

# **GUIDANCE DOCUMENT**

*for*

**Fiscal Year**

**2018**

**Solid Waste Management District Grants**

**MISSOURI**



**NATURAL  
RESOURCES**

Missouri Department of Natural Resources

Attachment #4

Revised 5/17

Revised 5/17

## TABLE OF CONTENTS

A.	General Information.....	1
B.	Important Items Related to the Application Process.....	3
C.	State Targeted Material List .....	5
D.	Proposal Review and Evaluation.....	6
E.	Bid Requirements.....	8
F.	Submission of Application .....	9
G.	District Application Process .....	10
H.	Invoice Process .....	11
I.	Reporting Requirements.....	13
J.	District Subgrantee Application Process .....	16
K.	District Subgrant Application Content.....	17



## **A. General Information**

Missouri Department of Natural Resources  
Division of Environmental Quality  
Solid Waste Management Program

District Grants  
Section 260.335 RSMo

### **PURPOSE**

District grants assist solid waste management districts in developing an adequate solid waste management infrastructure so that solid waste reduction, recycling, and resource recovery may become regular and affordable activities of local governments, industries, and citizens.

### **PLEASE READ THIS DOCUMENT IN ITS ENTIRETY BEFORE SUBMITTING DISTRICT GRANTS TO THE DEPARTMENT**

This guidance document provides general information pulled from the Solid Waste Management Law, implementing regulations and General Terms and Conditions. It is intended to provide assistance with completing the district grant application process. The following forms and worksheets along with instructions are available on the department's website. The address of the website immediately follows the listing of forms.

- Aggregate Applicant Ranking Worksheet;
- District Grant Application and Funding Request Form (MO 780-2165)
- Fiscal Year District Operations Grant Profile and Budget Form (MO 780-1992);
- District Grant Subgrantee Profile and Plan Implementation/Budget Form (MO 780-1991);
- District Grant Application Checklist; and
- Project Carryover Worksheet;

[http://dnr.mo.gov/env/swmp/forms/form\\_permit.htm](http://dnr.mo.gov/env/swmp/forms/form_permit.htm)

These forms and worksheets or an approved digitalized version thereof must be completed and submitted by the district along with proof of public notification in order to receive Solid Waste Management Program (SWMP) approval for district recommended projects and for release of accrued allocations from the Solid Waste Management Fund. Also included within the document are the State Targeted Materials list, the state required proposal evaluation criteria list and the procedural requirements for applying for district grant funds.

## Summary Time Line for State Fiscal Year 2016

### 7/2017

Distribution of the District Grant Financial Assistance Agreement (FAA) and associated documentation.

### 7/01/2017 to 6/30/2018

Throughout the year, the districts executive boards will solicit, evaluate, rank and approve district grant project applications.

NOTE: Districts may solicit proposals and enter into Financial Assistance Agreements with district subgrantees at any time. However, district subgrantee expenses incurred prior to the date of the District Grant Financial Assistance Agreement between the District and the Subgrantee are not allowable.

Before funds are released to the district, SWMP staff will determine if all required project documentation has been provided and that district assessment inventories (i.e., plan revision) and quarterly status reports have been submitted. Projects will be processed on a first-in, first-out basis assuming all necessary information is provided and the district is in compliance with the Solid Waste Management Law (260.300 through 260.335, RSMo) and rules (10 CSR 80-9.050).

Based upon the financial assistance amounts set in 260.325.9, the district executive board shall arrange for an independent financial statement audit of the records and accounts of its operations by a certified public accountant or a firm of certified public accountants.

- Districts receiving more than eight hundred thousand dollars of financial assistance annually shall have annual independent financial statement audits;
- Districts receiving between two hundred fifty thousand dollars and eight hundred thousand dollars of financial assistance annually shall have a biennial independent financial statement audit for the two-year period.
- All other districts shall be monitored biennially by the department and, based upon the findings within the monitoring report, may be required to arrange for an independent financial statement audit for the biennial monitoring period under review.

Subject to limitations caused by the availability of resources, the department shall conduct a performance audit of grants to each district at least once every five years, or as deemed necessary by the department based upon district grantee performance

### 10/28/2017

Annual Reports Due.

### 10/30/2017

Quarterly Reports Due.

### 12/28/2017

Financial Audit is due for a district with 6/30 year end.

### 1/30/2018

Quarterly Reports Due.

### 4/01/2018

Distribution of Amendment 1 to the District Grant Financial Assistance Agreement (FAA) and associated documentation.

