



**SIERRA NEVADA**  
CONSERVANCY

## **Managing Your Grant Handbook**

Creating Success with Your  
Sierra Nevada Conservancy Grant Project

Summer 2021

*If you have any questions regarding this material, contact your SNC Project Lead.*

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# 1. INTRODUCTION

Congratulations on your Sierra Nevada Conservancy (SNC) grant award. The staff of the SNC is looking forward to working with you to successfully complete your project. You will be assigned an SNC contact person, referred to as your “Project Lead” (PL), to coordinate with you throughout the term of your project. The Project Lead is often the SNC Area Representative for the subregion in which the project is located.

This booklet is intended as a supplemental reference to your grant agreement to provide guidance and answer questions that you may have concerning implementation of your grant. In this booklet, you will find essential elements of effective grant management processes and tools to properly record, control, monitor, and report on the activities and progress of your project as set forth in your Agreement.

The SNC Website contains a [Managing Your Grant page](https://sierranevada.ca.gov/funding/snc-grants/manage-your-grant/) (<https://sierranevada.ca.gov/funding/snc-grants/manage-your-grant/>) that provides information and current documents related to managing active grants.

Important items to remember while managing your grant are:

- **Read and Understand Your Agreement** – use it as a reference for questions as they come up. If in doubt, contact your Project Lead. Your PL is there to assist throughout your project.
- **Pay Special Attention to Details on Invoicing and Reporting** – these are areas that can create unnecessary delays for timely payment and substantially more workload for everyone involved.

Please be aware that this Handbook is intended to provide general guidance only; all terms and conditions in the individual program guidelines and grant agreements supersede information contained in this Handbook. **This is especially notable if your SNC grant is funded through programs administered by other agencies or organizations, as those programs and agencies will have their own requirements and guidance.**

## 2. ROLES AND RESPONSIBILITIES

It is important to know and understand the roles and responsibilities of the people involved in implementing your grant project. The term “Grantee” will be used throughout this manual in reference to your organization.

### **Grantee Personnel Managing and Implementing Your Grant**

Please make sure the contact information you provide for your organization’s representatives is kept current with SNC. If you change personnel or contact information, contact your Project Lead immediately.

#### ***Authorized Representative***

Your organization’s Authorized Representative is the designated signatory of your organization who is responsible for the oversight and completion of your project, including the administration of grant funds in a manner consistent with project objectives and the terms and conditions of your grant agreement.

#### ***Day-to-Day Contact***

The Day-to-Day Contact works with or for your Authorized Representative and often attends to detailed tasks of your grant. This person provides day-to-day operational contact with your PL.

#### ***Contractors/Consultants***

Contractors and/or consultants work under subcontract at the direction of your organization. You may be required to provide a copy of contracts you are using to accomplish this grant project for SNC files. Subcontractor invoices (and all backup documentation) will be required when submitting payment requests to the SNC.

### **SNC Personnel Administering Your Grant**

#### ***Project Lead (PL)***

This person maintains regular contact with you, conducts site visits, reviews and approves progress reports and invoices, and facilitates any necessary changes and approvals (including amendments), to your agreement. They are also available to assist you with outreach and media events. The SNC Area Representatives often serve as Project Leads.

***Unit Manager (UM)***

This person provides guidance to PLs and reviews any proposed agreement changes, amendments, final reports, advances, final invoices, and all acquisition/escrow documents (when applicable) before authorizing payments.

***Grants Team and Administrative Staff***

This team of SNC staff reviews and processes all disbursements, agreements, and amendment documents related to your grant funds.

### 3. YOUR AGREEMENT AND ITS COMPONENTS

Your grant agreement is a legal document that is written to include all expectations and commitments, including mandated state and SNC requirements for the use of public bond funds for your project. **Review your grant agreement with your PL in order to be aware of and understand all parts of the agreement.** Your PL will be available to answer questions or provide clarifications at any time during the term of your grant.

#### Signature Page

This contains language concerning the grantee (your organization) and grantor (SNC), bears original signatures, and identifies the duration, total amount, and exhibits attached to the agreement. Once the SNC Executive Officer or their designee signs the agreement, it has been executed and grant funds may be expended. No costs incurred before the agreement is signed may be charged to grant funds.

#### Body of the Agreement

This contains your legal obligations for managing your grant. The agreement may include special provisions that apply to a specific grant. Read your agreement for the provisions that apply to your project.

#### Exhibit A

This contains the project description, scope, deliverables, project timeline, and budget as approved by the SNC Governing Board. Information contained in the Exhibit A cannot be modified without first consulting with your PL. In some cases, the change may result in the need for a formal agreement amendment. Changes made prior to SNC approval could delay or prevent reimbursement of expenditures. Please see [Section 4: Changes to Your Agreement](#).

The Exhibit A identifies all reporting requirements – these reports are considered deliverables for your grant and include:

- Progress reports
- Final report
- Performance measures report (may be included with final report)

Please note that reports and deliverables must be submitted according to the schedule in the Exhibit A of your agreement. Overdue or incomplete reports can delay reimbursement of grant expenditures.

## **Additional Exhibits**

Depending on the nature of the projects, some agreements will include additional Exhibits. These may include specific requirements related to the California Environmental Quality Act.

