

Manual 8

Reimbursements

May 2016

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Section 1: General Information

In this section, you'll learn about:

- ✓ The Recreation and Conservation Office
- ✓ The purpose of this manual
- ✓ Important things to know

About the Recreation and Conservation Office

Congratulations! If you are reading this manual, you most likely have been awarded a grant or contract administered by the Recreation and Conservation Office (RCO).

RCO is a state agency that manages multiple grant programs to create outdoor recreation opportunities, protect the best of the state's wildlife habitat and farmland, and help return salmon from near extinction.

RCO handles your grant or contract and supports the organizations listed below:

- Recreation and Conservation Funding Board
- Salmon Recovery Funding Board
- Governor's Salmon Recovery Office
- Washington Invasive Species Council

Grants administered by RCO come from both state and federal sources. As such, both state and federal requirements may apply to grant awards.

RCO's activities are intended to follow state and federal guidelines for nondiscrimination based on race, creed, color, national origin, age, marital status, sex, sexual orientation, residence, veteran status, and disability. If you believe the office or its programs discriminate, please inform RCO's director.

If you need this manual in an alternative format, contact RCO.

How to Contact RCO

Natural Resources Building
1111 Washington Street
Olympia, WA 98501

Mailing Address

PO Box 40917
Olympia, WA 98504-0917

Telephone: (360) 902-3000
FAX: (360) 902-3026
TTY: (360) 902-1996

E-mail: info@rco.wa.gov
Web site: www.rco.wa.gov

Purpose of this Manual

This manual provides general guidance for requesting reimbursements. It is important to note that the rules may vary depending on project types, programs, and any board or director approved changes. To determine what project costs you can request reimbursement for, refer to your project agreement, project type manuals, and program manuals applicable to your project.

If you have questions about the program, project type, or your agreement, please contact your outdoor grants manager.

Important Things to Know

Reimbursement Help

Billing rates, examples, links, omni-circular information, and training videos are available on the RCO Web site at www.rco.wa.gov/doc_pages/reimbursement.shtml.

You Have to Pay First

RCO pays grant recipients through a reimbursement process. You may request reimbursement only after you have paid your employees and vendors. RCO does not provide money before vendors are paid, except as outlined in the Salmon Recovery Funding Board's cash advance policy (See Section 6: Salmon Recovery Funding Board Cash Advances).

RCO Will Pay Only for Allowable Costs

RCO will pay only for allowable costs. A cost is allowable if it is reasonable, necessary to complete the approved scope of work, eligible in the grant program, documented adequately, and incurred during the period of performance set forth in the project agreement. Costs outside the period of performance are allowable only if pre-approved and defined by the board (for more details, see RCO manuals 3, 4, or 5, available on RCO's Web site at www.rco.wa.gov/doc_pages/manuals_by_number.shtml). A cost is

considered reasonable if the work or materials and the cost reflect what a prudent person would have spent under the circumstances.

You Have a Contribution Too

In most instances you are required to contribute to the project. This is referred to as match or sponsor share. When submitting your bill, report 100 percent of the costs (your match and RCO's share). The amount RCO will pay is based on the combined total. Eligibility, accounting rules and procedures, and all other terms of the agreement also apply to costs and services reported as match on any grant.

Reimbursement is Limited to Out-of-Pocket Costs

You will be reimbursed RCO's percentage of total allowable costs. However, if this calculation exceeds your out-of-pocket costs, the payment will be limited to those costs. Out-of-pocket costs are costs you paid that were not reimbursed by another funding source. The effect of this limit is that you are not reimbursed for donations or other non-reimbursable amounts.

Use a Verifiable Payment Method

RCO will not reimburse for payments made in cash. Paying in cash does not provide a verifiable audit trail.

RCO Holds Retainage

RCO generally holds a portion of the grant funds, usually 10 percent, until the project has been completed and all required documentation is approved.

RCO Pays within 30 Days

RCO generally pays reimbursement requests within 30 days of receiving a properly completed bill. Properly completed bills include all necessary documentation.

Your Information is Public

All information and documentation submitted to RCO is open to public review.¹ RCO recommends confidential or sensitive information, including home addresses and social security numbers, be removed from documents submitted to RCO.

¹Revised Code of Washington 42.56 and 77.85.130(8)

Project Number and Type

Your project is assigned a unique six-digit number followed by a letter that designates the type of project. It will look something like this: 16-3456A. Different programs and project types allow different costs. Policy manuals, which describe eligible costs, can be found at www.rco.wa.gov/doc_pages/manuals_by_number.shtml. The following is a list of possible suffixes and their definitions:

- A Acquisition
- C Combination
- D Development
- E Education, enforcement, or enhancement
- M Maintenance or monitoring
- O Operations or outreach
- P Planning
- R Restoration or research

If your project includes more than one project type, all types will be indicated in PRISM Online but other documents may show only "C" for the suffix, standing for a combination or project types.

