requests for proposals, solicitation of contractors or vendors, and awards of contracts or purchase agreements.
- **Select responsible contractors.**
Recipient is to make awards only to responsible contractors with the ability to perform successfully under the terms of the agreement. Recipients are to consider such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- **Provide a written contract document.**
Contracts must be written, enforceable, legally sound, and must include appropriate general terms and conditions.
- **Analyze purchases for cost effectiveness.**
Recipient must avoid purchase of unnecessary or duplicate items, and must consolidate or break out purchases as appropriate to obtain a more economical price. Where applicable, the recipient is to analyze lease versus purchase alternatives in determining the most economic approach. Recipients are encouraged to enter into intergovernmental agreements for procurement or use of common goods and services.
- **Ensure contractor compliance.**
Contractors must follow the same terms and conditions as the recipient. The recipient must ensure that contractors comply with all applicable federal, state and local laws and regulations related to discrimination, labor and job safety, and environmental

protection, and that contractors perform in accordance with the terms and conditions of their agreements. Where deviation from those terms is permitted by the recipient, the responsibility for any extra costs will be borne by the recipient and will not qualify as match. The requirement to limit travel and per diem rates to current state rates only applies to the recipient. The recipient can choose to have their contractors follow state rates but it is not mandatory. Recipients will only be reimbursed at the current state rates unless otherwise defined in the grant or loan agreement.

- **Maintain standards of ethical conduct.**

Recipients must maintain a code of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer, or agent of the recipient shall participate in the award or administration of a contract under a grant or loan if a conflict of interest, real or apparent, is involved. Such a conflict would arise when:

- The employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization that employs, or is about to employ, any of the above has a financial or other interest in the firm selected.

The recipient's officers, employees, or agents must not solicit or accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or other parties to contracts. Recipients may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal value. To the extent permitted by state or local law or regulations, the recipient's code of conduct will provide for penalties, sanctions, or other disciplinary actions for violations by its employees or agents, or by its contractor's employees or agents.

- **Resolve disputes promptly and fairly.**

Recipients are responsible for the fair and just settlement of all contractual and administrative issues related to contracts for goods and services. Such issues include, but are not limited to, source evaluation, protests, disputes, and claims. This does not imply that the recipient is to be relieved of any contractual responsibilities under its contracts.

Ecology will not substitute its judgment for that of the recipient unless the matter is primarily an Ecology concern. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

Recipients must have protest procedures for handling disputes relating to contracts and will disclose all information regarding protests to Ecology. A protestor must exhaust all administrative remedies with the recipient before pursuing a protest with Ecology. Ecology will limit its review of protests to violations of state law, regulations or the standards set forth in this document, and violations of the recipient's protest procedures in its failure to review a complaint. Ecology will refer all other protests to the recipient.

Minority and Women's Business Enterprises.

The Office of Minority and Women's Business Enterprises (OMWBE) has established voluntary goals for the participation of Minority and Women's Businesses Enterprises (MWBE) in procurements made with Ecology funds. Achievement of these goals is encouraged. For questions contact the OWMBE.

Project total cost

The total cost of a public works project is defined as the cost (including applicable sales tax) of materials, supplies, equipment, labor, and permits on all phases of the project. In some situations, state sales tax may not apply. Recipients are referred to Chapter [82.04 RCW](#) - Business and Occupation Tax for specific exemptions to the application of sales tax.

Recipients may use their MWBE goals when they are greater than the goals specified in the grant or loan agreement.

Any Ecology funds passed through grant or loan recipients to reimburse private entities are subject to voluntary OMWBE goals. A grant or loan agreement will specify the OMWBE goals relevant to the project. The recipient and all prospective bidders must take any affirmative actions for procurements as set forth in a grant or loan agreement. In addition, any contract awarded under a grant or loan must specify the percentage of total dollars, if any, awarded to a qualified MWBE.

Soliciting Bids for Public Works Projects

Most public works contractors are selected through a sealed bid process in response to an advertisement a recipient publishes in a public notice section of a newspaper or journal, or through the State's electronic bid system. Contractors may also be selected through a public works roster process. The requirement for soliciting bids depends on the total cost of the project and the class of the municipality, the procurement authority a public agency may have, and the procurement guidelines and procedures other organizations may use. The goal here is to ensure best project value thru competition. Recipients are referred to [35.01 RCW](#) for current definitions of classes of municipalities, and to [35.22.620 RCW](#) and [35.23.352 RCW](#) for restrictions on the use of force account work.

Soliciting bids from bidder's lists

For public works projects with a total cost of less than \$300,000, bids may be solicited from contractors on a pre-established small works roster. The number and kind of contractors from whom a bid must be solicited is established in [35.22.620 RCW](#) and [35.23.352 RCW](#) according to the class of municipality.

For either approach, the contract award is made to the contractor submitting the lowest responsive and responsible bid in response to the bid solicitation.