**4/30/2018**

Quarterly Reports Due.

**7/30/2018**

Quarterly Reports Due.

**NOTE:** If your district operations services are contracted, you will want to verify the date when those administrative services were last bid. Districts are required to bid at least once every 5 years if their administrative services are contracted.

## B. Important Items Related to the Application Process

- I. All applications must be reviewed and approved or denied based upon the timeline established in 260.335.5 RSMo which follows:
  - a. Districts shall submit to the Department the appropriate forms associated with the grant application and any supporting information to verify that appropriate public notice procedures were followed, that grant proposals were reviewed and ranked by the District and that only eligible costs as set forth in regulations are to be funded.
  - b. Within thirty days of receipt, the Department shall review the grant application. If the Department finds deficiencies or needs more information to evaluate the grant application, the Department shall notify the District in writing.
  - c. Within thirty days of receipt of notice from the Department, the District shall respond to the Department's request and submit any additional information requested.
  - d. Within thirty days of receipt of the additional information requested, the Department shall either approve or deny the grant application. If the Department fails to act, the grant application shall be deemed approved.
- II. All applications must adhere to the requirements set forth in 10 CSR 80.9.050, as amended 10/30/07.
  - \* The district or district subgrantee agree that funds expended for the purposes of this subgrant must be appropriated and made available by the Missouri General Assembly for each fiscal year included within the subgrant period, as well as being awarded by the state agency supporting the project. The subgrant will automatically terminate without penalty or termination costs if such funds are not appropriated and/or granted. In the event that funds are not appropriated and/or granted for the subgrant, the district or district subgrantee will not prohibit or otherwise limit SWMP's right to pursue alternate solutions and remedies as deemed necessary for the conduct of state government affairs. The requirements stated in this paragraph will apply to any amendment or the execution of any option to extend the subgrant.
  - \* **Up to fifty percent (50%)** of the district's allocation may be used for implementation of a solid waste management plan and district operations.
  - \* **At least fifty percent (50%)** shall be allocated by the district for projects from cities, counties, or to persons or entities providing solid waste management, waste reduction, recycling and related services in these cities and counties.
  - \* The district must be in compliance with all reporting requirements which include quarterly status and financial summary forms, final project reports, annual reports, assessment inventory, and required independent audits for previously received district grants in order to be eligible for additional funding.
  - \* All General Terms and Conditions of SWMP apply to district grant funded projects. A copy of the Solid Waste Management Program General Terms and Conditions are made available to each district as part of the Financial Assistance



Agreement and are available from the Solid Waste Management Program upon request.

- \* Districts are responsible for ensuring that all district subgrantees obtain all applicable federal, state, and local permits, approvals, licenses, waivers, and when equipment or buildings are involved establish the required security interests (i.e. UCC-1, certificate of title, deed of trust, or other security instrument) or titles required by law.
- \* Districts are responsible for ensuring that the district or district subgrantees do not incur costs prior to the date that the District Grant Financial Assistance Agreement (FAA) is signed by the Missouri Department of Natural Resources for SWMP **and** that all costs incurred by the district or district subgrantee are within the project and budget periods specified in the agreement between the district and the subgrantee, **and** approved by SWMP. SWMP will not approve any request for special conditions to the District Grant FAA for costs incurred prior to signing of the FAA by SWMP.
- \* The District Operations grant and budget period covers up to a one (1)-year time period, unless otherwise approved by SWMP.
- \* The Plan Implementation and District Subgrantee projects and budget periods may allow for up to a two (2)-year time period for project completion. A maximum of one (1) six (6)-month extension may be allowed and approved by the executive board. Any extensions past 2½ years require SWMP approval.
- \* A district may elect to use more than one fiscal year's allocation of funds to finance a project. Prior to SWMP encumbering funds for this project, the district shall submit a request to SWMP for approval that provides justification and financial supporting documentation. Following SWMP's approval, the district may request that these funds be transmitted to the district. All interest earned by the district shall be obligated to this project until the total amount needed for the project is reached.
- \* District subgrant funds shall not be awarded for a project whose applicant is directly involved in the evaluation and ranking of that particular project.
- \* District subgrant funds shall not be awarded for a project that displaces existing resource recovery services, unless the proposed project demonstrates how it will result in improvement or expansion of services.
- \* District subgrant funds shall not be awarded for a project that collects solid waste for disposal on a continuous basis.
- \* The district must retain a copy of **all** documentation submitted to SWMP. (Note: We recommend keeping a copy of the signed and dated submission.)
- \* In most instances, financial assistance is awarded to district subgrantees on a reimbursement basis. The district subgrantee is responsible for making all payments for the project and for the submission of invoices and supporting documentation to the district. Approved costs will be reimbursed only after all required documentation is submitted by the applicant.

