

PUGETSOUNDPARTNERSHIP

# Grant Recipient Handbook

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May, 2012

Congratulations! If you are reading this manual, you most likely have been awarded a grant or contract administered by the Puget Sound Partnership (PSP). This manual describes the documents required by PSP for reimbursement as well as some general policies and procedures.

### **About the Puget Sound Partnership**

The Puget Sound Partnership is a community effort of citizens, governments, tribes, scientists and businesses working together to restore and protect Puget Sound. Our Action Agenda prioritizes cleanup and improvement projects, coordinates federal, state, local, tribal and private resources, and makes sure that we are all working cooperatively. We will base decisions on science, focus on actions that have the biggest impact, and hold people and organizations accountable for results. Our goal is to make Puget Sound healthy again, and create a roadmap for how to get it done. If we work together, we can have both a thriving Puget Sound economy and a clean and healthy Puget Sound ecosystem.

### **Top Ten Things to Know**

1. You have to pay for project expenses first.

PSP administers grants on a reimbursement basis, which means you pay for the work or materials identified in the grant agreement and then request reimbursement of those costs. You must provide documentation to show that you paid for the work or materials when requesting reimbursement from PSP. "Paid" means a subcontractor or vendor already has received the amount of payment you are seeking from PSP. PSP will not make payments prior to work actually occurring.

2. PSP will pay only for what is in the grant.

PSP will pay only for allowable costs, which must be reasonable, necessary, and eligible. A cost is considered reasonable if the work or materials and the cost reflect what a prudent person would have spent under the circumstances. Necessary means an element or item that is required for the project. Eligible means the costs are identified as reimbursement items in the grant agreement, are documented adequately, and are incurred while the grant agreement is active. PSP will not pay for costs incurred prior to both parties signing a contract or grant, unless those early costs are authorized in writing by PSP.

3. You may have a contribution too.

PSP grants are often made up of a PSP share and your match, when required. So, the amount PSP pays you is based on what PSP's share is of the total billed.

Let's say you receive a \$100,000 grant award with an agreement that calls for a 50 percent match of \$100,000. For example, you submit a reimbursement request for \$10,000 on a grant that requires 50% match. PSP will reimburse you for the \$10,000. Because the grant requires match, you should also list the match expenditures that were made during in the match field on your billing form. Remember that match for PSP grants cannot come from other Federal funding.

4. PSP will pay only for what you've spent.

PSP will not pay more than out-of-pocket costs or the grant percentage of eligible costs, whichever is less. For example, if a total project cost is \$100,000 and PSP's share is 50 percent and your share is 50 percent, each organization is responsible for \$50,000. If you send in a reimbursement request showing expenditures of \$40,000 and documenting \$60,000 in match, PSP will not pay more than \$40,000 (the amount of out-of-pocket costs) and will put the remaining \$20,000 balance toward a match bank for future reimbursement requests for that project. Please be aware that the complexities associated with these transactions may result in some variations in payment.

5. Do not use cash.

PSP will not reimburse for payments made in cash. Do not pay for work with cash, as PSP will deduct these costs from the reimbursement request. Paying in cash does not provide a verifiable audit trail.

6. PSP can hold part of the grant funds to ensure completion and adequate performance. PSP may retain a portion of the grant, until the project has been completed and all required documentation has been received. The decision to retain funding is based on risk, which considers several factors.

7. PSP pays quickly.

PSP generally pays reimbursement requests within 30 days of receiving all necessary documentation. Providing all documents and information required will help ensure you get paid quickly.

8. Submit a bill no more than monthly and at least once a year. You must submit a reimbursement request at least once a year during the state's fiscal year (July 1 – June 30) even if you haven't done any work. This is so PSP can track project progress. Do not submit a bill more than once a month.

9. Your information is public.

All information and documentation submitted to PSP is open to public review (Revised Code of Washington 42.56 and 77.85.130(8)).