Soliciting Contractors for Public Works

This section sets out only a general overview of procurement and contract requirements for public works projects and procuring the services of a contractor to execute the project through a public works contract, or other means. Recipients are referred to their own procurement procedures and statutory authorities codified in applicable RCWs for methods to execute public works projects.

Applicable statutes include:

- Chapter [35.01 RCW](#)Municipal Corporations Classified
- Chapter [35.21 RCW](#) First Class Cities
- Chapter [35.23 RCW](#) Second Class Cities
- Chapter [39.04 RCW](#) Public Works
- Chapter [39.08 RCW](#) Contractor's Bond
- Chapter [70.150 RCW](#) Water Quality Joint Development Act
- Chapter [35.21 RCW](#) Miscellaneous Provisions

Bid Contents

At a minimum, a bid is expected to include:

- name and description of the project.
- the requirements the bidder must follow for entering the price for the project.
- A project budget and performance schedule.
- Any applicable specifications and drawings to define the work required by the program.
- The bidder's acknowledgement that they are familiar with the project and has received any and all information relevant to the project that affects the price of completion.

Bid Guaranty

A bid guaranty of five percent (5%) of the bid amount must accompany the proposal for bids that exceed \$35,000. This guaranty can be in the form of a bid bond or a cashier's check. After contract award, the bid guaranty must be returned to all bidders, except that of the successful bidder. That guaranty must be retained until a contract with the successful bidder is finalized, and a performance bond to perform the work is provided. If the successful bidder fails to enter into the contract and furnish a performance bond within fifteen days of contract award, the amount of the bid bond can be forfeited to the recipient.

Determining a Responsive Bid

At a minimum, a responsive bid is expected to include:

- The name and license number of the contractor who must be registered/licensed in Washington State.
- A proposed cost for completing the work.
- Qualifying information and references.
- The bidder's acknowledgement that they are familiar with the project and have received any and all information relevant to the project that affects the price of completion.

Selecting the Successful Bidder

The recipient must open and read bids (usually publicly), following statute or established local guidelines or procedures. Generally, no negotiation with bidders is permitted after the bids are opened. All bids must be rejected or the bid awarded to the lowest responsive and responsible bidder. The recipient determines the lowest responsive and responsible bidder based on mandatory criteria set by statute and supplemental criteria the recipient establishes and includes in the bid solicitation. The recipient must document

all award decisions. The documentation must support any decision to award the contract to any but the lowest bidder. Ecology reserves the right to approve or reject a bid award.

Awarding Contracts

The successful bidder is to be notified promptly by mail and informed concerning the time period required to execute the contract and obtain the performance bond.

Performance or Contract Bond

Public works contractor will post a performance bond in accordance to [39.08.030 RCW](#) (generally requires 100 percent of the contract price, including state sales tax). The bond is intended to ensure that the contractor faithfully performs all provisions of the contract and pays all suppliers, laborers and subcontractors for goods and services provided.

Contract Payments and Retainage

Contractors are generally reimbursed for completed deliverables or milestones, or actual costs incurred on a monthly basis, less any retainage withholdings stated in contract documents. When the project is completed, the recipient must notify the Department of Revenue, Department of Labor and Industries, and the Employment Security Department that the public works contract is complete. Before the retainage is released, affidavits of wages paid must be submitted by all contractors and subcontractors. No payment may be made from retained funds until the Departments of Revenue, L&I, and Employment Security release their interest in the retainage. The retainage will be held for no less than 45 days after the contract is accepted as final or until all releases are received, whichever is later.

Change Orders

Change orders should be made with caution, since excessive change orders without new bids may be challenged as evasions of bidding laws. Ecology approval may be required for (significant) change orders. Change orders will be permitted if:

- the changes are reasonably within the scope of the original project,
- there is an increase or decrease in the amount due the contractor as a result of adjustments in the project, or
- the performance schedule of the project is altered.

Maintenance Bond

Contractors may be required to post a maintenance bond for a specified period, intended to guarantee the material, workmanship, quality and durability of the project.

Soliciting Contractors for Architectural and Engineering Services

Recipients will award contracts for architectural and engineering (A&E) services in a way that provides fair and open competition, and will follow their standard procurement procedures and applicable state law in making such awards.

Recipients with no formal procurement procedures will follow the Standards for Competitive Solicitation Procedures outlined below. Recipients shall also comply with the provisions of Chapter 39.80 RCW, which provides that, except in an emergency, all architectural and engineering services shall be procured by a competitive solicitation. The competitive solicitation must select the most qualified applicant without consideration of price.

Soliciting Vendors for Goods and Services

Recipients:

- will procure goods and services in a way that provides fair and open competition.
- will comply with the provisions of Chapter [39.26 RCW](#) as applicable.
- with no formal procurement procedures will follow the Standards for Competitive Solicitation Procedures outlined below.