### ***Acquisition Project Agreements***

Acquisition project agreements include Exhibits specific to the individual projects, but generally include:

- Property Description
- Notice of Unrecorded Funding
- Acquisition and Escrow Requirements

Your PL will provide a checklist of documents that SNC requires prior to authorizing payment for acquisition projects.

## 4. CHANGES TO YOUR AGREEMENT

To avoid delays in project approvals or reimbursements, contact your PL as soon as you become aware of any needed changes to your grant agreement. The process for approval and execution of any changes to the agreement terms can take 60 days or more. This approval and execution must be in place **before** implementing any changes. Failure to contact your PL for approval of revisions before they are implemented may affect the approval and reimbursement of expenditures.

Minor revisions are completed through an administrative approval process, while more substantial revisions require a formal amendment, and may require SNC Board approval. The sections below outline the standard process for various changes, but SNC will make a determination as to the appropriate process to follow on an individual basis.

### Minor Revisions

#### ***Budget Changes***

The budget is prepared based on the proposed budget in your application, modified as necessary with approval by SNC. Your agreement requires grant funds to be spent in the manner described in the Exhibit A line-item Budget Categories. Due to unforeseen circumstances, changes may be necessary during the life of your project. Below are the restrictions and process for informal changes (without processing a formal amendment). (Note: Budget modifications should be discussed with your PL prior to any actions being implemented.)

- With the approval of your PL, expenditure overages of a budget category (excluding the administrative expense category) up to 10 percent are permitted as long as the change does not affect your overall grant budget total, alter the scope of work, or adversely affect the project deliverables. Contact your PL prior to any over-expenditure to ensure that it will not adversely affect your project or delay reimbursements. Project Lead approval is given by approving the payment request which includes the overage (this is after the PL approves completed work and the submitted invoice).
- Any cumulative increase in a budget category or transfer between budget categories of more than 10 percent from your original budget must be approved in advance in writing by the SNC. Before expenditures exceed any budget category, you must contact your PL to evaluate what category(s) funds can be drawn from without affecting your scope of work or completion of deliverables. Once your request is approved, a revised Exhibit A will be created and sent to you for your files. The budget categories on your Request for Payment (RFP) forms must not be adjusted until the revised Exhibit A is processed. Once the



revised Exhibit A is approved, all requests for payment must use the new budget line-item categories.

- As Administrative Costs are determined by percentage of direct project costs, funds may not be transferred to increase total dollars in the Administrative Costs indirect budget category.
- Failure to obtain SNC approval in advance of any budget change may result in denial of affected reimbursement claims.

### ***Schedule Changes***

Written progress reports and/or documentation of deliverables shall be submitted as noted in the Project Schedule of the Exhibit A. Your project must be completed within the timeline set forth in the Exhibit A. Revisions to the timeline which do not extend it past the Project Completion Date as set forth on the signature page may be made through consultation with your PL and upon written approval from SNC. Contact your PL for review and approval of any proposed revisions to the Exhibit A Project Schedule.

## **Formal Amendments**

Any deviation from the agreement should always be discussed with your PL prior to implementation. In cases where this action will require an amendment, a formal request must be submitted. This request, along with justifications, must be submitted as a signed request on your organizational letterhead and emailed to your PL.

If approved, your PL will assist you in revising your agreement and the development of any other necessary documentation. Your amendment packet will be sent to you along with a signature page noting the changes, as well as the amended Exhibit A. The packet will include instructions for processing your amendment.

The formal amendment process normally takes six to eight weeks, or longer if SNC Board approval is required. Below are examples of changes that may require a formal amendment.

### ***Scope of Work Changes***

Minor alterations to a Scope of Work are sometimes necessary and should be brought to the attention of your PL as early as possible so that a determination can be made as to whether a formal amendment is needed. Prior to implementing any change to the Scope of Work, please submit a written justification and details of alterations for SNC approval. In some cases, revisions to a scope of work may require SNC Board approval, which may take as long as five months. Be sure to contact your PL as soon as the need for the potential change is identified, as this can be a lengthy process.

### ***Project Completion Date Extension***

Grant agreements are written to include an extended timeframe for project completion that represents the availability of bond funds for that particular grant funding cycle. As a result, project completion date extensions may not be available. It is very important that you plan your work schedule to have the grant completed by or in advance of the dates detailed on the signature page of the grant agreement. **Please contact your PL as early as possible if you believe your project may not be completed by the Project Completion Date.**

### ***Grant Augmentations***

In extreme cases, a request for an augmentation of funds may be submitted. These are limited to up to 10 percent of the total of the original grant amount and are approved only in rare circumstances, subject to funding availability. **Please contact your PL if you believe an augmentation is necessary for the successful completion of the project.**

## 5. REPORTING AND DELIVERABLES

Your Exhibit A provides a schedule of reporting and deliverable dates. It is a good idea to create a calendar reflecting the important dates in your project schedule, in coordination with your PL. This will assist you in tracking project milestones and alert you to the need for any changes or adjustments. It is important to check in with your PL on a regular basis (monthly to quarterly), even if your project is moving along according to plan. If you are falling behind on your reporting schedule and/or deliverables, contact your PL immediately to determine what corrective actions are necessary.

