

- (a) Modifications to the Project Description may include but are not limited to:
 - (1) Different techniques are employed to achieve the original outcome, and
 - (2) Acquisition of a different type of equipment.
- (b) Reasons for time extensions may include but are not limited to:
 - (1) Fires,
 - (2) Earthquakes, and
 - (3) Floods.
- (c) Grantees requesting a Project amendment shall submit to the OHMVR Division in writing the following:
 - (1) An explanation of the reasons/circumstances that justify the change,
 - (2) A description of the potential implications if the amendment is not approved,
 - (3) A progress/status report of the Project to date, and
 - (4) If the Amendment requires an extension of the Project performance period, specification of the length of additional time required to complete the Project.
- (d) A written request shall be submitted to the OHMVR Division at least thirty (30) calendar days prior to the end date specified in the Project Agreement.
- (e) Unspent funds that remain at the end of the Project performance period are not in themselves sufficient justification for time extensions.
- (f) The OHMVR Division shall review the requested amendment and make a determination for approval/disapproval. If the amendment is disapproved, the OHMVR Division will provide written notification to the Grantee with an explanation why the request was denied. If the amendment is approved, the OHMVR Division will process an amendment to the Project Agreement specifying modifications and the revised Project performance period (if applicable). The amendment becomes effective when the OHMVR Division returns the executed amendment to Project Agreement to the Grantee. The OHMVR Division and the Grantee shall retain copies of the amendment to the Project Agreement on file.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Sections 5090.32 and 5090.50, Public Resources Code.

4970.19.3. Project Withdrawal.

- (a) An Applicant or Grantee may at any time unilaterally cancel or withdraw an approved Project by written notification to the OHMVR Division.
- (b) If the Project work has not commenced and the Grantee received advanced funds for the cancelled Project, the Grantee shall return the advanced funds plus accrued interest to the State.
- (c) If the Grantee has commenced the Project, eligible costs will be allowed to the date the Grantee ceases work on the Project. The cost of goods purchased on a reimbursement basis, but not consumed for the Project as of the date of work cessation, shall not be reimbursed, or shall be returned if advance payment was made. The Project shall be subject to all record keeping and Audit requirements contained in these regulations.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Sections 5090.32 and 5090.50, Public Resources Code.

4970.19.4. Project Breach-Termination.

Failure of a Grantee to comply with the terms and conditions of the Project Agreement may be treated by the OHMVR Division as a breach of contract. If the OHMVR Division determines there is a breach of the Project Agreement, the OHMVR Division shall give the Grantee written notification that the Grantee has thirty (30) calendar days to cure the breach. If the Grantee does not cure the breach or commence actions to cure the breach within thirty (30) calendar days or show diligent progress to cure the breach, the OHMVR Division may terminate the Project Agreement and void the OHMVR Division's obligations. If the OHMVR Division determines breach was due to no fault of the Grantee, the OHMVR Division may waive reimbursement of funds paid or advanced or make payment for any work performed up to the date of termination. In the event of a breach that the OHMVR Division waives, such waiver shall not serve to excuse the future performance of the breached term that was waived or performance of any other term of the Project Agreement. The Project shall remain subject to all record keeping and Audit requirements contained in these regulations.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Sections 5090.32 and 5090.50, Public Resources Code.

4970.19.5. Failure to Perform.

If a Grantee does not complete a Project within the Project performance period specified in the Project Agreement, the Grantee shall:

- (a) Provide written notification to the OHMVR Division describing the issues, reasons, or problems that prevent the Grantee from completing the Project and return any remaining OHV Trust Funds, or
- (b) Request an amendment pursuant to Section 4970.19.2.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Sections 5090.32 and 5090.50, Public Resources Code.

4970.19.6. Financial Responsibilities.

The acceptance of a Project Agreement creates a legal duty on the part of the Grantee's organization to use the funds made available in accordance with the terms and conditions of the Grant.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Sections 5090.32 and 5090.50, Public Resources Code.