- \* The district has the option of making payment directly to a vendor instead of reimbursing the district subgrantee. In order for payment to be made directly to the vendor, the executive board must approve such direct payment for goods or services being purchased by the district subgrantee and the goods or services must have been received. Payment directly to the vendor does not relieve the executive board from the requirement for retaining 15% of the project funds until completion and submittal of the final report and final accounting of expenditures. If a direct payment to a vendor is made, this payment should be noted on the next Quarterly Status Report filed with SWMP.
- \* For reimbursements or disbursements the executive board may release the 15% retainage prior to completion of the subgrantee project with prior approval of the executive board and SWMP.

## C. STATE TARGETED MATERIALS LIST

### PURPOSE

The following targeted materials list was devised to assist during the review of applications for Section 260.335.2, RSMo financial assistance.

Preference shall be given to projects that reduce, reuse, recycle or strengthen consumer demand for the following post-consumer wastes based upon the following:

### Targeted Materials List

Cardboard  
Old Newspaper  
Old Magazines  
Nonhazardous Wastes from Industrial/Commercial/Institutional Operations  
Demolition Waste (wastes from construction/demolition activities)  
Organic Waste (food wastes)  
Household Hazardous Waste  
Other Paper (office paper, pasteboard, mixed paper, etc.)  
Scrap Tires  
Mixed Glass  
Major Appliances  
Yard Waste  
Ferrous Metals  
Plastics (all resins)  
Bi-Metal Containers  
Non-Ferrous Metals  
Waste Oil  
Lead-Acid Batteries  
Electronics  
School Lab Waste  
Textiles

**NOTE:** Each district is required to develop a District Targeted Materials List and should have a copy readily available upon request.

## **D. Proposal Review and Evaluation**

### **Familial Relationships**

A District's Executive Board shall not disqualify an applicant from receiving a grant due to the existence of a familial relationship between the applicant and any member of the Solid Waste Management District Executive Board within the fourth degree by consanguinity or affinity.

- a. For applicants with a familial relationship with any member of the District Executive Board within the fourth degree by consanguinity or affinity, the District Executive Board shall only approve such grant application if approved by a vote of two-thirds of the District Executive Board.
- b. If an Executive Board Member does not abstain from a vote to award a Solid Waste Management District Grant to an applicant providing solid waste management services who is a relative within the fourth degree by consanguinity or affinity, the Executive Board Member shall forfeit membership on the District Executive Board and the District Council.

### **Conflicts of Interest**

No party to this subgrant, nor any officer, agent, or employee of either party to this subgrant, shall participate in any decision related to such subgrant which could result in a real or apparent conflict of interest, including any decision which would affect their personal or pecuniary interest, directly or indirectly.

The executive board shall adopt a conflict of interest policy regarding subgrants to district subgrantees. The policy shall include a requirement that any non-governmental member of the executive board, or the business or institution to which the member is affiliated, who applies for district subgrants shall not review, score, rank, or approve any of the subgrantees applications in the same grant call.

### **Review for Eligibility and Completeness**

For all proposals received by the deadline as established in their public notices to the media, the board shall determine the eligibility of

- The proposed applicant;
- The proposed project;
- The costs identified in the proposal; and
- The completeness of the proposal.

### **Notice of Eligibility and Completeness**

If the district executive board determines that the applicant or the project is ineligible or the proposal is incomplete, the board **may reject** the proposal and **shall notify** the applicant.

**NOTE:** Districts are encouraged to immediately notify those applicants submitting proposals determined to be ineligible or incomplete. A project application may be resubmitted up to the application deadline.

### **Evaluation Criteria**

District grant or subgrant award priorities may be established by the District using the following criteria:

- a. Grants to facilities of organizations employing individuals with disabilities under 178.900 to 178.960 RSMo or 205.968 to 205.972 RSMo;
- b. Grants for proposals that will promote and maximize the sharing of district resources;
- c. Grants for proposals which provide methods of recycling and solid waste reduction; and
- d. All other grants.