Standards for Competitive Solicitations

In the conduct of a competitive solicitation, whether for goods or services, recipients will conform to the following general standards:

- Publicize all requests for bids or proposals, and amendments in an open and fair manner. Communicating all bidding information, any change in response periods, and any other information relevant to potential vendors.
- Identify all evaluation factors and their relative importance in bidding documents.

Recipients will ensure that all solicitations identify all requirements which the potential contractors must fulfill, and all other factors used in evaluation responses. A solicitation is to incorporate a clear and accurate description of the technical requirements for the goods or services. The description may include a statement of qualitative nature and any minimum essential standards to which the goods or services must conform in order to achieve the intended purpose. Descriptions should avoid detailed product description, and focus on performance. When necessary, a “brand name or equal” description may be used as a means to define the performance or other salient requirements. In such cases, clearly state the specific features of the named brand that must be met for responsiveness.

- Provide a reasonable time period for vendor responses. Give the vendors adequate time to prepare a response, generally a minimum of two weeks.
- Solicit responses from an adequate number of qualified sources, usually at least three vendors when possible.
- Document the procedure and process used in evaluating the responses and in making the final selection.
- Select the vendor whose response is determined the best value for the project; considering price, qualifications, past performance, and other relevant evaluation criteria. Such evaluation criteria include, but are not limited to:
 - The price and the effect of any applicable discounts, rebates or tax returns. (NOTE: For architectural and engineering services the consideration of price is prohibited.)
 - The quality of the articles proposed to be supplied, their conformity with the specifications and the purposes for which they are required.
 - The ability, capacity or skill of the respondent to perform the contract or provide the goods or services required.
 - The character, integrity, reputation, judgment, experience and efficiency of the respondent.
 - The quality of performance on previous contracts.
 - Servicing resources, capability and capacity.
 - Lack of uniformity or interchangeability, if such factors are important.
 - Energy efficiency of the product as projected throughout its anticipated useful life.

- Effect of reciprocity assessments or other preferences defined by statute.
- Such other information as may be secured having a bearing on the decision to award the contract.
- Notice of Award sent to all bidders. All bidders are notified at the same time of award decision by either mail or email. Any or all responses may be rejected when it is in the recipient's interest to do so, provided such rejections are in accordance with applicable laws and regulations.
- Provide a method for Complaints and Protests. Recipients are to ensure vendors have a method for expressing concerns and questions about all solicitations and processes. Recipients are to provide public records access in accordance to statute.

Recipients will not:

- Make awards to consultants placed on retainer without competition either at the time of award or the time that they were retained.
- Place unreasonable requirements on vendors in order for them to qualify.
- Require unnecessary experience and/or excessive bonding.
- Use noncompetitive pricing practices between vendors or between affiliated companies.
- Establish organizational conflicts of interest.
- Take any arbitrary action in the procurement process.

Ecology Approval of Solicitations, Bids, Proposals, Awards and Amendments

Recipients may be required to submit all bid documents or proposals to the project officer for written approval before soliciting responses, awarding any contracts, or rejecting bids.

The recipient may also be required to obtain project officer written approval before making any amendment that changes the scope of a contract, increases the contract amount, or exceeds the length of performance.

Cost Basis of Contract

The cost basis for any contract must be either cost-reimbursement, unit price, fixed-price, time and materials, or any combination of these four methods. No contracts may be written for "cost plus a percentage of cost" or "percentage of construction cost."

Recipients should negotiate profit as a separate price element for any cost reimbursement contract. To establish a fair and reasonable profit, consideration may be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of the contractor's past performance, and industry profit rates in the surrounding geographical area for similar work.

Contract Provisions

All contracts or purchase orders shall be written. Oral contracts are not permitted. The contract or purchase order must contain provisions to define a sound, legal, and complete agreement. Additional requirements include but are not limited to:

- Name and address of the contractor/vendor, effective date, expiration dates (for service contracts), scope of work, and maximum cost.

- Administrative, contractual or legal remedies in instances where contractors violate or breach contract terms, as well as such sanctions and penalties as may be appropriate.
- Suitable provisions for termination by the state of Washington or the recipient, including the manner by which it will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default.
- Retention of all required records for three years after Ecology makes final payments and all other pending matters are closed and access to such records by the state.
- Equal opportunity employment and nondiscrimination.
- Notice of Ecology reporting requirements.
- Notice of Ecology patent rights and copyrights with respect to any discovery, invention, or rights in data that arises or is developed in the course of or under the contract.
- Mandatory standards and policies relating to energy efficiency that are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. no. 94-163).
- Designation of Ecology as an express third-party beneficiary.
- Compliance with the provisions of 40 U.S.C. 276a-276a-5 (Davis-Bacon) and state Prevailing Wage Laws (RCW 39.12), as appropriate.

Documentation

Recipient must keep supporting documentation relevant to all procurements, and must make it readily available for review by Ecology on request.

