



Washington State  
Conservation  
Commission



CONSERVATION DISTRICTS  
OF WASHINGTON STATE  
*your window to healthy lands*



Photo by Pauline  
Hagen, Stevens CD

WASHINGTON STATE CONSERVATION COMMISSION

# GRANT AND CONTRACT POLICY AND PROCEDURE MANUAL

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Effective on July 1, 2025.

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# SECTION 1: GENERAL INFORMATION

## In this section you learn about:

- ✓ The Washington State Conservation Commission
- ✓ The manual's purpose
- ✓ Where to get information
- ✓ Important things to know

## About the Washington State Conservation Commission

The Washington State Conservation Commission (SCC) is the coordinating state agency for all 45 conservation districts in the state. SCC provides funding for and manages multiple grant and contract programs to support locally-led efforts by conservation districts, entities, and cooperators solve natural resource issues.

Grants and contracts administered by SCC originate from multiple sources, including but not limited to state, federal, and non-governmental entities. As such, additional requirements may apply to grant awards originating from the source of the funds as well as SCC requirements.

SCC was created in 1939 by the Washington State Legislature. The statutory authorities lie within RCW 89.08 and WAC 135. It is governed by a 10-member board that consists of:

- Two governor-appointed members.
- The directors (or designees) of four state agencies (Department of Agriculture, Department of Natural Resources, Department of Ecology, and Washington State University).
- Three conservation district representatives elected by members of the Washington State Association of Conservation Districts (WACD).
- The president of WACD.

SCC activities are required 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 SCC's director.

## Purpose of this Manual

This manual provides general information and requirements on program policy and procedures for requesting reimbursements from SCC. Please note that the rules may vary depending on project types, programs, and are subject to change.

To determine what is eligible for reimbursement, refer to the agreement, this manual, and the programmatic guidelines applicable to your grant or contract. If you have questions about a grant program or contract, please contact your regional manager, contract manager, program manager, or a member of the financial staff.

# Contact Information

Washington State Conservation Commission  
Telephone: (360) 407-6200  
FAX: (360) 407-6215  
Website: [www.scc.wa.gov](http://www.scc.wa.gov)  
E-mail: [commission@scc.wa.gov](mailto:commission@scc.wa.gov)

## Mailing Address

PO Box 47721  
Olympia, WA 98504-7721

## Physical Address

Department of Ecology Building  
300 Desmond Drive SE  
Lacey, WA 98503

Please contact our office (360-407-6200) or TTY Relay (800-833-6384) to request this content in an alternate format.

## About SCC

The State Conservation Commission (SCC) is a state agency that manages multiple grant programs to work to conserve natural resources on all lands in Washington state, through voluntary and incentive-based programs, in collaboration with conservation districts and other partners. SCC is the coordinating state agency for all 45 conservation districts (CDs) in Washington State. Together, the SCC and CDs provide voluntary, incentive-based programs that empower people to practice conservation and ensure healthy natural resources and agriculture for all.

Grants administered by SCC come from state sources so all state requirements may apply. SCC'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 the reader believes SCC or its programs discriminate, please inform SCC's director.

## Purpose of this Manual

This manual offers general guidance on the reimbursement request process. Please be advised that the requirements may vary depending on the type of project, program, or any approved amendments. For specific details, refer to the programmatic guidelines and/or the grant agreement. Should you have any questions, kindly contact our fiscal staff or reach out to the programmatic or regional manager. Any items that are not specifically identified as eligible or ineligible are not eligible by default. Please reach out to SCC fiscal staff prior to incurring a cost not identified in this manual to ensure eligibility for reimbursement.

## Important Things to Know

Specific programmatic guidelines and training videos are available on the SCC website.

## Reimbursement Help

Billing forms, rates, examples, and links are available on the Grants, Contracts, & Finance section of the [SCC website](#). Online trainings can be located on the [videos and trainings](#) section of the SCC website. For contracts, an A-19 will be provided by SCC, and all other forms can be [found here](#).

## Districts and Counties Must Pay First

SCC pays a grant recipient, through a reimbursement process. A district, county or other entity may request reimbursement only after paying employees and vendors. SCC does not provide money before vendors are paid, except as outlined in SCC's cash advance policy and when paying

funds directly into escrow for land purchases. SCC 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 for the grant. A cost is considered reasonable if the work or materials and the cost reflect what a prudent person would have spent under the circumstances. Costs outside the period of performance are not reimbursable.

## **Payment of Allowable Costs**

SCC will pay only for allowable costs. A cost is allowable if it's reasonable, necessary to complete the approved scope of work, allowable in the grant program, documented adequately, and incurred during the period of performance outlined in the project agreement. Costs outside the period of performance are not allowable. An expense must be voucherized for within the same fiscal year that the expense was incurred as directed in the [\*\*State Administrative and Accounting Manual \(SAAM\)\*\*](#). A cost is considered reasonable if the nature of the work or materials and the cost reflect what a prudent person would pay under the circumstances

## **Reimbursement is Limited to Allowable Expenditures**

Reimbursement will be made on allowable expenditures not to exceed the limits in accordance with the grant programmatic guidelines or terms of the contract. Expenditures in excess of SCC's reimbursement may be allowable for another funding source from another entity. Any expenditures that were reimbursed by another entity are not eligible for reimbursement.

## **Use a Verifiable Payment Method**

All payments must be made using a verifiable payment method in accordance with the State Auditor's Office policies. Keep all purchase receipts to provide a verifiable audit trail.

## **SCC Pays Promptly!**

The policy of SCC is to promptly pay a completed reimbursement voucher. In most cases, vouchers are paid within 10 days of receiving a properly completed voucher.

## **Your Information is Public**

All information and documentation submitted to SCC is subject to public review ([\*\*Revised Code of Washington 42.56\*\*](#)). SCC recommends that social security numbers and any personally identifiable information are removed from documents you submit.

## **Grant or Contract Number and Type**

The grant or contract is assigned a unique identifying reference number. If the agreement is a grant, the fiscal year or biennium will be the first two numbers, the conservation district number the next two, and a two-letter designation indicating the program. If the agreement is a contract, the numbering will start with K, followed by the biennium four-digit code.

For example, a grant number will look like this: biennium-conservation district number-program (24-52-IM). A contract number will look like this: biennium-contract number (K2001).

The following is a list of potential program identifiers:

- CE** - CREP (Conservation Reserve Enhancement Program)
- DAP** - Disaster Assistance Program
- IE** - Irrigation Efficiencies
- IM** - Implementation
- FH** - Forest Health and Community Wildfire Resiliency

**FR** - Fire Recovery  
**LT** - Livestock TA  
**NR** - Natural Resource Investments  
**PE** - Professional Engineering  
**RGP** - Riparian Grant Program  
**RP** - RCPP (Regional Conservation Partnership Program)  
**RPP** - Riparian Plant Propagation  
**SFF** - Sustainable Farms and Fields  
**SH** - Shellfish Investments.  
**TO-10** - Task Order Program  
**VSP** - Voluntary Stewardship Program  
**WFF** - Wildlife Friendly Fencing

## **Statewide Vendor Number**

All entities are required to have a statewide vendor number to receive payments. SCC limits payments to electronic fund transfer (EFT). Visit the [Office of Financial Management](#) website ([www.ofm.wa.gov](http://www.ofm.wa.gov)) to register, make changes, and/or establish a statewide vendor number.

## **Tax Related Information (1099-MISC)**

Federal tax regulations require that conservation districts issue 1099-MISC tax forms to all non-employees to whom payments exceeding \$600 per calendar year are made. This includes payments for professional services engineering/design, cultural resources, attorneys, etc. and rent for office space. For information on cost share payments made in reimbursement to participants, please see SCC District Operations Brief: [IRS 1099 Reporting and Forms](#). For further information and assistance on the issuance of 1099's, please contact your [local IRS Office](#).

## **Electronic Signatures**

SCC has a [policy to allow electronic signatures](#) on grant and contract forms. SCC Electronic Signature Forms List contained in the policy outlines which documents may be signed electronically and which require a wet signature. Districts or entities who want to use electronic signatures, must have a policy in place allowing electronic signatures.

# SECTION 2: GRANTS AND CONTRACTS

## In this section you learn about:

- ✓ Conservation District Master Contract
- ✓ General contracts
- ✓ Effective dates
- ✓ Terms and conditions
- ✓ Addendum/scope of work
- ✓ Prior authorization
- ✓ Changes to grant and contract
- ✓ Termination and suspension
- ✓ Appeals
- ✓ Debarment and suspension

## Conservation District Master Contract

SCC enters a funding relationship with conservation districts each biennium through the master contract. The master contract contains the general terms and conditions under which funding occurs. Specific awards are then added using a separate addendum for each funded grant.

SCC will provide the conservation district master contract. It includes all requirements authorizing work, the terms and conditions, instructions on billing, and a section for approval signatures. For conservation districts, it is preferred that the chair of the board signs the contract. However, any individual authorized on the district's Authorized Signature Form may sign. SCC will accept electronic signatures on the conservation district master contract.

Failure by the conservation district to perform according to the scope of work, or to comply with state or federal requirements, may result in the reduction of funds or the termination of the grant or contract.

## Grants and Contracts

The following applies to grants, contracts, and master contracts:

### Effective and Expiration Dates

Effective date means the earliest date any eligible costs may be incurred. Costs incurred before the effective date will not be reimbursed.

The expiration date is the last day when costs may be incurred and are eligible for reimbursement. No costs incurred after the expiration date are eligible. All supplies, materials, or equipment must be in hand by close of business on the last date of the grant or contract.

### Terms and Conditions

The Terms and Conditions of the master contract or any other SCC-issued contract are attorney general approved and are not a negotiable component of SCC contracts.

## Prior Authorization for Grants

At the beginning of biennium or fiscal year, prior authorization to incur costs on specific grant programs may be provided before the conservation district master contract approval. SCC's executive director or designee would grant such an approval. Work can start once SCC gives written prior authorization. However, prior authorization does not guarantee award of a grant. But it does make such allowable costs reimbursable if the grant is awarded.

Specific prior authorization conditions apply:

- Any work performed must be consistent with the grant program addendum included with the master contract.
- Expenses claimed under the prior authorization must be supported by documentation of staff time and proof of expenses incurred and submitted to SCC with the first reimbursement request under the grant.
- Costs incurred before the effective date of the prior authorization, and costs for work or expenses not consistent with the terms of the authorization, are not allowable for reimbursement. Such ineligible costs will be at the expense of the entity.
- The prior authorization letter must be included in the grant file.
- A prior authorization may be prohibited or further limited under each separate grant program.

## Addenda and Amendments to Master Contracts

The work agreed to under a grant addendum, or contract may change during the life of the contract.

- An addendum is a written document detailing the additions and supplements to the original terms of the master contract.
- An amendment to the addendum is how SCC formalizes these changes, and it becomes a part of the contract.
- Any subsequent amendments to the addendum are numbered sequentially over the life of the contract.
- Amendments to all Contracts
- An amendment is necessary whenever there is:
  - A revision in the intermediate outcomes or scope of work of the project.
  - A decrease or increase in the grant or contract amount.
  - Whenever the expiration date is extended.

An amendment is NOT required for administrative adjustments such as changes in address, phone number, or the Authorized Signature Form. Administrative changes must still be reported to SCC. If you have any questions, please contact your regional manager or financial staff member.

The SCC fiscal staff must sign the grant addendum. All amendments must be signed by both SCC and the district. A copy will be emailed to the district for their grant or contract files.

## Budget Revision

If there's a need to redistribute funds among the intermediate outcomes of the grant or contract, submit a [\*\*Budget Revision Form\*\*](#) to SCC. This document must be submitted by a person authorized to sign grant or contract documents per the Authorized Signature Form on file. If a budget revision is approved, the district or entity will receive a copy of the amendment documenting the change.

A budget revision may not be allowable by the conditions of each specific grant program or contract.

## Reporting Significant Developments

Events with significant impact on the project may occur at any time. SCC must be informed as soon as there are any problems, delays, changes in staff, or adverse conditions that will materially affect the ability to meet project objectives, intermediate outcomes, time schedules, cost share implementation, or project tasks within established time periods.

This disclosure must be accompanied by a statement of the action taken or proposed, and any assistance needed from SCC to resolve the situation. Please work with your regional manager or program manager at SCC to provide this information in a timely manner.

## Termination and Suspension

*(Restated from SCC contract terms and conditions)*

SCC may suspend all, or part of, the contract and withhold further payments or prohibit the incurring of additional obligations of funds if we have reason to believe that fraud, abuse, or violation of the law has occurred on the part of any conservation district, district supervisor, or subcontractor in the performance of the contract. SCC may suspend all, or part, of the contract if we determine a failure to comply with any material term of the contract, whether stated in a statute, regulation, plan, application, or elsewhere.

If the project is not initiated within four months after the effective date of the contract, or by any date mutually agreed upon in writing, SCC may suspend the grant or contract.