4970.20. Equipment Management Requirements.

The following requirements apply to all Equipment purchased with OHV Trust Funds:

- (a) Equipment shall only be used for its intended purpose for the duration of its useful life,
- (b) Grantees shall keep Equipment purchased with OHV Trust Funds stored securely and maintained in safe working order,
- (c) Equipment shall display an approved version of the OHMVR Division "OHV Trust Funds at Work" insignia. Grantees may obtain insignias free of charge from the OHMVR Division,

- (d) Equipment that is no longer in useable condition may be used as a trade-in for replacement Equipment to be used for OHV purposes,
- (e) Surplus Equipment may be transferred or traded within the agency, giving preference to those areas that provide OHV Opportunities or disposed of via the agency's standard equipment disposition procedures, and
- (f) With the exception listed in Section 4970.08(13)(B), ownership and title belongs to the Grantee.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Sections 5090.32 and 5090.50, Public Resources Code.

4970.21. Development Project Procedures.

- (a) Plans and specifications shall be prepared for each Development Project as identified in the Project Agreement. A registered civil or structural engineer or a licensed architect shall sign plans for structural items. Prior to the start of the Project, the OHMVR Division may choose to review plans, specifications, and bid documents for each component of the Project.
- (b) The Grantee shall follow all laws that pertain to public works projects, including the Americans with Disabilities Act and Title 24 Disability Codes (for local agencies), prevailing wages, and local health and safety requirements. For all sub-contracted work, a Notice of Completion is required.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Sections 5090.32 and 5090.50, Public Resources Code.

4970.22. Accounting Practices.

- (a) Record Keeping
Grantees are responsible for maintaining fiscal controls and fund accounting procedures based on Generally Accepted Accounting Principles approved by the AICPA, the Securities and Exchange Commission, the Financial Accounting Standards Board, and the American Accounting Association. Bill of Sale, Bill of Lading, or Collection Agreements are some examples of proof that materials or Equipment was received. Invoices are also considered valid proof that materials or Equipment was received. Purchase orders are not considered valid proof that materials or Equipment have been received.
- (b) Labor Costs
The Grantee shall document all labor, including all force account, match and volunteer time, on time sheets, or reports produced by an electronic timekeeping system.
- (c) Equipment Use
A logbook or source document shall identify the operator, date of activity, work performed, and miles charged to the Project.
- (d) Record Retention
The Grantee shall retain all financial accounts, documents, and records pertinent to the Project:
 - (1) For three (3) years from the expiration date of the Project Agreement, or
 - (2) Until an Audit started during the three (3) years following the expiration of the Project Agreement has been completed; a report is published; and any

Audit findings are resolved and/or payment or other correction made with regard to any Audit findings contained in the final Audit report.

- (e) **Advances**
Advances shall be placed in a separate interest-bearing account (if the Grantee is legally able to do so). The interest accrued from this account shall be documented and shall only be expended in accordance with the Project Agreement. The unspent interest earned on the OHV Trust Funds shall be returned to the OHMVR Division at the end of the Project.
- (f) **Matching Funds**
 - (1) Matching funds may include actual cash contributions toward the Project, cash value for volunteers or salaried employee hours, Indirect Costs, grants from sources other than this Grant Program, and expenditures of the OHV in-lieu of property tax funds. The match shall be directly related to the Project and must occur within the project performance period. The same match may not be used for more than one (1) Project.
 - (2) Project costs identified as match shall be documented the same way as other Project expenditures. Volunteer hours of work and salaried employees shall be documented through a log or report identifying dates, hours worked, and duties performed.
 - (3) Cash value for volunteer time may be determined using the hourly reimbursement rate for the paid classification that most closely matches the duties performed by the volunteer. Cash value for salaried employee time shall be based on the agency's hourly reimbursement rate for the classification.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Sections 5090.32 and 5090.50, Public Resources Code.

4970.23. Payment Requests.

Grantees are required to request payments for advances or reimbursements by submitting a current Expenditure Workbook (new 2019), hereby incorporated by reference, to the Department. The Department is responsible for approving and processing payment requests. Grantees may submit payment requests to the Department at any time after the execution of the Project Agreement. The Department reserves the right to withhold approving and/or processing payment requests if the Grantee is not in Good Standing.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Sections 5090.32 and 5090.50, Public Resources Code.

