

Department of Parks and Recreation
Recreational Trails Program

ADDENDUM TO FINAL STATEMENT OF REASONS

The following additional information and changes are added to the Final Statement of Reasons for the Recreational Trails Program.

Changes and or clarification include the following:

1. Form 400 and Procedural Guide for the federal Recreational Trails Program, Final June 4, 2007 on Pages 4 – 89 were included for Information purposes outside the table of contents. The Procedural guide is also included and noticed in the Initial Statement of Reasons and submitted to OAL. *(A copy of the final procedural guide is incorporated by reference in the regulation and an additional copy is included in the documents relied upon.)*

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2. Other Materials Relied Upon are listed as follows:
 - a. Recreational Trails Program 2006 Procedural Guide Development Process and Documents_Binder.
 - b. Procedural Guide for the federal Recreational Trails Program Final Draft June 4, 2007.
 - c. Training material from the Federal Highway Administration (FHWA) concerning the Transportation Planning Process.
 - d. Draft copy of the Recreational Trails Program (RTP) CEQA/NEPA Determination Form from the FHWA.
 - e. Copy of the Preliminary Environmental Study (PES) Form from the FHWA.
 - f. Draft copy of the Recreational Trails Program (RTP) Project Application CEQA/NEPA Determination Form Instructions from the FHWA.
 - g. Copy of the Recreational Trails Program Project Application Preliminary Environmental Study (PES) Form Instructions from the FHWA.
 - h. Procedural Guide for the federal Recreational Trails Program Final Draft January 25, 2007.
 - i. Procedural Guide Recreational Trails Program under the federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).
 - j. Procedural Guide Recreational Trails Program under the Transportation Equity Act for the 21st Century (March 1999).
 - k. Draft Recreational Trails Program Guidance Draft for Review, October 14, 2006 from the FHWA.
 - l. Copy of a FHWA webpage titled “Program Summary – Recreational Trails Program - FHWA”,
 - m. Copy of a FHWA webpage titled “Program Legislation – Recreational Trails Program – FHWA”,
 - n. Copy of a FHWA webpage titled “Program Guidance, Part 1 – Recreational Trails Program – FHWA”,
 - o. Copy of a FHWA webpage titled “SAFETEA-LU – Fact Sheets – Recreational Trails Program”

- p. Copy of a FHWA webpage titled “Draft RTP Federal Share and Matching Requirements under SAFETEA-LU 12/21/05
 - q. Email from the Federal Highways Administration review of the Procedural Guide for the federal Recreational Trails Program Final Draft June 4, 2007.
3. The Procedural Guide for the federal Recreational Trails Program Final June 4, 2007 provides applicants/grantees with a comprehensive resource prior to project application and during grant administration.

The following additional information and changes are added to the Final Statement of Reasons. This information provides explanations and reasons as to why each section in “The Procedural Guide for the federal Recreational Trails Program Final June 4, 2007” is needed and the Department’s purpose for including each section in the Procedural Guide. The overall purpose of the Procedural Guide is to provide applicants/grantees with a comprehensive resource prior to project application and during grant administration.

PURPOSE AND FUNDING

The Department developed this section to summarize the intent of the Recreational Trails Program, cite the original federal and State law, which is the origination of the program, and provide general information about program funding mechanisms. All of the information in this section is based on federal and State law.

- [See Title 23, United States Code, Section 206.] [For RTP apportionments, see Title 23, United States Code, Section 104(h).] State law further defines the program. [See California Public Resources Code 5072.8.]

DEFINITIONS

The definition section provides the meanings of capitalized words and terms found in the Procedural Guide. These meanings are necessary to ensure consistent understanding of the Recreational Trail Program and grant administration terms. The words and definitions found in this section originate from RTP federal or State laws.

APPLICATIONS

This section provides preliminary guidance on rules for submitting an application to request RTP grant funding for a project. State law for the RTP requires all applicants to submit an application to the Department.

ELIGIBLE APPLICANTS

This section clarifies what types of entities are eligible to request RTP grant funding, and under what conditions, based on State and federal law.

PROJECTS ON PRIVATE LAND

This section clarifies requirements for proposed projects that are located on land that is not owned by a public entity. Federal guidance requires that RTP funded projects provide public benefits including access to a trail on privately owned land.

