

**OFF-HIGHWAY MOTOR VEHICLE RECREATION (OHMVR)
DIVISION**

**GRANTS AND COOPERATIVE AGREEMENTS
PROJECT ADMINISTRATION PROCEDURES**

CHAPTER 3

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Section 1: Project Agreements

Project Costs/Deliverables (PC/D)

Upon funding approval by the Off Highway Motor Vehicle Recreation (OHMVR) Commission, the Division will send the grantee a project agreement for signature. If the project was allocated an amount different than the amount requested in the application, the grantee must modify the project costs/deliverables to reflect the amount allocated and any resulting change in project scope.

Project Agreements

Once the Division has approved the revised project costs/deliverables, a project agreement shall be prepared. The project costs/deliverables and the project application become part of the project agreement between the state and the grantee. The project agreement sets forth the terms and conditions of the project. Control language (where applicable) imposed by the Commission is also included in the scope of the project agreement.

The project agreement, along with a copy of the project costs/deliverables, is sent to the grantee for signature. The grantee must sign and return the project agreement to the Division. The signed agreements are forwarded to the Department of Parks and Recreation's accounting office for certification. Once processed, the grantee is sent a state certified copy of the project agreement. The Division also retains a copy in the project file. Grantee claims for reimbursement shall not be processed until a state certified project agreement is on file.

The project agreement does not restrict a grantee from cooperating with or receiving cooperation from other public or private agencies, organizations or individuals, or from accepting contributions and gifts for development, administration, and operation of OHV areas and facilities. However, the grantee must consider the cumulative effects of other projects that have been conducted and/or are planned in the State OHV funded areas when completing environmental documentation.

The project agreement shall not obligate the grantee to expend or be a part of any contract or other obligation of funds in excess of the amount identified on the state certified project agreement.

Grantee Obligations

By signing the project agreement, the grantee agrees to the following (as applicable):

1. When executing the terms of a project agreement, the grantee and/or its employees shall act in an independent capacity and not as officers or employees

- of the Department of Parks and Recreation, Off-Highway Motorized Vehicle Recreation Division.
2. Grantees are committed to regular operation and maintenance of the facility at a level that will ensure sustained long-term use and conservation of natural resources. Failure to do so may require reimbursement to the OHV Trust Fund and may jeopardize future funding of grants or cooperative agreements applications.
 3. Only vehicles registered and/or licensed by the Department of Motor Vehicles will be allowed to use facilities funded with OHV Trust Funds.
 4. The grantee shall maintain an adequate and sufficient workforce to implement and carry out the terms specified in the state certified project agreement.
 5. The grantee must have written policies and procedures in place regarding contracting/sub-contracting and shall be responsible for adhering to these guidelines when sub-contracting for goods and/or services in the performance of their project agreement.
 6. Public casual use (non-competitive) of facilities shall not be less than 60% of the total use in areas or facilities funded with OHV Trust Funds.
 7. Local agencies may claim generated revenues toward any required 25% match.
 8. Grantees must submit construction plans and specifications to the Division for approval before construction begins.
 9. Property acquired or developed with OHV Trust Funds must be used for the purpose stated in the application.
 10. The grantee shall develop written policies and procedures to ensure that the following requirements are met:
 - a. Written notification to the Division of any pending land use plan that would result in the closure of land to OHV recreation if the land was purchased, developed, or maintained with OHV Trust Funds.
 - b. Revenues generated from land or facilities purchased with OHV Trust Funds must be used for OHV recreational activities, in the area where the revenues were generated.
 11. Closure or conversion of an OHV funded site may require approval of the State Legislature as well as a refund of OHV Trust Funds already paid to the grantee.
 - a. Grants up to and including \$100,000 require at least 10 years of land tenure and the facility or land must remain available for recreational OHV use during that time.
 - b. Grants exceeding \$100,000 require at least 20 years of land tenure and OHV use.

Project Performance Period

The start of the project performance period for local and federal agencies is the date the Commission allocates OHV Trust Funds to the project. The end of the project performance period is generally set for 1-3 years from the date the Commission allocates OHV Trust Funds, depending on project type.

Equipment, facilities operation and maintenance (FO&M), law enforcement, and safety or education program projects expire approximately 15 months after Commission

allocation, whereas acquisition, development, planning, resource management, restoration, and studies and scientific research projects expire approximately 3 years after Commission allocation.

OHMVR Division Administration of Projects

The Division develops and updates as necessary, administrative procedures for managing approved grant and cooperative agreement projects.