- **Suspension** means the temporary withdrawal of the authority to obligate previously awarded project funds pending, either corrective action or termination.
- **Termination** means permanent withdrawal — before the expiration date — of the authority to obligate previously awarded project funds. It also means the voluntary relinquishment of that authority by the contract holder.

Termination does not include:

- Withdrawal of funds awarded based on an underestimate of the unobligated balance in a prior period.
- Withdrawal of the unobligated balance at contract expiration.
- Refusal to extend/renew a contract or award additional funds.

Upon a decision by SCC to suspend or terminate a grant or contract, notification of the suspension or termination will be made in writing. Suspension or termination for withdrawal of funding will be effective the date written in the letter. SCC will send written notice of suspension or termination to the conservation district by email and by certified mail to the authorized signer of the contract at the address provided in the notifications section of the master agreement. Suspension or termination for withdrawal of funding will be effective the date listed in the letter. Costs incurred during a suspension or after termination of a contract are not allowable unless expressly authorized in the notice of suspension or termination.

SCC may prescribe one or more actions under suspension or termination. These may include, but are not limited to one or more of these actions:

- Temporarily withhold cash payments pending correction of the deficiency.
- Disallow all or part of the cost of the activity or action not in compliance.

- Request repayment of all or part of the funds already disbursed to the conservation district or entity.
- Withhold further grant or contract awards.
- Take other legally available remedies.

In some cases, allowable expenses may exist after formal suspension or termination. Costs incurred during suspension or after termination that may be allowable include:

- Are necessary and not reasonably avoidable are allowable if the costs result from obligations which were properly incurred by the conservation district before the effective date of suspension or termination.
- Where not in anticipation of the suspension, and, in the case of a termination, are non-cancellable.
- Would have been allowable if the grant or contract had not been suspended or terminated.

## Appeals

Under termination and suspension, a request may be made, and an opportunity may be provided for a hearing, appeal, or other administrative proceedings. SCC will make determinations of cost eligibility, to disallow costs, and to ensure compliance with contract terms and conditions and program guidelines. The written decision of SCC will be final unless a written appeal to SCC's executive director is received within 30 days of the receipt of the decision.

In connection with appeal of any proceeding, the opportunity to be heard and to offer evidence in support of this appeal will be provided. The decision of the executive director will be made within 30 days of the receipt of the appeal and reported to SCC members at [their next regularly scheduled meeting.](#)

Appeals from the executive director's determination will be in accordance with procedures outlined in the General Terms and Conditions included in the conservation district master contract or other awarded contract. Prior to a final decision, the work is expected to continue to progress on the project according to all terms of the contract, meaning that the decision to terminate or suspend doesn't become effective until all appeals are exhausted.

Administrative costs and other expenses incurred as part of an unsuccessful appeal are not allowable.

## Debarment and Suspension

When federal grant funds are used to pay for all or a portion of goods or services, federal regulations require that the grantee ensure compliance with:

- State laws and entity policies related to procurement. Federal procurement requirements (see below) apply if there is no corresponding state law covering bid requirements.
- Suspension and Debarment (Federal Excluded Parties) on the [System for Award Management website](#) (this list is different than the one maintained by the State Department of Labor and Industries).
- Davis-Bacon Act (prevailing wage) requirements.

[A SAM \(System for Award Management\)](#) search must be completed prior to entering into any contractual arrangement. When the search is completed for each contractor or vendor, print the

page from the website and place into the contracting file. Make sure the date and time is printed in the header or footer of the document.

Not having the dated search documents printed and, in the grant, or contract file has been an automatic audit finding from the State Auditor in the past.

In accordance with RCW 39.04.350, before award of a public works contract, a bidder must meet the following responsibility criteria to be considered a responsible bidder and qualified to be awarded a public works project.

- One of the requirements is: Not be disqualified from bidding on any public works contract under [RCW 39.06.010](#) or [RCW 39.12.065\(3\)](#). Violations of RCW 39.12.065(3) [can be found here](#).
  - **Note:** that this is for state debarment, not federal. The entity must print or save the electronic record of the search results to prove the contractor was not debarred at the time of bidding.
- Please refer to the Municipal Research and Services Center (MRSC) guidelines for bidding, purchases and contracting. The guidelines can be found on [MRSC's website](#).

It is the sole responsibility of conservation districts to complete and document a SAM search and a State Labor & Industries search (link above) before awarding public works project contracts or subcontracting with any funding from SCC.

*SCC strongly recommends the district conduct SAM and State Labor & Industries searches for all contractors or subcontractors for all funding awards for projects, regardless of funding source. All participants should be searched on the SAM system before any cost share project is approved for funding, regardless of funding source.*

## Guidance from the Washington State Auditor's Office

### Compliance Requirements – Suspension and Debarment

Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a passthrough entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in [2 CFR section 180.215](#).

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity, as defined in [2 CFR section 180.995](#) and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction.

This verification may be accomplished by:

1. [Checking the System for Award Management \(SAM\)](#). Exclusions maintained by the General Services Administration (GSA) and available at SAM.go (click on Search Record, then click on Advanced Search Exclusions) **Note:** The OMB guidance at [2 CFR Part 180](#) and agency implementing regulations still refer to the SAM Exclusions as the Excluded Parties List System (EPLS),
2. Collecting a certification from the entity, or

3. Adding a clause or condition to the covered transaction with that entity

**(2 CFR section 180.300). Compliance Supplement 2024 3-I-3 May 2024 Compliance Requirements - Procurement And Suspension And Debarment**

Non-federal entities receiving contracts from the federal government are required to comply with the contract clause at FAR 52.209-6 before entering into a subcontract that will exceed \$30,000, other than a subcontract for a commercially available off-the-shelf item.

**Source of Governing Requirements – Suspension and Debarment**

The requirements for non-procurement suspension and debarment are contained in OMB guidance in [2 CFR Part 180](#), which implements Executive Orders 12549 and 12689, “Debarment and Suspension;” federal awarding agency regulations in Title 2 of the CFR adopting/implementing the OMB guidance in 2 CFR Part 180; program legislation; and the terms and conditions of the award.

Most federal agencies have adopted or implemented 2 CFR Part 180, generally by relocating their associated agency rules in Title 2 of the CFR. Appendix II to the Supplement includes the current CFR citations for all agencies adoption or implementation of the non-procurement suspension and debarment guidance. Government-wide requirements related to suspension and debarment and doing business with suspended or debarred subcontractors under cost reimbursement contracts under the FAR are contained in [48 CFR section 9.405-2\(b\)](#) and the clause at [48 CFR section 52.209-6](#).

# SECTION 3: COMPLIANCE

## In this section you learn about:

- ✓ Monitoring program compliance
- ✓ Invoicing
- ✓ Supplemental activity reports
- ✓ Final report
- ✓ Close-out
- ✓ Recovery of payments
- ✓ Conservation Accountability and Performance Program (CAPP)

## Monitoring Program Compliance

Progress made under the grant or contract is monitored in several ways and may include but is not limited to reimbursement requests, activity reports, final reports, and site visits.

## Vouchering

**SCC requires grant vouchering for reimbursement each calendar month when expenditures have been incurred**, unless specified otherwise in the contract. Contracts may bill monthly, quarterly or upon completion of deliverables as specified in the contract.

All monthly reimbursement vouchers, where expenditures have been incurred, must be submitted by the 20th day of the month. All expenditures must be vouchered for within 60 days of the district paying the expenses. The date paid must be included on each invoice or receipt to document when the expense was paid. Documentation may include the district's Treasurer's Report, handwritten date paid on the invoice or receipt or invoice or notated paid stamp. Exceptions will be approved on a case-by-case basis. June vouchers, regardless of funding source, are required by July 10 of each year for SCC to be able to meet our deadlines established by the Office of Financial Management.

Properly completed reimbursement vouchers include all necessary documentation, accurate and correct calculations, and appropriate signatures. Reimbursement requests will not be paid until the district or entity provides satisfactory documentation to support the request.

An exception to this policy may be made for contracts which SCC will allow vouchers to be submitted once a deliverable is completed rather than monthly. This will be specified in the contract language.

If after 90 days there has been no activity on a grant, a status check by your regional manager, program manager or fiscal staff may occur.

## Timing of Expenditures

Expenditures will be considered allowable for vouchering when they are paid. Washington State Auditor's Office (SAO) provides guidance as to when expenditures are recognized as "paid" in the BARS Cash-Basis Manual:

### Expenditures 3.1.7.40 Basis of accounting

*Basis of accounting refers to **when** revenues and expenditures are recognized and reported in the financial statements.*

*Revenues are recognized only when cash is received, and **expenditures are recognized when chargeable against the report year's budget appropriations** as required by state law. This generally results in revenues being recognized when delivered to the government or government's agent and **expenditures being recognized when paid. Warrants and checks are considered paid when issued.***

*An exception to expenditure recognition would be during any open period after the close of the fiscal year when expenditures can be charged against the previous period for claims incurred in the previous period.*

*Open periods are required by statute for cities ([RCW 35.33.151](#) and RCW 35A.33.150) and allowed for counties ([RCW 36.40.200](#)). Special purpose districts which use the county or a city as their treasurer may use the same open period as their treasurer.*

Therefore, an eligible expenditure must be vouchered when a warrant or check is issued and thus the expenditure is considered paid.

## Scenarios

### Goods or Services

Vendor or contractor expenditures must be vouchered when the invoice is paid by the district. A copy of the invoice or receipt must be included with the voucher.

### Credit Cards, Electronic Fund Transfers (EFT) and Purchase Accounts

Credit Card, EFT and purchase account expenditures must be vouchered when the vendor invoice or statement is paid by the district. A copy of the itemized receipt or invoice must be included with the voucher to support the charges. A copy of the account statement will not be accepted as adequate supporting documentation if it does not include itemized charges.

### Travel Vouchers

Travel expenditures must be vouchered after travel has concluded and all expenditures have been paid. All travel-related expenditures must be summarized on an [A20 Travel Expense Voucher](#) form or district form containing all the same required information. Itemized receipts are required for airfare, transportation service, vehicle rental, parking, and lodging. Note: SCC will limit lodging reimbursement to the applicable lodging per diem rate. SCC will reimburse district meals at the OFM approved per diem rates and actual mileage at the current standard mileage rate. No receipts are required for meals or mileage.

### Fiscal Year-End

All expenditures must be paid and received by the district by June 30th. This includes, but is not limited to, any expenditures that occur through credit card purchases, purchase accounts, vendors, and contractors.

No expenses can be reimbursed from a prior fiscal year. All expenses must be paid for and received in the fiscal year they were incurred regardless of funding source.

This does not apply to cost share reimbursements. These costs may be voucherized for when BMP(s) are completed in accordance with the grant funding requirements. All cost share funding and district implemented projects must be voucherized for and completed by the end of the fiscal year if funded through operating funds or the end of the biennium if funded through capital funding.

## **Supplemental Activity Reports**

SCC reserves the right to request activity reports and supplemental activity reports at any time. These may be based upon legislative, budget, or other reporting requests made to SCC. If an activity report is not received by the due date, we will withhold payment of any subsequent voucher reimbursement requests until the information is received.

## **Final Report**

SCC reserves the right to request final reports for any grant program or contract. A final report and other grant or contract-closing documentation must be submitted within 10 days of the end of the grant or contract, or other date specified. Final payments and any new grant or contract payments will not be made until all final documents and requested information is received.

## **Close Out**

"Close out" is the process by which all administrative matters relative to the grant or contract are reconciled to close the file. SCC will close out the project when all applicable administrative and programmatic requirements of the grant or contract have been met, or when the project has been terminated.

- SCC requires that you submit a [Grant Close-out Form](#) or [Contract Close-out Form](#) with the final voucher reimbursement request.
- Once we receive the close-out paperwork, the grant or contract is closed.

Failure by a conservation district or contracting entity to return the close-out paperwork will result in withheld payments on current grant or contract vouchers, and delays in executing future grants or contracts.

Final payments will NOT be made until all required documentation is on file with the appropriate authorized signatures.

### **Close Out Does Not Affect:**

- SCC's right to disallow costs and recover funds based on a later audit or other review.
- The conservation district's obligation to return any money due because of later refunds, corrections, or other transactions.
- Records retention and access to records required under the grant or contract.
- Property management procedures under the grant or contract.
- Audit procedures under the grant or contract.

## **Close-out Process**

Within 10 days of the expiration date, all financial, performance, and other reports required under the grant or contract are due to SCC. Required final reports may include, but are not limited to:

- Final reimbursement voucher.
- Invention disclosure (if applicable).
- Close-out form.
- If applicable, any programmatic specific supplemental or final reports.

## **Recovery of Reimbursements**

- All reimbursements under a grant or contract are subject to final audit by SCC or a designee of SCC.
- SCC will be reimbursed for any unauthorized or unallowable expenditures charged.
- The right to retain monies paid as reimbursement payments is contingent upon satisfactory performance under the terms of the grant or contract including satisfactory completion of the projects described in the Scope of Work.
- For any reason, a failure to perform obligations required of it by the grant or contract, SCC may, within its sole discretion, require repayment to SCC all grant or contract funds disbursed for those parts of the project rendered "worthless" in accordance with the conservation district master contract and the Contract for Cost Share.