LAND TENURE REQUIREMENTS

This section explains the requirement that the applicant/grantee must have ownership or adequate interest in the project property. The purpose of the land tenure requirements is to ensure that the applicant/grantee has the authority to construct and operate the project for public use for a period of time commensurate with the grant amount. The dollar amount and time period ratios are consistent throughout the Office of Grants and Local Services grant programs. The Department determined that 20 years for large grant amounts over \$100,000 and 10 years for small grant amounts under \$100,000 represented a reasonable time to ensure availability to the public, public use and the return on investment of public funding.

LAND TENURE REQUIREMENTS ALTERNATE PROCESS

This section explains an alternate to the land tenure requirement for cases when the applicant/grantee does not have ownership or adequate interest in the project property at the time of application, but the land owner is willing to give land tenure to the applicant/grantee if the project will be funded. The need for this alternative was raised during the public comment period.

ELIGIBLE PROJECTS

This section clarifies the types of projects eligible for RTP funding, based on federal guidance, and State law.

INELIGIBLE PROJECTS

This section clarifies the types of projects that are not eligible for RTP funding, based on federal guidance and State law.

MATCH REQUIREMENT

This section provides guidance on meeting the required match for RTP grants, as mandated by federal law. Federal law specifies that the applicant must provide a minimum of just over 11% of the total project costs in the form of eligible match. Federal law also allows states to require a greater percentage of match. California rounded the match requirement up to 12% of total project costs (for ease of calculation).

THE RECREATIONAL TRAILS PROGRAM PROCESS

The Department included this information in the Procedural Guide because it provides a visual illustration summarizing the RTP competitive process steps in flow-chart fashion to clarify how the process is linked to State and federal procedures.

SUMMARY OF THE COMPETITIVE GRANT PROCESS

The Department included this information in the Procedural Guide because it provides a more detailed explanation to further clarify the RTP competitive process, and includes references where more information can be found within the Procedural Guide.

STATE APPLICATION PROCESS

This section clarifies requirements for the submittal of an application packet. State law for the RTP requires all applicants to submit an application to the Department.

SUBMITTING APPLICATIONS

This information provides preliminary instructions for preparing an application packet. The guidance in this section was created in response to frequently asked questions from focus groups, public hearings, and technical assistance workshops.

APPLICATION PACKET REQUIREMENTS AND CHECKLIST

The following discusses the need and origination of each item required in the Application packet:

Application Form.

The application form is required because it allows the Department to identify who the applicant is (eligibility), what the proposed project consists of, where the proposed project is located, under which program component the applicant is applying, (non-motorized or motorized trails), and how much funding is requested. State law requires applicants to demonstrate the land tenure status; the application form enables the Department to verify this requirement.

Site Plan.

The site plan provides a visual depiction of the proposed project and public access to the project site. Applicants must demonstrate where project scope items are to be located on the site plan. Federal guidance mandates that project scope items be in proximity to recreational trail(s); the site plan enables the Department to verify the proximity of the scope items in relation to the trail.

Topographic Map.

The topographic map shows how the proposed trail project is aligned in relation to the topography, land contours and other natural elements found at the project site. This map enables the Department to determine if sustainable design will be used for the proposed trail. The applicant is required to provide the Department with a response regarding the use of sustainable design in Criterion #9.

Trail Log/Inventory or Reconnaissance Notes.

The trail log or reconnaissance notes provide evidence that the applicant is familiar with the trail alignment and/or project site and the type of work that needs to occur throughout the alignment and/or site. This requirement encourages applicants to anticipate what otherwise may be unforeseen costs.

Design Standards.

The design standards requirement helps to ensure that applicants develop trails that reflect industry-recognized standards. By utilizing these standards, applicants can better ensure that their projects will be sustainable and minimize the need for constant maintenance.

Cost Estimate.

The cost estimate enables the Department to evaluate how the grant funds and match are proposed to be spent and if the proposed costs are eligible. In addition, the cost estimate enables the Department to determine if the match sources are eligible and the match amount is correct. The Federal Highway Administration requires cost estimates for each project that is recommended by the State for funding consideration.

Project Location Map.

This requirement provides visual information about the project site area for evaluation purposes, and enables the Department to locate the property for the purpose of site inspections.

Photos of the Project site.

This requirement provides visuals of the project site to give the application reviewer(s) a photographic means in which to become familiar with the proposed project.

Land Ownership.

These requirements, according to project type, enables the Department to determine if the applicant meets the land tenure requirements, or how it will meet the land tenure requirements. The land tenure requirement is based on State law.

California Environmental Quality Act (CEQA).

This section explains what the applicant must provide in order to demonstrate that the project complies with CEQA. CEQA is a project requirement based on State law.