### Progress/Final Reports

The approved [SNC Progress and Final Report forms are on the SNC Managing your Grant webpage](https://sierranevada.ca.gov/funding/snc-grants/manage-your-grant/) (<https://sierranevada.ca.gov/funding/snc-grants/manage-your-grant/>). Any forms not available on the website can be requested from your PL.

Items that must be included in these reports are:

- A narrative description of the project's progress dated from the last reporting period. If no changes have occurred within the project, report no change, and identify why no progress/changes have been made.
- A project deliverables status update
- The current status of grant budget and actual costs
- Descriptions of any unanticipated occurrences (either positive or detrimental), and what next steps are anticipated
- Any other information required by your agreement exhibit(s)

Please note that all required progress and final reports (identified in the Exhibit A) are specific deliverables of your grant. These must be submitted on the schedule identified in the Exhibit A, even if you have not submitted any expenditure reporting or no changes occurred within your project.

## 6. FINANCIAL MANAGEMENT & COST DETAILS

Your fiscal or accounting official is responsible for ensuring that all accounting systems used to manage grant funds conform to generally accepted accounting principles and perform the following functions:

- Track grant revenues and expenditures, including labor costs.
- Clearly identify grant expenditures within authorized budget category line items.
- Provide a complete accounting of the fiscal activity of your project. Records that contain grant information are to include total grant amount authorized, obligations, outlays or expenditures, unobligated balances, income, and interest earned.
- Demonstrate that costs are limited to those that are specific to and authorized in the grant agreement and are backed up by invoices that show actual (not budgeted) costs.
- Contain accounting records that are detailed enough to document and record all grant costs distinctly and accurately.
- Are maintained so that records of grant expenditures are kept for three years from the date the final closeout form is signed by your SNC PL and the Unit Manager (UM) Records should include copies of all documentation and an itemized list of expenditures for each billing period.

### Cost Details (Allowable and Non-allowable Costs)

Below is a listing of the types of costs that may be applicable to your project. All allowable costs must be necessary for the completion of your project and consistent with the agreement:

#### ***Advertising and Public Relations Costs***

Costs of specific activities or accomplishments necessary as part of the outreach effort for the project are allowed if allocated in your agreement's Exhibit A budget. Communications necessary to keep the public informed on matters related to the performance of grant objectives are also allowed.

#### ***Publications and Printing Costs***

Costs of meetings and conferences that are part of your project deliverables and allocated in your Exhibit A budget. These can include the cost of displays, informational materials, demonstrations, and exhibits. Also allowed are the costs of meeting rooms, special facilities used, and contractors/personnel costs for preparation and

presentations. Note that costs of food, beverages, entertainment, gifts, and gratuities are not allowed.

### ***Travel Costs***

In-state travel expenses necessary for the implementation of the project and to fulfill the deliverables of the program may be allowed if budgeted in your Exhibit A budget. Costs must meet the requirements in the agreement and outlined below:

- Expenses for transportation (including mileage reimbursable at Internal Revenue Service standard mileage rate in effect for that time period).
- Lodging, and related expenses incurred by employees and consultants for project-related travel. SNC will reimburse at actual costs not to exceed the rates provided in Title 2, Division 1, Chapter 3, Subchapter 1, Article 2 of the California Code of Regulations (CCR).

Note that costs of entertainment, refreshments, gifts, and gratuities are not allowed.

### ***Personnel Costs***

Any Requests for Payment (RFPs) for this category of costs should contain only the direct compensation for salaries and fringe benefits defined below for staff time spent directly on related activities for your SNC grant project. Reasonable compensation will be reimbursed to the extent that it is consistent or comparable to market rates paid for similar work.

Personnel costs shall be equal to the actual compensation paid to staff. This must be based on actual time worked and documented (not budgeted amounts) through timesheets showing date and hours worked on project. Timesheet documentation must be signed by an official of your organization.

Employer expenses (costs) for Social Security, employee health benefits, unemployment and disability insurance, workers compensation, or pension/retirement contributions (to approved plans) are eligible for reimbursement.

Personnel costs can include activities such as reporting and project management. Costs that are not direct project costs, such as general accounting, legal, and clerical costs for the administration of your organization, would be included in your administrative overhead costs. Refer to [Addendum A: Administrative Expenses & CAP References](#) for further detail.

### ***Equipment***

Unless otherwise stipulated in this agreement or purchased with funding other than state funding, all equipment purchased or reimbursed with agreement funds must meet the criteria in [Addendum B: Equipment Purchases](#). SNC will determine the appropriate future use of purchased equipment that will provide public benefit beyond the term of your grant agreement, and the use of which is consistent with the requirements of the

source of funding used for the purchase of the equipment, may, at the approval of the SNC, be retained by your organization for that purpose. Upon project completion equipment purchased at \$5,000 or over must have a depreciation schedule to include with closeout documents.

Equipment purchase requires a formal process that must have prior approval by the SNC. Refer to [Addendum B: Equipment Purchases](#) for further details.

### ***Materials and Supplies Costs***

These include costs incurred for materials, supplies, and fabricated parts actually used and necessary to the operation and performance of your project.

- Purchased materials and supplies shall be charged at their actual prices, less any discounts or applicable credits.
- Withdrawals from general stores or stockrooms should be charged at the actual net cost.