Statewide Vendor Number

You are required to have a statewide vendor number to receive payments. Reimbursement payments may be paid by check or electronic fund transfer (EFT). To register or update your information, visit the Department of Enterprise Services Web site at www.des.wa.gov/services/ContractingPurchasing/Business/VendorPay/Pages/default.aspx.

Tax Related Information (1099-MISC)

Federal tax regulations require RCO to issue an annual 1099-misc tax form to all individuals, partnerships, sole proprietors, and attorneys who receive more than \$600 a calendar year in RCO funding.

Special Rules for Federally-Funded Projects

For all RCO projects funded with federal funds or with a federal element, the federal omni-circular defines the federal rules for managing these funds. The formal title of this is Part 200-Uniform Administrative Requirements, Cost Principles, and Audit

Requirements for Federal Awards. Throughout this manual, we will refer to specific sections of the omni-circular but more sections may apply. Manual 8 is not intended to provide all applicable omni-circular information and requirements.

This is effective for all federal awards received and implemented after December 26, 2014. If your RCO agreement includes federal funds it will be noted in Section G and will be subject to omni-circular rules.

The Web address for the omni-circular code of federal regulations is: www.ecfr.gov/cgi-bin/text-idx?SID=6fe24c76004f565cdfd8cef80053ab59&node=pt2.1.200&rgn=div5.

Section 2: Project Costs

In this section, you'll learn about:

- ✓ Goods and services
- ✓ Payroll
- ✓ Travel and transportation
- ✓ Equipment or tool use allowance
- ✓ Donations
- ✓ Ineligible costs

Goods and Services

For all goods and services purchased for the project, you must retain the original invoice or receipt.

Payroll

Employee time directly related to the approved scope of work may be reported as a project cost. The reportable amount is the employee's regular rate of pay, including taxes and benefits. Taxes and benefits are eligible only if you pay them when they are due.

Timesheets

All payroll related costs must be based on records that accurately reflect the work performed and must be documented on a timesheet. Do not submit copies of the timesheet with your bill unless requested to do so. The timesheet must meet the following standards:

- Reflect an after-the-fact determination of the actual activity of each employee.
- Account for the total activity for which employees are compensated.

- Be signed or authorized electronically by the individual employee or by a responsible supervisor having firsthand knowledge of the activities performed by the employee.
- Be prepared at least monthly and coincide with one or more pay periods.
- Not be budget estimates or other distributions based on a percentage before the work was performed. For RCO projects funded with a federal element read and understand omni-circular §200.430 Compensation-Personal Services at www.ecfr.gov/cgi-bin/text-idx?SID=6fe24c76004f565cdfd8cef80053ab59&node=pt2.1.200&rgn=div5#se2.1.200_1430.

Travel and Transportation

If travel costs are allowable for your project, they are limited to the state per diem rates, which can be found online at www.ofm.wa.gov/resources/travel.asp. You must maintain a detailed travel log, which includes a name with dates, times, locations, business purpose, and itemized travel costs.

Reimbursements for meals are limited to the state per diem meal rate in effect for the area of travel. Meals provided by the sponsor are limited to the lower of the actual cost or the state per diem meal rate. Reimbursements for lodging are limited to the lower of the actual cost or the state per diem lodging rate.

The portion of allowable transportation costs that are directly attributed to the project can be reimbursed using one of the following methods:

- Mileage: Allowable costs are limited to a maximum of the current state mileage rate. No other vehicle costs including insurance, fuel, oil changes, repairs, maintenance, or lease payments will be allowed.
- Short-term Vehicle Rental: Allowable costs are limited to actual rental and fuel costs. This generally applies to rentals lasting less than 1 month.
- Long-term Vehicle Lease: Allowable costs are limited to the long-term lease rates and mileage listed on the RCO Web site at www.rco.wa.gov/doc_pages/reimbursement.shtml.

For RCO projects funded with a federal element read and understand omni-circular §200.474 Travel Costs at www.ecfr.gov/cgi-bin/text-idx?SID=6fe24c76004f565cdfd8cef80053ab59&node=pt2.1.200&rgn=div5#se2.1.200_1474.