The District's evaluation method will include the following criteria, as appropriate per project category:

1. Conformance with the integrated waste management hierarchy as described in the Missouri Policy on Resource Recovery. No grant funds will be made available for incineration without energy recovery or solid waste disposal (10 CSR 80-9.050).
2. Conformance with the District Targeted Materials List.
3. Degree to which the project contributes to community-based economic development.
4. Degree to which funding to the project will adversely affect existing private entities in the market segment.
5. Degree to which the project promotes waste reduction or recycling or results in an environmental benefit related to solid waste management through the proposed process.
6. Demonstrates cooperative efforts through a public/private partnership or among political subdivisions.
7. Compliance with federal, state or local requirements.
8. Transferability of results.
9. The need for the information.
10. Technical ability of the applicant.
11. Managerial ability of the applicant.

12. Ability to implement in a timely manner.
13. Technical feasibility.
14. Availability of feedstock.
15. Level of commitment for financing.
16. Type of contribution by applicant.
17. Effectiveness of marketing strategy.
18. Quality of budget.
19. Selected financial ratios.

The executive board may include additional criteria specific to their region.

The executive board shall develop minimum criteria for the approval of grant funding.

## E. Bid Requirements

Districts and district subgrantees receiving Solid Waste Management Fund financial assistance are required to obtain bids for all purchases according to the schedule defined in Missouri Revised Statutes, 34.040 (<http://www.moga.mo.gov/statutes/c000-099/0340000040.htm>).

To paraphrase this statute:

Purchases of \$0-\$2,999.99	Do not require bids.
Purchases of \$3,000.00-\$24,999.99	Require a minimum of three (3) competitive bids, but do not have to be advertised.
Purchases of \$25,000.00 or Higher	Require a minimum of three (3) competitive bids, advertised in at least two daily newspapers at least five (5) days before bid opening.

### PLEASE NOTE:

- District subgrantees must submit bid documentation to the solid waste management district.
- At this time, SWMP does not require routine submission of bid documentation to SWMP.
- However, as part of SWMP's monitoring process periodically, a district may be requested to submit bid packets for review.
- All districts and district subgrantees must adhere to the requirements listed above, and documentation must remain in the subgrantee's and the district's files as set forth in the General Terms and Conditions, I.E. Retention and Custodial Requirements for Records.
- Failure to comply with applicable bidding procedures may result in forfeiture of funding.
- Further, SWMP or its designee reserves the right to request additional documentation, or perform an announced or unannounced audit, on-site inspection, or monitoring to verify any aspects of the project, at any time.

## **F. Submission of Application**

### **Due Date:**

Application packets (subgrantee projects) may be submitted to SWMP any time after the district chairperson has signed and returned one copy of the pre-approved SWMP/District Financial Assistance Agreement.

### **Mail your applications to:**

Missouri Department of Natural Resources  
Solid Waste Management Program  
Operations Section  
P.O. Box 176  
Jefferson City, Missouri 65102-0176

### **Or deliver your applications to:**

Solid Waste Management Program  
Attn: Operations Section  
1730 E. Elm Street  
Jefferson City, Missouri 65101

**Or digital application submittals may be requested or allowed by SWMP.**

**Applications will NOT be accepted via fax.**

### **Copies of Law and Rules:**

The requirements and general evaluation criteria pertaining to these applications may be found in administrative rule 10 CSR 80-9.050. Copies of Missouri's Solid Waste Management Law and administrative rules are available from:

Missouri Secretary of State  
P.O. Box 778  
Jefferson City, MO 65102  
(573) 751-4025  
Attention: Administrative Rules

Or can be found on the Internet at:

Law: <http://www.moga.mo.gov/STATUTES/C260.HTM>

Rule: <http://www.sos.mo.gov/cmsimages/adrules/csr/current/10csr/10c80-9.pdf>



## **G. District Application Process**

Unless otherwise requested or approved to submit through a digitalized application process, the District shall:

1. Complete the District Grant Application and Funding Request Form (MO 780-2165). The district is responsible for assigning sequential identification numbers including the district's letter (e.g., U2015-002, U2015-003). The District Operations Grant should always be the first grant each year (e.g., U2015-001). Use the Annual District Carryover Worksheet to show funds being de-obligated from previous projects and the amount that is being used to fund current projects.
2. Complete the District Aggregate Rankings Worksheet detailing the executive board or committee of the executive board's rankings for each of the proposals submitted for funding (see Proposal Evaluation Criteria).
3. Complete the District Subgrantee Profile or Plan Implementation Budget Form (MO 780-1991).
4. If applicable, complete the Fiscal Year District Operations Grant Profile and Budget Form (MO 780-1992).
5. Complete the District Application Checklist.
6. Attach one copy of the notice given to the governing bodies of each county and city over five hundred (500) in population with a list of the recipients of those notices and copies of affidavits or tear sheets or paid receipts of the notices published in at least one newspaper in each district member county.
7. Application format: (Applications should be submitted in the following order):
  - a. District Aggregate Rankings Worksheet;
  - b. Annual Project Carryover Worksheet, if applicable;
  - c. District Grant Application and Funding Request Form (MO 780-2165);
  - d. District Grant Subgrantee Profile and Plan Implementation Budget Forms (MO 780-1991);
  - e. Fiscal Year District Operations Grant Profile and Budget Form (MO 780-1992), if applicable;
  - f. District Application Checklists, if used; and
  - g. A copy of the notices to each County and all Cities with populations over five hundred and newspaper affidavits, tear sheets or paid receipts.

## H. Invoice Process

The following documentation must be submitted to SWMP prior to disbursement of funds to the districts:

- A. Department/District FAA (signed by both parties);
- B. Invoice(s);
- C. District/Subgrantee FAA(s) for each project (signed by both parties);
- D. Quarterly/Final Status Reports/Quarterly Financial Summary including the Carryover Report Worksheet;
- E. Assessment Inventory;
- F. Independent Audits and Audit Finding Resolution; and
- G. Annual Report

1. **DEPARTMENT/DISTRICT FAA.** Signed by the executive board chairperson indicating the district's intent to comply with all requirements set forth by the Solid Waste Management Law and implementing regulations.
2. **INVOICE** ("Attachment 4"). A copy of the blank invoice and completion instructions are being provided electronically; please make additional copies as needed. The invoice must be signed by the district executive board chairperson. Once an invoice has been approved and processed, you will receive payment within approximately 15 working days.

**NOTE:** A carefully prepared invoice will help SWMP process your request quickly. A completed invoice can be submitted with the application packet.

3. At a minimum, invoices must contain:
  - ◆ The FAA award amount. (Note: The amount requested must match the copy of the fully executed FAA with the district.)
  - ◆ Project name.
  - ◆ Project identification number.
  - ◆ Amount of funds being requested.
  - ◆ The following signed certification statement:

*I certify to the best of my knowledge and belief the above data is correct and that all outlays will be made in accordance with the district financial assistance agreement with the Missouri Department of Natural Resources, Solid Waste Management Program and that payment is due and has not been previously requested.*

- NOTE:**
- a. No reimbursements will be made for costs incurred before or after the project's approved budget period by the district and for costs incurred prior to the approval of the project by SWMP.
  - b. No reimbursements will be made for expenditures incurred after the closing budget period unless a budget time period extension has been granted. (See General Terms and Conditions, Section I.B.)

4. **DISTRICT/SUBGRANTEE FINANCIAL ASSISTANCE AGREEMENT** is required for each project listed on the invoice for which you are requesting funds and which has been approved and signed by the executive board chairperson and official subgrantee representative.

These are the agreements between the district and its subgrantee(s). The financial assistance agreements **must have**, but are not limited to:

- a. the district issued sequential identification project number (i.e., U2008-01);
- b. the district's subgrantee name;
- c. the project name;
- d. the project start and completion dates;
- e. a breakdown of award amount from allocation, carryover, and interest;
- f. the district subgrantee and the district authority signatures;
- g. an executive summary;
- h. a work plan with tasks;
- i. a budget summary and notes;
- j. a clause indicating the district is responsible for retaining 15 percent of project funds from each subgrantee until the district executive board gives approval to each subgrantee's final report and the final accounting of project expenditures;
- l. a clause indicating documentation will be held for at least 3 years following the close of the project. (Note: If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the three (3) year period, the records must be retained until completion of the action and resolution of all issue which arise from it, or until the end of the regular three (3) year period, whichever is later); and
- m. a minimum of a 5 year security interest in all equipment purchases exceeding \$5,000, and
- n. a copy of the district's General and/or Special Terms of Conditions, if referred to.

5. **QUARTERLY/FINAL STATUS REPORTS/QUARTERLY FINANCIAL SUMMARY including CARRYOVER REPORT FORM.** Funds may be withheld or reduced until the district is in compliance with reporting requirements.

6. **ASSESSMENT INVENTORY.** Funds may be withheld or reduced until the district is in compliance with reporting requirements.