### ***Administrative Expenses***

Eligible administrative costs are shared costs associated with the administration of an organization. Typical examples of shared costs for many nonprofit organizations may include depreciation or use allowances on buildings and equipment, the costs of operating and maintaining facilities, general expenses, and general administration such as the salaries and expenses of administrative staff and accounting. Percentage of administrative expenses may not exceed the amount set forth in your Exhibit A budget.

Projects submitting administrative expenses for reimbursement must be able to document the appropriateness of the expense. For projects receiving funding from more than one organization or for organizations administering multiple grants, the distribution of administrative costs among all funding sources must be supported by a valid Cost Allocation Plan (CAP). The CAP must include a description of costs charged to administration, as well as the method of allocating each type of cost to the various funding organizations and/or projects.

It is recommended that you work with a certified public accountant to develop an appropriate method for calculating overhead rate and determining what overhead costs may be allocated to the grant. It is the responsibility of your organization to maintain appropriate records for all overhead costs and have them available in case of an audit.

Refer to [Addendum A: Administrative Expenses & CAP References](#) for further detail.

### ***Non-Allowable Costs***

The following is a partial list of costs that are NOT eligible for reimbursement under SNC's Grant Programs:

- Any expenses incurred before a grant agreement is executed or after the project completion deadline, as identified in the grant agreement
- Costs associated with fundraising, including grant-writing expenses
- Food or refreshments not part of per diem or food costs included in contractors engaged in project implementation
- Alcoholic beverages
- Entertainment costs
- Contributions and donations, including cash, property, and services to others, regardless of the recipient
- Costs associated with legal defense funds or endowments
- Fines, penalties, damages, and other settlements resulting from violations or non-compliance
- Establishing or increasing a legal defense fund or endowment

Eligible costs may vary, depending on the program and funding source. Please refer to the program guidelines and the specific grant agreement for eligible costs specific to each project. In addition, costs not recovered under one grant cannot be billed to another grant. Expenses that cover more than one project must show the allocation between projects on the invoice documentation. Otherwise, this could be considered double-billing, and will be caught in an audit.

### ***Leverage and Matching Funds***

Please note that SNC does not require match or leveraged funds and does not have require grantees track these funds through our financial management forms. You should be keeping a record of all match or leveraged funds engaged in the project for your own records. SNC will ask for a description of match funds involved as part of the final report. If the original proposal included a promise of match funding, then an auditor may ask for records, even if it was not part of the grant agreement.

## 7. DISBURSEMENT OF GRANT FUNDS TO GRANTEE

Grant funds are disbursed for eligible costs on a reimbursement basis or, in certain cases, through advances. You should work with your PL at the start of the grant to determine if you will proceed on an advance or reimbursement payment basis. The same payment basis must be used through the full term of the grant agreement, unless SNC approves a change in basis.

Payment requests with reporting of expenditures on your project are required for payment and should be submitted on a regular basis. You may submit payment requests as often as once a month and should submit no less than quarterly.

There is a 10 percent retention of expenditures as stated in your agreement. For reimbursement payment requests, 10 percent is subtracted from your total reported expenditures on the request for reimbursement payment form. On an advance basis, the 10 percent will be withheld when the total of advances are billed. The total retention accumulated will be held until project completion and the close of the grant, when all project reports and deliverables have been submitted and approved by your PL and the UM.

Please note that the 10 percent retention does not apply to escrow payment requests made under acquisition grant agreements. Please see [Section 10: Acquisition Projects](#) for further detail on acquisition grants.

### Advance Funds and Interest Income

#### ***Advance Request***

Advances, if warranted, may be authorized at the discretion of the SNC. To request an advance, first contact your PL to discuss the compelling need and SNC requirements. If the PL determines an advance is warranted, they will provide an Advance Request Form for you to complete and submit with signature.

- Follow the instructions provided to complete the form for your project. Any questions related to the form should be directed to your PL.
- Your PL and UM will review and approve a final amount up to your requested amount. Your final amount approved by SNC will be noted in the last box (box 9).
- Your PL will notify you the amount of your advance once your request is approved and submitted for payment.

Your agreement allows for three advances at 30 percent of total grant award per advance, with the combined balance of all advances totaling to 90 percent of your total grant amount. The remaining 10 percent is retained until project completion. Your PL



will provide a final closeout form with the retention amount at closeout for release of the retained funds. This 10 percent retention is requested at the close of the project.

Please note that various programs may have different rules regarding advance eligibility and amounts; the guidelines and grant agreement for each individual program takes precedence over the guidance in this Handbook.

### ***Advance Expenditures***

To document expenditure of advanced Grant Funds, no later than 90 days after each withdrawal of advanced funds, you must submit to SNC a completed Advance Expenditure Report / Request for Payment (RFP) for the amount withdrawn and all supporting documentation.

The SNC will use the following process for purposes of providing a 10 percent retention for advanced funds:

- After providing the first advance of grant funds, SNC will not provide a second advance until the project has expended the entire amount of advanced funds, plus non-SNC funds in an amount equal to 10 percent of the advance amount.
- After providing the second advance of Grant Funds, SNC will not provide a third advance until entire amount of advanced funds have been expended, plus non-SNC funds in an amount equal to 10 percent of the total amount of funds advanced to date.
- After providing a third advance, SNC will not disburse any additional Grant Funds until the Project has been completed and is in compliance with the Project Completion section of this Agreement. If only one or two advance payments have been requested, SNC will determine how to provide for the 10 percent retention for the advanced amounts.