4970.23.1. Advances.

- (a) Generally, advances are not allowed. However, if extenuating circumstances exist, the OHMVR Division may consider granting an advance. To request an advance, the Grantee shall submit to the OHMVR Division an Advance Justification Request (new 2019), hereby incorporated by reference, to explain the need for the advance. The OHMVR Division will provide written notification to the Grantee of approval/disapproval for the advance. Requests for an advance typically may not be more than half the total amount of the Grant and shall

- include a summary list of proposed expenditures. The sum of the proposed expenditures shall match the amount indicated on the Payment Request form.
- (b) Subsequent requests for advances shall document how previous advance funds were expended as follows:
- (1) Purchases: paid invoices and/or receipts,
 - (2) Services: paid invoices and/or receipts,
 - (3) Timekeeping and equipment logs: transaction register or other electronically generated reports,
 - (4) Training and travel: paid invoices and/or receipts,
 - (5) A Project Accomplishment Report (new 2019), hereby incorporated by reference,
 - (6) GPS coordinates and photos of Project areas where activities were conducted, as applicable, and
 - (7) Maps and/or any electronic data (such as .shp, .gpx or .kml files) of Project areas where activities were conducted, as applicable.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Sections 5090.32 and 5090.50, Public Resources Code.

4970.23.2. Reimbursements.

Requests for reimbursement shall include the following documentation:

- (a) Purchases: paid invoices and/or receipts,
- (b) Services: paid invoices and/or receipts,
- (c) Timekeeping and equipment logs: transaction register or other electronically generated reports,
- (d) Training and Travel: paid invoices and/or receipts,
- (e) A Project Accomplishment Report (new 2019), hereby incorporated by reference, and
- (f) Maps and/or any electronic data (such as .shp, .gpx or .kml files) of Project area(s) where activities were conducted, as applicable.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Sections 5090.32 and 5090.50, Public Resources Code.

4970.24. Project Closeout.

4970.24.1. Project Documentation.

- (a) The Grantee shall submit an Expenditure Workbook (new 2019), hereby incorporated by reference, marked "FINAL" to the Department within one hundred twenty (120) calendar days after the completion of the Project, or the end date as specified in the Project Agreement or amendment to the Project Agreement, whichever comes first. The Grantee shall include the following documentation with the final payment request:
 - (1) A Project Accomplishment Report (new 2019), hereby incorporated by reference,
 - (2) All documents supporting the expenditures claimed under the payment request,
 - (3) Two (2) copies of all reports as indicated in the Project Agreement for any Project that requires a report or reports as part of its Project Description.

Monitoring results shall be reported to the OHMVR Division at the end of the Project,

- (4) For all sub-contracted work, a Notice of Completion,
 - (5) Photos of Equipment purchased through the Project, and
 - (6) Photos of completed Projects, as applicable.
- (b) Final payment requests cannot be processed until the Department has received all supporting documentation to support expenditures claimed, including documentation that the Grantee has fulfilled its match commitment. An amount equal to any unmet match commitment will be withheld from the final payment.
 - (c) Any request for final payment received after one hundred twenty (120) calendar days shall be ineligible for payment or result in suspension of future payments and reimbursement to the State of any advances or other payments made. The OHMVR Division may also deem the Project closed and forward the Project file to the Department's Audits Office for an Audit.
 - (d) When the Department determines there is a refund due to the State, the Grantee shall remit the refund due within sixty (60) calendar days from the written notification to the Grantee by the Department.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Sections 5090.32 and 5090.50, Public Resources Code.

4970.24.2. Project Performance Review.

- (a) Department staff shall conduct a project performance review. Project performance reviews may include, but are not limited to, review of a Project to determine progress toward its completion, review of the implementation of HMP and Soil Conservation Plan, or other requirements contained in the Project Agreement.
- (b) Project performance reviews may be accomplished by, but are not limited to, desk reviews, questionnaires and other standards of inquiry, site visits, and other means consistent with these regulations.
- (c) Project performance reviews may be conducted prior to the end of the Project performance period.
- (d) Failure to cooperate with performance review requests made pursuant to these regulations may result in denial of payment requests and/or refund to the State of amounts already paid or advanced.
- (e) Department staff may conduct a site visit to review the Grantee's Project(s). The site visit may include review of progress towards the accomplishment of Deliverables.
 - (1) The Department shall provide the Grantee adequate notice prior to the visit and the Grantee shall make its Project Areas, applicable documentation, and staff who are knowledgeable about or oversee the Project available to the Department for site visits. The Grantee shall also make any reports or plans developed, as a result of a Project Agreement, available for review. In the event the Department is not able to provide its own transportation to survey a Project, the Grantee shall make every effort to provide Equipment that may be necessary to conduct the site visit and include a person dedicated to providing a tour of the Project.