Equipment or Tool Use Allowance

If you use your organization's equipment or tools, you may be allowed to claim some of the costs as a non-reimbursable amount. If the lower of the purchase price or fair market value of the equipment or tool is equal to at least \$1,000, you may claim a use allowance. The use allowance is either an established rental rate or your own calculation, but that may not exceed the current rental rate for equivalent equipment or tools in the project area.

Equipment purchased with RCO assistance is not allowed to be claimed as equipment use allowance.

When reporting use allowance, you must consider all past RCO projects where the equipment was used. The total use allowance reported on all RCO projects combined cannot exceed the lower of the purchase price or the fair market value of the equipment or tools. You must track the time and date of use, location of use, and identification information (make, model, serial number, description, etc.) to be provided upon request. For donated equipment or tool use information see below.

Donations

Donations:

- Are third-party contributions.
- Are provided at no cost.
- Must be allowable within the project.
- Cannot be reimbursed.
- Cannot include items previously purchased with RCO grants.
- Cannot be reported on more than one grant.
- Must be backed up with a detailed log or third party donation statement.

Donated Real Property

Real property acquired at less than its appraised market value may be considered donated real property. To be considered donated real property, a statement of donation from the donor must be submitted for each property acquired. An example landowner statement of donation can be found on the RCO Web site at www.rco.wa.gov/doc_pages/AP_Toolkit.shtml.

Donated Labor

Donated labor is time provided by a person without compensation. Labor donations are valued at an hourly rate of pay, excluding taxes, benefits, and overtime.

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.

Donated Labor Documentation

Records must be maintained to verify volunteer hours spent on a project. These records must include the following information:

- Individual's name
- Contact information
- Dates of service
- Worksite or location name
- Description of work performed
- Hours worked
- Individual or crew leader signature

If the volunteer's time is coordinated by a third-party organization, you must maintain the same level of information.

Establishing the Rate

Use an hourly rate, not to exceed the standard labor rate set by RCO, unless a higher rate is justified. A higher rate is justified when work for the project requires an advanced skill level that the volunteer is providing and the volunteer has met one of the following conditions:

- Obtained a professional or technical certification in the activity
- Completed advanced training in the activity
- Made a living performing the activity
- Has extensive experience in the activity

You may use the volunteer's current hourly rate, excluding benefits, or use RCO's Reimbursement Web page at www.rco.wa.gov/doc_pages/reimbursement.shtml to help establish your labor rates. This Web page includes a list of standard labor rates and a link to Washington Employment Security Workforce Explorer for a list of professional skilled labor rates.

You must document and retain your labor rate justification. Do not submit to RCO unless requested to do so.

Corrections Labor

Corrections labor is work performed by inmates or people performing community services instead of a fine or jail time. To value the labor, use the standard labor rate guidance above.

You may claim as a labor donation the difference between the standard labor rate and what you paid for the corrections labor.

Donated Equipment or Tool Use

Donated equipment or tool use occurs when a third party donates the use of equipment or tools with a replacement value of at least \$1,000. The maximum rate allowable may not exceed the rental rate for comparable equipment or tools in the project area. The total amount reported to all RCO projects combined cannot exceed the replacement value of the equipment or tools.

Donated equipment or tool use does not include operator services. Operator services are reported separately.

Donated Materials and Supplies

Materials and supplies are considered donated when they are given to the project at no cost. The reported value of donated materials is the market value of the materials or supplies at the time used.

Donated Services

Services are considered donated when they are provided by a third-party organization at a reduced cost or free to you. Some examples include surveys, appraisals, and engineering services. You must retain a copy of the invoice or letter from the organization acknowledging the donation and its value.

Donated Vehicle Mileage and Animal Stock Use

Mileage donated to the project is limited to the current state rate found on RCO's Reimbursement Web page at www.rco.wa.gov/doc_pages/reimbursement.shtml. Stock animals, such as pack animals, are valued at no more than \$45 a day for each animal. Horses are valued at no more than \$100 a day for each animal.

Ineligible Costs

Review policy and program manuals found on RCO's Web site at www.rco.wa.gov/doc_pages/manuals_by_number.shtml for eligible and ineligible costs. Do not include ineligible costs in the bill as either an expenditure or a non-reimbursable amount. Some examples include:

- Bad debts, including any losses arising from uncollectible accounts or claims.
- Ceremonial expenses, such as podiums, tents, and refreshments.
- Costs billed to an external funding source, except when being used as a Non-Reimbursable amount.
- Fines and penalties.
- Costs associated with preparing and presenting a grant application.
- Indirect or overhead costs unless the project has some federal funding element.
- Interest and other financial costs.
- Lobbying.
- Payments to an equipment replacement fund.
- Value of discounts or rebates on personal property.