10. A Few More Details

- A. In this manual, the term "recipient" refers to the recipient of a grant or contract administered by PSP.
- B. You are required to get a statewide vendor number so that payments can be sent directly to your bank through an electronic fund transfer (EFT) process. To do this, visit the Office of Financial Management's Web site at [www.ofm.wa.gov/isd/vendors.asp](http://www.ofm.wa.gov/isd/vendors.asp) and fill out two forms – a statewide vendor registration form and IRS Form W-9, request for tax payer identification and certification, and then send these forms to the Office of Financial Management.
- C. Your project is assigned a unique six-digit agreement reference number. It will look something like this: 2012-01. This designates the year the award was made, and the unique identifier for the grant, respectively.
- D. The Federal government requires that all applicants for Federal grants and cooperative agreements with the exception of individuals other than sole proprietors have a DUNS number. (See policy at: [http://www.omb.gov/grants/grants\\_docs](http://www.omb.gov/grants/grants_docs)). To Obtain Your DUNS Number, please call the dedicated toll-free DUNS Number request line for Federal grant and cooperative agreement applicants or prospective grant applicants at: 1-866-705-5711.

## **AGREEMENT DOCUMENT**

The agreement document will contain a unique six-digit agreement reference number, assigned by PSP. The recipient should include the grant or loan number in all project related correspondence and payment requests. All rights and obligations of the parties to this Agreement shall be subject to and governed by the Terms and Conditions contained in the agreement. PSP Grant agreements consist of the following elements:

- Agreement cover sheet with effective date, expiration date, and signature of authorized representatives
- General Terms and Conditions
- Special terms and conditions
- Scope of Work
- Project Budget
- Any other provision, term or material incorporated by reference or otherwise incorporated

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

- Applicable federal, state, and local laws, orders, regulations, and permits
- Federal Assistance Agreement Requirements
- Application instructions
- Program guidelines

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

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

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

**General Terms and Conditions** are general requirements contained in all PSP grant and loan agreements, and are not negotiable. Some of those terms and conditions are explained more fully in these Administrative Requirements. The current General Terms and Conditions are included as Appendix B.

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

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

**Project Budget** The agreement must include a project budget that establishes eligible costs for tasks and/or budget objects. This budget should be broken out by task and differentiate between personal, goods and services, travel and other costs. The budget will also detail funding sources and amounts, any limitations on in-kind or overhead, and other financial matters.

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

## **AMENDMENTS**

There are two types of amendments: formal amendments and letter amendments. Amendments are numbered consecutively over the agreement period.

Amendments are not required for administrative adjustments such as changes in telephone numbers, addresses, project officers, project staff, supervisors or contact persons for PSP or the recipient. However, the recipient must notify the PSP Project Manager of these changes. The Project Manager must send a written notice to the Puget Sound Partnership Fiscal Office when these changes occur.

A **Formal Amendment** is an amendment signed by the authorized officials of both PSP and the recipient. A formal amendment is necessary whenever:

1. There is a revision in the scope of work or the objectives of the project (whether or not there is an associated budget revision);
2. There is a need for additional funds above the maximum amount from any fund source, or the need to deobligate funds (reduce the amount of the grant);
3. On research projects, there is a change in the project director or principal investigator.

**Indirect limited for Awards and Subawards:** Subject to state or federal program restrictions, the Puget Sound Partnership allows the use of a federally approved indirect cost rate, or an indirect cost rate developed through 2 CFR 225, up to 15 percent of allowable costs incurred under the grant. The grantee must provide documentation of a current, approved indirect rate before indirect billings will be accepted.

In lieu of an indirect rate, allocable overhead or administrative costs may be allowed if specified in the grant agreement. The amount of overhead or administrative costs allowed in a grant is to be specified in the grant budget, but may not exceed 15 percent of allowable costs incurred under the grant. In no case are administrative costs allowed when indirect costs are allowed.

## **FEDERAL ASSISTANCE AGREEMENT REQUIREMENTS**

**Compliance with All Laws** - you must comply fully with the project agreement conditions, PSP policies, and all applicable federal, state, and local laws, orders, regulations, and permits.