7. **INDEPENDENT AUDITS AND AUDIT FINDING RESOLUTION.** Funds may be withheld or reduced until the district is in compliance with reporting requirements.

8. **ANNUAL REPORT (ATTACHMENT 5).** Funds may be withheld or reduced until the district is in compliance with reporting requirements.

## I. Reporting Requirements

The following represents an overview of the reporting requirements and includes reports that may be filed using the electronic ReTrac Connect System:

If a district fails to submit to the department a complete quarterly report, annual report, or plan revision (assessment inventory) by the due date indicated in the department's notice of noncompliance, the department shall withhold and reallocate funds equal to one percent (1%) of the district's most recent quarterly allocation for each day past the notice due date, unless these provisions have been met:

1. The district has requested an extension **prior** to the notice due date and the department has granted an extension;
2. The district has submitted a **complete** report by the date indicated in the department approved extension; and
3. The department shall use the **postmark date** as the date submitted by the district. If no postmark date is available, the department shall use the **date the department receives** the report.

### a. QUARTERLY STATUS REPORTS

The district shall submit Quarterly Status Reports (QSR) (Form MO 780-1993) to SWMP for activities that occur during each **calendar year quarter (March 31, June 30, September 30, December 31) thirty (30) days following the reporting period (April 30, July 30, October 30, January 30)**. Districts should use the form provided by the program (in electronic and paper format). Each quarterly report must delineate the activities, or inactivity, associated with **the project tasks** for each subgrantee. The type and amount of diverted material, if applicable, should be listed in **tons**.

A Quarterly Financial Summary Worksheet needs to be submitted at the same time for each fiscal year listing SWMP approved open projects.

Annual Carryover Reporting Form: Annually following the close of the district's fiscal year, the district will report on this form information about state funds including interest available to the district.

**NOTE:** For the most relevant reporting information to be presented, it is recommended that the district use the QSR as a cumulative report – adding the current quarter's information to the information submitted by the district for the previous quarter resulting in a cumulative project activity report.

### b. FINAL REPORT

A project is not final until the executive board has approved the final report and final accounting of expenditures.

After finalization of the project, the final report must be submitted to the department's SWMP with the district's next quarterly status report packet, as

specified in the financial assistance agreement between the district and the district's subgrantee.

This report should be in narrative form and recap all aspects of the project. A Final Report area has been added to the Quarterly Status Report (Form MO 780-1993).

**c. ANNUAL REPORT**

An annual report (Attachment 5) must be submitted to SWMP within 120 days of the end of each state fiscal year. The state fiscal year ends June 30. This report should provide at a minimum the items listed in Attachment 5.

**d. AUDIT REQUIREMENT**

SWMP has the right to conduct audits or examination of records of districts or district subgrantees at any time. Audits or examinations must confirm that records accurately reflect the operations of the district or district subgrantee, the internal control structure provides reasonable assurance that assets are safeguarded, and the district is in compliance with applicable laws and regulations.

Based upon the financial assistance amounts set in 260.325.9, the district executive board shall arrange for an independent financial statement audit of the records and accounts of its operations by a certified public accountant or a firm of certified public accountants.

- Districts receiving more than eight hundred thousand dollars of financial assistance annually shall have annual independent financial statement audits;
- Districts receiving between two hundred fifty thousand dollars and eight hundred thousand dollars of financial assistance annually shall have a biennial independent financial statement audit for the two-year period.
- All other districts shall be monitored biennially by the department and, based upon the findings within the monitoring report, may be required to arrange for an independent financial statement audit for the biennial monitoring period under review.

Subject to limitations caused by the availability of resources, the department shall conduct a performance audit of grants to each district at least once every five years, or as deemed necessary by the department based upon district grantee performance.

The audited financial statements shall, at a minimum, provide for all fund types and account groups and include the following statements:

1. The basic financial statements and required supplementary information shall be audited and provide, at a minimum, for all fund types and account groups in accordance with generally accepted government auditing standards and include the following:

- i. An Independent Auditor's Report on the Financial Statements and Schedule of Receipts and Expenditures of State Awards.
  - ii. Management's Discussion and Analysis (MDA) providing an analytical overview of the district's financial activities.
  - iii. Basic Financial Statements
    - 1) With statements identifying, at a minimum, the following accounts:
      - a) Assets: cash, investments, receivables, fixed assets.
      - b) Liabilities: accounts payable, deferred grant revenue, deferred interest revenue.
      - c) Net Assets
      - d) Revenues: grant revenue, program income, interest revenue, and other revenue.
    - 2) With the following minimum statements:
      - a) Statement of Net Assets
      - b) Statement of Activities
      - c) Fund Financial Statements
    - 3) Notes to the Financial Statements
  - iv. Schedule of Receipts and Expenditures of State Awards
    - 1) The schedule for each subgrant including district operations shall include, at a minimum, subgrant period; subgrant project number; subgrantee name; subgrant award amount; prior period subgrant funds expended; current period subgrant amount expended; program income earned and expended, as applicable; interest income earned and expended, as applicable; subgrant amount remaining available; program income amount remaining available; and unobligated amount by source as identified by the District's Executive Board.
    - 2) Notes to the Schedule of Receipts and Expenditures of State Awards
  - v. Report on Internal Controls over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, issued by the Comptroller General of the United States.
  - vi. Schedule of Findings and Questioned Costs, if applicable.
  - vii. Corrective Action Plan, if applicable.
  - viii. Summary Schedule of Prior Audit Findings and Questioned Costs.
2. The district's executive board shall address all deficiencies identified in a district's audit to the satisfaction of SWMP. Districts failing to adequately address deficiencies identified in the audit may have funds withheld or may be required to repay any and all disbursements of funds in accordance with 10 CSR 80-9.050(9) Withholding of District Funds.
  3. For questioned costs that the department determines to be inappropriate or unnecessary, the district shall repay the department or the department shall withhold from the district's allocation the amount of the cost.
  4. SWMP may withhold or reduce district grant awards until the district is in

compliance with the audit requirements, and has resolved significant audit findings and questioned costs. SWMP shall provide written notice of noncompliance prior to the withholding of funds, unless the severity of a significant audit finding requires the immediate withholding of funds. Such notice shall allow a minimum of thirty (30) days for the district to submit the documentation or conduct other tasks as indicated in the department's notice.

### **PROPER USE OF FUNDS**

Districts are responsible for ensuring proper use of the funds. Districts will repay the amount of any improperly expended funds to the department's SWMP for deposit into the Solid Waste Management Fund.

## **MBE/WBE**

The district is responsible for encouraging their subgrantees to research MBE/WBE interests in procuring services and/or products. This information can be found at: <http://www.oa.missouri.gov/purch/vendor.html>

In order for SWMP to meet the provisions of Executive Order 05-30, it is desired the District and District Subgrantees secure participation of certified MBEs and WBEs in providing the products and/or services obtained with district grant funds. The targets of participation recommended by the State of Missouri are 10% MBE and 10% WBE of the total dollar value of the products and/or services obtained.

The District or District Subgrantee agrees to take all necessary affirmative steps required to assure that small and minority firms, women's business enterprises and labor surplus area firms are used when possible as sources when procuring supplies, equipment, construction, and services related to the subgrant. The District and District Subgrantee agrees to include information about these requirements in solicitation documents. Affirmative steps shall include:

1. Placing qualified small and minority business and women's business enterprises on solicitation lists;
2. Ensuring that small and minority and women's business enterprises are solicited whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into small tasks or quantities to permit maximum participation by small and minority and women's business enterprises;
4. Establishing delivery schedules, where the requirements of work will permit participation by small and minority and women's business enterprises;
5. Using the services of the Small Business Administration and the Minority Business Development Agency of the U.S. Department of Commerce; and
6. Requiring any prime contractor or other subgrantee, if subgrants are to be allowed, to take the affirmative steps in subparagraphs 1 through 5 of this section.