Authorizing Resolution (or Agency Letter).

The authorizing resolution (or letter from a federal and state agency applicant) is needed because it enables the applicant's governing body to certify that it has approved the submittal of an application for the project, and establishes an authorized representative to act on behalf of the applicant during the grant process. The six provisions contained in the resolution originate from State law.

Project Summary.

The Department developed the project summary as a result of potential applicant feedback expressed during the focus group process. Applicants requested a means in which to explain the overall vision for the project and the project's merits. While not scored, the Department requires a project summary in order to conduct a more thorough comparative analysis of all project application packages submitted.

Project Proposal.

The explanation outlining the limit of the combined criteria responses to 15 pages, 8 ½" x 11" paper, single-sided, double-spaced, with 12-point font ensures that applicants have a consistent understanding of how much information they can provide when responding. The Department established this page limit in order to equalize the volume of content provided by all applicants.

Scoring Rubric – Ranking Point System:

The project proposal scoring serves as an assessment tool. This tool enables the Department to assess the project's adherence to the grant requirements in addition to the project's merits as explained through the applicant's responses to the criteria. These assessments with scores assigned to the criteria enable the Department to rank projects and determine recommendations for funding.

The Department developed the RTP scoring system after evaluating the federal and State legal requirements, federal guidance that encourages the funding of certain types of projects, and the Department's decision to fund projects that are most likely to meet public needs for well-designed sustainable trails.

The Department introduced the RTP scoring system through an extensive public input process where focus group and public hearing participant feedback helped establish the scoring system for each criterion and provided the proper balance to the criteria system. Focus group feedback confirmed the Department's understanding that a total of 100 points (for all of the criteria collectively) is a common and suitable standard for competitive grant program scoring totals.

The breakdown in the 100 point scoring system reflects the emphasis provided by federal guidance, State law, Department expertise, and the public input process. Criteria that contain greater point values reflect the higher priorities based on federal and state law, Department expertise, and the public input process. Criteria that contain fewer point values reflect the lower priorities based on federal and state law, Department expertise, and the public input process.

The following explains the point breakdown balance in the scoring system.

10 Points: The Department established 10 points for the highest valued elements desired and required for the proposed project. These 10 point criteria have the highest value because they represent the core elements of the trail proposal; need for the trail project (deficiency), design (sustainable design for minimal impact to the environment that also requires minimal maintenance), and accessibility (access to persons with disabilities and all users).

7 Points: The Department established 7 points for the second highest valued elements desired and required for the proposed project. These criteria have the second highest value because they represent secondary core elements for the trail project; connectivity (the project connects to a trail system), and linkages (the trail links to population centers and gathering areas).

6 Points: The Department established 6 points for the third highest valued element desired for the proposed project. The 6 point criterion is the third highest element because it enables grant reviewers to assess applicants' proposed trail management process. Based on the Department's extensive grant experience, the Department finds it necessary to evaluate the applicant's planned project management process, including long term project maintenance following project completion.

5 Points: The Department established 5 points for the fourth highest valued elements desired for the proposed project. These criteria represent non-core or non-secondary core trail elements that contribute to the merits of the proposed trail project; number of users (served by the project), points of interest (viewing or interpretive opportunities along the trail), diversified use (trails that accommodate different recreational uses), including stakeholders (planning, design, or implementation of project), consistency with other plans (applicants' general plan or other local, regional, or state plan), and service corps involvement (as a labor resource).

Project Proposal

The following section explains the specific basis and reason for each criterion.

Criterion 1, "Deficiency," originates from federal guidance for the Recreational Trails Program, which recommends that applicants consider user needs and desires. The Department reflects this recommendation in this criterion. This criterion is weighted 10 points as a core element of the trail proposal because the RTP program core purpose is to fund projects in areas without trails, or that have deficiencies within the existing trails. This criterion enables the Department to evaluate the applicant's need for the trail project.

Criterion 2, "Solutions to the Deficiency," originates from federal guidance for the Recreational Trails Program by requiring that the proposed project address the need or deficiency documented in Criterion 1. This criterion is weighted 10 points because it serves as a core element of the trail proposal in tandem with the description of trail deficiencies (*Criterion 1*). This criterion enables the Department to evaluate the applicant's solutions to addressing the described deficiencies and providing new or enhanced trail opportunities.