Within 30 days after completion of the Project or the Project Completion Date, whichever is sooner, any advanced Grant Funds plus any interest earned that has not been expended shall be returned to SNC.

### ***Interest Earned on Advances***

Grant funds advanced must be maintained in a **separate interest-bearing account**. Interest earned on your grant funds must be reported, with supporting documentation, on every RFP submission and is applied to the advance balance. All expenses reported will be credited against the combined balance of the advance and interest.

## **Reimbursements**

If managed on a reimbursement basis, you will submit a Request for Payment (RFP) with supporting documentation which details allowable expenditures for which you are

requesting reimbursement. Upon review and approval, SNC will provide reimbursement, minus 10 percent of the approved amount. The 10 percent retained from each reimbursement will be paid upon successful completion of the project.

You may submit payment requests as often as once a month and should submit no less than quarterly.

### ***Creating Your Request for Payment (RFP)***

Please contact your PL for the current RFP form. The electronic RFP will automatically calculate several things for you: your budget balances, percentages of the grant award spent, sub-totals and totals, 10 percent withholding, and advance balances (if applicable). *If you manually change any of these items, it will interfere with the form's ability to track properly in subsequent requests.*

- Fill in the information in the top portion. List your budget categories and amounts referring to your Exhibit A budget. Your budget amounts are not to be changed from the Exhibit A budget. If changes are needed, contact your PL for Exhibit A revisions (Refer to [Section 4: Changes to Your Agreement](#)). Once you receive the approved revised Exhibit A, update the Budgeted Expenses column on the RFP form.
- Include a detailed summary listing of all expenditure documentation by budget category. Label your supporting documentation, noting the budget line item on each document.
- Backup documentation you will need includes timesheets, invoices and receipts, mileage reports, subcontractors and consultant billings/contracts that clearly identify time spent per project, and any other items used to justify expenses listed on the RFP form. Refer to the Cost Details section.
- Make sure the dates on the invoices you are submitting for reimbursement fall within the dates of your reporting period. Documentation that is missing or incomplete can delay approval of your invoice.
- If documentation contains expenditures not associated with your project, highlight SNC items to differentiate between SNC expenses and other expenses with margin notes if necessary. Any documentation of project activities that is included in RFPs must also be reflected in your scheduled progress reports. Incomplete or unidentifiable documentation will delay approval and payment.
- Your Authorized Representative must review and sign each RFP.
- The signed RFP, detailed summary, and all backup documentation must be emailed to your PL.

## **SNC Review Process for Payment Requests**

The SNC will review and evaluate each Request for Payment (RFP). All RFPs are for either reimbursement of your expenses from the grant award, or documentation of advance expenditure with request for the next advance. The best practice is to submit RFPs at least quarterly, due to the time necessary to process reimbursement. The process from approval of a payment request to issuance of payment from the State Controller's Office can take 45 to 60 days. The process sequence is as follows:

- Payment request (RFP, Advance Request, Request for Final Payment, and/or Release of Retention Request) is received and documented.
- Staff review documentation for completeness, accuracy, compliance with project objectives, deliverables, schedules, and reporting requirements, as well as compliance with Project Budget (Exhibit A of grant agreement).
- Upon SNC approval, SNC submits the RFP to the State Controller's Office for payment processing.

Incomplete documentation will give cause to dispute your payment request and can delay the payment process.

## **8. PUBLIC RELATIONS / OUTREACH / EVENTS / ACKNOWLEDGEMENT**

The SNC would like to recognize your success and help you to publicize the progress of your project. Be sure to inform your PL in advance of any events or significant activities related to your grant. This allows your PL to coordinate with SNC's Communications Team to prepare and distribute media releases, when appropriate.

The SNC can also work with you to create signage, write and publish joint media releases, and help to organize and attend any formal ceremonies that celebrate completion of your project. Please contact your PL well in advance if you would like to include the SNC Executive Officer (or designee) at an event.

For all implementation projects, one or more signs must be installed at the project site that identifies the project, displays the SNC logo and the logos of the funding source supporting the project, and acknowledges SNC assistance using the language found in the Grant Agreement. Please ask your PL for digital copies of all applicable logos. Your PL will also be responsible for approving your sign plan, so please plan to work closely together on the sign requirement.

Additionally, SNC support should be acknowledged in any publications, studies, and reports that are completed as a result of your SNC grant. Acknowledgement should also be made in any project-related press releases, brochures, seminars, promotional materials, and, where possible, in media attention. The Grant Agreement includes required language specific to each project.

## **9. PROJECT COMPLETION & CLOSEOUT**

As your project draws to a close, it is important to give yourself enough time to prepare a thorough Final Report and Request for Final Payment, and complete supporting documentation. The total retained funds cannot be paid until the Final Report, deliverables, and Request for Final Payment have been submitted and approved by your PL and UM. The sooner you submit all requirements correctly and on time, the sooner your retention will be released. A closeout site visit by your PL may be required.