For all contracts and purchase orders, the recipient will establish a file to contain all of the following:

- Complete copy of the purchase order or contract (and any amendments).
- Copy of the Project Officer's approval, if needed, of the award and any amendments.
- Invoices and records of payments by recipient.
- If the goods or services were not competitively procured, the justification for the sole source procurement.
- For any procurement made through a competitive solicitation.
 - Names, addresses, telephone numbers and business names of all vendors contacted.
 - Method of notification and contact (copy of advertisement or bidder's list).
 - Copy of all solicitation documents and correspondences.
 - Bidder's responses.
 - Name of successful contractor or vendor and written justification for selection.

B. Property Management

General Principles

Throughout this section, the following definitions apply:

Equipment means tangible, nonexpendable, personal property having a useful life of more than one year, and an acquisition cost of at least \$5,000 per functional unit or system.

Personal property means property of any kind except real property. It may be tangible (having physical existence) or intangible (such as patents, inventions, and copyrights.)

Real property means land, including land improvements, structures, and appurtenances to them, excluding movable machinery and equipment.

Supplies means all tangible personal property other than tools or equipment.

Tools are tangible, personal property having a useful life of more than one year and an acquisition cost of less than \$5,000 per unit.

Tools, equipment or machinery are frequently required to complete a project. Generally, such expenses are eligible. However, before incurring capital expenses the recipient should determine whether it is more cost effective to purchase or to lease the equipment.

If the recipient uses recipient-owned property, a use allowance (not to exceed the current rental rates for equivalent equipment) is an allowable cost. If the recipient rents the property, the rental fees are allowable. Therefore, it is logical to consider rental vs. purchase, and to purchase the property under the agreement if that is cost effective. This means that the recipient may be permitted to purchase property even though it would cost less to rent it, because there are other considerations in determining cost effectiveness. Such considerations may include:

- Convenience.
- Justifiable need for customized or unique equipment.
- Project needs after the expiration date.
- Potential for use in future Ecology projects.

Ultimately, the recipient is expected to use good judgment and to document the justification for the purchase.

All purchases must be reported by submitting an Equipment Purchase report through the online grant/loan management system (EAGL).

This section provides guidelines for the use and disposition of real or personal property, tools, equipment and supplies purchased under an agreement.

Real Property

This section provides guidelines for the use and disposition of real or personal property, tools, equipment, and supplies purchased under an agreement.

Title

Subject to the conditions below, the recipient retains the title to real property acquired under an agreement.

Use

Except as otherwise provided by federal or state statutes, recipients must use real property for the purposes originally authorized by the terms of the agreement; the recipient will not dispose of or encumber its title or other interests.

Disposition

When the real property is no longer needed for the originally authorized purpose, the recipient will request instructions for its disposition from the Project Officer. At the Project Officer's discretion, the recipient will:

- Retain title and compensate Ecology in an amount equal to Ecology's share of the current fair market value of the property.
- Transfer title to Ecology (or to some other entity designated by Ecology), and obtain reimbursement equal to its share of the current fair market value of the property.
- Sell the property, deduct any actual and reasonable selling and fix-up costs from the sale price, and pay Ecology its share of the net proceeds. If the agreement has not expired, the original cost of the property may be deducted from the net proceeds. Also, if the recipient is disposing of real property acquired with project funds, and acquiring replacement real property under the same program, the net proceeds from the disposition of the first property may be deducted from the cost of the replacement property.

When the recipient is directed to sell property, the recipient will follow sales procedures that ensure the highest possible return and the maximum practicable competition.

Tools & Equipment

Disposition

When replacing equipment, the recipient may dispose of the equipment being replaced by using it as a trade-in or by selling it and using the proceeds to offset the cost of the replacement.

When the agreement expires, or when the equipment is no longer needed for the originally authorized purpose (whichever comes first), the recipient will dispose of any equipment purchased with project funds as follows:

Equipment may be disposed of according to one of the following alternatives, at Project Officer discretion:

- If the equipment is necessary for the continued operation of the project or other projects administered through Ecology, the Project Officer may instruct the recipient to retain the equipment with no further compensation to Ecology. Conditions for the continued use of the equipment may be attached at the discretion of the Project Officer.
- If the project has no further significant use for the equipment, the Project Officer may instruct the recipient to retain or sell the equipment and pay Ecology an amount equal

- to Ecology's share of the current fair market value, sale proceeds, or other price agreed upon by the Project Officer. If the recipient elects to sell the equipment, the recipient is to use sales procedures ensuring the highest possible return.
- The Project Officer may instruct the recipient to transfer title to Ecology or to a third party named by Ecology who is eligible under existing statutes. In such cases the recipient will be compensated in the amount equal to its share of the current fair market value of the equipment.

Management

At least once every two years, the recipient should take physical inventory of the tools and equipment and reconcile the results with their property records. This should continue until final disposition has been made, and inventory records must be maintained just as other records for audit purposes.