## **Conservation Accountability and Performance Program (for conservation districts)**

The Conservation Accountability and Performance Program (CAPP) is a program for Washington Conservation Districts pertaining to accountability requirements.

Noncompliance by a district not meeting all CAPP Standard One requirements may affect funding eligibility and funding level by action of SCC.

Please refer to SCC's website for all [CAPP related information](#).

# SECTION 4: REIMBURSABLE EXPENSES

## In this section you learn about:

- ✓ Staff or expenditures shared between two districts
- ✓ Goods and services
- ✓ Payroll
- ✓ Travel and transportation
- ✓ Equipment or tool use allowance
- ✓ Donations
- ✓ Cost eligibility
- ✓ Overhead
- ✓ Employee composite rate

## Staff or expenditures shared between two conservation districts

In instances where two conservation districts share resources (Staff, office, subscriptions etc.) the CDs must enter into an interagency agreement and SCC must receive a copy of the Agreement at the start of each biennium. The Agreement must identify which CD is the primary and receives payment from the second CD for staff services. Any costs shared between two conservation districts and charged to SCC grants or contracts, must be documented and billed to the correct conservation district per the agreement. If the Agreement is amended at any time during the biennium, a copy of the amendment must be sent to SCC.

For example: If conservation district A has all the employees and pays all the invoices for a project, but those costs are to be split between conservation district A and conservation district B, conservation district A needs to send conservation district B an invoice with supporting documentation that clearly identifies which of the expenditures/cost that conservation district A paid that belong to conservation district B.

Conservation district A pays expenditures for the following:

- Staff A – 80 hours of time charged to Implementation Grant (comp rate of \$50.00) - \$4,000 total.
- Staff B – 80 hours of time charged to Implementation Grant (comp rate of \$60.00) - \$4,800 total.
- Xerox Invoice \$100.00 total.
- Office Rent \$2,000.00 total.
- But 50% of each of those expenditures belong to conservation district B, conservation district A would need to invoice conservation district B and provide supporting documentation including copies of signed and approved timesheets and invoices.
- Staff A – 80 hours of time charged to Implementation Grant (comp rate of \$50.00) - \$4,000 total - \$2,000.00 - 50% charged to conservation district A and \$2,000.00 -50% charged to conservation district B.
- Staff B – 80 hours of time charged to Implementation Grant (comp rate of \$60.00) - \$4,800 total - \$2,400.00 - 50% charged to conservation district A and \$2,400.00 -50% charged to conservation

district B.

- Xerox Invoice \$100.00 total - \$50.00 – 50% charged to conservation district A and \$50.00 – 50% charged to conservation district B.
- Office Rent \$2,000.00 total - \$1,000.00 – 50% charged to conservation district A and \$1,000.00 – 50% charged to conservation district B.
- Supporting documentation includes copies of invoices or timesheet and totaled on a conservation district and included with the invoice/reimbursement request and SCC requirements listed in this manual.

## Goods and Services

The conservation district or entity must retain the original invoice or receipt in their grant or contract file for all administrative goods and services purchased. Administrative goods and services are not reimbursable expenses under some grant programs. Check [\*\*individual programmatic guidelines\*\*](#) for more information.

To receive reimbursement, invoices must be in accordance with the requirements [\*\*under SAAM\*\*](#). The following must be included on invoices to meet state requirements: Payee name and address, invoice number, invoice date, dates when services were provided, total amount and description of goods or services and date payment was made.

Here is some additional guidance from [\*\*SAO for Accounts Payable\*\*](#).

## Payroll

Employee time directly related to the approved scope is reimbursable. The reimbursable amount is the employee's regular rate of pay, including taxes and benefits. Taxes and benefits are allowable only if you pay them when they are due. Use SCC provided [\*\*Grant and Billing Composite Rate Form\*\*](#) to determine the appropriate billable rate of pay. Time and material contracts will bill hourly rates at the rates specified in the Contract.

At no time is a loaded composite rate eligible for grant or VSP contract reimbursement. A loaded composite rate is an employee composite rate that adds to, or artificially inflates, actual or reasonably estimated costs or charges above and beyond the actual costs paid out to, or on behalf of, the employee's hours worked. Acceptable components of an employee's composite rate are salary or wages, payroll related benefits such as payroll taxes, unemployment insurance, employee benefits such as medical insurance, earned sick, vacation, or military leave accrual, Social Security & Medicare withholding, and retirement benefits. Other costs such as gym memberships, equipment, supplies, training, or inflating the employee's salary or wages, are not acceptable on a composite rate for SCC funding sources.

## Timesheets

Payroll-related costs charged to SCC grants or VSP contracts must be documented on a timesheet and included with the reimbursement request, along with these criteria:

- 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 and dated by the individual employee and by a direct supervisor having firsthand knowledge of the activities performed by the employee.
- Conservation district manager's timesheets must be signed by a board member or other

authorized signatory per the [\*\*Authorized Signature Form\*\*](#) on file with SCC.

- 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.
- In the instance where an employee is shared between two districts or is employed by one district but is charging time to another district, the timesheet must be signed by the district that employee them, then an invoice must be provided to the district that is being billed that lists all details to document that district A billed district B and for what services. An interagency agreement must also be provided to SCC at the start of each biennium.

## Travel and Transportation

If travel costs are allowable for your grant or contract, they are limited to the [\*\*state per diem rates\*\*](#). Districts must have a travel policy in place with established meal periods. You must maintain a detailed travel log, which includes the traveler's name with dates, departure and return times, locations, business purpose, and itemized travel costs. This information may be needed when requesting reimbursement for personal vehicle use.

For complete information regarding state travel regulations, visit the [\*\*Office of Financial Management\*\*](#). All rules and guidelines outlined below are subject to OFM's regulations. These regulations are frequently updated and posted to OFM's website. SCC will communicate all changes to districts as we are notified. It is the district or entities' responsibility to comply with all OFM rules.

Out of country and out of state travel must be approved in advance of the travel taking place. The district or entity must provide a summary outlining how the out of state travel is an integral part of their program/or training for the staff person. This request must be sent to the SCC program manager to review the request. If approved, the request will be sent on to fiscal for final approval so fiscal can review and also provide guidance on the per diem rates and process. Areas that are exempt from this "travel to counties and/or cities in the states of Idaho and Oregon that are contiguous to the border between Washington-Idaho or Washington-Oregon, or b) out-of-state employees traveling within the same state as their official workstation for travel reimbursement shall not be considered out-of-state." (per SAAM pg. 1048).

If a district incurs a no-show fee, early or late checkout or departure fees, the district must provide a detailed request explaining why the incurred fee was necessary in the course of their travel. These fees will be evaluated on a case-by-case basis.

## Meal Per Diem Reimbursement

Reimbursements for meals are limited to the [\*\*state per diem meal rate\*\*](#) in effect for the area of travel. Meal per diem rates cover basic meal cost, tax, tips and incidentals. Meals — if provided by another entity, conference, or meeting — are not reimbursable. Per diem reimbursement may only be claimed for conservation district board members, associate board members, VSP counties, AmeriCorps members under contract with the district and district staff. Those eligible for per diem reimbursement must pay for the costs and then be reimbursed by the district or entity. The district may not pay for the per diem directly. Contractors, volunteers, and district partners are not eligible for per diem reimbursement on SCC grants. Contracts with other entities may allow this based upon the terms of the contract. SCC will only reimburse the state per diem rate, not actual cost for all meals eligible for reimbursement.

For non-overnight travel assignments, the following two criteria must be met to receive a meal per

diem allowance:

**1. Eleven-Hour Rule:** A traveler may be reimbursed for meal expenses when the traveler has been in travel status for at least eleven hours.

**2. In travel status during the entire meal period:** Travelers must be in travel status during the entire agency-determined meal period(s) to qualify to collect meal payments for meal(s). The traveler may not stop for a meal just to meet the eleven-hour rule.

For overnight travel assignments, all meals are to be reimbursed at the rate in effect for the area where the traveler stops for sleep. The meal reimbursement rate for the last day of travel (return day) would continue to be the rate for the location where the traveler last stopped for sleep.

The [Internal Revenue Service \(IRS\)](#) has determined meal allowances and reimbursements to employees are taxable fringe benefits when overnight travel does not occur. These reimbursements are to be included in the taxable wages no later than the month following reimbursement.

## Lodging and Transportation Per Diem Reimbursement

Reimbursements for lodging are limited to the lower of the actual cost or the [state per diem lodging rate](#) and supported by documentation submitted at the time of the reimbursement request. The lodging per diem rate covers the basic room cost, resort/amenity fees, cleaning fees and services fees. Lodging taxes are reimbursable beyond the maximum per diem. If per diem rates are not available to the traveler, an [Exceeding Per Diem Form is required](#). This form must be approved by the district manager or board **in advance** of the stay.

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

- **Mileage:** Allowable costs are limited to the current state mileage rate. The mileage rates include the **variable costs of operating a vehicle**, such as the cost of gas, oil, tires, maintenance and repairs, as well as the fixed costs of operating the vehicle, such as insurance, registration and depreciation or lease payments. The mileage rates do not include the cost of parking and tolls
- **No other vehicle costs** including insurance, fuel, oil changes, repairs, maintenance, or lease payments will be allowed unless an exception is made by SCC.
- **Vehicle Rental:** Reimbursement is limited to actual rental and fuel costs.
- **Parking and bridge tolls, transportation services** (taxis, shuttles, Lyft/Uber, ferries, etc.), **checked baggage** and **mandatory lodging fees** for internet access are reimbursable expenses. [For Lyft/Uber, tips are also reimbursable](#).
- **Receipts:** All receipts for lodging and expenses paid for on an employee's personal credit card must be submitted on a [A-20 Travel Expense Voucher request form](#) with the rest of the grant or contract voucher. If the lodging is directly billed to the district or entity using the district or entity's credit card, a travel voucher is not required but the lodging receipt is. For all employee travel, departure and return trip times must be documented on the [travel voucher request form](#) in order to determine per diem eligibility.

## Peer to Peer Rental (VRBO, Airbnb)

- Lodging must be at the per diem rate for the county the traveler is staying the night in
- Lodging will not be authorized if the peer-to-peer rental is not a commercialized lodging facility

- All fees associated with peer-to-peer property rentals are to be added into per diem rate based on a daily cost. Reimbursement for the nightly rate plus associated fees will not exceed the per diem rate for the area. Examples of fees are: cleaning fees, service fees, amenity fees, etc. Fees will be divided by the number of days employee/s are staying at the rental to determine the cost per day for the fees.
- SCC will not reimburse for any cancellation or damage fees.
- Receipts must show the total itemized amount of fees, taxes and nightly rate as well as location of rental property.
- When there are multiple employees staying at the facility, the nightly rate plus fees will be divided amongst each employee. The district must pay for the cost of the rental with agency card and one employee cannot incur the total cost of the rental and be reimbursed for the cost. [OFM guidance can be found here.](#)
- Districts are responsible for calculating the daily cost of the rental and ensuring that the daily cost does not exceed per diem.

The [Internal Revenue Service \(IRS\)](#) has determined meal allowances and reimbursements to employees are taxable fringe benefits when overnight travel does not occur. These reimbursements are to be included in the taxable wages no later than the month following reimbursement.

## Donations

For conservation districts, donations are not a reimbursable grant or contract expense. As a reminder, conservation districts may not make donations of any kind and request reimbursement from SCC. The Washington State Constitution prohibits the gift of public funds in two sections, Article 8, Sections 5 and 7, and Article 12, Section 9.

## Cost Eligibility

SCC offers grant programs funded through both Operating and Capital funding. Each program is subject to specific proviso language and program guidelines. The eligible expenditures vary based on the funding type and the guidelines for each grant. For more details, [please refer to the table of common expenditures here.](#)

## Ineligible Expenditures

Review this policy and any specific programmatic guidelines for allowable and ineligible expenditures. Do not include ineligible expenditures in the billing as either expenditure or a non-reimbursable amount.

Some examples include:

- Bad debts, including any losses arising from uncollectible accounts or claims.
- Ceremonial expenses, such as refreshments or other costs not tied to a business purpose.
- Costs billed to another funding source, except when being used as a non-reimbursable match amount.
- Contributions to a contingency or reserve.
- Depreciation of facilities or equipment.
- Deposits, all costs must be paid for in full and goods received prior to requesting reimbursement. Deposits or partially paid invoices are not a reimbursable expense.
- Duplication of costs, the work to be performed under the grant or contract does not duplicate

any work charged against any other grant, contract, subcontract, or other source.