- (2) When the Department staff conducts a site visit, staff shall develop a report containing any comments and recommendations with regard to the performance of the Grantee's Project. A copy of the report shall be available to the Grantee upon request.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Sections 5090.32 and 5090.50, Public Resources Code.

Subarticle 1. Audits

4970.25.1. Financial Audits of Grantees.

- (a) The Department of Parks and Recreation, Audits Office shall conduct an Audit of at least twenty percent (20%) of the Grantees annually. A Project is subject to Audit at any time within three years following the end of the project performance period.
- (b) The OHMVR Division will forward Grant Projects to the Department of Parks and Recreation, Audits Office for a financial Audit as appropriate. The Grantee shall cooperate with the Audits Office during an Audit. Requested records, documents, and files pertaining to the expenditures or other fiscal and/or programmatic elements of the Grant shall be provided.
- (c) Failure to fully complete Project Deliverables as agreed in the Project Agreement; and/or to maintain records supporting the expenditures made pursuant to the Project Agreement, these regulations, and any other applicable law; and/or failure of such records to support expenditures claimed and payments received, shall be grounds for an Audit exception requiring refund of amounts paid.
- (d) The Department of Parks and Recreation, Audits Office will coordinate with the OHMVR Division staff in order to confirm the completion of Deliverables. The Department may inspect and/or make copies of any books, records, or reports of the Grantee pertaining to all Projects.
- (e) Upon completion of an audit, if there is a refund due to the State, the Grantee shall remit the refund due within sixty (60) calendar days from the written notification to the Grantee by the OHMVR Division.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Sections 5090.32, 5090.50 and 5090.53, Public Resources Code.

4970.25.2. Final Audit Report.

- (a) Upon completion of the Audit, the OHMVR Division shall provide the Grantee a copy of the final Audit report that shall contain the results of the Audit including all Audit exceptions and any refunds found to be due.
- (b) If the Audit results identify exceptions resulting in refunds due to the State, the Grantee shall have sixty (60) calendar days from receipt of the Audit report to refund the overpayment to the State unless the Grantee elects to request review of the Audit results.
- (c) A Grantee may request review of the Audit report. The Grantee shall request the review in writing to the OHMVR Division within thirty (30) calendar days of receipt of the Audit report. When a Grantee requests such review the OHMVR Division will have final authority to determine what, if any, amount is due back to the State.

The OHMVR Division will have thirty (30) calendar days to respond to the request. If the OHMVR Division does not provide a response within thirty (30) calendar days, the final Audit report will be deemed accepted.

- (d) The Grantee shall have sixty (60) calendar days from the date Audit results are deemed final to remit payment. Failure to remit payment within the sixty (60) calendar days may result in the withholding or commensurate reduction of future reimbursement payments or advances on other Grantee Projects or such other remedies to collect the money as may be available by law.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Sections 5090.32, 5090.50 and 5090.53, Public Resources Code.

Article 5. Contacting the OHMVR Division

4970.26. How to Contact the OHMVR Division.

- (a) All inquiries and correspondence related to the Grant program shall be addressed to:

Mailing Address:

(Name), Grant Administrator

California Department of Parks and Recreation

Off-Highway Motor Vehicle Recreation (OHMVR) Division

1725 23rd Street, Suite 200

Sacramento, CA 95816-7100

- (b) Inquiries may also be made directly by phone or e-mail to a Grant Administrator. Consult the Division Website at <http://www.ohv.parks.ca.gov> for a list of Grant Administrators.
- (c) General inquiries should be directed to:
Phone: (916) 324-4442 or
Fax (916) 324-1610 or
E-mail: ohvinfo@parks.ca.gov.

Note: Authority cited: Sections 5001.5 and 5003, Public Resources Code. Reference: Section 5090.32, Public Resources Code.