Criterion 3, "Connectivity," originates from federal guidance for the Recreation Trails Program, which encourages that States recognize trails designated as National trails. This recognition for trails is extended to State and regional trails through this Criterion and provides lesser recognition to local trails. This criterion is weighted 7 points as a secondary core trail element because it encourages the applicant to consider trail projects that are designated as National trails and enables the Department to evaluate if the proposed project has connection to local, state or federal trails or parks.

Criterion 4, "Linkages," encourages applicants to locate trail projects near places where people live or gather, that link to trails and outdoor recreation areas. The second part of this Criterion recognizes federal guidance, which requires that trails be separated from the highway. This criterion is weighted 7 points as a secondary core trail element because it enables the Department to evaluate how near the proposed trail project is to where people live or gather to trail and outdoor recreation areas and comply with federal guidance to be well separated from highway use.

Criterion 5, “Numbers of Project Users,” enables the applicant to demonstrate the value to the public of the proposed trail project that will provide for the largest number of users. This criterion is weighted with 5 points as a non-core or non-secondary core trail element that contributes to the merits of the proposed trail project because it enables the Department to evaluate the projected number of users in relation to other applicants’ proposals.

Criterion 6, “Project User Accessibility,” originates from federal guidance for the Recreational Trails Program, which requires States to ensure that projects provide adequate accessibility for persons with disabilities. This Criterion requires the applicant to address how the project will meet Federal Access Board guidelines for trail improvements and how the project complies with applicable accessibility laws and rules. Projects that fail to meet minimum requirements will be considered ineligible by the Department. This criterion is weighted 10 points as a core element of the trail proposal because providing trail improvements for access to persons with disabilities is imperatively required by law. This enables the Department to evaluate the level of access for persons with disabilities proposed by the project.

Criterion 7, “Access to the Project,” originates in part from federal guidance for the Recreational Trails Program, which requires public access on privately owned lands. Federal guidance also recommends that States require written assurance from applicants regarding access to projects on public lands. This criterion enables the applicant to demonstrate the value to the public of the project by encouraging trails which are easily accessible to all users via public transportation, bicycle lanes, parking, staging areas, etc. This criterion is weighted 10 points as a core element of the trail proposal because it enables the Department to evaluate the level of access to all users and through various modes of transportation.

Criterion 8, “Points of Interest,” originates from federal guidance for the Recreational Trails Program, which recommends that applicants consider the natural environment in which the project is located. This criterion enables the applicant to demonstrate good trail design through good viewing and/or interpretation of natural, cultural, historic or scenic characteristics. This criterion gives greater consideration to projects that provide for such opportunities. This criterion is weighted 5 points as a non-core or non-secondary core trail element that contributes to the merits of the proposed trail project because it enables the Department to evaluate projects with good trail design by including viewing or interpretation characteristics.

Criterion 9, “Sustainable Design,” originates from 23 U.S.C. 206(e) which requires the State to give consideration to project proposals that provide for the redesign, reconstruction, non-routine maintenance, or relocation of recreational trails to benefit the natural environment or to mitigate and minimize the impact to the natural environment. This criterion requires the applicant to demonstrate environmentally sensitive design for either reconstruction or development of new projects. This criterion is weighted 10 points as a core element of the trail proposal because it enables the Department to evaluate proposed projects with trail design techniques that will reduce the need for recurring maintenance, and demonstrate minimal impact to the natural environment while being sustainable.

Criterion 10, “Diversified Use,” originates from 23 U.S.C. 206(d)(4) which requires the State to meet diversified-use requirements. This criterion provides the greatest number of points to projects that provide for a higher number of compatible trail uses. This criterion is weighted 5 points as a non-core or non-secondary core trail element that contributes to the merits of the proposed trail project because it enables the Department to evaluate projects with the greatest number of compatible uses.

Criterion 11, “Including Stakeholders in the Project,” originates from federal guidance for the Recreational Trails Program, which requires the State to consider appropriate methods to involve the public in project planning, development and selection for submission to the Department. This criterion transfers the public involvement requirements to the applicant. This criterion is weighted 5 points as a non-core or non-secondary core trail element that contributes to the merits of the proposed trail project because it enables the Department to evaluate the Applicant’s inclusion of the public in aspects of the project.

Criterion 12, “Consistency with Other Plans,” originates from federal law 23 U.S.C. 206(d)(1) that requires states to have a State Recreation Trails Plan or Statewide Comprehensive Outdoor Recreation Plan. State law PRC 5072.8 (c) further requires that the project be consistent with the applicant’s general plan or equivalent planning document. This criterion transfers these trail-planning requirements to applicants, who must demonstrate consistency with either local, regional or state plans. This criterion is weighted 5 points as a non-core or non-secondary core trail element that contributes to the merits of the proposed trail project because it enables the Department to evaluate how the project is consistent with the Applicant’s general plan.