Section 3:

How to Bill RCO

In this section, you'll learn about:

- ✓ Reimbursement basics
- ✓ E-billing components
- ✓ Billing deadlines and limits

Reimbursement Basics

For each bill, report your allowable project costs but do not calculate your matching share. RCO will make the calculation for you.

All amounts reported to RCO are subject to the rules and limits of your project agreement no matter if they are reported as expenditures or non-reimbursable amounts. Only eligible and allowable project costs should be reported to RCO.

If your project contains multiple worksites, you must enter cost details by worksite.

E-billing Components

A bill is submitted electronically through PRISM Online. This consists of detailed cost information, required attachments, and a completed certification.

To submit a bill, complete the following steps in PRISM Online.

1. **Billing Setup** – The information entered on this page consists of the following:
 - A. Billing Period – Enter the beginning and ending dates during which the costs were incurred.
 - B. Sponsor Invoice Number (optional) – Enter your internal invoice reference number for this billing if applicable.

- C. Statewide Vendor Number – This is the statewide vendor number on file with RCO. This field is pre-populated, but you may change the suffix if needed.
 - D. Billing Scope – Enter a brief description of the work included in this billing.
 - E. Special Billing Scenarios (optional) – Check a scenario if applicable.
 - F. Import (optional) – You may choose to import your cost details here or continue and enter them manually.
 - G. Billing Categories – Select the categories to be included in this billing.
 - H. Worksites Included in this Billing – Select the worksites to be included in this billing.
2. **Cost Pages** – E-billing has cost pages that will look different depending on your project type. Costs entered must include the following information and be entered in the appropriate cost category:
- A. Paid to/Donated by – The name of the vendor or employee to whom the payment was made. For donations, use the donor’s name. If the purchase is made with a credit card, reference the credit card company and where the purchase was made. If the cost is to reimburse an employee for a purchase, reference the employee name and where the purchase was made. If the cost is the use of your organization’s own resources, reference the name of the log or journal.
 - B. Amount – The amount of the payment or transaction, reported as expenditure or non-reimbursable amount.
 - i. Expenditure – Enter the amount of your eligible out-of-pocket costs not paid by another source.
 - ii. Non-Reimbursable Amount – Enter eligible amounts and select the appropriate non-reimbursable type from the drop-down list. Non-reimbursable costs can be applied only toward your match share. Amounts paid for by a third party are considered non-reimbursable. If it is paid for by another grant, use the non-reimbursable type “Other Grant,” otherwise use “Expenditure.”
 - C. Description – A specific description of the items purchased or services performed. General descriptions such as the employee’s job title, “subcontractor,” “per diem,” “payroll,” or “supplies” are not acceptable. RCO encourages you to show the calculation used to determine items such as mileage, per diem, and payroll.

D. Check/Document Number – This can be any of the following:

- i. A Payment Number – This includes check numbers, electronic fund transfer (EFT) numbers, or any other number that creates a verifiable audit trail. If using a credit card, use the actual check number that paid the credit card debt.
- ii. Log or Journal Number – The number of an entry into your records that records the expense. Use an abbreviation of the entry type at the beginning of the number.
- iii. Payroll – It is acceptable to use "Payroll" as the document number.
- iv. Debit card – It is acceptable to use "debit card" as the document number if another number is not available. The bank statement must show the debit transaction and be made available to RCO upon request.

Unacceptable check or document numbers include a field order number, purchase order number, or invoice number. Unacceptable terms are "payment pending," "accrued," "cash," "currency," or anything other than the examples listed above. It is not acceptable to leave the field blank.

E. Transaction Date From – The date the payment was made. If the cost is not a payment, use the date the entry was made to your records. For payroll and donations, a date range may be used. In this instance, complete the "Transaction Date To" field.

F. Sponsor Note (SN) – This field is available for sponsors to add notes on every cost if needed. In certain situations, the note field may be required to address an error that has been identified.

G. Review/RCO Note (RN) – This field is used by RCO staff to communicate comments and questions about a cost when the bill is returned to you.

3. **Equipment Costs** – If the purchase of equipment is eligible in your agreement, all of the elements above are required for each piece of equipment purchased. In addition, the following items are required:

- A. Serial number
- B. Model number
- C. Purchase price
- D. Location where it is housed or stored

- E. Copy of the invoice
- F. Photograph of the equipment

Only report equipment in this section that has a purchase price of \$5,000 or more. Items less than \$5,000 are considered supplies.