**As a PSP Grant Recipient, you are subject to requirements of Office of Management and Budget (OMB) Circulars:**

**Non-profit organizations** are subject to the requirements of OMB Circular A-122, Cost Principles for Non-Profit Organizations. This circular can be found at:  
[www.whitehouse.gov/OMB/circulars/a122/a122.html](http://www.whitehouse.gov/OMB/circulars/a122/a122.html)

**Federally-recognized Indian tribes and state and local governments** are subject to the requirements of OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments. This circular can be found at:  
[www.whitehouse.gov/omb/circulars/a087/a87\\_2004.html](http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html)

**Educational institutions** are subject to the requirements of OMB Circular A-21, Cost Principles for Educational Institutions. This circular can be found at:  
[www.whitehouse.gov/omb/fedreg/2005/083105\\_a21.pdf.gov](http://www.whitehouse.gov/omb/fedreg/2005/083105_a21.pdf.gov)

### **Environmental Protection Agency Assistance Agreement Requirements**

Many PSP grants are funded with Federal EPA dollars. The EPA requires grant recipients and recipients to comply with certain specific conditions; these requirements, described below, will exist in each grant agreement. In addition, these requirements flow down to any recipients that may be awarded funding originating from an EPA grant.

**AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336**, also referred to as the "ADA" 28 CFR Part 35. Your organizations must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

**CERTIFICATION REGARDING SUSPENSION, DEBARMENT, and Other RESPONSIBILITY MATTERS** Federal Executive Order 12549 provides that Executive departments and agencies shall participate in a government-wide system for suspension and debarment. These departments and agencies have further passed this requirement onto their recipients and have provided pertinent regulations in the Codes of Federal Regulations. You must certify that your organization and any subrecipients/contracts you may fund through a EPA grant are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in any Federal programs. The federal Excluded Parties list can be accessed at <https://www.epls.gov>.

**CREDIT AND ACKNOWLEDGEMENT** Materials produced under PSP grant agreements using Federal EPA dollars must display the Partnership logo and the following credit line: "This project has been funded wholly or in part by the United States Environmental Protection Agency. The contents of this document do not necessarily reflect the views and policies of the Environmental Protection Agency, nor does mention of trade names or commercial products constitute endorsement or recommendation for use." This requirement is for the life of the product, whether during or after the agreement period.

**NOTE:** Small items do not need to include the credit and acknowledgement language. For specific questions on this language and using this on small work products, please task to your PSP grant manager.

**DRUG FREE WORKPLACE** For the duration of an agreement, the recipients must comply with the drug free provisions set forth in [Title 40 CFR 36.200](#).

**HOTEL AND MOTEL FIRE SAFETY ACT:** Recipients must agree to ensure that all conference, meeting, convention, or training space funded in whole or part with federal funds, complies with the federal Hotel and Motel Fire Safety Act of 1990. To search for facilities that comply with the Hotel and Motel Fire Safety Act, please use the following link: <http://www.usfa.dhs.gov/applications/hotel/-searchlist>

**LOBBYING AND LITIGATION CERTIFICATION:** Recipients are required to certify that none of the funds received from this agreement shall be used to engage in the lobbying of the Federal Government or in litigation against the United States unless authorized under existing law. This certification must be provided to PSP. Lobbying and Litigation Certification forms can be found at: [http://www.epa.gov/ogd/AppKit/form/Lobbying\\_sec.pdf](http://www.epa.gov/ogd/AppKit/form/Lobbying_sec.pdf)

Disclosure of lobbying activities:

<http://www.whitehouse.gov/sites/default/files/omb/grants/sfillin.pdf>

### **RECYCLED PAPER**

In accordance with 40 CFR 30.16, you will need to use recycled paper and double sided printing for all reports with are prepared as a part of the agreement and delivered to PSP. This requirement does not apply to reports prepared on forms supplied by the EPA or standard forms, which are printed on recycled paper and are available through the General Services Administration.