The ongoing administration of funded projects is the responsibility of a grant administrator who has been assigned a specific geographic area of the state. All inquiries and correspondence should be addressed to:

Grant Administrator (name)
California Department of Parks and Recreation
Off-Highway Motor Vehicle Recreation (OHMVR) Division
PO Box 942896
Sacramento, CA 94296-0001

Telephone inquiries should be made directly to a specific grant administrator. General inquiries should be directed to: (916) 324-4442 or fax (916) 324-1610 or e-mail: ohvinfo@parks.ca.gov.

Eligible Project Costs

The following costs are eligible for reimbursement from the OHV Trust Fund:

1. Preliminary costs for contract preparation, acquisition appraisal, and negotiation.
2. Costs for an employee directly engaged in OHV project implementation, subject to the following restrictions:
 - a. Costs must be computed according to the prevailing wage or salary scale, and may include benefits (i.e., vacation, sick leave, and social security contribution) that are customarily charged by the grantee. Personnel benefit charges must be isolated and charged in proportion to the actual time worked on an OHV project.
 - b. Costs for salary and wages working on an OHV project must not exceed the grantee's established rate for a similar position.
 - c. Costs charged to an OHV project must be computed on actual time worked on the project, and supported by timesheets and attendance records (describing the work performed on the OHV project).
 - d. Costs for overtime may be allowed under the grantees established overtime policy provided that regular full-time work was devoted to the same project.
3. Costs for consultation services are reimbursable, if paid according to the grantee's customary established method and rate.
4. Consultant fees may be paid to a grantee's own employee with prior written approval from the Division.

5. Equipment owned by the grantee that is used on an OHV project, may be charged on a “use” basis. A log or source document must describe work performed, “use” hours, and the log or source document shall be signed by the operator and the operator’s supervisor. The “use” rate charged must be equal to that normally charged by the grantee’s agency. If the agency does not have an established rate, industry rental rates may be used as a guidelines.
6. Supplies and materials may be purchased for a specific OHV project or may be drawn from a central stock, provided they are claimed at a cost no higher than were purchased by the grantee.
7. When supplies and/or materials are purchased with the intention of constructing a structure or part of a structure, the cost charged as supplies and materials are capitalized according to the grantee’s normal practice or policy. If capitalized, only that cost reasonably attributed to the OHV project may be charged to the OHV project.
8. Construction activities, from site preparation (demolition, excavation, grading, etc.) through completion of the structure or facility.
9. Acquisition costs incurred in the acquisition of real property, including the approved purchase price of the property, appraisal, survey, preliminary title report, escrow fee, and title insurance fee.
10. Relocation costs that result from the displacement of a person and/or business, in accordance with Government Code Sections 7260-7277.
11. Grantee insurance premiums for casual riding, hazard, and liability insurance for an OHV facility.
12. Transportation costs for moving equipment, material, and personnel (excluding moving and relocation expenses resulting from changes in assignments).
13. Administrative costs, not to exceed 10% of the total requested grants or cooperative agreements amount, which are attributable to project management.

Eligible Costs by Project Type

Acquisition Projects

Eligible costs for acquisition projects may include, but are not limited to the following: the purchase price of the property, appraisals, escrow fees, title insurance, title report, land survey, title searches and due diligence to determine that the property can be used for its intended purpose, including wildlife, habitats, soils, and cultural surveys, and hazardous substance assessments.

Development Projects

Eligible costs for development projects may include, but are not limited to the following: construction of trails, trailheads, staging areas, restrooms, access roads and parking lots, picnic and camping facilities, costs for projects to reduce use conflicts, competition and spectator facilities, visitor centers, kiosks, fencing, greenhouses, utilities installation, and storage buildings.

Equipment Projects

Eligible costs for equipment purchases may include, but are not limited to the following: purchase of motorcycles, all-terrain vehicles, four-wheel drive vehicles, snowmobiles, trail dozers, mini-excavators, and sound testing equipment.

Eligible costs for equipment repairs may include, but are not limited to the following: engine replacement, track replacement, and major mechanical overhaul if it is determined that repairs are more cost effective than the purchase of a new piece of equipment.

Facilities Operation and Maintenance (FO&M) Projects

Eligible costs for facility operation and maintenance projects may include, but are not limited to the following: facility servicing such as painting, cleaning restrooms, and maintaining kiosks; volunteer support and coordination; visitor services (excluding law enforcement); snow plowing; trash collection; purchase of first aid equipment and supplies; map/brochure design and printing; physical barriers and other means of traffic control; purchase of tools and equipment totaling up to \$5,000 (excluding tax); sign boards, regulatory and directional signs; water system maintenance and testing; OHV site management; OHV program management; repaving existing parking lots or roads; repairs to staging areas or structures; re-roofing; and electrical repairs.