- Entertainment, costs of amusements, WACD auction items, social activities, and incidental costs relating to them (such as meals, beverages, lodgings, rentals, transportation, and gratuities).
- Fines and penalties, including late fees charged by vendors, and any costs resulting from violations of, or failure to comply with federal, state, and local laws.
- Lobbying, or expenses related to lobbying.
- Interest and other financial costs, interest on borrowings (however represented), bond accounts, cost of financing and refinancing operations, and legal and professional fees paid in connection to them, are unallowable except when authorized by state legislation.
- Contributions and donations.
- Meals with meetings.
- Mortgage payments.
- Residential rent,
- Speaker fees and any travel costs associated with hiring a speaker for an event.
- Host stipends for producers holding workshops.
- Gift cards
- Payments to an equipment replacement fund.
- Tuition for quarter, semester or academic year education where class credit is given is not allowable. Trainings and certificate courses required to perform essential job duties may be allowable with prior approval for certain grant programs.
- Vehicle insurance, fuel for vehicles, tires, maintenance, or lease costs, which are already included in the state mileage reimbursement rate. Depending on the grant program, specific lease approvals may be approved.

## Allowable Reimbursable Expenditures

Unless otherwise identified in the project award, grant program or contract or programmatic guidelines, the expenses listed below are considered allowable for reimbursement if funds are available. SCC may request at any time during the grant or contract period or for a period in accordance with the [\*\*Secretary of State Records Retention Schedule\*\*](#), a copy of any receipt, verification of purpose, inventory list, bank statement, or other document, as material backup for an expense.

Any expense appearing to be unreasonable for the area or service is subject to further evaluation and justification. All expenditures must have been fully paid and received prior to requesting reimbursement from SCC.

With any of the expenses below, check with SCC to ensure it will be covered, particularly if the expense is not normally seen, presents a unique circumstance, or is unusually high. Classify these expenses as "Goods and Services" when establishing a budget and submitting reimbursement requests. These categories will apply whether a particular cost is treated as a direct or overhead cost. The list below is not inclusive of all allowable or unallowable expenses. [\*\*Please contact SCC financial staff\*\*](#) for questions about eligibility of expenses not listed below.

If a cost is applicable to more than one grant program or contract, the costs may be divided among each grant or contract. Reimbursements are not to exceed the full cost of the item.

## **Accounting**

Includes the cost of establishing and maintaining accounting and other information systems required for the management of projects.

## **Advertising**

Newspapers, magazines, radio and television programs, direct mail, trade paper, when the purpose of the advertisement is:

- To recruit personnel needed.
- Notification of elections and appointment procedures.
- To solicit bids for procuring project-related goods and services.
- To dispose of scrap or surplus materials acquired.
- To advise the public about a project activity.
- For other purposes specifically provided for in the contract.

## **Audit service\***

Including the costs of audits necessary to administer and manage the grant or contract; this includes accountability, financial, federal, and performance audits performed by the Office of State Auditor.

## **Budgeting**

Including identifiable costs related to developing, preparing, presenting, and executing the project budget.

## **Central stores**

Including maintaining and operating a central stores organization for supplies, equipment, and materials used directly or indirectly for the project.

## **Communications**

Including incurred for telephone, cell phone calls or service, facsimile service, messenger service, website, hosting, data archiving, e-mail and similar expenses.

## **Compensation for subcontracted personnel services**

Including wages, salaries, and supplementary compensation and benefits — paid currently or accrued — for services rendered under the contract, including compensation for employees of the conservation district. Such compensation is allowable if:

- It is preapproved and included in the grant addendum or contract.
- Copy of contract for services is submitted to SCC.
- It is reasonable for the services rendered, and consistent with compensation paid for similar work in the conservation district's labor market.
- It complies with applicable local, state or federal laws or rules governing procurement or merit system requirements.
- It is not compensated by any other governmental entity, conservation district, or subcontractor.

## **Conference and meeting costs**

Examples include meeting room rentals, registration fees, supplies, contracts with facilitators, when the primary purpose of the meeting is the dissemination of technical information relating to the scope of work of the grant or contract and the individual costs are in themselves allowable. Conferences and meetings cannot be reimbursed until after it has taken place. Once it has occurred, the district may submit the expense on the next monthly voucher and is exempt from the monthly vouchering requirement.

## **Contracted payroll preparation**

Costs of preparing payrolls and maintaining necessary related wage records. Full or part-time staffs, which are paid a wage and benefits, do not fall within this category.

## **Credit card processing fees**

These fees are the costs businesses pay to accept card payments. They typically range from 1.5% to 3.5% of the transaction amount, if those are passed on to the CD, they are eligible for reimbursement.

## **Cultural resources costs**

Costs associated with cultural resource reviews and surveys. Cultural resources are defined as archaeological and historical sites and artifacts, and traditional areas or items of religious, ceremonial, and social uses to affected tribes. [View SCC's cultural resource policies on the website for full guidance.](#)

## **Disbursing services**

Costs of disbursing project funds by the treasurer or other designated officer. Disbursing services cover the processing of checks or warrants, from preparation to redemption, including all records required for accountability and reconciliation.

## **Dues\***

Including, but not limited to, National Association of Conservation Districts (NACD), Washington Association of Conservation District (WACD), and Area Association dues.

## **Elections\***

Expenses related to the elections and appointment of conservation district board supervisors, plus training of conservation district elections officer.

## **Equipment rental**

Provided that the total cost during the project does not exceed the fair market value of the equipment and the costs are consistent with rental rates in the conservation district or contracting entity's market. The conservation district or entity must show proof of receipt from the vendor to seek reimbursement from SCC. If district-owned equipment is to be used on private land, the conservation district or entity must show proof of reimbursement by the participant to the conservation district before seeking reimbursement from SCC.

## **Fuel consumed\***

Must generate power, provide heat or operate conservation district equipment on district property. Fuel is also an allowable expense for district owned equipment used to implement the awarded scope of work. UTV/ATV fuel use is reimbursable when used on a SCC funded project as no mileage rate is available through GSA for these types of vehicles.

## **Insurance\***

This includes fire, casualty, theft, liability, and bonding. Auto insurance is not allowed—this is covered in the mileage reimbursement rate set by the Office of Financial Management.

## **Leases\***

Leasing or rental costs for facilities or equipment, such as buildings or copy machines that are shared among all program activities.

## **Light Refreshments**

Coffee and/or any non-alcoholic beverages (e.g., tea, soft drinks, juice or milk) and between meal snacks (e.g., doughnuts, sweet rolls, nuts, or fruit and cheese) at meetings, conferences, or project tours. Reimbursements for light refreshments must include a receipt for goods, a list of attendees, [\*\*District Meeting Expense Authorization form\*\*](#), and a copy of the meeting/event agenda. Without this documentation, reimbursement will not be provided.

To meet the requirements for light refreshments, documentation must show how they are an integral part of the meeting. The district must have a policy in place to allow light refreshments. Pizza, sandwiches, etc., are not considered light refreshments. For complete information regarding light refreshments please visits the [\*\*SAAM Manual\*\*](#).

Light refreshments are not allowable under the following grant programs:

- CREP
- Shellfish
- Natural Resource Investments
- Irrigation Efficiencies
- Task Orders
- Riparian Plant Propagation

## **Maintenance and repair\***

Costs incurred for normal preventive maintenance, necessary repair, and upkeep of property as required, maintaining an efficient operating condition, but not costs for work which add to the permanent value of the property or appreciably extend its designed life. This is not the same as normal operating costs, which include all costs for the day-to-day operation of a facility. Expenses in excess of \$1,000 must be pre-approved in writing by SCC financial staff or program manager.

## **Office and operating supplies**

Office stationery/supplies, forms, cleaning supplies also includes small tools and minor equipment – calculators, fax machines, telephones, etc.

## **Personnel administration**

Includes the cost of recruiting, examining, certifying, classifying, training, establishing pay standards, and performing other project related activities.

## **Postage**

Includes postage costs for distribution of materials related to operations.

## **Printing and reproduction**

Includes project-related materials such as forms, reports, manuals, and informational literature.

## **Procurement service**

Soliciting bids, preparing, awarding contracts, and all contract administration to provide goods, facilities and services for projects.

## **Reference material**

When related to the project and needed by staff.

## **Rental of office space\***

In privately or publicly owned buildings, provided that the costs do not exceed the rental costs of similar facilities in the same locality.

## **Subscriptions**

Accounting programs or other software used across all projects and programs.

## **Taxes\***

Personal, property or sales tax levied by county or state governments are allowable for reimbursement.

## **Training and education**

The cost of training directly benefiting the project, e.g. WADE training, technical training, etc. Employee training expenses related to the position includes, registration fees, mileage, meal per diem, and lodging. Trainings cannot be reimbursed until after they have been attended and completed. Once it has, the district may submit the expense on the next monthly voucher and is exempt from the monthly vouchering requirement. Please note that tuition is not an allowable expense.

- The Implementation grant is most flexible with respect to training and conference attendance/ participation is generally eligible. Pre-approval is not required for implementation grant expenditures for training or conference attendance.
- All out-of-state or out-of-country travel for training/conference attendance must be pre-approved.
- For all other programs, trainings must be tied to or related to implementing the specific grant or program. Where capacity or technical expertise needs to be built up or improved may be prioritized.

### **• Conferences**

- Speaking or presenting at the conference with information about projects/programs the CD has implemented or is planning to implement under the SCC grant or program are eligible if pre-approved by the program manager or included in project budget approved by program manager.
- Attending a conference as a training or professional development opportunity may require additional justification as to the benefits to implementing the SCC grant or program in question.
- SCC may consider allowing partial reimbursement of cost if the conference is not entirely applicable to the program/project. SCC may consider a prorated reimbursement relative to the portion of conference is directly related plus travel cost.

## **Transportation**

Includes costs for freight, cartage, express, postage and other transportation costs relating to goods purchased, delivered, or moved from one location to another. These costs must directly benefit the grant or contract.

## **Utilities\***

Such as electricity, telephone, internet, sewer, water, gas, and propane.

*\*Allowable expenses for conservation districts only.*

## **Conditionally eligible reimbursable expenditures**

The following costs are allowable under certain conditions. Some costs are allowable only if the activity is included in the grant or contract scope of work and budget, allowable in accordance with grant-specific programmatic guidelines, or with specific prior written approval from SCC. In such cases, submit a written request for approval to SCC. Written approval must be issued prior to incurring the obligation.

**Construction costs not otherwise allowable**, outside of a DIP or Cost Share Project, are eligible only if all the following criteria is met:

- The construction is part of a pilot or demonstration project or specified in a budget award or proviso.
- Public benefit outweighs individual gain.
- The construction project was pre-approved and included in the grant application Scope of Work and Budget.

## **Construction permits**

Prior to commencement of any construction, the conservation district or entity will secure the necessary approvals and permits required by local, state or federal authorities having jurisdiction over the project, provide assurance to SCC that all approvals and permits have been secured (including cultural resources review if applicable), and keep all documentation in the district grant file or contract file.

## **Equipment purchase**

This is a conditionally allowable expense and must be included in the Scope of Work or have prior written authorization from SCC financial staff or program manager for all equipment purchases totaling over \$2,000, for a single piece of equipment. If the equipment purchase is specifically approved in the grant application, additional approval is not required. All equipment purchases must fit into the scope of work of the grant or contract and have a direct correlation to completing the deliverables of the grant or contract.

## **Foreign transaction fees**

Conditionally allowable with documentation.

## **Sponsorships\***

Sponsorships are conditionally allowable if they have a specific direct purpose for the project. If determined by SCC fiscal staff or the program manager to be allowable, the expense must be included in the approved project budget. Capital funded grants do not allow sponsorships unless an additional funding source is added to the grant.

### **Vehicle purchases\***

are not considered equipment and require prior approval by SCC financial staff or program manager before incurring costs. If the vehicle purchase is specifically approved in the grant application, additional approval is not required.

### **Landowner recognition awards\***

Available for exemplary grant-program-specific performance in the form of certificates, plaques, etc., and of a small monetary value (\$25 or less) may be made under certain grant programs. This requires an adopted appropriate policy regarding landowner recognition awards that provides sufficient standards to establish that any awards made are "earned" by the landowner.

At a minimum, those standards must include all of the following:

- A description of the basis on which the conservation district will make landowner recognition awards.
- A description of the process by which the conservation district will decide who is to receive such awards.
- A description of the type of award to which a landowner will be entitled.
- The award activity is included in the Scope of Work.

### **Clothing/apparel**

Clothing and apparel is reimbursable for purchase of apparel necessary for employees' safety, or for public health and safety while performing job duties under a grant Scope of Work (e.g., hard hats, protective eyewear, protective gloves, boots, and other conservation district logo clothing to identify staff while representing the district). The district must have a policy on clothing purchases. District logo clothing cannot be reimbursed when using for promotion purposes. This is a conditionally allowable expenditure on operating grants only.

### **Tabs or registration fees for UTVs or ATVs**

May be vouchered for under the Implementation grant as there is no specific mileage reimbursement rate for these types of vehicles.

*\*Allowable expenses for conservation districts only.*

### **Direct costs**

SCC will reimburse for direct and overhead costs that are allowable under the grant or contract.

#### **What are direct costs?**

Those that can be assigned to a particular project activity and budget object contained in the grant or contract, such as:

- Compensation of actual hours of employees for the time devoted to the project.
- Listed in Allowable Reimbursable Expenses.
- Cost of materials and equipment used specifically for the project.
- Costs of services furnished for the project by a conservation district or entity.
- Actual hours of administrative personnel who process vouchers, payroll, and other accounting activities specific to this project.