SNC will reconcile the final budget expenditures submitted in your final RFP and provide notification of any adjustment to your final budget expenditure amounts.

### **Final Deliverables**

Review your Exhibit A to ensure all deliverables that were expected are complete and submitted. Make sure your PL has the same list and the same documents.

### **Closeout Site Visit**

Before a site improvement project can be considered complete, a representative from the SNC (usually your PL) must visit your site and inspect your project. The project is marked complete by your PL only after all questions are resolved.

Grant project sites will be visited prior to closeout, except for acquisitions, planning projects, or projects with no ground connection (training, education, outreach, etc.). Your PL and UM will determine if your project requires a final site visit (see guidelines below). Your PL will work with you to schedule a final site visit timed to occur PRIOR to approval of your final reports and closeout invoice.

During final site visits, PLs will document all observable results produced by the project. The use of photographs, measurements, or other means to document results is encouraged. A final site visit form is used to document the site visit and all observations. If all project expectations have been met, your PL will approve your invoice and provide the final closeout form for signatures and retention release.

### **Final Report with Performance Measures**

Upon project completion, the project work location/boundaries, performance measures as described in your Exhibit A, and extent of work area completed for Implementation projects must be documented and included with your Final Report. Documentation will include mapping and/or photographic evidence to substantiate completion of the project

as described in your grant agreement. Contact your PL for any questions on acceptable documentation.

Complete your final report using the SNC Final Report form. Fill out the information requested on the form fully and completely. This form will serve as the public record for your grant and will be published on the SNC website. You may receive a request for more details from SNC. Your Final Report should be accompanied by a Progress Report that covers up to the last six months of your project.

### ***Performance Measures***

Information on the measurable, quantitative deliverables for your project is required. Your Exhibit A clearly outlines the specific [performance measures](https://sierranevada.ca.gov/funding/snc-grants/manage-your-grant/performance-measures/) (<https://sierranevada.ca.gov/funding/snc-grants/manage-your-grant/performance-measures/>) you are required to report on. Contact your PL with any questions.

## **Invoicing Requirements/10 Percent Retention and Payment**

During the time you have been requesting payments from your grant, the SNC has withheld 10 percent from each payment. This money will be issued to you upon approval of your final documentation, final invoice, and Project Closeout and Retention Request form. Please note that SNC develops the Project Closeout and Retention Request form, and your PL will send you the form after receipt of the Final Report, when the project is deemed complete.

## **Project Closeout Timing**

Two to three months prior to your project completion, contact your PL to discuss any issues known to be outstanding, confirmation of the date that funding ends, and the date that final documentation and invoices are due to the SNC. If you have purchased equipment with grant funds, submit an inventory of all equipment purchased by grant funds to your PL, with suggestions on the disposition of your equipment.

## **Problem Identification & Resolution**

Your PL and UM can work with you to resolve closeout issues/extension requests before the closeout date. Close and frequent communication may be required to bring projects to a successful conclusion during this time. You should review your grant terms and conditions, as well as deliverables required for each project, to ensure all are complete.

If, upon closeout, your project is found to be incomplete, the specific deliverable(s) and extent of completeness must be documented on your project's Final Report.

The following steps will be taken:

- Your organization must submit a signed letter to your PL explaining the lack of performance according to the grant agreement. This must include a description of the status of funds advanced, the interest on any unexpended advanced funds, what deliverables have been completed, what equipment has been purchased with grant funds, and the disposition of said equipment.
- Your PL will then prepare an analysis and draft recommendation, which is sent to the UM. In the absence of communication from your organization, your PL will perform the analysis based on the information available.
- The UM and PL develop a final recommendation on action(s) to be taken, which is then submitted to the SNC Executive Officer.
- You will be notified by the PL regarding the remedy required for your project.

## Upon Closeout

As final closeout invoices, documentation, reports, deliverables, and site visits (if required) are approved, PLs will send out a final closeout form that provides the date documents were approved, a full reconciliation of all expenditures, and the final retention amount that will be released. Once your organization receives this form, you should reconcile the expenditure amounts with your records. If the form is correct, it must be signed and returned to your PL for SNC signatures.

## Returning Funds to SNC

There are times when a grantee will be required to return funds to SNC. Examples include funds that were advanced but not required for project completion, incomplete projects, and Department of Finance audit disallowances of expenditures. In these cases, you will be notified by the SNC and provided a form with the amount to be returned. In all cases, checks for returned funds should be made payable to **Sierra Nevada Conservancy** and mailed to:

Sierra Nevada Conservancy Administration  
11521 Blocker Drive, Suite 205  
Auburn, CA 95603

When submitting your check, the following information needs to be included:

- Organization name
- Agreement number
- Project name
- Amount returned
- Why returning (e.g., refunding unused advance funds, etc.)
- A copy of signature page(s) of grant agreement



## 10. ACQUISITION PROJECTS

Acquisition means the purchase of fee title or any partial interest in real property, including an easement or leasehold interest.

### Acquisition Coordination

Please assure that your PL is aware as early as possible of all funders that may play a role in the property interest acquisition. Each funder may have different requirements, and it is essential that SNC coordinates closely with other funders to assure all requirements are met and do not conflict.