Criterion 13, “Management Capacity,” originates in part from State law, which states that a grant shall not be made unless the applicant agrees to maintain and operate the property acquired, developed, rehabilitated or restored with RTP funds. The Department further defined this criterion to enable grant reviewers to assess the degree to which the applicant is capable of maintaining and operating the project. This criterion is weighted 6 points as the third highest valued element desired for the proposed project because it enables the Department to evaluate the Applicant’s project management plan, including maintaining and operating the project after its completion.

Criterion 14, “Service Corps Involvement,” originates from federal guidance for the Recreational Trails Program, which encourages use of Youth Conservation Corps or service corps to construct and maintain trails. This criterion recognizes this encouragement by giving credit to projects that use the California Conservation Corps, Certified Conservation Corps and/or Service Corps. This criterion is weighted 5 points as a non-core or non-secondary core trail element that contributes to the merits of the proposed trail project because it enables the Department to evaluate the Applicant’s use of youth conservation or service corps on the project.

APPLICATION PACKET REQUIREMENTS AND CHECKLIST, continued

Leases or Agreements.

This requirement is needed because it enables the application reviewer(s) to determine if there are any other types of agreements that may affect the project.

Required Regulatory Permits.

This requirement ensures that the applicant has considered special permits, which could impact or delay the project, and also enables the application reviewer(s) to identify potential issues. The Federal Highway Administration requires this information as part of its project review and funding authorization process.

Nonprofit Requirements.

This group of requirements allows the application reviewer(s) to determine if the applicant is eligible to apply under the RTP program. This section also lists special requirements for nonprofit organizations, such as the fidelity bond, (which is required in order to protect the public funds from theft), and the payee data record. Nonprofit eligibility originates from federal guidance and State law.

Signed SHPO Memorandum of Understanding.

This signed form expedites the federal approval process if a project is recommended by the State to the Federal Highway Administration. The form is needed to begin the Section 106 process.

ELIGIBLE COSTS CHARTS

This information provides clarity and guidance about how the grant funds and the required match may be spent. The rules regarding the start date when costs can be incurred is based on the date when a grantee receives federal approval to proceed with the project.

The remaining text is consistent with the eligible cost requirements for the funding of all project types that are eligible within the RTP.

Through years of experience with project administration and extensive public input, the Department has determined that the non-land costs and pre-construction costs capped at 25% of the grant amount provides an appropriate balance between the public's interest in gaining benefit from capital projects and the grantee's ability to complete capital projects which encompass non-construction costs. This cap reflects the Department's desire to ensure that the grantee incorporates the majority of the grant funds into the capital portion of the project. At the same time, the Department understands that pre-construction costs are an integral part of capital projects.

RULES FOR PERSONNEL AND EMPLOYEE SERVICES

This information provides clarity about special rules for cases where the grantee is using its own employees for work on the project.

CALIFORNIA ENVIRONMENTAL QUALITY ACT INSTRUCTIONS

This information clarifies the requirement that all projects must comply with CEQA or NEPA at the time of application. CEQA and NEPA compliance is required by State and federal law, respectively.

CEQA/NEPA COMPLIANCE CERTIFICATION FORM

This form was created by the Department to enable the applicant, who serves as the lead agency, to certify that the project complies with environmental law.

FEDERAL ENVIRONMENTAL CERTIFICATION FORM

This form was created by the Department in consultation with the Federal Highway Administration to enable the applicant, who serves as the lead agency, to certify that the project complies with environmental law.

STATE HISTORIC PRESERVATION ACT MOU FORM

This form is needed to begin the Section 106 process to obtain federal approval if a project is recommended by the State to the Federal Highway Administration.

STATE RECOMMENDATION FOR FUNDING

This information provides clarity about the competitive RTP process, including the next steps for applications that the State recommends for federal approval. This process was developed in partnership with the Federal Highway Administration.

FEDERAL APPLICATION REQUIREMENTS

This information provides clarity about the federal requirements that need to be met before the Federal Highway Administration can approve the grant funding of a recommended project. The process explained in this section is based on the federal requirements.