## **Overhead**

All costs incurred for a common purpose and not readily identifiable with a particular project activity. This includes costs incurred by others who supply goods, services, or facilities such as:

- Costs of utilities for a facility shared by a project and other conservation district or entity activities.
- Costs of supervisory personnel who oversee project activities as well as other conservation district or entity activities.
- Overhead rate allowed for a contract will be specified in the terms of the contract.

## **Computing Conservation District Overhead Costs**

Each biennium, SCC will set the maximum rate that can be taken for overhead costs. The overhead will be a percentage of each voucher's direct costs for salaries and benefits. Conservation districts establish their rate per grant program on the addendum once it has been approved by the board of supervisors. However, specific programmatic guidelines may limit choices for computing overhead costs. Once an overhead percentage is selected and voucherized against, it remains in effect for the period identified on the appropriate addendum and cannot be changed. Supporting documentation for overhead costs must be available for inspection.

In nearly all programs, SCC provides conservation districts the ability to bill overhead to cover implementation costs. The overhead is for the conservation district to use to pay any expenses not covered through reimbursable expenses.

Employee Hours X Employee Rate \$ (Composite Rate) = \$Total Pay X Overhead Rate = allowed overhead for conservation district

### **Example:**

10 hours (Employee Hours) X \$25.00 (Composite Rate) = \$250.00 (Total Pay)

\$250.00 (Total Pay) X 25% (District Established Overhead Rate) = \$62.50 (allowed overhead for conservation district).

## **Computing Contract Overhead Costs**

Overhead rate allowed for the contract will be specified in the terms of the contract. Once an overhead percentage is selected and voucherized against, it remains in effect for the period identified in the terms of the contract and cannot be changed during the grant period. Supporting documentation for overhead costs must be available for inspection.

Employee Hours X Employee Rate \$ (Composite Rate) = \$Total Pay X Overhead Rate = allowed overhead for contract

### **Example:**

10 hours (Employee Hours) X \$25.00 (Composite Rate) = \$250.00 (Total Pay)

\$250.00 (Total Pay) X 25% (Contract Established Overhead Rate) = \$62.50 (allowed overhead for contract).

## **Employee Composite Rate**

A composite rate is the accepted method to recoup employee salary, and employer paid benefits. SCC provides a form to be used by conservation districts and VSP counties to establish hourly billing rates and is completed for each employee. Loaded composite rates and/or fees added onto a

composite rate will not be accepted.

A composite rate includes the employer's share of social security or SEP, Medicare, health insurance premiums, employment security, labor and industries, retirement, sick, military or vacation hours, and any other employer-paid benefits.

**New Composite Rate Forms are required** for each employee when any of the following occur:

- A change in the employee's salary or hourly wage.
- A change in the employee's benefits paid by employer (retirement, health, other).
- A change in leave accrual amounts (annual, sick, holidays).

## **Handling Reimbursement for Employer-Paid Benefits**

When using a composite rate, the employer is reimbursed for the expenses related to taxes, leave, and benefits. It's the employer's responsibility to ensure these funds are used for the purposes for which the reimbursement was made. The type of benefit reimbursed has procedures that dictate the appropriate action.

- Social Security, Medicare taxes, retirement contributions, and health care premiums, must be submitted to the appropriate entity within the defined timeline.
- Employment security and labor and industry premiums are generally due every quarter.
- Leave and holiday hours are to be recorded as an employer's liability on all monthly financial reports provided to the board.
- The completed composite rate includes a reimbursement of each leave and holiday hours provided.
- These funds should be set aside in a separate account. The district is required to track accrued leave liabilities and manage reimbursement of funds for employer paid benefits against those liabilities
- Use the funds in the separate account to cover the costs of the employee's leave time when their time cannot be charged to a contract.
- Legal risks for the employer exist if contributions and taxes are not made on behalf of the employee.
- Legal risks exist for the employers when leave and holiday hours must be reimbursed, and the cash does not exist to pay the employee for any leave.

# SECTION 5: SCC GRANT PROGRAMS

## In this section you learn about:

### ✓ Operating Grant Programs

- Disaster Assistance Program
- Implementation
- Forest Heath and Community Wildlife Resiliency
- Professional Engineering
- Regional Conservation Partnership Program
- Sustainable Farms and Fields
- Task Orders and Work Orders

### ✓ Capital Grant Programs

- CREP
- Irrigation Efficiencies
- Natural Resource Investments
- Shellfish
- Washington Shrubsteppe Restoration and Resiliency Initiative
- Livestock
- Other Grant Programs

**Please note:** once programmatic guidelines are approved, we will include the updated links here.

SCC offers grant programs funded through both Operating and Capital funding. Each program is subject to specific proviso language and program guidelines. The eligible expenditures vary based on the funding type and the guidelines for each grant. *For more details, please refer to the table of common expenditures starting on page 40 of this document.*

## Disaster Assistance Program

In 2022, the Washington State Conservation Commission (SCC) established the Disaster Assistance Program (DAP). DAP is a short-term disaster recovery financial assistance program for farmers and ranchers sustaining physical damage or incurring expenses due to a natural disaster. DAP is set out in the SCC's statute in RCW 99.08.645.

DAP uses SCC operating funds to partially reimburse eligible disaster recovery expenses or fund the implementation of best management practices that restore and/or increase disaster resiliency.

[View complete Disaster Assistance Program guidelines here.](#)

## Professional Engineering Grant Program

SCC provides grant funding to support professional engineering services oversight, technical assistance, and staff training for coordinating groups of conservation districts. These conservation districts may hire an "area professional engineer" or contract services to accomplish engineering work prioritized by each respective area. Each area consists of several conservation districts that partner to pool financial resources to support an engineering program. Each district participating in

the region contribute to an Engineering Committee to provide a prioritized list of projects for each of the partnering districts. The engineering program workload and priorities are set according to each region's inter-district agreement. One district within each area acts as the designated grant administrator. These areas develop inter-district agreements designed to govern access to and prioritize engineering services among the participating districts.

[View the complete Professional Engineering program guidelines here.](#)

## Implementation Grant – Conservation Technical Assistance (CTA)

Under SCC's authority in RCW 89.08, Implementation grants are allocations of funding to conservation districts of Conservation Technical Assistance and general fund operating funds appropriated to the SCC. These funds are allocated equally between the conservation districts on a fiscal year basis. The amount of the annual Implementation grant is determined by appropriation levels and is approved annually by SCC Commissioners in May. Conservation districts apply for these funds by submitting a grant addendum form each July. All Implementation grant funds must be utilized within the fiscal year and all expenses must be included on the final June voucher each year.

Implementation grant funds support the basic operating expenses of conservation districts and are utilized for expenses **such as but not limited to** office space rent/lease, utilities, administration, accounting, IT, equipment and vehicles, staff salaries and benefits, audits, elections, long range and annual planning, community engagement, informing the public of district activities and opportunities, grant writing, and training. All of these expenses are necessary to enable the conservation districts to function within legal parameters to fulfill their statutory mission of natural resource conservation.

For any potentially ground-disturbing activities (such as but not limited to cost-share, district implemented projects, or public works projects) funded from the Implementation Grant, it is the conservation district's responsibility to budget for potential costs of cultural resources compliance as additional funds are not held aside from this grant for that purpose.

## Forest Health and Community Wildfire Resilience Program

The Forest Health and Community Wildfire Resilience Program (CWR) supports conservation districts' work in helping cooperators improve forest and rangeland health on their lands and assisting communities in preparing for, responding to, and recovering from wildfire. This program is implemented in close collaboration with state and local forestry and wildfire entities and aligns with current national and state-level wildfire and forest health strategies.

[View complete Forest Health & Community Wildfire Resilience guidelines here.](#)

## Regional Conservation Partnership Program Match

SCC is the designated agency to pass through state capital legislative appropriations to conservation districts implementing a Regional Conservation Partnership Program (RCPP) award from the USDA Natural Resources Conservation Service (NRCS). NRCS administers this Farm Bill program through a regular annual solicitation cycle. Conservation districts may request state matching funds for an RCPP award from the SCC, but funding availability is dependent on legislative appropriations. Appropriations received by the SCC are allocated to conservation districts based on identified funding needs of awarded RCPPs for the current biennium.

RCPP match funds may be utilized for the following eligible expenses: cost share, district implemented

projects, staff time and overhead, travel, training specifically related to or tied to implementing the RCPP, education and outreach activities, and equipment specifically related to or required to implement the RCPP. All training and equipment expenses must be pre-approved by the program manager and finance staff to be eligible for reimbursement.

[Learn more about RCPP here.](#)

## Sustainable Farms and Fields

The Sustainable Farms and Fields (SFF) grant program was established to increase the implementation of climate-smart practices to increase carbon sequestration and reduce carbon dioxide equivalent (greenhouse gases, GHG) emissions on farmland, rangeland, and tidelands in Washington through voluntary incentives.

[View complete Sustainable Farms and Fields guidelines here.](#)

## Task Orders and Work Orders

Task Orders are grants to CDs that are made possible by the funding support of USDA Natural Resources Conservation Service (NRCS) under a contribution agreement with the SCC. Typically, NRCS provides a portion of the funding, and the SCC provides the remainder. Task Orders are developed locally between NRCS and CD staff around specific deliverables utilizing a [task order template form](#) to organize the information. Factors considered during the local development process include but are not limited to, CD expertise, capacity, and timing of deliverables' completion.

Once developed locally, a Task Order is then [channeled through review steps](#) at both NRCS and SCC before a grant is awarded to a CD to complete the deliverables. Vouchering for Task Orders only occurs when one or more deliverables has been completed. All work under a Task Order must be completed within the fiscal year and all completed work vouchered for no later than the June voucher each year. Each task order has an effective date and end date unique to the individual task order. Reporting requirements may vary for each task order dependent on the identified deliverables. [A billing report form](#) is required to accompany each voucher submitted.

Work Orders (WO) are grants to CDs that are made possible by the funding support of the Washington Department of Natural Resources (DNR) (or another state agency) under an agreement or contract with the SCC. Each WO identifies specific deliverables and funding levels associated with those deliverables. Each WO has an effective date and end date unique to the individual work order. Vouchering may occur on a monthly basis if the WO deliverables align with SCC project types (such as a District Implemented Project) or once a deliverable is complete for other types of activities (such as a workshop or hosting a training). Reporting requirements will vary for each WO dependent on the identified deliverables.

## Capital Grant Programs

[Download capital budget instructions from OFM here.](#) A capital project is a project to construct either new facilities or make significant, long-term renewal improvements to existing facilities. A capital project usually has the length of time of an NRCS BMP practice life and typically requires the involvement of an architect and/or engineer. Grants made by the state to fund capital projects for other entities are also included in the capital budget.

Capital projects are usually funded by sources specifically set aside for capital purposes, such as proceeds of bond sales, long-term financing contracts, and other dedicated revenues.<sup>1</sup> Projects are

<sup>1</sup> [Office of Financial Management Budget Division 2015-25 Capital Budget Instructions June 2014, OFM Directive 14B-02.](#)

typically on-the-ground projects and technical assistance activities limited to those that support projects or will lead to capital funded projects.

## CREP

The funding is provided solely to help cooperators participate in the Conservation Reserve Enhancement Program (CREP) offered by the USDA's Farm Services Agency (FSA) in accordance with the FSA/State agreement for CREP. CREP in Washington is intended to alleviate some of agriculture-related impacts on water quality and salmon habitat. FSA is the program lead. The Washington State Conservation Commission (SCC) provides cost share, maintenance, practice incentive payment loans and technical assistance.

[View the complete guidelines](#) that cover cost share, maintenance, and Technical Assistance (TA).

## Irrigation Efficiencies

The Irrigation Efficiencies Grants Program is a water savings program. It targets agricultural irrigation water as its primary source of water savings through investments in more efficient application and conveyance infrastructure and associated technical assistance.

The program has three types of funding:

- General Technical Assistance (TA1) is funding for conservation districts to administer their Irrigation Efficiencies Program. Typically, a CD would apply for these funds at the beginning of each fiscal year to cover program expenses during that year. However, a CD can apply for this type of funding as needed at any time during the biennium.
- Project Specific TA (TA2) is funding for CDs to develop, design the implementation of a project. These costs could include cultural resources, engineering, and irrigation water management planning.
- Financial Assistance (FA) is funding for cost share or DIP reimburse for the installation of the infrastructure best management practices within an agreement.

[View the complete Irrigation Efficiencies guidelines here.](#)

## Natural Resource Investments

Natural Resource Investments (NRI) enables districts help local land users or land managers pay for and construct conservation projects that address the most pressing state and local priorities. NRI funding is used for the implementation of locally prioritized projects. It is flexible SCC project funding as it can be used to implement capital projects addressing many different natural resources concerns on a wide range of land uses and ownership utilizing a wide variety of best management practices. NRI funding is available statewide, and an equal amount of initial funding is made available to each district. Projects must be completed within the biennium that they are awarded.