### **SIX GOOD FAITH EFFORTS, 40 CFR, Part 33, Subpart C**

- a. Pursuant to 40 CFR, Section 33.301, recipients will need to agree to make the following good faith efforts whenever procuring construction, equipment, services and supplies under an

- EPA financial assistance agreement, and to ensure that sub-recipients, loan recipients, and prime recipients also comply.
- b. Records documenting compliance with the six good faith efforts shall be retained:
  - c. Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
  - d. Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
  - e. Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
  - f. Encourage contracting with a consortium of DBEs when an Agreement is too large for one of these firms to handle individually.
  - g. Use the services and assistance of the SBA and the Minority Business Development section of the Department of Commerce.
  - h. If the prime recipient awards subcontracts, require the prime recipient to take the steps in paragraphs (a) through (e) of this section.

#### **SMALL BUSINESS IN RURAL AREAS (SBRAS)**

If a recipient awards a subcontract under a PSP agreement, the recipient is also required to utilize the following affirmative steps:

1. PLACE SBRAs on solicitation lists.
2. Make sure the SBRAs are solicited whenever there are potential sources.
3. Divide total requirements, when economically feasible, into small tasks or quantities to permit maximum participation by SBRAs.
4. Establish delivery schedules, where requirements of work will permit, which could encourage participation by SBRAs.
5. Use the services of the Small Business Administration and the Minority Business Development PSP of the U.S. Department of commerce, as appropriate.
6. Require the recipient to comply with the affirmative steps outlined above.
7. The negotiated "Fair Share Percentage" for SBRAs is 0.5 percent. There is not formal reporting requirement for SBRAs at this time; it is recommended that recipient keep records of SBRA's participation.

For guidance on Fair Share Objectives, the Six Good Faith Efforts, MBE/WBE Reporting, and MBE/WBE Certification, please visit [http://www.epa.gov/osbp/dbe\\_overview.htm](http://www.epa.gov/osbp/dbe_overview.htm)

#### **TRAFFICKING VICTIM PROTECTION ACT OF 2000 (TVPA) AS AMENDED**

As the recipient of a PSP grant, your employees, subcontractors under this award, and subcontractor's employees may not engage in severe forms of trafficking in persons during the period of time that this award is in effect; procure a commercial sex act during the time that the award is in effect; or use forced labor in the performance of the award of subawards under the award.

#### **U.S. DEPARTMENT OF TREASURY, OFFICE OF FOREIGN ASSETS CONTROL**

PSP complies with U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC) payment rules. OFAC prohibits financial transactions with individuals or organizations, which have been placed on the OFAC Specially Designated Nationals (SDN) and Blocked Persons sanctions list located at <http://www.treas.gov/offices/enforcement/ofac/index.html>. Compliance with OFAC payment rules ensures that PSP does not conduct business with individuals or organizations that have been determined to be supporters of terrorism and international drug dealing or that pose other dangers to the United States.

### **Record Retention**

You must keep the following documents on file for at least six years after PSP closes the project. Please do not submit to PSP unless requested:

- A. Invoices
- B. Timesheets
- C. Copies of payments (checks, warrants, bank statements, etc.)
- D. Copies of force account transactions
- E. Mileage log
- F. All books, records, documents, data, and other materials relevant to the grant agreement. These records may be inspected, reviewed, copied, or audited by authorized federal or state officials. If any litigation, claim, or audit is started before the end of the six years, you must keep the records until all litigation, claims, or audit findings involving the records have been resolved. The records must support all project related costs and billings provided to the PSP. If an auditor's inspection of records discloses any improper or incorrectly claimed reimbursements, PSP will notify you in writing about its decision on a proposed corrective action plan within six months after receiving the auditor's report.

**Audits:** If you receive a grant funded with Federal dollars, you will need to maintain records that identify all Federal funds received and expended. Such funds shall be identified by the appropriate OMB Catalog of Federal Domestic Assistance Numbers. You will need to shall make your records available for review or audit by officials of the General Accounting Office, PSP, and the Washington State Auditor's Office. Your organization will need to comply with all OMB Circular A-133 audit requirements, as well as comply with future amendments to OMB Circular A-133 and any successor or replacement Circular or regulation.

