

ATTACHMENT C

MISSOURI DEPARTMENT OF NATURAL RESOURCES

Federal Subgrants SPECIAL TERMS AND CONDITIONS

Any recipient employed under this agreement shall comply with the following special terms and conditions. It is understood that no recipient will receive payment unless the following conditions are complied with. These terms and conditions are in addition to all other terms and conditions contained in the financial assistance agreement.

I. PUBLIC INFORMATION GUIDELINE REQUIREMENTS:

1. The subgrantee must agree that all statements, press releases, requests for proposals, bid solicitations, and other documents describing the program/project for which funds are being awarded, will include a statement of the percentage of the total cost of the program/project which is financed with Environmental Protection Agency Region VII money, the dollar amount of Region VII funds for the program/project, and that the funds are provided through the Missouri Department of Natural Resources (DNR). On-the-ground projects must have a sign bearing this information and the names of other project partners.
2. All public information projects, including but not limited to, publications and audio-visual projects, must meet Department of Natural Resources quality standards, as outlined in the style sheet (attached) and the department's style manual. All recommendations made by a departmental review of the publications must be followed by the subgrantee. Unless otherwise specified in the Attachment A-1, Terms of Agreement, the subgrantee will provide to DNR five copies of printed materials and ten copies of videos produced. (Technical manuals and sound/slide series are excluded.)

See Attachment D, General Terms and Conditions for additional publication requirements

II. ADMINISTRATION REQUIREMENTS:

1. Audit Requirements. Audits must report on fair presentation of the organizations financial statements in conformity with generally accepted accounting principles, the internal control structure, and compliance with applicable laws and regulations. The audits must be conducted in accordance with generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants.

The amended Single Audit Act of 1996 (revised June 27, 2003), which applies to all non-federal entities expending \$500,000 or more in federal awards in a fiscal year, takes effect for fiscal years beginning after December 31, 2003. This statutory requirement supersedes any other effective date in federal agency guidance, so the same effective date will apply to all agencies and all recipients of federal funds.

- a. Private For-Profit Organizations. Recipients having federal expenditures in excess of \$500,000 in a fiscal year must provide a copy of an independent auditor's report. For audit fiscal years before December 31, 2003, an audit is required when expenditures in a fiscal year are in excess \$300,000.
- b. Universities and Non-Profit Organizations. Universities or Non-Profit recipients must submit a copy of an independent audit as prescribed in OMB circular A-133 if applicable. If circular A-133 does not apply, Universities or Non-Profit recipients having federal expenditures in excess of \$500,000 in a fiscal year must provide a copy of an independent auditor's report. For audit fiscal years before December 31, 2003, an audit is required when expenditures in a fiscal year are in excess \$300,000.

- c. Government Organizations. Units of state or local governments must provide the department a copy of an independent auditor's report for expenditures in excess of \$500,000 in a fiscal year. For audit fiscal years before December 31, 2003, an audit is required when expenditures in a fiscal year are in excess \$300,000.
 - d. Audit waiver. Grant awards primarily for the purchase of equipment (i.e., when equipment purchases make up 80% of the total project costs) will not require an audit irrespective of the amount of the award.
 - e. Review of Expenditures Less Than \$500,000 (or \$300,000 prior to December 31, 2003):
The recipient may be asked to provide documentation of project activity, financial statements, reports of various aspects of compliance at the request of the department if their expenditures are below the \$500,000 (or \$300,000 prior to December 31, 2003) threshold in a fiscal year. On-site monitoring and reviews by the department will be conducted if necessary that focus on compliance and controls over compliance. Any findings noted during the process will be handled in the same manner as any exceptions noted under a single or program-specific audit.
 - f. Recipients of federal funds, which are reviewed by the DNR or its representative, shall address all deficiencies identified in the review to the satisfaction of the DNR. Recipients failing to address deficiencies identified in the review will not be eligible to receive any further funding, and may be required to repay any and all disbursements of federal grant funds awarded by the DNR.
2. Bid Procedures. Bids for purchases of goods or services must be solicited whenever the total purchase is expected to cost more than \$3,000 from any one vendor. For instance:
- a. if one item purchased or a services contract costs more than \$3,000;
 - b. if several items purchased on a single invoice from one vendor, such as building supplies and tools, total more than \$3,000; or
 - c. if several purchases are made at various times within one year from the same vendor total more than \$3,000; for instance, purchase of rock in April for \$1,000, again in July for \$1,500, and again in September for \$1,075 from the same vendor.