[View complete Natural Resource Investments guidelines here.](#)

## Shellfish

The Shellfish grant program funds projects to conservation districts to implement best management practices (BMPs) that protect or improve the quality of water draining into shellfish growing areas by reducing agricultural non-point pollution, such as fecal coliform and nutrient runoff.

[View complete Shellfish Programmatic Guidelines.](#)

## Livestock

This program provides funding for district staff to provide technical assistance to livestock facilities.

Eligible costs:

- Salaries and benefits
- Travel
- Overhead

Conditional costs:

- Goods and services
- Postage for soil tests
- Education and outreach

[View complete Livestock Technical Assistance Programmatic Guidelines.](#)

## Washington Shrubsteppe Restoration and Resiliency Initiative

The Washington Shrubsteppe Restoration and Resiliency Initiative (WSRRI) is a strong collaboration between the Washington Department of Fish and Wildlife (WDFW), the Department of Natural Resources, and SCC. WSRRI emerged from a legislative proviso initially funded in the 21-23 biennium budget. Ongoing operating funds allocated to WDFW support habitat restoration in the shrubsteppe as well as fire recovery practices. Capital funding is typically designated for wildlife friendly fencing practices, including virtual fencing. Depending on funding available, there may be opportunities for habitat restoration projects as well.

## Deferred Grazing

The Deferred Grazing Reimbursement program provides reimbursement for emergency hay feed and pasture rental to rest burned native shrubsteppe pastures. Deferred Grazing programs will be implemented dependent on the needs that arise each wildland fire season, as determined by the WSRRI steering committee.

## Wildlife Friendly Fencing

Wildlife Friendly Fencing is a cost-share program that provides funding to implement new hard wire fencing that is designed to WSRRI wildlife friendly specifications, such as smooth wire and lower height. Additionally, WSRRI funds the retrofitting of existing barbed wire fencing to wildlife friendly standards and full removal of fence from the landscape. Virtual fencing is eligible for WSRRI funding, a newer technology that utilizes signal receiving collars and base stations and/or cell coverage to establish virtual fence lines that can be manipulated with software.

## Other Grant Programs

There may be instances where SCC receives funding to implement special grant programs. These grants will have specific programmatic guidelines and reporting requirements which will be provided upon funding. More information on special grant programs that may be available can be found [under the program guidelines tabs.](#)

# SCC Common Expenditures

## Operating Budget

	Salaries & benefits	Overhead	Outreach & education	In state travel	Out of state/ country travel	Goods & services	Equipment (Approval needed for single purchase over \$2000)	Cost share & DIPS	Vehicle need over \$2000	Training
Implementation	Yes	Yes	Yes	Yes	Yes - out of state w/ no prior approval	Yes	Yes	Must notify RM if using IM funds	Conditional*	Yes
Forest Health & Community Wildfire Resiliency / collaboration	Yes	Yes	Yes	Yes	Yes - w/ prior approval	Yes	Yes	Yes	Conditional*	Yes
Professional Engineering	Yes	Yes	No	Yes	No	Yes	Yes	No	Conditional*	Yes
Riparian Plant Propagation Program (RPPP)	Yes	Yes	No	Yes	No	Yes	No	No	No	Yes - w/ prior approval
Sustainable Farms & Fields (SFF)	Yes	Yes	Yes	Yes	No	Yes	Yes	Must enter in to CPDS & have award	No	No
Disaster Assistance Program (DAP)	Yes	Yes	Yes	Yes	No	No	No	No	No	No
Voluntary Stewardship Program (VSP) Implementation	Yes	Yes	Yes	Yes	No	Yes - w/ prior approval	Yes	Must be called out as separate outcome in budget	No	Yes - w/ prior approval
Task Orders (75% federal, 25% SCC) Must be billed at per unit cost according to each agreement w/ NRCS	No	No	No	No	No	No	No	No	No	No

\*Process in development

# SCC Common Expenditures

## Capital Budget

	Salaries & benefits	Overhead	Outreach & education	In state travel	Out of state/ country travel	Goods & services	Equipment (Approval needed for single purchase over \$2000)	Cost share & DIPS	Vehicle need over \$2000	Training
Conservation Reserve Enhancement Program (CREP)	Yes	Yes - on TA	No	Yes	No	No	No	Must enter into CPDS & have award	No	Yes - w/ prior approval
Livestock	Yes	Yes - on TA	No	No-mileage only under TA	No	No	No	No	No	No
Natural Resource Investments (NRI)	Yes	Yes - on TA	No	No-mileage only under TA	No	No	No	Must enter into CPDS & have award	No	No
Shellfish	Yes	Yes - on TA or DIP	No	No-mileage only under TA	No	No	No	Must enter into CPDS & have award	No	No
Riparian Grant Program (RGP)	Yes	Yes - on TA or DIP	Yes	Yes - w/ prior approval	No	Yes	Yes	Must enter into CPDS & have award	No	Yes - w/ prior approval
Regional Conservation Partnership Program (RCPP) Matching	Yes	Yes	Yes	Yes	No	No	No	Must enter into CPDS & have award	No	No
Voluntary Stewardship Program (VSP) Implementation	Yes	Yes - on TA	No	Yes	No	No	No	Must enter into CPDS & have award	No	No
WA Shrub-steppe Restoration & Resiliency Initiative (WSRRI)	Yes	Yes - on TA	No	No	No	No	No	Must enter into CPDS & have award	No	No

# SCC Common Expenditures

## Other Grants

Grants not a direct appropriation to SCC for a specific program or purpose.  
Could be operating or capital state funding or federal funding.

	Salaries & benefits	Overhead	Outreach & education	In state travel	Out of state/ country travel	Goods & services	Equipment (Approval needed for single purchase over \$2000)	Cost share & DIPS	Vehicle need over \$2000	Training
ECY - Chehalis Basin: Early Action, Flood, Regional Implementation Team (RIT)	Yes	Specified in Individual Agreements	Specified in Individual Agreements	Yes	Specified in Individual Agreements	Yes	Yes - w/ prior approval through SCC and Ecology	Specified in Individual Agreements	No	Yes - w/ prior
Other Pass Through Funding - WDFW/WFF, DNR/CWF, DNR/ Shrubsteppe others - these could be either operating or capital and these questions needs to be determined before any funds are accepted from another agency and allocated to CDs.	Yes	Specified in Individual Agreements	Specified in Individual	Yes	Specified in Individual Agreements	Yes	Specified in Individual Agreements	Specified in Individual Agreements	No	Yes - w/ prior

# SECTION 6: GETTING PAID

## In this section you learn about:

- ✓ Reimbursement basics
- ✓ Standards
- ✓ Authorized signature forms
- ✓ Payment requests

## Reimbursement Basics

SCC will only reimburse costs that have already been paid by the district or entity. Districts or entities may only submit a grant or contract reimbursement request after all payments have been made to employees, cooperators, subcontractors, participants, and vendors.

SCC requires that all conservation districts and entities to be registered with the statewide vendor unit and [sign up for direct deposit](#). All payments will be made via electronic funds transfer (EFT).

## Standards

Funds must be expended and accounted for in accordance with state laws, the [State Auditor's Office Budget, Accounting and Reporting System Manual \(BARS\)](#), the [SAAM manual](#), policies, and procedures.

Accounting procedures must:

- Provide accurate and complete disclosure of the financial results of projects in accordance with all financial reporting procedures of the grant or contract.
- Identify the source and application of project funds. Records must contain copies of all contracts, authorizations, obligations, assets, liabilities, expenditures, and income.
- Provide effective internal control and accountability for all project cash, real and personal property, and other assets. All property must be safeguarded and assure that it is used solely for authorized purposes.
- Conform to the project budget. Actual expenditures must be in accordance with line items in the grant or contract budget.
- Conform to applicable cost principles detailed in all terms of the grant or contract.
- Maintain appropriate supporting source documentation. This includes record of check numbers, invoices, purchase receipts, payrolls, time and attendance records, contract award documents, and vouchers sent to SCC.

Standards for accounting records include the following or their equivalent:

- **A general ledger:** Classifies, records, and summarizes all accounting transactions relevant to the project.
- **A cash receipts ledger:** Records all funds (cash, checks, money orders) received by the conservation district or entity.
- **A cash disbursements ledger or check register:** Records all expenditures made by the

conservation district, including date, warrant or voucher number, payee, and purpose of the payment.

It is also important to maintain books, records, documents, and other evidence of accounting procedures and project policies and practices that are sufficient to permit the preparation of reports required by the state of Washington and to permit the tracking of funds to a level of expenditure adequate to ensure that the funds have been spent in accordance with federal and state laws, regulations, policies, procedures, and the grant or contract.

These records will be subject at all reasonable hours to inspection, review or audit by SCC or designated state officials and the State Auditor.

## **District Authorized Signatures Form**

A current, district and/or county [\*\*Authorized Signatures Form\*\*](#) must be on file at SCC office before vouchers can be processed or paid. This form requires a wet signature.

A new form is required at the beginning of each biennium and a new form must be submitted after a district election is certified or any other changes to persons authorized to obligate the district (e.g., new staff, new supervisors, changes in officers).

The original fully signed form must be retained at the district office. A copy must be submitted to SCC at [sccgrants@scc.wa.gov](mailto:sccgrants@scc.wa.gov) before any grant or contract payments will be reimbursed.

To make a temporary change to the Authorized Signature Form, a district may submit a memo outlining the change in delegation authority. For example, in the event of a signer's extended absence.

A district may also attach an additional page to the Authorized Signature Form further breaking out employees approved to sign certain grant forms as opposed to an entire category as shown on the form.

## **Composite Rate Forms**

Composite Rate Forms are required for each employee who will have time billed to a contract or grant. View the [\*\*District Composite Rate Form\*\*](#) or the [\*\*Contract Composite Rate Form\*\*](#).

A new form is necessary under all the following:

- The employee's salary or hourly wage changes.
- An Employment Security Department or Labor and Industry rate changes.
- Leave accrual amounts for employees change.
- Employer paid benefit rate changes including retirement and health insurance.

Sick, annual, and holiday leave is incorporated into the composite rate and will not be charged separately.

***SCC will not accept loaded composite rates and/or service fees added onto an existing composite rate.***

A loaded composite rate is an employee composite rate that adds to, or artificially inflates, actual or reasonably estimated costs or charges above and beyond the actual costs paid out to, or on behalf

of, the employee for hours worked.

Acceptable components of an employee's composite rate are salary or wages, payroll taxes, unemployment insurance, employee benefits such as medical insurance, earned sick or vacation leave accrual, military leave, Social Security & Medicare withholding, and retirement benefits. Other costs such as equipment, supplies, training, or inflating the employee's salary or wages, are not acceptable on a composite rate for SCC funding sources.

## Voucher Payment Requests

Voucher payment requests are submitted electronically to [sccgrants@scc.wa.gov](mailto:sccgrants@scc.wa.gov) with the required attachments. Vouchers will only be processed when all required forms and supporting documents have been received. [All SCC grant forms](#) and contracting forms can be found on our website under the corresponding tab. Please refer to [Section 3](#) of this manual for full vouchering requirement.

## Standards for payment

- Unless an [Advance Payment Agreement](#) or Basic Allocation Payment is requested, all funds will be disbursed as reimbursement for costs already paid. Please refer to Section 7 of this manual for further information on the above-mentioned payments.
- Approved allowable costs or obligations incurred must have been paid and received by the conservation district or entity at the time the conservation district or entity seeks reimbursement from SCC.

## Documents Required with Reimbursement Requests

- The following supporting documentation is required for all grant or contract reimbursement requests:
  - [Voucher Support Summary Page](#)—by Intermediate Outcome.
  - [Voucher Support Detail Page](#)—by Intermediate Outcome.
- Contract reimbursement requests require a contract specific A-19.
- Employee time sheets, signed and dated by an authorized signatory or direct supervisor as well as the employee, must be submitted with each voucher.
- Travel Expense Vouchers and receipts must be submitted each time and employee travel reimbursement is requested and signed and dated by authorized signatory.
  - Lodging costs and per diem meals must be itemized on a travel voucher for each employee. Departure and return trip times are required on the travel voucher for the dates of travel to determine if per diem meal costs are eligible for reimbursement per OFM's travel policies (e.g., 11-hour rule). Employees must purchase their per diem meals and claim reimbursement at the per diem rate through the A-20 Travel Expense Voucher or similar form containing all the required information. Lodging purchased with the district credit card does not need to be itemized on a A-20.
- Subcontracts or Interlocal Agreements must be included when vouchering for reimbursement for the first time. We will keep a copy in our grant file.
- Copies of the signed Contract for Cost Share (for completed projects) or [Cost Share Partial Payment Request form](#) (for partially completed projects) with all receipts and [The Cultural](#)

**Resources Complied Statement Form** must be submitted each time cost share reimbursement is requested. All cost share or District Implemented Projects funded by SCC must be entered in **the CPDS**. The Contract for Cost Share must be generated from CPDS and is the only agreement SCC will recognize for cost share, unless specified in the specific grant programmatic guidelines. No changes in the terms and conditions of the contract will be allowed.