Recipient must develop a control system, including physical inventory, to minimize the use of loss, theft or damage of the tools and equipment, and will investigate any loss, theft or damage. The recipient will follow manufacture recommended maintenance procedures to keep the tools and equipment in good operating condition.

For equipment, the recipient will maintain records that include:

- A description of the equipment.
- A serial number or other identifying number.
- The source of the equipment.
- The name of the title holder.
- The purchase date and price.
- The percentage of the acquisition price paid by Ecology.
- The location and use of the equipment.
- Condition and maintenance records.
- Final disposition data, including date and sale price.

Title

Subject to the conditions below, the recipient retains the title to tools and equipment acquired under an agreement.

Tools may be retained, sold, or otherwise disposed of with no further obligation to Ecology.

Use

The recipient will use the tools and equipment for the purposes authorized in the agreement for as long as needed, whether or not the program continues to be supported by Ecology. When no longer needed for the original project, the tools/equipment may be used in other activities currently or previously supported by Ecology. The recipient may make the tools and equipment available for use in other projects as long as such use does not interfere with the work on the originally authorized project.

Preference for other use will be given in the following order:

1. Projects administered previously or currently by the same grant or loan program.
2. Projects administered previously or currently by other Ecology programs (including federal grants administered through Ecology).
3. Projects administered by other state or federal agencies.
4. Other projects not supported by Ecology.

Recipient may not use the tools and equipment to provide services for a fee to compete unfairly with private companies providing equivalent services, unless specifically permitted by statute.

Equipment Owned by Ecology or the Federal Government

If the recipient uses Ecology or federally owned equipment, the following conditions will apply.

Copyrights

Ecology reserves a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use and authorize others to use the copyright in any work developed under an agreement, for Ecology or other state purposes. This license also applies to any copyright that a recipient or contractor purchases with state support.

The federal government reserves a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use and authorize others to use the copyright in any work developed under a grant, for federal government purposes. This license also applies to any copyright that a recipient or contractor purchases with federal support.

Disposition

When the equipment is no longer needed, the recipient will return the equipment to the Project Officer.

Management

Recipients will manage the equipment in accord with the management procedures of the owner agency, and will submit an annual inventory listing to the Project Officer. Management procedures may be obtained from the Project Officer.

Supplies

Recipient retains the title to supplies acquired under the agreement.

Title

The owner agency will retain the title.

C. Records Retention

General Principles

This section applies to all financial and programmatic records, supporting documents, statistical records, and other records that recipients are required to maintain by the terms of the agreement.

Auditors generally require original source documents. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records after the audit has been completed. However, copies may be substituted after audits are complete.

Cost allocation plans and any similar accounting computations of the rate at which a particular group of costs is chargeable. If the proposal, plan, or other computation must be submitted to Ecology or to the Federal Government to form the basis for negotiation of the plan, then the three-year retention period for the proposal's supporting records starts from the date of such submission.

If the proposal, plan or other computation is not required by the Federal Government or Ecology for negotiation purposes, then the three-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

Income transactions after agreement expiration. In some cases recipients must report income received after expiration of the agreement. If so, the retention period for the records pertaining to the earning of the income starts from the end of the recipient's fiscal year in which the income is earned.

Length of Retention Period

For purposes of auditing Ecology grant and loan projects, records must generally be retained for a minimum of three years from the day the recipient submits the last payment request. This requirement is in addition to other retention requirements imposed on recipients by other state or federal regulations. Recipients should also check if the specific grant program requires a longer retention period. If a final billing has been waived, the retention period starts on the day the billing would have been due.

Real property and equipment records. The retention period for real property and equipment records starts from the date of the disposition, replacement, or transfer.

Records related to litigation or other claims. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the three-year period, the records must be kept until the action is complete and all issues arising from it are resolved. If any of these actions continues past the end of the three-year period, the records need to be kept until the end of that action.

Right of Access to Records by Ecology

Ecology (or the applicable federal awarding agency) and any of its authorized representatives, shall have the right of access to any books, documents, papers, or other records of recipients pertinent to the project, in order to make audits, examinations, excerpts, and transcripts. Such right of access is not limited to the required retention period but shall last as long as the records are retained by the recipient.

To avoid duplicate recordkeeping on federal grants, the federal awarding agency may make special arrangements with Ecology and its recipients to obtain any records which are or may be needed for joint use. The federal awarding agency will request transfer of records to its custody when it determines that the records possess long-term retention value. When the records are transferred to or maintained by the Federal agency, the recipient does not have to meet the three-year retention requirement.

PART VI - CLOSEOUT

A. Final Performance Evaluation

General Principles

Ecology will close out the project when it determines that all applicable administrative and programmatic requirements of the agreement have been met, or when the project has been terminated.