Each year, PSP will send a letter to recipients who receive federal funds describing audit requirements and asking certain questions about your operation. The letter will require recipients who spent more than \$500,000 in federal funds within the recipient's fiscal year to complete an Office of Management and Budget Circular A-133 audit and submit a copy of the audit report to PSP. If the recipient spent less than \$500,000, the letter will ask the recipient to describe certain financial operations.

The Office of the Washington State Auditor generally will perform the A-133 audit for state and local governments. Other kinds of recipients must hire a certified public accounting firm to conduct the A-133 audit if they spend more than \$500,000 in Federal funding during their fiscal year. Recipients must send PSP a copy of the audit report. Failure to complete the audit (or receive an extension from the federal cognizant agency) by the due date will result in suspension of all agreements and reimbursements. PSP will conduct additional recipient reviews. This monitoring is a more detailed review of selected reimbursement requests, such as actual invoices paid, timesheets and cost allocations, proof of payment (copies of checks that were issued and bank statements that show when payments have cleared), salary and benefit rates for employees, documentation of volunteer hours or other donations, and any other items the organization deems necessary to support the invoices amounts.

**Billing Deadlines and Limits:** You must bill PSP at least once during the state's fiscal year (July 1 – June 30) and not more frequently than once a month. Even if you haven't spent any money in a year, you must fill out and sign an A-19 invoice voucher (See Appendix A) showing no expenditures or match, and send it to PSP along with a progress report. Progress reports must detail progress made to date or describe the circumstances delaying implementation. If you are unable to spend your grant in a timely manner, you could lose the funding.

If you anticipate not spending as much as your grant allows, please let your grant manager know. Leftover money may be moved to another project that only received partial funding. PSP reserves the right to delay processing reimbursement requests under \$500. When you finish a project, send a final reimbursement request with all required documentation to PSP by the date identified in your project agreement milestones. You will not be paid until all documentation has been received.

**Ineligible Costs:** Per state statute or OMB cost principles the following costs are not eligible; this list is not all inclusive.

- Indirect and organizational costs not directly associated with the project
- Bad debts, including any losses arising from uncollectible accounts or claims
- Ceremonial expenses
- Fines and penalties
- Lobbying
- Interest and other financial costs
- Costs associated with preparing and presenting a grant application
- Attorney fees (may be eligible when associated with the project, if specified in the scope of work)
- Alcoholic Beverages
- Entertainment Costs
- Donations and Contributions

**SUBMITTING AN INVOICE**

To submit a reimbursement request, send PSP the materials described below. PSP will pay the recipient upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to PSP, not more often than monthly, to:

Puget Sound Partnership  
Fiscal Unit  
326 East D Street  
Tacoma, WA 98421-1801

Puget Sound Partnership Grants are Performance Based Grants. Payment shall be based upon satisfactory acceptance of each deliverable or progress report submitted by the recipient. PSP reserves the right to withhold 10% of the payment under each invoice until satisfactory completion of the project.

The reimbursement requests must describe and document, to the PSP's satisfaction, the following:

1. a description of the work performed, and
2. the progress of the project and milestones met.

Each reimbursement request will need to be submitted using an A-19 Invoice Voucher with an original signature. This A-19 is on page 1 of the Grant PayPack, which can be found at <http://www.psp.wa.gov/funding.php>. The A-19 will include:

1. the amount being billed, including hourly rates;
2. the cumulative amount spent, along with a remaining balance on the grant;
3. if match is required:
  - a. match requirement met during the billing period, and
  - b. cumulative match requirement met; and
4. the time period during which the services were performed.

Your reimbursement requests need to include a progress report or description of deliverables rendered during the period.