### Acquisition Documents

Before any grant funds will be released into an acquisition escrow account, your PL must affirm that all related transaction documents have been reviewed and approved by the SNC. The SNC evaluates your documents for consistency with your agreement and completeness pertaining to your organization's acquisition of property. The documents required will vary depending on the nature of the acquisition project, but may include:

- Current appraisal with completed review and approval by the California Department of General Services (DGS). The SNC will facilitate the DGS review.
- Preliminary Title Report
- Environmental Assessment
- Baseline Conditions Report
- Monitoring and Reporting Program
- Conservation Easement
- Grant Deed
- Notice of Unrecorded Funding
- Purchase and Sale Agreement
- Escrow Closing Instructions
- Other agreements between buyer and seller concerning the transaction.

Submit each document as it becomes available, including in draft form if SNC should be engaged in its development.

## Escrow Payment Request

Please contact your PL for the current Escrow Payment Request form. Requests for deposit of grant funds into escrow must be accompanied by:

- A letter on your organization's letterhead, requesting that funds be deposited directly into escrow on your organization's behalf as Grantee. Please see sample language below.
- A STD 204 form completed by the title company, identifying where the escrow payment should be sent.
- Transaction settlement or closing statement
- Approved Notice of Unrecorded Funding
- Final escrow closing instructions.

Please note that deposits to escrow are not subject to 10 percent retention.

### ***Escrow Payment Request Letter***

The Escrow Payment Request letter must clearly identify the SNC grant agreement, the dollar amount requested to be deposited into the escrow account, details of the title company and escrow account, and the anticipated date of close of escrow.

Sample language that can be used:

In accordance with the terms and conditions set forth in the Grant Agreement #, the [Grantee] requests that [\$\$\$\$] be deposited into escrow for this acquisition. This amount will be applied to the cost of acquiring all necessary rights to take title to this property.

The warrant for the full amount should be made payable to [Title Company] and mailed to:

Attn: [Escrow Officer]  
[Title Company]  
[Title Company Address]

The escrow number is (\_\_\_\_\_); please ensure this number is printed directly on the check. We request that this payment be expedited to ensure receipt no later than [anticipated close date].

### ***Timing of Payment to Escrow***

Please be aware that SNC approval of acquisition-related documents is an in-depth process, which includes a complete legal review and communication with other funders. Even if SNC has reviewed each document as it is available, and assuming no

complications, it may take 45 days from the submission of all final documents and Request for Escrow Payment Request form before funds are deposited to the escrow account. Please plan accordingly.

## Reimbursement of Non-Escrow Project Costs

Some acquisition project grant agreements include grant funds used for purposes other than direct acquisition costs deposited into escrow. These funds are reimbursed after expenditure upon request with the appropriate SNC Request for Payment Form and supporting documentation. Payment requests may not be submitted more often than monthly. All reimbursement payments are subject to retention of 10 percent of each request. SNC will disburse the cumulative 10 percent retention upon satisfactory completion of the project and close of the grant agreement.

If SNC determines, in its sole discretion, that compelling need warrants payment of non-escrow grant funds in advance. If your project is eligible to receive advances, SNC may pay you limited advance payments for eligible costs with appropriate documentation upon a schedule and structure of SNC design. You must work with your PL to determine if an advance is warranted, and the process to follow.

Please refer to [Section 7: Disbursement of Grant Funds to Grantee](#) for details on the reimbursement and advance request process.

## After Transaction Closing

Within 30 days after closing and recording, submit to SNC a copy of the final closing statement showing final costs and **all** recorded documents, including your recorded and executed Notice of Unrecorded Funding.

## 11. RECORDS RETENTION AND AUDIT REQUIREMENTS

In accordance with the terms and conditions of your grant agreement, you may be subject to an audit by the California Department of Finance. This is to ensure compliance with the requirements of your grant agreement. It is crucial that you read and comply with the fiscal reporting and documentation requirements within your agreement. Failure to comply with any of these requirements may result in negative findings and an associated loss of funds. Carefully document and justify every expense charged against your grant and keep detailed records that demonstrate the connection between the expense and the project.

Most audits of SNC grants with “findings” have included observations about reimbursements for expenditures that lacked sufficient backup documentation and the need for improved record-keeping and fiscal controls. Some audits included findings related to expenditures that were inappropriate for other reasons (double billing, lack of cost allocation methodology, ineligible costs, and billing for budget amounts rather than actual costs). One audit included an observation related to incomplete tasks.

In accordance with generally accepted government auditing standards, an audit will consist of a review of project files and site visit(s) to determine if your project has stayed within the scope and cost of your project, to ensure that grant expenditures were allowable and supported, and to determine whether grant expenditures were in compliance with applicable laws, regulations, and grant requirements. An auditor will perform the following procedures:

- Interview key personnel to obtain an understanding of your grant-related internal controls.
- Examine the grant files maintained by the SNC, the grant agreement(s), and applicable policies and procedures.
- Review your organization’s accounting records, vendor invoices, pay warrants, and bank statements.
- Select a sample of expenditures to determine if costs were allowable, grant related, incurred within your grant period, supported by accounting records, and properly recorded.
- Perform procedures to determine if other revenue sources were used to reimburse expenditures already reimbursed with grant funds.
- Conduct site visit(s) to verify compliance with your grant agreement.
- Evaluate whether grant deliverables were completed as required by your grant agreement.