- The following entries are required in the CPDS when vouchering for cost share:
  - Before and after photos.
  - Planned and actual implementation measures.
  - BMP and project completion dates.
- District Implemented Project Landowner Agreement, and the Cultural Resources Complied Statement Form must be submitted with the first reimbursement request. After that, monthly invoicing is required for all project costs if expenditures are incurred. All District Implemented Projects funded by SCC must be entered in the CPDS. Once the project is completed, the **DIP Closeout Form** is required to be submitted with the final billing and the closeout tab in CPDS must be updated.
- Composite salary rate information must be updated and submitted when there is a change.
- All goods and services charges require a receipt for reimbursement. No payments will be issued without them.

## Forms Required with Reimbursement Requests

The conservation district **Voucher Support Forms** supplied by SCC are to be submitted with each grant reimbursement request. The contract **Voucher Support Forms** supplied by SCC along with the contract specific A-19 are required to be submitted with each contract reimbursement request.

## Submittal of Voucher and Documentation

Vouchers and back up documentation must be emailed in a PDF format to [sccgrants@scc.wa.gov](mailto:sccgrants@scc.wa.gov). Please do not send voucher requests to individual financial staff email inboxes. Conservation districts or entities will maintain the original signed documentation, per the BARS Manual.

For consistency and efficiency, we are requesting the voucher attachments be sent in a pdf format and named as listed below:

Grants	24-11-IM	#10 (Fiscal Year, district number, grant program, voucher #)
Contracts	K2014	#10 (assigned contract number, voucher #)

By naming the documents consistently this will assist Finance Staff in determining which contracts or grants are in the email. It is also helpful to mention which programs are attached to the email in the Reference line (i.e., Implementation, CREP, VSP, etc.).

## Voucher Support Form - Detail Page

- **The Detail Page** breaks down project expenses according to the intermediate outcomes.
- Each expense is itemized on this page according to the relevant intermediate outcome.
- Each expense must be put on as its own line item.
- The detailed composite rate information by employee must be included.
- Totals from this form are transferred to the Voucher Summary Page.

- A composite rate form for each employee must be on file at SCC office.

## Voucher Support Form - Summary Page

- The [\*\*Summary Page\*\*](#) collects the totals of the Intermediate Outcomes from the Detail Page.
- The Voucher Support Form is the “authorizing payment” document and must include an authorized signature and date.

## Supporting Documentation of Costs

The conservation district or entity will maintain the following support documentation for each voucher reimbursement request in a separate grant or contract file. This will be kept in accordance with the [\*\*Secretary of State Records Retention Schedule\*\*](#) after the expiration date of the grant or contract:

- Composite rate forms for each employee working under that contract.
- Signed and dated copies of employee time sheets with the hours worked and the accompanying math used to reach the salary amount requested.
- State travel vouchers signed and dated by the claimant and approved by an authorized signer. If applicable, copies of lodging receipts must be attached.
- Copies of vehicle travel logs for mileage reimbursement.
- Copies of proof of expenditures for non-personnel costs incurred such as invoices, bills, receipts, or canceled checks.
- Copies of the signed the district-implemented project (DIP) Landowner Agreement, Contract for Cost Share, grant specific cost share contract as outlined in programmatic guidelines. This also includes the Cost Share Partial Payment Request form (if applicable) and copies of all receipts, and the Cost Share Detail Receipt Worksheet or other proof of expenditures related to the cost share project.

If the funding source is federal, all grant or contract files need to be kept in accordance with the federal established records retention schedule.

## Submitting Supporting Documentation of Costs

- When expenditure questions and/or other concerns arise, SCC may request additional supporting documentation.
- SCC reserves the right to request additional supporting documentation during the grant or contract.

## Employee Time Sheets

- Anytime a reimbursement request includes an expense for employee time, signed and dated time sheets must be submitted.
- Employee time must be recorded and broken down by intermediate outcome outlined in the scope of work for each grant or contract.
- Do not include the employee’s Social Security Number or birthday on the time sheet.

- The time sheet must be signed and dated by both the employee and an Authorized Signatory or direct supervisor.
- If the manager's timesheet is submitted, it must be signed and dated by both the manager as well as an Authorized Signatory.
- Overtime and exchange time is to be billed only when the hours are earned. The district must provide documentation to show the overtime or exchange time earned. If the week where overtime or exchange time is incurred is spread between two pay periods, both timesheets are required so SCC can verify the time earned. Overtime is only eligible for reimbursement if staff qualify to earn overtime per the [Fair Labor Standards Act.](https://www.dol.gov/agencies/whd/overtime) . Overtime that appears to be excessive or unreasonable may result in additional justification or explanation being requested by SCC.

## **Conservation District Basic Allocation Payment**

A conservation district Basic Allocation Payment may be requested at the beginning of each fiscal year before any grant payments are made. Based upon status of the Conservation Accountability and Performance Program (CAPP) Evaluation and the receipt of required paperwork, a request up to \$12,500 will be taken out of available Implementation grant funding. If a district requests Basic Allocation Payment, the last intermediate outcome of the Implementation grant will be the Basic Allocation Payment.

This will be issued as a single payment. To be allowable to receive this payment, the district must meet the CAPP threshold.

A request for this payment must be made by identifying the request on the Implementation grant addendum.

Maintaining eligibility requires continued submittal of complete, accurate, and timely expenditure and activity reports for the fiscal year. SCC may with notice require repayment of the allocation against actual expenditures if these requirements are not met.

## **Fiscal year end and final request for payment**

- Final requests for payment, [grant](#) or [contract](#) close out form, supporting materials, supplemental reports, and signatures, must be submitted within ten (10) days after the end of the fiscal year.
- If requests for additional documents necessary to pay the final voucher have not been received after 30 days of the end of the fiscal year, the voucher will be considered late and may not be authorized for payment.
- Only expenses incurred prior to the expiration date of the contract will be allowable for reimbursement.

The last payment will be processed only after all required reports, final payment request, and closing documents have been received by SCC.

## **Voucher or Contract Review**

Before submitting a reimbursement request, double check all charges are accurate and are being coded to the correct outcomes as detailed on the addendum or contract A-19. Once the district or entity receives the budget spreadsheet from SCC, please review it to ensure all charges were correctly coded to the correct outcomes. It is the district or entity's responsibility to identify and

# SECTION 7: CONSERVATION DISTRICT ADVANCE PAYMENT

**In this section  
you learn about:**

✓ Advance payment

## Advance Payment

SCC recognizes conservation districts may not have the cash flow needed to reimburse participants for expenditures related to the implementation of approved projects. We have a funds advance policy that allows for short-term cash advances.

For all conservation districts requesting an advance under this policy, the following shall apply:

- Advances may not exceed 50 percent of the cost share or district implemented project allocation of SCC share of the awarded funds in the grant agreement and may be restricted to less than that amount, determined by SCC financial staff.
- Advances are only allowed on awarded project funding, not technical assistance funds.
- SCC financial staff will evaluate the financial management activity and financial standing of the conservation district in determining the maximum amount allowable.
- Advances are not automatically granted. SCC may decline any request to ensure the integrity of the program.
- SCC reserves the right to inspect the conservation district records on any advance, at any time.
- If the district or county has a compelling reason(s) to request an exception to this policy, you may submit a written request for a policy exception to your Regional Manager and SCC's Fiscal Manager.

## To apply for funds

- The conservation district must send SCC a request by submitting [SCC Advance Payment Agreement](#).
- The request for an advance must be signed by the district manager or chair.
- Requests for the advance must be for allowable expenses and be fully and properly expended by the end of each fiscal year or biennium depending on the grant funding source.

## Reconciling the Advance

- Advances are considered satisfied after review and approval by SCC financial staff of the voucher

and appropriate documents. The voucher must reflect the full amount of the expenditures required to receive the advance. All necessary and required documentation must be provided.

- A complete voucher must be reconciled within 10 days of the end of each fiscal year or biennium. If the advance is not fully reconciled by the end of the fiscal year or biennium, the district is required to repay SCC for the unreconciled outstanding balance remaining within 30 days of the end of the biennium or fiscal year in which the grant was awarded.
- A conservation district may only have one active advance request per grant at any one time. If requesting multiple advances in a grant, each advance must be fully reconciled before another advance request will be approved.
- All voucher requests that reconcile against the advance are on a reimbursement basis only. The district must reimburse participants for the cost share costs prior to submitting the voucher to SCC for reimbursement. For District Implemented Projects (DIP), the district must have reimbursed all invoices prior to requesting reimbursement.

If SCC staff has follow-up questions or further inquiries about the advance documentation submitted by a conservation district, the conservation district shall have five business days from the date of contact by SCC to fully respond to the request for additional or clarifying information. An incomplete response to SCC request may result in a finding of noncompliance.

## **Noncompliance with Advance Policy**

Failure to comply with the SCC advance payment policy and requirements will result in the following:

- A first noncompliance offense will result in suspension of all advances for three months for the conservation district.
- A second noncompliance offense will result in suspension of all advances for six months for the conservation district.
- A third noncompliance offense will result in suspension of all advances for one year or more for the conservation district.

For any noncompliance, and at the discretion of SCC Executive Director or Conservation Commissioners, future grant awards may be impacted through delay or reduction.

SCC may make a referral to the Attorney General or State Auditor if expenditures cannot be properly accounted for. SCC Executive Director or Conservation Commissioners may authorize changes to this policy or exemptions for individual projects or situations.

# SECTION 8: COST SHARE

## In this section you learn about:

- ✓ Rate of reimbursement
- ✓ Approved practice types
- ✓ Cultural resources
- ✓ Contract for Cost Share
- ✓ Cost share forms
- ✓ Conservation Practice Data System (CPDS)
- ✓ Partial payments
- ✓ Other cost share topics
- ✓ Frequently asked questions

## Compliance with All Laws

Compliance with the project agreement, grant and contract programmatic guidelines, SCC policies, and all applicable federal, state, and local laws, orders, regulations, and permits, is required. Please contact SCC staff with any questions.

## Cost Share Assistance Rate of Reimbursement

Cost share assistance projects on private property using SCC funding are authorized to be reimbursed at up to a maximum of 100 percent of the total project costs. In no case will the reimbursement exceed 100 percent of the total project costs, including any other source of funding for the project. Cost share on publicly owned land is limited to 50 percent reimbursement.

SCC authorizes local conservation districts, Voluntary Stewardship Program (VSP) Watershed Work Groups, and other entities to establish by resolution, cost-share rates up to 100 percent in association with SCC grant cost share funding. Conservation Reserve Enhancement Program (CREP), and other programmatically prescribed cost share limitations are the exceptions.

The [\*\*Cost Share Resolution and Labor Rate Form\*\*](#) must be submitted.

To remain in compliance, you must do the following with the form above:

- The form must be submitted at the start of each biennium. It's effective for the entire two-year period.
- The form establishes the cost share reimbursement rate and the participant reimbursement labor rate. The labor rate is limited to SCC's maximum.
- If changes need to be made during the biennium, a new form must be updated and submitted before the cost share contract is signed by the participant and district.
- If no form is submitted to SCC, the default rate of reimbursement will be 50 percent and \$25 per hour.

# Participant Labor Rate

- The participant labor rate will be set at a maximum of \$25 per hour for all individuals 18 years or older. The labor of minors aged 17 or younger will be valued at the current Washington state minimum wage.
- This rate is set when submitting the [\*\*Cost-Share Resolution and Labor Rate Form\*\*](#) mentioned above. It's valid for the entire grant period.

## Approved Practice Types

Cost-share assistance is for practices identified as one of the following:

- Allowable Natural Resources Conservation Service's (NRCS) Best Management Practices (BMPs).
- Alternative practices approved by a professional engineer licensed by the state of Washington.
- [\*\*SCC-approved program specific practices.\*\*](#) These practices must be approved by SCC program managers prior to entering into an agreement with a participant.

If NRCS or engineer standards and specifications are not followed, the district or entity is responsible to get the contractor and/or participant to remedy to the standard. No payment will be issued by SCC until the BMP(s) meets the appropriate standards and specifications.

## Programs Not Covered In This Policy

No board of supervisor's resolution stating the rate of reimbursement for SCC funds shall apply to CREP funding.

If additional directives are issued by another entity for funds (legislature, agency) that's explicit in programmatic limitations, these directives shall supersede the board resolution and will be written into the programmatic guidelines.

## Publicly-Owned Property Eligibility

Publicly owned property eligibility is defined as a title to the property that's held by federal, state, local government, or special purpose districts, including public utilities.

Cost share assistance projects on publicly owned property must be pre-approved by SCC staff. If approved by the Conservation Commission, the rate of reimbursement shall not exceed 50 percent. To request an exception to this policy, you may submit a written request for a policy exception to your Regional Manager and SCC's CFO.

Districts must make sure that the public entity representative signing the Contract for Cost Share Funds or grant specific contract is in accordance with the programmatic guidelines, is authorized to commit the entity to maintain the practice(s) installed for the entire specified design life of the BMP.