The invoice needs to include the Agreement reference number. If expenses are invoiced, you should provide a detailed breakdown of each type. A receipt must accompany any single expense in the amount of \$50.00 or more in order to receive reimbursement. If these documents are not submitted, PSP will return the request for corrections or deduct specific costs.

**Backup information necessary to reimburse for expenditures:**

For reimbursement of direct costs, backup information should include the following information:

1. The date the payment was made.

2. The name of the vendor or employee to whom the payment was made.
3. A description of what was purchased or what work or services were performed.
  - a. Do not simply list subcontractor, job title, per diem, or payroll as a description of what was purchased. Instead, write a brief description of what the contractor or employee did to be paid. For example, write things like site grading, bridge placement, trail maintenance, bookkeeping, or restroom construction.
4. The amount of the payment.
5. The payment number, which can be a check number – a check number creates a verifiable audit trail. Please use check numbers only after the vendor or employee has been sent the check. The intent is to make sure that checks are not being held by the recipient pending receipt from PSP's reimbursement.

### **Progress reporting**

All reimbursement requests require the recipient to submit a progress report. The progress reporting format is on page 2 of the Grant PayPack, which can be found at <http://www.psp.wa.gov/funding.php>. The progress report requires that you report progress by grant activity, which corresponds with the activities budgeted in the grant.

### **Meeting Match Requirements**

All contributions, including cash and third party in-kind, can be accepted as part of the subrecipient's match requirement when such contributions meet all of the following criteria:

- (1) Are provided for in the approved grant budget.
- (2) Are verifiable from the recipient's records.
- (3) Are **not** included as contributions for any other federally-assisted project or program.
- (4) Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
- (5) Are allowable under the grant and applicable Federal cost principles.
- (6) Are **not** paid with funds obtained through any other Federal award, except where authorized by Federal statute to be used for cost sharing or matching.

### **Match Definitions**

- **Cash Match**: The financial outlays (including items or services) that are provided by the subrecipient.
- **In-Kind Match**: These are goods and services (not cash) that are donated by individuals or organizations other than the applicant. The dollar amount should be calculated at their verifiable fair-market value.
- **Total Match**: The total value of the Cash Match and In-kind Match.

### **Elements of In-Kind Match**

**Donations**: Donations may be used to match PSP grants provided they are an eligible, integral, and a necessary part of the project.

Donations may be third party contributions; donations may include land, labor, equipment, and materials. Donations may not be counted toward more than one project administered by PSP. Donations must be made during the project timeline and cannot be reimbursed. Also, generally, the subrecipient cannot make a donation to the project. Subrecipient contributions, including labor and financial outlays should be counted as cash match.

**Donated Real Property**: Donated real property is the transfer of privately owned land to you without compensation. A statement of donation must be submitted for each property acquired below appraised or reviewed value when using the difference between appraised value and paid value as part of the donation.

**Donated Labor/volunteer services:** Donated labor is a service provided by a person without compensation. Donated labor may be furnished by professional, technical, skilled, or unskilled labor, or consultants.

When donated labor is involved, the following rules apply.

- Volunteer donation time starts once the volunteer has arrived at the project site and begins work.
- For travel to and from the worksite, you can claim either the hourly labor donation rate or the mileage, not both. If you choose to claim mileage, then donation time starts once the volunteer has arrived at the project site and begins work.
- Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for volunteer services shall be consistent with those paid for similar work in the recipient's organization. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market in which the recipient competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.
- When an employer other than the recipient furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services are in the same skill for which the employee is normally paid.
- Labor donations are valued at an hourly rate of pay only and do not include benefits.