Closeout does not affect:

- Ecology's (or the applicable Federal agency's) right to disallow costs and recover funds on the basis of a later audit or other review.
- The recipient's obligation to return any funds due as a result of later refunds, corrections, or other transactions.
- Records Retention and Records Access as required in Part V, C.
- Property Management requirements of Part V, B.
- Audit requirements of this Part.

Recipient Responsibilities

Ecology expects recipients to submit, within thirty (30) days after the expiration date, all financial, performance, and other reports required by the terms of the agreement. These may include but are not limited to:

- a final progress report in EAGL.
- a final request for payment in EAGL.
- a Recipient closeout report in EAGL.
- a federally or state-owned property report: A recipient must submit an inventory of all federally or state-owned property and all property acquired with project funds for which it is accountable, and must request disposition instructions from the project officer. (See Part V, B, Property Management.)
- an Equipment Purchase Report in EAGL for any real property or equipment with an acquisition cost of at least \$5,000 purchased under this agreement.

Disposition of Property

If a sale is required with compensation to Ecology, the project manager may require the recipient to complete the sale before closeout, and the sale proceeds deducted from the final payment. Alternatively, the project officer may direct the fiscal office to create a formal receivable for the sale proceeds in order to continue with closeout.

If the recipient is required to compensate Ecology for property retained by the recipient, the amount of the adjustment will be deducted from any payment due the recipient. If the adjustment exceeds the payment due, the amount of the adjustment will become an obligation of the recipient to Ecology.

If the recipient is required to transfer title, the transfer must be done before closeout. Any amount due the recipient will be added to the final payment.

After the recipient has submitted all required reports, or the project has been completed (whichever comes later), the project manager and financial manager will complete the Ecology Closeout Report. The Ecology Closeout Report will indicate whether the project was completed to the satisfaction of Ecology.

If the project was NOT completed to the satisfaction of Ecology, the project manager will indicate the amount to be charged back against the project. (See *Termination or Suspension*)

B. Final Financial Adjustments

If a financial manager identifies an overpayment made to a recipient, the fiscal office will initiate collection and repayment to Ecology.

Final Payment

Ecology will, within 90 days after receipt of all deliverables, including the final report, make any necessary adjustments to the eligible costs. Ecology will make prompt payment to the recipient for Ecology's remaining share of eligible costs.

Collection of Amounts Due

If not paid within 30 days after demand, Ecology may reduce the debt by deducting the amount from other payment requests, or other action permitted by law.

Appendices

- A. Ecology Policies on Light Refreshments
- B. Blank Forms D, E, F, H & I

APPENDIX A

Ecology Travel Guide Section 15: Coffee/Light Refreshments

- 15.1 What Are Coffee/Light Refreshments?
- 15.2 When May Coffee/Light Refreshments Be Authorized?
- 15.3 When Are Coffee/Light Refreshments PROHIBITED?
- 15.4 What Are The Procedures For Obtaining Coffee/Light Refreshments?
- 15.5 What Documents Are Needed For Payment Of Coffee/Light Refreshments?

| | |
|--------------------------------|--|
| 15.1 January 1, 1998 | What Are Coffee/Light Refreshments? |
|--------------------------------|--|

- Coffee = any non-alcoholic beverage such as coffee, tea, soft drinks, juice or milk.
- Light Refreshment = an edible item that may be served between meals, such as doughnuts, sweet rolls, fruit and cheese.

| | |
|--------------------------------|--|
| 15.2 January 1, 1998 | When May Coffee/Light Refreshments Be Authorized? |
|--------------------------------|--|

A Section Manager, Field Office Manager, Program Manager, Program "A" Manager or Regional Director **MAY** authorize coffee and/or light refreshments at certain agency-sponsored events; **however**, the agency is **not required** to provide coffee and/or light refreshments.

The authorizing of coffee and/or light refreshments is limited to special situations or occasions where refreshments would be appropriate as an integral part of the meeting. **Use is not intended for the normal business of employees or officials and is subject to the following conditions:**

- The purpose of the event is to conduct official business or to provide formal training to state employees or state officials.
- The coffee and/or light refreshments are an integral part of the meeting or training session, that is, work continues throughout the period that refreshments are available.
- The Section Manager, Field Office Manager, Program Manager, Program "A" Manager or Regional Director must provide written approval in advance of the meeting or formal training session.
- Reimbursement for the coffee and/or light refreshments requires a receipt from the vendor.

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|--------------------------------|---|
| 15.3 January 1, 1998 | When Are Coffee/Light Refreshments PROHIBITED? |
|--------------------------------|---|

- Expenditures for coffee and/or light refreshments for anniversaries of agencies, individual employment anniversaries, receptions for new, existing and/or retiring employees or officials, election celebrations, etc., are prohibited under OFM regulations.
- They are also prohibited for any "hosting" activities. "Hosting" includes, but is not limited to, those activities that are intended either to lobby a legislator or a government official, or are to be a social rather than governmental business event.