The greater than \$3,000 bid limit is the limit established under the procurement requirements of the State of Missouri, Office of Administration, Purchasing Division. Therefore, the greater than \$3,000 limit will be used for any federal funds passed through to subgrantees for purchasing purposes within federal grant projects. If federal funds are passed from the subgrantee to any other participant to spend on the project, then the participant is to follow the same guidelines. A minimum of three bids is to be solicited.

A recipient of federal grant funds is required under Title 40 part 33, to make a "good faith effort" with disadvantaged business enterprises when procuring construction, equipment, services and supplies under an EPA financial assistance agreement. Minority and women business enterprises are to be solicited in the bid process whenever possible. The bidding process is mandatory for purchases reimbursed with federal grant funds as well as purchases used to meet required match commitments. Further bid procedure and purchasing guidelines are found in the appropriate OMB circulars of Administrative Requirement of Grants and Agreements under Competition and Procurement procedures.

- 3. Payment to Consultants – Participation in the salary rate (excluding overhead) paid to individual consultants retained by recipients or by a recipient's contractors or subcontractors shall be limited with federal funds to the maximum daily rate for Level IV of the Executive Schedule (formerly GS-18), to be adjusted annually. (Recipients may pay more than this amount, however, not with federal funds). This limit applies to

consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. As of January 1, 2009, the limit is \$587.20 per day and \$73.40 per hour. This rate does not include transportation and subsistence costs for travel performed (the recipient will pay these in accordance with their normal travel reimbursement practices).

Subgrantees with firms for services which are awarded using the procurement requirements in 40 CFR 30 or 31, as applicable, are not affected by this limitation unless the terms of the contract provide the recipient with responsibility for the selection, direction, and control of the individuals who will be providing services under the contract at an hourly or daily rate of compensation. See 40 CFR 31.36(j) or 30.27(b).

4. Travel. Travel will be conducted according to the recipient's written travel policy and procedures with the following additional limitations imposed by the Grantee (DNR) and conditions based on Internal Revenue Service guidelines:
 - a. Out-of-state travel must be approved in advance of travel by the designated DNR Project Manager. Recipient must provide a written justification for purpose of the trip and how it relates to the scope of the project. The subgrantee shall not incur out-of-state travel expenses on project business until receiving written approval by the DNR Project Manager.
 - Travel expenses are limited to actual expenses that are "reasonable and necessary." The method of travel shall be that which is more economical and advantageous to the grant funds.
 - For out-of-state trips in a vehicle where it makes more sense to drive than fly, meals will not be reimbursed unless the employee is in 12-hour or overnight travel status as specified below (b).
 - Travel by personal vehicle, instead of air travel, shall be limited to the subgrantee's established mileage allowance as stated in their written travel policy (not to exceed the federal rate) plus any actual expenses that would have been allowed or provided if taking air transportation.
 - If traveling by air, the total allowable costs cannot exceed the reasonable coach fare available at the time to the same destination.
 - No meals, additional lodging, or incidentals will be reimbursed for personal extended stays while traveling.
 - Reimbursement for travel outside the state by train or bus instead of air travel shall be limited to the actual cost of the train or bus fare plus any actual expenses that would have been allowed or provided if taking air transportation.
 - b. Meal costs will be allowed during project related travel only if there are twelve or more continuous hours of travel involved. Recipient will indicate on the travel expense voucher "twelve hour status" and provide time records as supporting documentation. Twelve-hour travel status includes the allowable breaks for meals in the recipient's travel policy.

Eligible meal is defined as follows:

 - When overnight lodging is indicated:
 - Breakfast* – is eligible on the day of departure if travel status begins two hours before employee's normal work schedule start time plus any other day until employee returns.
 - Lunch* – is eligible on the day of departure if travel status begins no later than 10:00 a.m. plus any other day where travel status continues past 2:00 p.m. until employee returns.
 - Dinner* – is eligible on the day of departure if travel status begins no later than 5:00 p.m. plus any other day where travel status continues past 7:00 p.m. until employee returns.
 - When employee is in twelve-hour travel status, eligible meals are the same as above.
 - c. Reimbursement will be provided for reasonable meal and hotel expense as specified in the Federal Travel Regulations or recipient's Travel policy, whichever is less. The website link provided can be utilized as reference for Federal Domestic Per Diem Rates. (<http://www.gsa.gov/mie>).

5. Food. Food purchases, other than eligible meals as described in the Travel condition above, for events, meetings, tours, field days, etc., shall not be purchased until receiving written approval by the DNR Project Manager. The events must fit the scope of work and provide a benefit to the success of the project. Effective cost control is a management issue, therefore, subgrant recipients are expected to establish sufficient and effective controls to ensure agency provided food expenses are incurred only when appropriate and in conformance with this condition.