**Professional and Skilled Labor:** A professionally skilled individual is a person who has obtained a professional or technical certification, completed advanced training, has made a living performing those activities, or has such extensive experience in the activity that you can reasonably justify and document valuing the individual's time at a higher rate. Skilled laborers must perform their "skilled" service to be eligible for the skilled labor rate. The following information will help value skilled labor costs:

- Use the hourly rate (total mean wage) as determined by the Department of Employment Security's Workforce Explorer Washington Web site for the region where the work is performed: [www.rco.wa.gov/doc\\_pages/reimbursement.shtml](http://www.rco.wa.gov/doc_pages/reimbursement.shtml) or contact the department's Workforce Explorer Washington, 1-800-215-1617, [www.workforceexplorer.com](http://www.workforceexplorer.com)

Or

- Document the use of an hourly wage as part of the volunteer's current profession. When there is no Department of Employment Security job classification similar to the work being done, send PSP a request for an additional job classification that includes the job description, recommended volunteer wage, and documentation that supports the recommended wage.

**Unskilled Labor:** This is work performed that generally does not require any experience or technical or special training. To determine the value of donated unskilled labor costs, visit the Resource and Conservation (RCO) Web site at [www.rco.wa.gov/doc\\_pages/reimbursement.shtml](http://www.rco.wa.gov/doc_pages/reimbursement.shtml)

**Donated Equipment:** Equipment is considered donated when it is used for a project with no financial reimbursement.

When donated equipment is involved, the following rules apply:

- Equipment valuation must be determined by the actual cost of operating the equipment within the project area, but may not exceed the hourly rental value. Equipment shall always be valued at the most economical rate – hourly, daily, weekly, etc. Valuation rates may be established in two ways:
  - A. Through publications that provide the national or regional average rates for construction equipment including local rental companies.
  - B. Through the rates set by nearby federal, state, or local agencies that own the same equipment.

- When you cannot value the specific equipment, contact your PSP grant manager.
- PSP will not allow equipment donations to exceed the replacement value of the equipment.
- Equipment with a replacement value of less than \$200 cannot be considered a donation.

**Donated Supplies:** Donated supplies may include such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to donated supplies included in the cost sharing or matching share shall be reasonable and shall not exceed the fair market value of the property at the time of the donation.

**Donated Services:** These are services provided to you for free. The value of the donation is the donor's actual cost for performing the service.

**Timesheets:** All payroll related costs charged to PSP grants need to be documented on a timesheet. Do not submit copies of the timesheet with your reimbursement request unless directed to do so. The timesheet must meet the following standards:

- A. Must reflect an after-the-fact determination of the actual activity of each employee.
- B. Must account for the total activity for which employees are compensated.
- C. Must be signed by the individual employee or by a responsible supervisor having firsthand knowledge of the activities performed by the employee.
- D. Must be prepared at least monthly and must coincide with one or more pay periods.
- E. Budget estimates or other distributions based on a percentage before the work was performed do not qualify.

**Travel:** PSP allows travel costs to be part of a grant agreement. Mileage will be reimbursed at the state rate, which can be found by following this link:  
[www.rco.wa.gov/doc\\_pages/reimbursement.shtml](http://www.rco.wa.gov/doc_pages/reimbursement.shtml)

Mileage should be identified as an eligible cost in the grant agreement on the Eligible Reimbursement Activities sheet, and included as a line item in the budget if the recipient intends to claim travel costs.

#### **Need Help?**

Contact PSP staff (including your Project Manager and PSP fiscal staff by going to:  
<http://www.psp.wa.gov/staff.php>

Address:  
Puget Sound Partnership  
326 East D Street, Tacoma, WA 98421-2012

Phone: 360.464.1232 | Email: [fiscal@psp.wa.gov](mailto:fiscal@psp.wa.gov)

## **Definition of Terms**

**Acquisition:** Projects that may acquire both fee and less than fee interest in real property.

**Administrative costs:** Those costs in an acquisition project that do not include the direct land purchase or related incidental costs, limited to no more than 5 percent of the total acquisition.

**Billing period:** The specific period of time in which costs were incurred for the project.

**CFDA Number:** The five-digit number assigned to a federal assistance program in the federal Catalog of Federal Domestic Assistance or, in the absence of a catalog defined number, the number defined by instructions from the federal audit clearinghouse.

**Corrective action plan:** A plan provided by a sponsor detailing how he or she will correct a non-compliance item.

**Development projects:** Involve the construction of new structures and the improvement, renovation, or rehabilitation of an existing facility or site.