NOTE! Expenditures for coffee and/or light refreshments may be made as part of a recognition award. The total amount expended for the recognition award, including the coffee and/or light refreshments, is limited to the monetary level contained in RCW 41.60.150.

15.4
January 1, 1998

What Are The Procedures For Obtaining Coffee/Light Refreshments?

Approval on Form ECY 010-113 Conference, Seminar and Meeting Approval Form should be submitted **AT LEAST TEN DAYS PRIOR TO THE EVENT.**

- Plan the event and identify the necessary expenses.
- If event is held in a state-owned or state-leased barrier-free facility, contact the vendor to obtain an estimate of costs for the coffee/light refreshments for the expected number of persons to attend.
- If the event is to be held in private sector facilities, contact a vendor who meets the ADA access criteria (See Section 14) for an estimate of the facility rental and coffee/light refreshment costs for the expected number of attendees.
- Obtain appropriate verbal authorization to proceed with plans based on estimated costs.
- Complete the Approval Form for Conference, Seminar and Meeting ECY 010-113 which must be approved by the Section Manager or above. (See Figure 14-A.)
- Submit the Form ECY 010-113 to the Fiscal Office Travel Unit at least ten working days in advance of the planned event.
- Fiscal reviews the approval form and determines if the costs are eligible. If the costs are eligible, Fiscal will sign and send a copy to the Event Coordinator.

15.5
January 1, 1998

What Documents Are Needed For Payment Of Coffee/Light Refreshments?

If event is in a state-owned or state-leased barrier-free facility:

- An Approval Form for Conferences, Seminar and Meeting (Form ECY 010-113) with the proper level of signatory.
- Vendor invoices in sufficient detail to identify all charges.
- Roster or list of attendees.

If event is in a private sector facility:

- An Approval Form for Conferences, Seminar and Meeting (Form ECY 010-113) with the proper level of signatory.
- ADA Accessible Facility Checklist must be on file in the Fiscal Office to verify compliance with the ADA access criteria.
- Vendor invoice in sufficient detail to identify all charges. The invoice must have the vendor's certification that the facility met the requirements of the ADA on the scheduled date(s) of the event.
- Roster or list of attendees. On the roster of attendees, or on a separate memo, there must be a certification by the Ecology responsible person that, to the best of their knowledge, the facility did, or did not, meet ADA access criteria. An indication that the facility did not meet the access criteria would be considered as a breach of contract and the agency is authorized to deny payment to the vendor.

APPENDIX B

Form D: Contractor Participation Report

For Federally Funded Agreements



Use this form:

- To document voluntary and mandatory state and federal reporting requirements around Minority- and Women-Owned Business Enterprises and Disadvantaged Business Enterprises.
- When sending payment requests which include payments to any private sector contractors and subcontractors.
- To track compliance with federal suspension & debarment requirements.

Agreement No: _____ Payment Request _____ Page _____ of _____

Recipient Name: _____

INSTRUCTIONS: Report ALL primary contractors and subcontractors on this form.

- (Column 1) Indicate each primary contractor and subcontractor on a separate line, listing subcontractors below the appropriate primary contractor.
 (Column 2) Identify each contractor as primary (P) or sub (S).
 (Column 3) If the contract was sole source, enter Y, otherwise enter N.
 (Column 4) Enter the contractor's federal tax ID number.
 (Column 5) Enter the contractor's invoice amount included in the current payment request.
 (Column 6) Identify which category – Construction (C), Supplies (S), Services (Svs) or Equipment (E) – best describes the work included in this payment request.
 (Column 7) Identify type of certification – minority- (MBE) or women-owned (WBE) – if applicable.
 (Column 8) Identify which organization certified the contractor.
 (Column 9) Has the Excluded Parties List System (EPLS) search page been sent to Ecology for each contractor and subcontractor? Y/N <https://www.epls.gov/>, if “N” the expense cannot be reimbursed until a copy of the report is submitted.

| (1) Contractor | (2) P=Primary S=Sub | (3) Sole Source? Y/N | (4) Federal Tax ID No. | (5) Contractor Amount in this Request | (6) C=Construction S=Supplies Svs=Services E=Equipment | (7) Certified MBE=Minority WBE=Women | (8) Organization which Certified Contractor | (9) EPLS Search Copy Sent to Ecology? Y/N |
|-------------------|---------------------------|----------------------------|---------------------------|--|--|--|--|--|
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If you need this document in a format for the visually impaired, call the Fiscal Secretary at (360) 407-7054. Persons with hearing loss can call 711 for Washington Relay Service. Persons with a speech disability can call 877-833-6341.