Law Enforcement Projects

Eligible costs for law enforcement projects may include, but are not limited to the following: personnel costs for OHV related law enforcement patrol and search and rescue; training and equipment for OHV related law enforcement patrol and search and rescue; contracts for OHV related law enforcement patrol, including air support; fuel and maintenance for off-highway or dual purpose OHV patrol vehicles; placement of physical barriers and other means to control illegal access; purchase and installation of signs related to OHV law enforcement; and OHV law enforcement outreach, including personnel and educational materials.

OHV Safety or Education Program Projects

Eligible costs for safety or education program projects may include, but are not limited to the following: orientation and training, site rental and insurance, program and school outreach, noise restrictions, responsible riding, public service announcements, ATV safety, etc.; curriculum development; OHV safety or educational handbooks, including vehicle operations, towing, environmental education, etc.; and website development and other electronic media supporting safety and educational program projects.

Planning Projects

Eligible costs for planning projects may include, but are not limited to the following: A plan to complete route designations, including, existing uses, plants, animals, cultural resources, roads, and inventories of roads, trails, and routes; a WHPP/HMP; a plan to address toxic or hazardous waste within an area and

adjacent property that may have an impact on the site; a plan to address the potential effects of OHV recreation on adjacent lands, residents, or potential conflict with other recreational users; a plan to address OHV recreation activity as it effects air and water quality, including a strategy for resolution; environmental documents, including CEQA or NEPA for potential OHV projects; and the preparation of a Recreation Management Plan, OHV Plan, or the OHV portion of a General Plan.

Resource Management Projects

Eligible costs for resource management projects may include, but are not limited to the following: conservation or repair of areas; NEPA or CEQA for resource management projects; construction projects related to conservation such as habitat or cultural resource protection, habitat or cultural resource mitigation, habitat improvement, signing, implementation of best management practices including sediment control structures and stream crossing improvements; WHPP/HMP implementation; monitoring; and surveys.

Restoration Projects

Eligible costs for restoration projects may include, but are not limited to the following: restoration of areas and routes damaged by OHV use; the costs associated with closed portions of reroutes; monitoring to assure success of closures, vegetation, and soils work; signing associated with closures; fencing or barriers used to close an area, trail or road; CEQA or NEPA for the restoration project; product and project-level engineering (“on-the-ground”) administration (not overhead) for the project; and public information and/or education directly tied to the specific restoration project.

Studies and Scientific Research Projects

Eligible costs for studies and scientific research projects may include, but are not limited to the following: potential effects of OHV recreation on natural and cultural resources; potential effects of OHV recreation on other recreation uses; potential effects of OHV recreation on adjacent lands; potential impact on relationships between OHV recreation and local residents; further technological advances to reduce noise, air, and water pollution from OHVs; geologic survey and slope maps or topographic maps; site surveys for toxic or hazardous waste within an area and adjacent property that may have an impact on the site; and the study of potential acquisitions to determine the need to buffer the effects of OHV activities, and/or to provide future opportunity.

Trail Maintenance, Trail Conservation, and Trail Reroute Projects

Eligible costs for trail maintenance may include, but are not limited to the following: brushing; trail signage; fallen tree removal; tread work related to safety or ease of passage; and grooming (rock rakes).

Eligible costs for trail conservation may include, but are not limited to the following: erosion and/or sediment control; vegetation protection; cultural resource protection; and habitat protection.

Eligible costs for trail reroutes may include, but are not limited to the following: closing the existing trail or trail segment, including restoration activities; and replacement of the closed trail segment with superior alignment.

Ineligible Project Costs

The following costs are ineligible for reimbursement from the OHV Trust Fund:

1. Costs incurred outside the project performance period as specified in the state certified project agreement.
2. Work or services performed outside of the scope of the state certified project agreement.
3. Any interest expense, discount not taken, deficit or overdraft, or bonus payment.
4. Charges for a contingency reserve or other similar reserve.
5. A damage judgment against the grantee arising from the operation, acquisition, construction, or equipping of an area or trail even when determined by judicial process, arbitration, negotiation, etc.
6. Unapproved contract cost overruns that exceed the allowable amount specified in the state certified project agreement.
7. Workers' compensation claims.
8. Travel claims when no work time was claimed for the same period.
9. Employee relocation (moving expenses resulting from duty station or assignment change).
10. Charges incurred contrary to the policies and practices of the grantee.
11. Services, materials, or equipment obtained under any other state program.
12. Awards, trophies, or plaques for volunteers.
13. Dispatch/communication support costs for law enforcement.
14. Replacement or repair of equipment not properly secured or maintained.
15. Miscellaneous costs may not be reimbursable. If costs are in question, the grantee should seek clarification from the grant program manager or grant administrator prior to submission of a payment request.