4. **Billing Attachments** – This is where you attach documents related to the bill. If there are required attachments based on costs billed, the system will identify the requirements. Examples of these may be expanded backup documentation, appraisals, equipment information and others as required.
5. **Certify and Submit** – Once the bill is complete and error-free, you must certify and submit.
6. **Additional Requirements** –
 - A. For acquisition projects, a “Project Details” page exists for each property where acquisition details must be entered. This information is required when billing for the purchase of property, but may be entered at any time before. Please be sure to associate the item with the appropriate property.
 - B. For personal service contracts, you must include a detailed itemization for everything on your invoice.

Billing Deadlines and Limits

You must bill RCO at least once during the state’s fiscal year (July 1-June 30) if project expenditures have been paid. If there have been no expenditures paid during the year, a bill is not required, but you must fill out a progress report in PRISM. Refer to your milestone worksheet that accompanied your project agreement for important deadlines.

RCO generally does not allow billing more than once a month for each project.

RCO reserves the right to delay processing reimbursement requests under \$500.

When you finish a project, submit a final bill with all required documentation to RCO by the date identified in your project agreement milestones. A final report also is required to be submitted in PRISM. You will not be paid until all documentation has been received.

Section 4: Getting Paid

In this section, you'll learn about:

- ✓ Payment calculation factors
- ✓ Payment example

Payment Calculation Factors

The amount of your payment is calculated by RCO based on many factors and is illustrated in the billing wizard. These factors include:

- RCO and sponsor share.
- Eligible out-of-pocket expenditures.
- Eligible donations.
- Eligible project costs that will be or are funded by another grant.
- Total project costs.
- Project agreement contract limits.
- Architectural and engineering and administrative limits.
- Match bank balance.
- Advance balance.
- Retainage.

Payment Example

Organization XYZ has a development grant issued to them by RCO. The agreement states the funding split is 60 percent RCO and 40 percent project sponsor. In this scenario, the sponsor is preparing the first bill. The sponsor paid a construction invoice

for \$900. Of this invoice, \$200 was reimbursed by another grant source. Architectural and engineering and administrative donations received are valued at \$100.

The costs should be reported as follows:

Category	Expenditure	Non-Reimbursable Amount	Total
Construction	\$700	\$200	\$900
Architectural and Engineering and Administration		\$100	\$100
Total	\$700	\$300	\$1,000

The payment will be calculated as follows:

Total Costs Reported	\$1,000
RCO Share (60%)	\$600
Expenditures Reported	\$700
Payment (lesser of RCO Share or Expenditures)	\$600

This is a simplified example, and could be affected by many factors as listed above.

If you have a question about payments, contact fiscal staff and they will be happy to guide you through the calculation.

Section 5: Other Requirements

In this section, you'll learn about:

- ✓ Compliance with all laws
- ✓ Federal audit requirements
- ✓ RCO sponsor monitoring
- ✓ Record retention
- ✓ Prevailing wage
- ✓ Competitive bidding

Compliance with All Laws

You must comply fully with the project agreement, grant program policies, RCO policies, and all applicable federal, state, and local laws, orders, regulations, and permits. Please contact your outdoor grants manager with any questions.

Requirements for Federally-Funded Projects

Projects funded with RCO awards received after December 26, 2014 are required to follow the Office of Management and Budget's "Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards," which are online at www.ecfr.gov/cgi-bin/text-idx?SID=1cff317c847030e3c4a03178a117ad70&tpl=/ecfrbrowse/Title02/2tab_02.tpl

Federal Audit Requirements

For fiscal years that begin on or after December 26, 2014, sponsors must follow the Office of Management and Budget's Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards, Subpart F, Audit Requirements. This applies only to a sponsor who spends more than \$750,000 in federal funds from any source within its fiscal year.

If you receive any federal funds, RCO will send you a letter each year describing audit requirements. You must respond to the letter with the requested information.

State and local governments will be audited by the Washington State Auditor's Office. Other sponsors must hire a certified public accounting firm to conduct the federal single audit. A copy of the audit report must be provided to RCO.

Failure to complete the audit or receive an extension by the due date will result in your organization being placed in restricted status. This means your organization will not receive any reimbursements or conduct any contract action. Extensions only can be granted by the federal agency responsible for implementing the requirements of the federal single audit for your organization.

If there is an audit finding, you may be asked to submit the corrective action plan to RCO. RCO will review the corrective action plan and notify you in writing within 6 months if it meets our standards to resolve the audit finding.

RCO Sponsor Monitoring

RCO reviews all grant costs in each bill. RCO might ask for additional information, including backup documentation, or visit your office for a more detailed review of your financial documents. Although you are required to maintain copies of all documentation, please do not submit to RCO unless requested to do so.