The department may allow subgrant agencies to provide food in conjunction with official grant business and grant sponsored activities within parameters outlined below:

a. Food at Official Business Functions

- 1) Subgrantees may purchase food in conjunction with its official grant business functions when it is determined that providing food or beverage service (no alcohol permitted) will promote the efficient conduct of a specific project activity (i.e., field days, training sessions, board and commission meetings, demonstration tours).
- 2) During meeting breaks, light snacks and beverages may be provided. Costs for snacks and beverages should be at a nominal charge per person.
- 3) Lunch or dinner may be provided if there is a substantial reason for doing so which demonstrates a benefit to the project scope of work and be a reasonable cost.
- 4) Official business functions must include more than just attendance of employees of the subgrantee. Food will not be allowed for the agency's general staff meeting function of day-to-day operation.
- 5) Lunch expense will not automatically be allowed prior to or when following a project related meeting. Typically lunch expenses are allowed when a meeting extends through the typical lunch periods or an all day meeting, training, etc.

b. Food at Other Agency Sponsored Activities

- 1) Subgrantees may purchase light refreshments in conjunction with field day activities, tours, sponsored workshops, sponsored conference, or like activity. Costs for such events should be at a nominal charge per person.
- 2) Lunch or Dinner may be provided for similar events if there is a substantial reason for doing so which demonstrates a benefit to the project scope of work and be a reasonable cost.

c. Meals Provided to Public Officials

Food expenditures bestowed on public officials may need to be reported to the Missouri Ethics Commission as lobbying expenses as provided in RSMo 105.470-473.

6. Third-Party Volunteer Match (effective for projects awarded on/after January 1, 2011)

- a. Employees of other organizations: When an employer other than a grantee, subgrantee, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. (federal code of regulations 40 CFR 31.24)

- b. Volunteers performing tasks/duties outside of their professional capacity shall be valued at the rates listed below by labor category.

Four general categories have been created to capture the typical volunteer tasks/duties performed in subgrant projects. These rates will apply for volunteers meeting the criteria under (b.) above. The two references below will be used when updating these rates based on the most current data reported by the Independent Sector and the Bureau of Labor Statistics.

Independent Sector (http://www.independentsector.org/volunteer_time) is currently reporting the 2010 dollar value of a volunteer hour (\$18.80). **Check website annually for updated rate.**

The Bureau of Labor Statistics (www.bls.gov/oes/current/oes_mo.htm) mean hourly wages are from the May 2009 Missouri State Occupational Employment and Wage Estimates. **Please refer to this website for the most current wages for Missouri.**

Technical Administration: (must show previous knowledge/education/skill level where applicable).

Examples: steering/stakeholder committee; Board of Directors; trained Stream Team Volunteer Water Quality Monitors; nutrient and pest management plan development/writer and soil testing; Geographic Information Systems (GIS) mapping/location; modeling

Wage: Current Independent Sector volunteer wage for the state of Missouri

Design: (must show previous knowledge/education/skill level where applicable).

Examples: best management practice (BMP) design; website development/design/maintenance; educational programs, curriculum design and/or educational presenter; and newsletter or brochure development.

Wage: Current Independent Sector volunteer wage for the state of Missouri

Laborer: Examples: BMP installation; e.g., rain garden planting, storm drain stenciling, tree planting, litter pick-ups; survey/data collector/documenting BMPs; set-up/take down.

Wage: **(Use aggregate total of below three occupations as per the Bureau of Labor Statistics)**

Building and Grounds Cleaning and Maintenance Occupations

- ❖ Occupation Code: 37-2012 – Maids and Housekeeping Cleaners (set-up/take down)
- ❖ Occupation Code: 37-3011 – Landscaping and Groundskeeping Workers

Transportation and Material Moving Occupations

- ❖ Occupation Code: 53-7081 – Refuse and Recyclable Material Collectors

Administrative: Examples: Clerical, e.g., reporting, mailings, receptionist, and other general office work;

Fiscal, e.g., invoicing, bills, documentation tracking, procurement, fiscal and fund reports, payroll, minority business enterprises/women business enterprises (MBE/WBE) documentation.

Wage: **(Use aggregate total of the below occupation as per the Bureau of Labor Statistics)**

Office and Administration Support Occupations

- ❖ Occupation Code: 43-0000 – Office and Administration Support Occupations

These wages will be updated and provided to grant recipients as the sources of rate information is updated.

The Bureau of Labor Statistics has hourly wages by occupation that were used to determine the value of the specialized skills in section (b) above. The wages are based on Missouri specific wages.

(<http://www.bls.gov/bls/blswage.htm>)