Section 2: Amendments to the Project Agreement

Minor Project Scope Amendment

Any minor scope change requests to a state certified project agreement requires a written request by the grantee to the Division. The grantee shall submit written justification for a change of project scope is necessary, as well as an explanation as to why the original state certified project agreement has not been completed.

A request for a change in a state certified project scope requires submission of a new project costs/deliverables sheet, scope of work, CEQA or NEPA, law enforcement plan, and Wildlife Habitat Protection Program/Habitat Management Plan (WHPP/HMP) by the grantee, as applicable, depending on the project type.

Time Extensions

A request for a project time extension (considered a minor project scope amendment) must be submitted in writing to the Division prior to the expiration of the project performance period. The request must include a strong justification for the necessity of a time extension. Time extensions may be granted based on extreme need or uncontrollable circumstances (e.g., weather, unavailable equipment for an extended period of time, natural disasters, etc.).

The Division will review the request and take into consideration all circumstances described by the grantee. The Division will render a decision within 30 days on all requests for time extensions or proposed new courses of action to complete the work. If the Division approves the time extension request, then an amendment to the project agreement is prepared and sent to the grantee for signature.

Project Expiration

If a grantee does not complete a project within the project performance period specified in the project agreement, the grantee shall provide written notification to the Division, describing the issues, reasons, or problems that prevented the grantee from completing the project. In addition, the grantee will provide a written request to the Division to do one of the following: (1) cease work on the project and return any remaining OHV Trust Funds, (2) request a time extension (with justification as to the need for a time extension) to complete the work proposed in the scope of the project agreement and deliverables, or (3) proceed with a new course of action that assures completion of the project.

Major Project Scope Amendment

Any major scope change requests to a state certified project agreement requires a written request by the grantee to the Division. The grantee shall submit written justification for why a change of project scope is necessary, as well as an explanation as to why the original state certified project agreement has not been completed. The Division will forward the major scope change request to the Commission for consideration.

If the OHMVR Commission approves the request, then the Division prepares an amendment to the project agreement and sends it to the grantee for signature.

Withdrawal/Project Termination

A grantee may unilaterally cancel or withdraw a Commission approved project by written notification to the Division, prior to the commencement of the project. To withdraw from the program or terminate a project, a grantee must notify the grant program manager in writing. If grant funds were advanced, the advanced funds plus accrued interest must be returned to the state. After commencement of a state certified

OHV project, the project agreement may be cancelled, modified, or amended by mutual written agreement between the grantee and the state.

Failure of a grantee to comply with the terms of the state certified project agreement shall be considered a breach of contract and void the Division's obligations. If, in the judgment of the Division, such failure was due to no fault of the grantee, any amount required to settle any irrevocable obligations properly incurred may be eligible for reimbursement.

Section 3: Financial Responsibilities

Capital Outlay Procedures

Only capital outlay expenditures approved and identified in the project scope of the state certified project agreement are eligible for reimbursement. The Division may choose to review and approve plans, specifications, and bid documents for each project prior to the start of the project.

Plans and specifications must be prepared for each capital outlay project as identified in the project scope. A registered civil or structural engineer or a licensed architect must sign plans for such structural items.

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

Accounting Practices

Conservation, Enforcement, and Restoration Expenditures - The OHMVR Division must account for funding of grants and cooperative agreements by the appropriate funding source; therefore the grantee must account for expenses in the appropriate category. The two categories of funding are Conservation and Enforcement Sub- Account (CESA) and Non-CESA. Conservation, enforcement, and restoration related activities shall be charged to the CESA account, while facility operation and maintenance, OHV safety or education program, and trail maintenance projects, will be charged to the Non-CESA account.

Grantees must document expenditures for conservation, enforcement, and restoration. Generally, grantees establish a separate expenditure code for each category of expenditure (conservation, enforcement, and restoration) within a project.

Record Keeping - Recipients of OHV Trust Funds are responsible for maintaining fiscal controls and fund accounting procedures that are based on

generally accepted accounting standards and principles. Purchase orders are not considered valid proof that materials or equipment have been received.

Time Sheets - The grantee must document all labor, including force account work on a time sheet. Time sheets showing days worked must be signed by a supervisor and must contain appropriate expenditure codes related to the project.