See Word format fill at

<https://fortress.wa.gov/ecy/publications/publications/ecy06011other.docx>

FOR ECOLOGY OFFICE USE ONLY

| Project # | A19 Payment Date | Fiscal Month Paid |
|-----------|------------------|-------------------|
| | | |

ECY 060-11 Rev. 02/2012

Form F: Record of Meeting Attendance

Agreement No: _____ Recipient: _____ Payment Request _____ Page _____ of _____

Purpose of Meeting: _____ Date of Meeting: _____

| Name (please print) | Representing | No. of Hours at Meeting | Signature (required) |
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| ELEMENT NUMBER _____ TOTAL VOLUNTEER HOURS: _____ X \$15.00 = \$_____ | | | |

Enter the value computed in the lower right hand box on Form C1 for the appropriate element.

ECY 060-13 (09/05)

Form H: Conversion to a Composite Hourly Billing Rate For An Employee

This schedule can be used for all salaried full-time employees. It was developed to provide a calculated cost of an employee and to include his/her benefits, vacation time, retirement benefits, sick leave benefits and any item paid by an employer for the return of services provided by an employee. ** If using this form to calculate a billing rate, make sure you don't double bill for salaries, etc. separately.

EMPLOYEE'S NAME _____ DATE _____

FIGURED ON MONTHLY COST:

| | | |
|--|-----------------------|-----------|
| 1. Enter the amount of monthly salary | 1. _____ | |
| 2. Benefits: Social Security _____% x LINE 1 (wages) (Employer's rate) | 2. _____ | |
| 3. Benefit (worker's compensation) Class Code _____ Employer's Rate _____% x 160 hours | 3. _____ | |
| 4. Unemployment Insurance Rate _____% x LINE 1 (wages) | 4. _____ | |
| 5. Medical Benefits per month | 5. _____ | |
| 6. Retirements per month | 6. _____ | |
| 7. Pension Plan or Matching Plans | 7. _____ | |
| 8. Other _____ | 8. _____ | |
| 9. TOTAL MONTHLY COSTS (add lines 1 through 8) | | 9. _____ |
| 10. LINE 9 x 12 months = TOTAL YEARLY COST | | 10. _____ |
| 11. Work hours in a year: | | |
| A. 52 weeks per year x 5 work days per week = 260 days 260 days x 8 hours per day = potential work hours per year | A: <u>2,080</u> hours | |
| PAID DAYS OFF PER YEAR: | | |
| Annual Leave: _____ hours per month x 12 months = _____ hours | | |
| Sick Leave: _____ hours per month x 12 months = _____ hours | | |
| Holidays: _____ days per year x 8 hours = _____ hours | | |
| B. TOTAL HOURS OF ACCRUED LEAVE PER YEAR | B. _____ hours | |
| 12. SUBTRACT LINE "B" FROM LINE "A" = YEARLY HOURS WORKED | | 12. _____ |
| 13. DIVIDE LINE 10 BY LINE 12 (total yearly cost ÷ yearly hours worked) = COMPOSITE HOURLY RATE | 13. _____ | |

Form I: Valuation of Donated Property

Use this form to document contributions of property.

Agreement No: _____ Recipient: _____

Date: _____ Payment Request Number: _____ Page _____ of _____

List each item donated. Indicate the value assigned to the item according to the guidelines provided in the Administrative Requirements for Ecology Grants and Loans. Obtain the signature of the contributor. If required by program guidelines or the project officer, this form must accompany the payment request on which the contributions were listed.

| Element No. | Item | Date Contributed | Value |
|-------------|------|------------------|-------|
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I certify that the above listed contributions were made to the identified project. To the best of my knowledge, the value listed represents the fair market value of each contribution at the time that it was donated.

Signature of Contributor _____ Date: _____

Organization: _____ Position: _____

ECY 060-15 (09/05)

Instructions for Completing Cash Flow Projection

1. Use a separate form for each fund source for a grant or loan project.
2. From the agreement, enter the agreement number, recipient name, effective and expiration dates, fund source name and the amount of grant/loan from the fund.
3. Indicate whether this is an initial projection, or a revision of an earlier projection. If there is more than one page to the projection, indicate page numbers.
4. (First row of the table) if no payment requests have been submitted, enter "0." Otherwise, enter the **AMOUNT OF FUNDING WHICH HAS ALREADY BEEN REQUESTED**, even if the payment has not yet been received. This should be the amount on line 11 of the last Form A submitted on Ecology. Include both the payments due and the retainage.
5. (Column 1) Enter the calendar year in which the anticipated payment request will be made.
6. (Column 2) Enter the month in which the anticipated payment request will be made, beginning with the date of the next payment request, and using additional sheets as necessary until the expiration date. If requests are made quarterly, enter only the month in which a request will be made.
7. (Column 3) Enter the estimated amount which will be requested on that billing, including both the amount to be disbursed and the retainage (this is the amount which would be entered in line 13 of Form A of the anticipated request).
8. (Last row of the table) Add all entries in column 3, including any entry in the first row. This may not exceed the amount of the grant or loan from the fund source.