**Donated equipment:** Equipment used for a project with no financial reimbursement paid to owner of the equipment.

**Donations:** Contributions to the project from third parties who are not reimbursed by the sponsor.

**Donation forms:** Miscellaneous forms used by the sponsor to report donations from third parties who receive no financial compensation from the sponsor.

**Donated labor:** Labor provided by a person who receives no financial reimbursement for his or her time from the sponsor.

**Donated materials:** Materials provided to the project at no financial cost to the sponsor.

**Donated real property:** The transfer of privately owned real property to the sponsor at no financial cost.

**DUNS Number:** Number used by the Federal Government to better identify related organizations that are receiving funding under grants and cooperative agreements, and to provide consistent name and address data for electronic grant application systems.

**Education:** Projects that support or involve educational programs or activities.

**Eligible costs:** Specific costs as identified in the project agreement's eligible reimbursement activities report.

**Expenditure summary:** A form that provides required, summarized information about eligible costs for which the sponsor wants to be reimbursed.

**Federal cognizant agency:** The federal agency that, on behalf of all federal agencies, is responsible for implementing the requirements of the Single Audit Act.

**Final billing:** The last request for reimbursement, required within 90 days of the end of a project.

**Grant:** An agreement with a nonprofit organization, local government or tribe to accomplish a specific purpose. A grant is distinct from a personal service contract in that the grant cannot be made to a private for profit business for personal or purchase services.

**Incidental costs:** Costs incurred in purchasing land but do not include the land or administrative costs. Indirect Costs are costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.

**Land costs:** The direct cost of purchasing land, leases, improvements, rights, or easements.

**Maintenance:** Projects that involve activities that maintain existing facilities and areas.

**Mileage rate:** The current state per mile rate used for reimbursing vehicle costs.

**Non-reimbursable expenditure summary:** A form that provides required, summarized information about eligible costs for which the sponsor does not want to be reimbursed and which are used for sponsor "match" share only.

**Non-reimbursable match:** Eligible expenditures, force account expenditures, other grants, and donations that are not reimbursed and will be used for sponsor "match" share only.

**(OMB) Office of Management and Budget Circular A-133 audit:** An audit that is required for federally funded projects where the sponsor has spent \$500,000 or more from all federal funding sources during the sponsor's fiscal year.

**Performance-based Grant:** A grant agreement that identifies expected deliverables, performance measures or outcomes; and payment is contingent on their successful delivery. Performance-based grants also use appropriate techniques, which may include but are not limited to, consequences and/or incentives to ensure that agreed upon value to the state is received. All grant agreements are required to incorporate the components of performance based contracting unless otherwise restricted or prohibited by federal law or regulation.

**Pier Diem:** The current state rate used to reimburse for lodging, meals, and mileage.

**Progress report:** A report that details the costs and progress of the project for a specific period of time.

**Project Manager:** The staff member in a Puget Sound Partnership Program who is responsible for the award and oversight of a personal service contract. This is typically not the Contracts Coordinator or Fiscal and Contracts Manager.

**Reimbursement:** Payment of costs deemed eligible and allowable in the project agreement that the sponsor already has paid.

**Subaward:** an award of financial assistance (money or property) made under a Federal grant or cooperative agreement by a recipient to an eligible subrecipient or by a subrecipient to a lower tier subrecipient. When the Puget Sound Partnership awards Federal funding to another government, non-profit, or educational institution to do work, the entity receiving the award is termed a subrecipient.

**Subrecipient:** a non-federal entity that spends federal awards received from the Puget Sound Partnership to carry out a federal program. This excludes vendors that receive federal funds from the state in exchange for goods and services in the course of normal trade or commerce and individuals who are program beneficiaries.

**Third party in-kind contributions:** the value of non-cash contributions provided by non-Federal third parties. Third party in-kind contributions may be in the form of real property, equipment, supplies and other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the project or program.