All labor charged to a project, including a match and volunteer time must be recorded on a time sheet. A detailed logbook may be used in lieu of a timesheet. The supervisor responsible for the time entered must sign entries in the logbook.

Equipment Use - Equipment charged to an OHV project may be charged on a use basis. A logbook or source document must describe the operator, work performed, and hours charged to the project. The operator and the operator's supervisor must sign the logbook. The grantee may not charge a use fee for vehicles or equipment purchased with OHV Trust Funds.

Record Retention - The grantee shall retain all financial accounts, documents, and records until the Department of Parks and Recreation has completed a project audit that includes a review of performance of expenditures of the grantee. In addition, the grantee shall retain these records until the Department has determined full compliance with the project agreement and deliverables.

Advances - Advances must be placed in a separate interest-bearing account (if the grantee's agency is legally able to do so). The interest accrued from this account must be documented. The interest earned on the OHV Trust Funds may be spent on the project or be returned to the Division at the end of the project.

Payment Requests

Upon receipt of the state certified project agreement a grantee may complete a payment request form (DPR364) requesting an advance or reimbursement of funds, provided the charge(s) fall within the project performance period and the scope indicated on the project agreement.

In completing a payment request form (DPR 364) the PCA, index, and vendor number may be copied from the state certified project agreement form (Certificate of Funding Section). Requests for reimbursement and/or advances must be submitted on the Payment Request Form DPR 364 (revised 3/2005).

All reimbursement costs claimed by the grantee on the payment request form must be supported by invoice, purchase order, canceled warrant, time sheet, transaction register, or by other such records. The supporting materials must be attached to the payment request form. Grantees using force account labor must document expenditures with timesheets. A cost is considered incurred at the time a purchase is delivered or a service is rendered.

Grantees are responsible for submitting quarterly billings to the Division no later than February 15th, May 15th, August 15th, and November 15th during the life of the grant or cooperative agreement (if quarterly expenditures are less than \$5,000 no billing is required; however, a letter with the project status and quarterly expenditures needs to be sent to the Division.

All advances must be supported by a summary list of proposed expenditures the grantee intends to spend the advance for. This amount must match the amount indicated on the payment request form.

Final Payment Requests

A final payment request must be accompanied by a completed project accomplishment report (PAR) as well as a summary of costs form, developed by the grantee, that provides detailed information regarding labor by employee and contractor, materials, parts and equipment costs, and overhead expenditures. For all sub-contracted work, a Notice of Completion is required and should be included with the final payment request.

The Division must receive a payment request marked "final" within 90 days after the completion of the project, or the end of the project performance period, whichever comes first.

Section 4: Accounting, Annual Audits and Annual Performance Reviews, and Site Visits

Retention of Financial Accounts, Documents, and Records

The grantee shall maintain financial accounts, documents, and records for grants or cooperative agreements, and must make these records available to the Department's auditor and other state representatives. The grantee shall retain all financial accounts, documents, and records until a project has been audited including a performance review by the Department of Parks and Recreation, to determine compliance with the project agreement and deliverables.

Inspection of Books, Records, and Reports

The Division shall reserve the right to inspect and/or make copies of any books, records, or reports of the grantee pertaining to all projects.

Use of Generally Accepted Accounting Methods

The grantee shall use generally accepted accounting methods for maintaining the financial records of all projects.

Copy of Final Audit Report to Grantee

Upon completion of the Department of Parks and Recreation audit, the grant recipient shall be provided with a copy of the final audit report, which shall contain the results of the audit and the performance review. If the audit findings indicate that a refund is due to the state, the grantee must remit the amount identified within 60 days of the receipt of the audit report.

If the Division does not receive the refund payment identified in the audit within 60 days, the refund is considered delinquent. The Division will notify the applicant in writing of delinquent status and future payments to the grantee on other projects may be suspended until the refund identified in the audit report has been paid in full.

Site Visits

The Division may at anytime, with a minimum of fourteen days notice, conduct site visits to review a grantee's program, taking into consideration past and current performance.

Division staff uses project costs/deliverables during a site visit and/or upon completion of a project. The deliverables are also used to determine cost effectiveness and appropriate use of OHV Trust Funds.

Site Visits – Final Report

Based on the findings of the site visit, the Division shall develop a report containing comments and recommendations designed to improve the grantee's OHV program performance.

Grantee Response to Site Visits

All comments and recommendations identified in the site visit report by Division staff and received by the applicant 60 days prior to the application filing deadline, shall be incorporated into the grant application for the upcoming grant cycle.