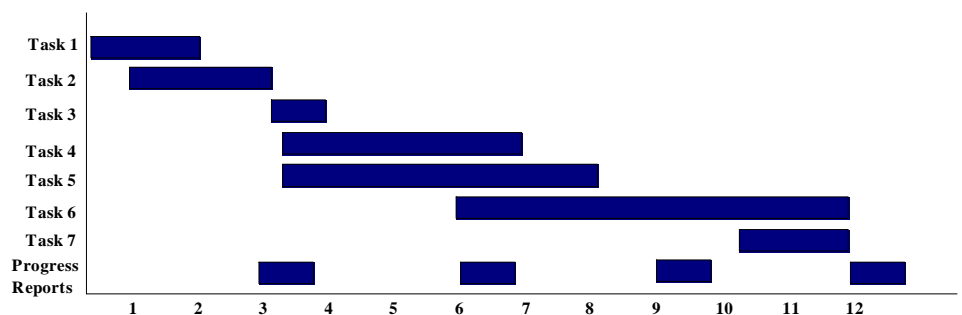


## **J. Subgrantee Application Process**

1. For each district subgrant that is evaluated and approved to receive funding the following information must be submitted by the district:
  - A. Applicant profile sheet;
  - B. Executive summary (no more than 2 pages);
  - C. Physical location of the project including name, address, and phone number;
  - D. Work plan including identification of key project tasks, key personnel and their qualifications;
  - E. Time table including submittal of quarterly reports and final report;
  - F. Detailed line-item budget (justification/support \$5,000+);
  - G. Verification that all Permits, Approvals, Licenses, Waivers, Security Interest (i.e., UCC-1, certificate of title, deed of trust, or other security instrument) or Title have been obtained or applied for and will be obtained prior to award;
  - H. Demonstration of compliance with local zoning laws;
  - I. Evaluation procedures;
  - J. Match commitment documentation (if applicable);
  - K. Additional information for projects over \$50,000 (See 10 CSR 80-9.050); and
  - L. Complete district subgrantee checklist, signed and dated by the district's subgrantee.
2. Complete, sign, and date the district grant application.
3. Complete, sign, and date the pre-application checklist.

## K. District Subgrant Application Content

1. **Applicant Profile Sheet** - Specific information about the applicant.
2. **Executive Summary** - A summary of the project objectives and the problem to be solved. This summary should include the page number of the Solid Waste Management Plan component it applies to, if applicable. **The executive summary should be no more than two pages.** If an application is going to receive partial funding, rewrite the executive summary to focus on the awarded activity.
3. **Location of Project** - This should include both the physical location of the project as well as the mailing address (this could be different from the applicant's address), and the name of a contact person and telephone number,
4. **Work Plan** - Also referred to as the *Scope of Work*, the plan should identify: Project **tasks** and descriptions, main key personnel involved in the project, and their qualifications.
5. **Time table** - The time table should show the anticipated dates for major planned activities, expenditures and includes quarterly reports and the final report.



**Example Time table**

(Text, a chart, or a graph is acceptable)

6. **Line-item Budget** - The budget is an estimate of the costs for conducting the project. Estimates shall be provided for all major planned activities or expenditures **in excess of \$5,000** and must be supported by documentation showing how each cost estimate was determined (letter of intent, letter of commitment, manufacturer/business quote, catalog/website information, paid receipts, brochures, registration forms, etc.).

Salaries must be broken down by position and translated into (one full time employee = 2,080 hours per year) **FTE hours worked and rate of pay.**

- If the district requires matching funds for their projects, the budget must delineate the percentages and dollar amounts of the total project costs for both district funds and applicant contributions.
7. **Permits, Approvals, Licenses, Security Interest, or Waivers -** Verification must be provided that all applicable federal, state and local permits, approvals, licenses, security interest (i.e., UCC-1, certificate of title or deed of trust), or waivers necessary to implement the project have been obtained or applied for. If only applications for any or all of the instruments noted above have been made, the project may not be awarded until they have been obtained (e.g., waste oil, tires, and HHW projects).
  8. **Demonstration of Compliance with Local Zoning Laws -** The applicant must demonstrate compliance with local zoning laws.
  9. **Evaluation Procedures -** The evaluation procedures should describe both quantitatively and qualitatively how the success of the project will be measured.
  10. **Match Documentation -** If the district requires matching funds for their projects, supporting documentation showing a commitment to the match amount is required. Match from another project cannot be used.
  11. **Supporting Documents for Projects Involving Allocations Over Fifty-Thousand Dollars (\$50,000):**
    - A. To demonstrate technical feasibility the following must be submitted:
      - 1) A preliminary project design.
      - 2) Engineering plans and specifications for any facilities and equipment required for a proposed project.
    - B. A Financial report including:
      - 1) A three (3)-year business plan. For projects involving recycling and reuse technologies, the plan shall include a market analysis with information demonstrating that the applicant has secured the supply of and demand for recovered material and recycled products necessary for sustained business activity.
      - 2) A description of project financing, including projected revenue from the project.
      - 3) A credit history.
      - 4) Up to three (3) years previous financial statements or reports.

## **12. Confidential business information and availability of information**

Any person may assert a claim of business confidentiality covering a part or all of that information by including a letter with the information which requests protection of specific information from disclosure. Confidentiality shall be determined or granted in accordance with Chapter 610, RSMo. However, if no claim accompanies the information when it is received by the department, the information may be made available to the public without further notice to the person submitting it.