CONTRACT PROCESS

The Contract Process Section provides an overview of the grant contract provisions, a sample grant contract, and the grant contract provisions. These items are needed in the Procedural Guide to provide clarity about the terms and conditions that will be enforced through the contract. Applicants need to have clarity about the conditions that must be fulfilled if the applicant's project is selected for funding by the Federal Highway Administration and the applicant proceeds by executing the contract with the Department.

PAYEE DATA FORM

The payee data form provides the Department's Accounting Office with information required by the Internal Revenue Service. The form is used to uniformly collect the information from grantees and used by the Department's Accounting Office to pay grantees that otherwise may not have a vendor number. The Department's Accounting Office needs a vendor number to process a requested grant payment.

GRANT PAYMENTS

The Grant Payment Section is needed in the procedural guide because it clarifies requirements and provides forms for each type of grant payment for the grantee. The items on the form are required by State Control Agencies to process grant awards. The 20% retention requirement enables the Department to uphold its fiduciary duty and the grantee's contractual agreement to ensure that the project is completed and open to the public prior to the release of all grant funds. The Department's grant administration expertise has shown that 20% retention amount provides sufficient protection of the contractual agreement to complete the project while providing protection of public funds until the project is complete.

GRANT FUND AVAILABILITY OVERVIEW

This information provides parameters of when costs can be incurred and which costs are eligible for reimbursement.

REQUIREMENTS FOR NON PROFIT AGENCIES

This information provides clarity about special requirements for non profit grantees that have been inserted for the purpose of protecting public funds.

ADVANCE PAYMENTS

The advance payment section is needed because it provides clarity to the grantee regarding procedures and requirements to request an advance payment for costs that have not yet been paid for by the grantee.

REIMBURSEMENT PAYMENTS

The reimbursement section is needed because it provides clarity to the grantee regarding procedures and requirements to request a reimbursement payment for costs that have been paid for by the grantee.

FINAL PAYMENTS

The final payment section is needed because it provides clarity to the grantee regarding procedures and requirements to request a final payment for costs that have been paid for by the grantee, after the project is complete.

PAYMENT REQUEST FORM

The payment request form is needed because it provides a uniform vehicle for the Department to collect the information required from State Control Agencies to process payments. The details are necessary to process a grantee's payment request through the Department's Accounting Office and the State Controller's Office. The Department established project number and contract number for its database because these numbers are unique identifiers and are used throughout all of Department grant program forms to identify the specific projects and programs. The payment information on the form provides a consistent way for the Department and Accounting Office to identify the type and specific request for funds, and where to mail the warrant. The signature blocks provide assurance that there has been an authorized person requesting funds and that the Department has conformed with generally accepted auditing practices by having internal checks for the payment requests. The form was established to streamline and consolidate required payment information provided by all grantees.

GRANT COMPLETION PACKET

The grant completion section is needed because it provides clarity to the grantee regarding procedures, requirements, and forms to request a final payment for costs that have been paid for by the grantee, and after the project is complete.

PROJECT CERTIFICATION FORM

The Project Certification Form is needed because it serves as a document certifying that the project is complete, and certifying other funding sources used for the project. This enables Department staff to proceed with the final inspection and final payment process. The information on the form is also used by Department auditors.

GRANT EXPENDITURE FORM

The Grant Expenditure Form was established because it serves as a uniform document for all grantees to record project costs incurred using grant and match funds, or that will be reimbursed by the grant, and information required by Auditors. The form consolidates required information and enables Department staff to analyze if the costs are eligible and incurred during the contract performance period. The items noted on the form were established in order to delineate the costs expended on a particular project and to ensure that the fiscal activity matches the project scope as eligible costs.

FORCE ACCOUNT LABOR COSTS SUMMARY FORM

The Force Account Labor Costs Summary Form is needed because it serves as a document recording project costs claimed against the grant where the grantee's own employees were used to conduct the work. This enables Department staff to determine if the costs are eligible and incurred during the contract performance period. The information on the form serves as a reference for auditors.

EQUIPMENT COSTS SUMMARY FORM

The Equipment Costs Summary Form is needed because it serves as document recording equipment charges claimed against the grant. This enables Department staff to determine if the costs are eligible and incurred during the contract performance period. The information on the form serves as a reference for auditors.

PROPOSED PROJECT CHANGES

This section provides clarification for the difference between a "conversion" and a "scope change", and clarifies the process that is required if a grantee desires to request approval for a conversion or scope change. The conversion process is based on federal guidance.

ACCOUNTING AND AUDIT REQUIREMENTS

This information provides the background for complying with the Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156, as mandated by federal law.