Record Retention

For all bills submitted to RCO, you must keep the following original documents on file for at least 6 years after RCO closes the project:

- Invoices and receipts
- Timesheets
- Copies of payments (checks, warrants, bank statements, etc.)
- Copies of internal transactions
- Travel and mileage logs
- Records pertaining to a use allowance for sponsor-owned equipment
- Competitive bidding documentation
- Donation logs and statements
- All books, records, documents, data, and other materials relevant to the grant agreement.

The records must support all project-related costs reported to RCO and be made available upon request. If any litigation, claim, or audit is started before the end of the 6 years, you must keep the records until all litigation, claims, or audit findings involving the records have been resolved.

Prevailing Wage Requirements

If you use contractors on your project, specific wage rules may apply. For some federally-funded projects, the Davis Bacon law applies when determining appropriate wages. For all state funded projects, state prevailing wages apply. Please see the links below for more information.

- Davis Bacon information: www.access.gpo.gov/davisbacon/allstates.html.
- State prevailing wages, Department of Labor and Industries Web site: www.lni.wa.gov/TradesLicensing/PrevWage/Basics/default.asp

Competitive Bidding

Sponsors shall establish and follow their organizations' written procurement procedures or follow state or federal procurement procedures. All procurements, to the maximum extent practical, shall be open and competitive. Be aware of organizational conflicts of interest. To avoid conflicts of interest, contractors who develop or draft specifications, requirements, statements of work, invitations for bids, or requests for proposals for RCO sponsors shall be excluded from competition for such procurements.

Procurements using federal funds must follow the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, Section 200.317 to 200.326.

Section 6: Salmon Recovery Cash Advances

In this section, you'll learn about:

- ✓ The cash advance policy

Salmon Recovery Cash Advance Policy²

Salmon Recovery Grant Cash Advance Policy

This section applies to Salmon Recovery Funding Board projects, Estuary and Salmon Restoration Program projects, and Family Forest Fish Passage Program projects.

RCO recognizes that sometimes project sponsors may not have the cash needed to implement parts of approved projects. So short-term cash advances are available.

To comply with federal rules and state law, RCO has established an advance policy for private entities and one for public/quasi-public entities. A public/quasi-public entity is defined as an entity established or authorized by law that would not constitute a private service provider under Revised Code of Washington 43.88.160(5)(e).

For all sponsors – both private and public/quasi-public, the following shall apply:

- Advances may not exceed 90 percent of the balance of the RCO share of the agreement and may be restricted to less than that amount.
- Advances are not automatically granted. RCO may decline any request it deems necessary to ensure the integrity of the program.

²Salmon Recovery Funding Board June 20-21, 2000 meeting
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- RCO reserves the right to inspect your records on any advance.
- Advance agreements shall be signed by the financial authorizing authority within an organization receiving advances and shall be renewed every 2 years.

Public/Quasi-Public Entities

- The sponsor must submit a cash advance request and provide the reason in the "Billing Scope" field.
- Advances shall be approved for periods to cover only expenses anticipated over the immediate 90-day period.
- Advances and required match must be fully and properly expended within 90 calendar days of receipt.
- A complete bill must be submitted within 120 calendar days of the payment date of the advance. The bill must be received at RCO by 5 p.m., Pacific Standard Time, on the due date.
- If RCO staff has follow-up questions or further inquiries about the advances documentation submitted by a sponsor, the sponsor shall have 5 business days from the date of contact by RCO to fully respond to the request for additional or clarifying information. An incomplete response to an RCO request may result in a finding of noncompliance (see below).
- Sponsor may have only one active advance request per project at any one time.

Private Entities

- The sponsor must submit a cash advance request and provide the reason in the "Billing Scope" field. Advances shall be approved for periods to cover only expenses anticipated over the immediate 30-day period.
- Advances and required match must be fully and properly expended within 30 calendar days of receipt.
- A complete bill must be submitted within 60 calendar days of receipt of the advance and proof of expenditures properly and fully made. The bill must be received at RCO by 5 p.m., Pacific Standard Time, on the due date.
- If RCO staff has follow-up questions or further inquiries about the advances documentation submitted by a sponsor, the sponsor shall have 5 business days from the date of RCO contact to fully respond to the request for additional or clarifying information. An incomplete response to an RCO request may result in a finding of noncompliance (see below).

- No more than three advances may be active at any one time. Paperwork for previous advances must be current in order to receive another.