## **Documents that May be Requested by the Audit Team**

Your organization must retain all grant source documents and records and make them available for audit for a period of three years following the date of your final reimbursement of grant expenditures or for three years after final disposition of equipment, whichever is later. Records shall be retained beyond this date if audit findings have not been resolved. The following are types of documents the Audit Team may request:

### ***Internal Controls***

- Organizational charts
- Written procedures/flowcharts
- Documentation of formula/methodology used to determine administrative overhead percentages

### ***Audit Reports***

- Documents covering organizational financial statements, operations, and internal controls

### ***Grant Agreements and Related Documents***

- Original agreement and amendments
- Subcontractor and consultant contracts and related documents
- Project progress reports and deliverables

### ***Invoices, Receipts, and Disbursement Documents***

- RFP/advance requests submitted
- Invoices and billings from subcontractors/consultants for project costs

### ***Receipts and Disbursement Records***

- Receipts/deposit records for grant payments received
- Bank statements and canceled checks showing deposits, expenditures, and interest earned (advances)

## What the Audit Team Looks for in the Documentation

When Auditors review the requested documentation, some common items they will be checking include:

- Multiple funding sources
- Documentation on other funding sources
- Double billing multiple funding sources
- Payroll
- Expenses
- Contracts
- Advance Interest Report
- Interest earned is spent on your project or deducted (refunded) from project
- Up-to-Date Reporting
- Reports are submitted to SNC according to project timelines
- Final reports must document important milestones achieved

## ADDENDUM A: ADMINISTRATIVE EXPENSES & CAP REFERENCES

Because of the diverse characteristics and accounting practices of nonprofit organizations, it is not possible to specify the types of costs that may be classified as administrative overhead costs in all situations. However, typical examples of administrative overhead costs for many nonprofit organizations include those costs that are determined to be shared costs. These are costs incurred for common or joint objectives, which generally benefit all programs or projects. They cannot be specifically identified with one particular program or project.

Typical shared costs are depreciation or use allowances on buildings and equipment, the costs of operating and maintaining facilities, general office expenses, and general administration, such as the salaries and expenses of executive officers, personnel administration, and accounting.

Characteristics of shared costs are:

- Allocable shared administrative and overhead costs are distributed among all funding sources.
- Shared administrative and overhead cost is allocable to each cost objective receiving a fair share of the benefits (goods or services) for which the cost was incurred.

Projects that have been awarded and have budgets that include overhead, or administrative expense must be able to document the appropriateness of these expenses. A typical method for documentation of administrative overhead expenses is a Cost Allocation Plan (CAP). A CAP is a formal accounting plan used to calculate and document the method for recovering overhead costs. It is recommended that grantees consult with a certified public accountant to develop an appropriate method for calculating overhead rate and preparation of a CAP.

Below are resources that may be helpful:

- [Federal Office of Management and Budget Circular No. A-122, Revised May 10, 2004, Cost Principles for Non-Profit Organizations](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A122/a122_2004.pdf)  
([https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A122/a122\\_2004.pdf](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A122/a122_2004.pdf))
- [Model Cost Allocation Plan](http://www2.ed.gov/about/offices/list/ope/trio/allocation-plan.pdf)  
(<http://www2.ed.gov/about/offices/list/ope/trio/allocation-plan.pdf>)

## ADDENDUM B: EQUIPMENT PURCHASES

***Please note that the guidance below may soon be updated, as the policy is currently under review.***

Equipment purchased or reimbursed with grant funds must be in the agreement budget, have approval from SNC **before** purchase, and be properly documented. Failure to obtain SNC approval may disqualify the purchase for reimbursement.

- Equipment is defined as a tangible item with an individual unit cost of more than \$5,000 and a life expectancy of two years or more. This includes equipment for construction of new facilities, buildings, and structures; additions to and, modifications of, existing buildings and facilities; and the equipment related to such construction. Also included is equipment needed to make physical improvements to land or for construction of a fixed capital asset including, but not limited to, stream and wetland restoration projects, vegetation and fuels management projects, or construction of interpretive facilities.
- Equipment acquisition cost is the invoice price plus the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired.
- When equipment is purchased, it shall be inventoried and/or tagged by the grantee for proper identification. Records shall be maintained, and must contain the following information:
  - Description with serial or other identification number
  - Acquisition date and total cost
  - Source of equipment and who holds title
  - Location, condition, and use of equipment
  - Percentage of any other funding source's participation in cost
  - Depreciation schedule
  - Ultimate disposition data, including date of disposal and sale price
- Grantees are required to provide a depreciation schedule for all equipment purchased using grant funds. Once the fair market value of an item of equipment falls below \$5,000, the grantee is no longer required to report on its disposition.

Prior to project completion and grant closeout, SNC will discuss with you the disposition of any equipment that still meets these requirements. Equipment purchased with public funds that continues to provide public benefit beyond the term of the grant agreement and use is consistent with the requirements of the funding source used for the original purchase of the equipment may, at the approval of the SNC, be retained by the grantee for that purpose. This is a formal process that must be approved by the SNC.