Satisfying the Advance

Advances are satisfied after you have submitted a bill and received approval. The bill must reflect the full amount of expenditures and amount of match required to receive the advance.

Example

Organization XYZ has a grant issued to them by RCO. The agreement states the funding split is 85 percent RCO and 15 percent project sponsor. In this scenario, the sponsor received an advance for \$17,000 and now is submitting a bill to satisfy (reconcile) the advance. To satisfy the advance, the bill must include the advance amount plus required match.

- Advance Amount: \$17,000
Total costs that must be reported ($\$17,000/85\%$): \$20,000

In this example, the total costs reported must be at least \$20,000. This must include at least \$17,000 in expenditures and the additional \$3,000 can be either expenditure or match.

Noncompliance with Advance Policy

Any noncompliance shall be applicable to the sponsor and not by project. Any offenses will be cumulative and will not reset.

Failure to comply with the RCO cash advance policy and requirements shall result in the following:

- A first noncompliance offense shall result in suspension of all advances for 3 months for the sponsor.
- A second noncompliance offense shall result in suspension of all advances for 6 months for the sponsor.
- A third noncompliance offense shall result in suspension of all advances for 1 year or more for the sponsor.
- For any offense, repayment of the advance balance plus a 1 percent per month fine on any unaccounted for advance balance will be charged. This shall begin to be assessed 30 days from the end of the advance closing date.

Any suspension of advances will begin the day after the due date of the advance.

Additionally, RCO may:

- Make a referral to the Attorney General or State Auditor if expenditures cannot be properly accounted for.

The RCO director or designee may authorize changes to this policy for individual projects.

Section 7:

Glossary

In this section, you'll learn about:

- ✓ Definitions

Definitions

Acquisition Project: A project that purchases or receives a donation of fee or less than fee interests in real property. These interests include, but are not limited to, conservation easements, access/trail easements, covenants, water rights, leases, and mineral rights. This is also a project type.

Acquisition Administration Costs: Those costs in an acquisition project that do not include the direct land purchase or related incidental costs. The maximum administrative cost that may be requested is 5 percent of the total acquisition. Examples of administrative costs are project management, landowner negotiations, and grant reporting. Subject to agreement limitations defining the maximum amount allowed.

Administration or Architectural and Engineering (AA&E) : Costs that support construction of the project; typically design, consultant, and directly related office functions. These costs are limited to the percentages identified in your agreement. Subject to agreement limitations defining the maximum amount allowed.

Allowable Costs: Costs that are reasonable, necessary to complete the approved scope of work, eligible in the grant program, documented adequately, and incurred during the period of performance set forth in the project agreement.

Approved Scope of Work: The description of the project in a fully executed agreement that may include worksites and work types.

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

Composite Rate: Hourly rate calculated based on actual employee's salary and employer's portion of taxes and benefits averaged over a time period. May be used to charge the grant.

Construction Costs: Costs directly related to the development or restoration of a project, including the cost of permits and boundary line surveys. This excludes architectural and engineering and administration costs.

Corrections Labor: Work performed by inmates or people performing community service instead of a fine or jail time.

Corrective Action Plan: A plan provided by a sponsor detailing how he or she will correct a non-compliance item related to a financial audit finding.

Cost Basis: The lower of the purchase price or the fair market value for equipment or tools, established on the initial use in a RCO project.

Cost Category: The class of costs associated with specific project types: For development and restoration projects, the cost categories are construction, architectural and engineering, and administration. For acquisition projects, the cost categories are property, incidentals, and administration. For non-capital projects, the cost categories are non-capital and equipment.

Cost Type: Expenditure or non-reimbursable amount.

Development Project: A project that results in the construction of or work resulting in new elements, including but not limited to structures, facilities, and/or materials to enhance outdoor recreation resources.

Direct Costs: Costs that can be related directly to the project. This does not include overhead or indirect costs except as allowed by federal funding rules for projects with a federal element.

Donated Equipment Use: A third-party donation of the use of equipment with no financial reimbursement.

Donations: Contributions to the project from third parties.

Donated Labor: Labor provided to the project by a volunteer without compensation.

Donated Materials or Supplies: A third-party donation of materials or supplies provided free to the project.

Donated Real Property: A third-party donation or transfer of privately-owned real property at a reduced cost or free to the sponsor.

Donation Statement: A statement from the donor acknowledging his or her contribution to the project. This statement could be a letter, signature, invoice, or other documentation.

Education Project: A project that provides information, education, and outreach programs for the benefit of outdoor recreationists.

Education and Enforcement Project: A project that provides information, education, and outreach programs; encourages responsible recreational behavior, and may provide law enforcement for the benefit of outdoor recreationists.

Eligible Costs: Specific costs as identified in the agreement, program manuals, and project type manuals.

Equipment: Tangible property (other than land, buildings, and related improvements) with a useful life of more than 1 year and with a cost basis of \$5,000 or more. Certain programs may have different limitations, please check your programmatic limits for equipment.

Equipment or Tool Use Allowance: A non-reimbursable amount that may be reported if you use your own equipment or tools with a cost basis of \$1,000 or more.

Expenditures: The amount of your allowable, out-of-pocket costs not paid by another funding source and reported on the cost report.

Federal Element: Any project funded completely or partially with federal funds or funds are matched with a federal grant.

Final Report: Submitted in PRISM for each project upon completion. Required before final payment can be released.

Force Account: Grant services provided by employees of the project sponsor, equipment owned by the sponsor, and consumed materials from the sponsor's inventory.

Incidental Costs: Costs incurred in acquisition projects. For example, appraisals and closing costs. It does not include the property or administrative costs.

Indirect Costs: Any cost not directly allocable to the project. Indirect costs may be eligible for reimbursement when a project has a federal element.

Maintenance: A project that maintains existing areas and facilities through repairs and upkeep for the benefit of outdoor recreationists.

Maintenance and Operation: A project that maintains existing areas and facilities through repairs, upkeep, and routine servicing for the benefit of outdoor recreationists.

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

Milestones: Dates established in the project agreement that identify deadlines for key tasks.

Non-capital: All project types other than acquisition, development, and restoration. These projects include education, enforcement, enhancement, maintenance, monitoring, outreach, operations, planning, and research.

Non-reimbursable Amount: Eligible donations, equipment and tool use allowance, and project costs paid by other grant sources reported on the cost report. Non-reimbursable costs may be applied only toward your match share and will not result in any payment of the reported costs.

Omni-Circular: The federal law covering the administrative requirements, cost principles, and audit requirements for federal awards. Refer to Title 2: Grants and Agreements, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (www.ecfr.gov/cgi-bin/text-idx?SID=6fe24c76004f565cdfd8cef80053ab59&node=pt2.1.200&rgn=div5).

Out-of-Pocket Costs: Allowable project expenditures incurred by the sponsor and not reimbursed by another funding source.

Personal Services Contract: Agreement between RCO and a consultant to provide professional or technical expertise to accomplish a specific study, project, task, or other work statement.

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

Planning (Recreation and Conservation Funding Board Projects Only): A project that results in one or more of the following: a study, a plan, construction plans and specifications, and permits to increase the availability of outdoor recreational resources.

Planning (Salmon Recovery Funding Board Projects Only): A project that results in a study, assessment, project design, or inventory.

Pre-agreement Costs: Costs incurred before an executed project agreement; those costs necessary to get a project to pre-construction phase (i.e. architectural and engineering fees, permits). Subject to RCO approval.

PRISM: RCO's computer program that can be used by the public over the Internet to apply for grants, track progress, and produce project reports.

Professional and Skilled Labor: Labor performed by a professionally skilled individual who has obtained a professional or technical certification, completed advanced training, has made a living performing those activities, or has extensive work experience in the activity. Skilled laborers must perform their "skilled" services to be eligible for skilled labor rates.

Progress Report: A report submitted by the sponsor in PRISM that details the progress of the project for a specific period of time.

Project Agreement: The document that details the scope, grant funding, timeline, and other restrictions.

Property Costs: The direct cost of purchasing land, leases, improvements, rights, or easements.

Reimbursement: Payment of costs deemed allowable in the project agreement. These costs must have been paid already by the sponsor. Sponsor submits a request for reimbursement to RCO using PRISM Online E-billing.

Renovation Project: A project intended to improve an existing site or structure in order to increase its useful service life beyond original expectations or functions. This does not include maintenance activities to maintain the facility for its originally expected useful service life.

Restoration Project: A project that brings a site back to its historic function as part of a natural ecosystem or improving the ecological functionality of a site.

Restricted Status: Inability for a sponsor to receive a reimbursement from RCO or conduct contract actions. Usually results from lack of responsiveness to RCO requests. This status would be removed once RCO receives a satisfactory response.

Retainage: The portion of a grant's final payment that is withheld by RCO until the project is complete.

Sponsor: The recipient of a grant or contract administered by RCO.

Standard Labor Rate: The rate for work performed that generally does not require any experience or technical or special training.

Worksite: Geographical or other areas defined in your agreement that must be tracked and reported separately. A project may have one or more worksites depending on the project specifics.