## Reimbursements Not To Exceed 100 Percent

If cost sharing with other partners on the same project, the conservation district or entity must identify all funds used on the project and the costs being reimbursed by all funding sources. This ensures the participant will not be overpaid beyond the total project costs.

## Cost Sharing Budget

Unless identified in the Scope of Work for a particular program, there's no limit to the amount of funds from an individual grant budget that may be earmarked for cost sharing. However, there is a limit on the amount of cost share funds each participant may receive per fiscal year.

## Cost Share Limits

SCC's established cost share limits are:

- \$100,000 award per landowner or cooperator, per fiscal year, across all SCC programs unless specifically stated otherwise in the programmatic guidelines of the grant program. **Please note:** a single landowner or cooperator is limited to a \$100,000 award per fiscal year across all properties or businesses owned including leased property. A landowner or cooperator cannot receive a \$100,000 cost share award on one property under their personal name and apply for a \$100,000 award in the same fiscal year for cost share under an LLC owned by them.
- If the district or county has a compelling reason(s) to request an exception to this policy, you are encouraged to reach out to the program manager and your regional manager for guidance.

## Additional Cost Share Policy

SCC funds used for cost share assistance shall include:

- Receipts outlining costs and participant labor will continue to be required.
- All cost share projects are required to be uploaded into the CPDS along with "before" and "after" pictures, , natural resource benefit, planned and actual implementation measures etc.
- SCC Contract for Cost Share Funds must be printed from the Conservation Practice Data System (CPDS). No other form will be accepted unless directly outlined in specific programmatic guidelines. In this case, a separate cost share form will be supplied for district use by SCC. No changes may be made to the terms and conditions contained in the Contract for Cost Share. If changes are made, the contract is null and void and will not be reimbursed.

## Debarment and Suspension

When federal grant funds are used to pay for all or a portion of goods or services, federal regulations require that the grantee ensure compliance with:

- State laws and entity policies related to procurement. Federal procurement requirements (see below) apply if there is no corresponding state law covering bid requirements.
- Suspension and Debarment (Federal Excluded Parties) on the [System for Award Management website](#) (this list is different than the one maintained by the State Department of Labor and Industries).
- Davis-Bacon Act (prevailing wage) requirements and all other federal grant laws must be followed.

[A SAM \(System for Award Management\)](#) search must be completed prior to entering any contractual arrangement. When the search is completed for each contractor or vendor, print the page from the website and place into the grant or contract file. Make sure the date and time is printed in the header or footer of the document.

Not having the dated search documents printed and, in the grant, or contract file has been an

automatic audit finding from the State Auditor in the past.

In accordance with [RCW 39.04.350](#), before award of a public works contract, a bidder must meet the following responsibility criteria to be considered a responsible bidder and qualified to be awarded a public works project.

- Not be disqualified from bidding on any public works contract under [RCW 39.06.010](#) or [RCW 39.12.065\(3\)](#). Violations of RCW 39.12.065(3) [can be found here](#). Note that this is for state debarment, not federal. The entity must print or electronically save the search results to prove the contractor was not debarred at the time of bidding.

It is the sole responsibility of conservation districts to complete and document a SAM search and a State Labor & Industries search (link above) before awarding public works project contracts or subcontracting with any funding from SCC.

***SCC strongly recommends the district conduct SAM and State Labor & Industries searches for all contractors or subcontractors for all funding awards for projects, regardless of funding source. All participants should be searched on the SAM system before any cost share project is approved for funding, regardless of funding source.***

## Guidance from the Washington State Auditor's Office

### Compliance Requirements – Suspension and Debarment

Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred.

“Covered transactions” include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a passthrough entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in [2 CFR section 180.215](#).

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity, as defined in [2 CFR section 180.995](#) and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction.

This verification may be accomplished by:

1. Checking the [System for Award Management \(SAM\) Exclusions](#) maintained by the General Services Administration (GSA) and available at SAM.gov | Home (click on Search Record, then click on Advanced Search Exclusions) (Note: The OMB guidance at [2 CFR Part 180](#) and agency implementing regulations still refer to the SAM Exclusions as the Excluded Parties List System (EPLS)),
2. Collecting a certification from the entity, or
3. Adding a clause or condition to the covered transaction with that entity

### [\(2 CFR section 180.300\)](#). Compliance Supplement 2024 3-I-3 May 2024

Compliance Requirements - Procurement and Suspension and Debarment Non-federal entities receiving contracts from the federal government are required to comply with the contract clause at

FAR 52.209-6 before entering into a subcontract that will exceed \$30,000, other than a subcontract for a commercially available off-the-shelf item.

### **Source of Governing Requirements – Suspension and Debarment**

The requirements for non-procurement suspension and debarment are contained in OMB guidance in [2 CFR Part 180](#), which implements Executive Orders 12549 and 12689, “Debarment and Suspension;” federal awarding agency regulations in Title 2 of the CFR adopting/implementing the OMB guidance in 2 CFR Part 180; program legislation; and the terms and conditions of the award. Most federal agencies have adopted or implemented 2 CFR Part 180, generally by relocating their associated agency rules in Title 2 of the CFR.

Appendix II to the Supplement includes the current CFR citations for all agencies adoption or implementation of the non-procurement suspension and debarment guidance. Government-wide requirements related to suspension and debarment and doing business with suspended or debarred subcontractors under cost reimbursement contracts under the FAR are contained in [48 CFR section 9.405-2\(b\)](#) and the clause at [48 CFR section 52.209-6](#).

### **Cultural Resources**

Projects funded by SCC must follow current policy and procedures regarding the protection of cultural resources. In addition, we encourage each district to develop good working relationships with local tribes that can help inform and support their conservation activities and protect cultural resources. Cultural resources work must be done before project implementation begins or when the scope of the project changes.

Procedural guidance to implement [SCC Cultural Resources Policy](#) and the [Cultural Resources Complied Statement Form](#) can be found in the [Cultural Resources page](#) of our website.

**The Cultural Resources Complied Statement Form is required for every cost share or district implemented project using SCC funding. It must be included when requesting reimbursement for cost share.**

Visit the [Cultural Resources page](#) on our website for instructions on how to be reimbursed for these expenses.

Please contact [SCC's Cultural Resource Coordinator](#) with any questions.

### **Program Cost Share Awards**

The district or entity will be notified of cost share award by SCC financial staff. Work on the project cannot begin until the award notification is received by the district or entity and the Contract for Cost Share has been signed.

- All cost share awards are allocated by BMP. Each BMP has an individual award amount that cannot be exceeded. If there are circumstances that require a modification to the BMP award amount, prior approval by SCC financial staff is required.

### **Contract for Cost Share Funds**

Before cost share expenditures can be reimbursed, we need a completed copy of the Contract for Cost Share Funds for each participant. The Contract for Cost Share Funds must be printed from the [Conservation Practice Data System \(CPDS\)](#). No other form will be accepted unless directly outlined in specific programmatic guidelines. In this case, depending on grant program, SCC will

supply the district or entity with a separate cost share form, or they can utilize their own if permitted. No changes may be made to the terms and conditions contained in the Contract for Cost Share.

**If changes are made, the Contract for Cost Share is null and void and will not be reimbursed.**

The Contract for Cost Share Funds or grant specific contract, must be submitted with each of the following completed:

- **Table 1:** Planned Practices and Calculation of Funding Assistance (completed for each BMP that will be installed).
- **Terms of Contract:** Both the participant and an authorized signer must initial these sections of the contract before the BMPs are installed on the participant's property.
- **Before and After Photos:** We require before and after photographs of each BMP installed on a participant's property. These photos must be uploaded into the CPDS before payment will be made.

After BMPs are completely installed, the conservation district or entity may request a reimbursement of cost share by submitting a voucher that includes a copy of the Contract for Cost Share Funds or grant specific contract per the programmatic guidelines along with the backup receipts supporting the expenditures.

- [\*\*Appendix A: Cost Share Application BMP Worksheet\*\*](#) is not required when requesting reimbursement, but helpful when determining the cost of the BMP.
- [\*\*Appendix B: Cost Share Detail Receipt Worksheet\*\*](#) must be submitted for each separate BMP when requesting reimbursement.
- [\*\*The Cultural Resources Complied Statement Form\*\*](#) must be submitted for each project.

If multiple BMPs are awarded per the Contract for Cost Share Funds or grant specific contract per the programmatic guidelines, the conservation district or entity may request a partial payment of cost share on a completed BMP by submitting a voucher that includes the [\*\*Request for Partial Payment Form\*\*](#) along with the backup receipts supporting the expenditures. A partial payment cannot be requested for a BMP that has not been completed.

- In the case of cost sharing with a lessee, the entity owning the land, whether public or private, must also be a signatory to the Contract for Cost Share Funds or grant specific contract.
- Certain SCC grant programs require and/or allow the use of program-specific cost share forms. If you have a question about which cost share form to use or which procedures to apply, [\*\*consult SCC Financial staff.\*\*](#)

If a district has cash flow concerns pertaining to reimbursing the cooperators, please consult with the program manager or their regional manager prior to signing the Contract for Cost Share.

## **Conservation Practice Data System (CPDS)**

**All projects receiving cost-share funding must be entered into the CPDS.**

Once the project is submitted, the Contract for Cost Share Funds must be printed from the [\*\*CPDS system.\*\*](#) This is the only cost share contract SCC will accept. The exception being special programs, in which case we'll provide or allow the grant-specific cost share agreement to all recipients. No changes may be made to the terms and conditions set forth in SCC's Contract for Cost Share Funds.

The following must be uploaded in the CPDS before payment can be made for cost share:

- “Before” and “after” pictures for each BMP.
- Planned and actual implementation measures for each BMP,
- Completion date for each BMP and/or project.

[View more information about CPDS and the CPDS Manual.](#)

## **Individual Contributed Services Form**

This form is used by individuals who contribute multiple hours to one or more tasks related to installing the BMPs funded for the project. This form captures hours worked by all persons and their district's or entity's established rate.

The participant labor rate for all individuals the age of 18 or over will be set at a maximum of \$25 per hour. The participant's use of minor labor, 17 years of age or younger, will be consistent with Washington's established minimum wage.

One form is required for each month the cooperator performed work on the project. By completing, signing, and dating this form, a dollar amount can be determined for the services this individual contributed to the project. View the [Individual Contributed Services Form](#). If a district has a form that captures the required information, they may use that in lieu of the Individual Contributed Services Form.

Sourcing materials, fuel costs and mileage won't be paid to participants with the Contract for Cost Share Funds. These items considered a cost of doing business and will not be reimbursed to the participant.

## **Cost Share Application BMP Worksheet – Appendix A (Optional)**

The [Cost-Share Application BMP Worksheet](#) is used to help accurately predict how much each BMP will cost to implement.

- Each BMP will be listed on a separate form.
- If using multiple sources of funding (e.g., SCC and Ecology on the same contract), use Section 5 to breakdown the costs.
- Funding from all sources cannot exceed 100 percent of the total project cost.
- This form isn't required to be submitted when requesting reimbursement from SCC.

## **Cost Share Detail Receipt Form – Appendix B (Required)**

The [Cost-Share Detail Receipt Form](#) is used to summarize all of the costs associated with the cost share.

- Labor is summarized in the top portion and is used for participant labor only. This must be accompanied by the [Individual Contributed Services Form](#).

- Material is summarized in the bottom portion. All receipts from the cost share must be listed and included for backup when submitting reimbursement.
- The district or entity's cost share percentage will go in the "% Charged" gray section. It will auto-sum the total amount to be reimbursed.
- One form is required to be filled out for each BMP that reimbursement is being requested for. This is required to ensure each BMP is not exceeding the awarded amount per BMP.

## Cost Share for Conservation District Associate Supervisors and District Staff

Please contact the [financial staff](#) or your [regional manager](#) before approving the Contract for Cost Share Funds. Cost share for Associate Supervisors and conservation district staff may not be reimbursed more than the state ethics laws covering municipal officers.

- Associate supervisors and conservation district employees, as municipal officers, are limited to receiving \$3,000 in cost share assistance per calendar month per [RCW 42.23.030 \(6\)](#).
- Supervisors are exempt from this restriction per [RCW 89.08.220 \(4\)](#).
- Please see the [Cost Share and Financial Assistance Participation by Supervisors, Associates, Employees District Operations Brief](#) and [Code of Ethics for Municipal Officers](#) for more information.

## Methods of Payment

All receipts are required to be submitted with the voucher requesting reimbursement, including partial payment requests.

- Two-party checks are prohibited.
- A conservation district or entity must make cost share payments directly to a participant on a reimbursement basis only, unless the Assignment of Payment form is used.
- If a conservation district chooses to follow [RCW 89.08.220 \(6\)](#)<sup>1</sup>, the conservation district must include with their voucher request for reimbursement the following:
  - Conservation district's receipt for materials purchased on behalf of the participant from the vendor.
  - Conservation district's invoice to the participant requesting reimbursement for the materials purchased on behalf of the participant.
  - A copy of the check from the participant to the conservation district proving that reimbursement to the conservation district from the participant has been made for the materials purchased.
- All materials must be purchased after the award date of BMP funding on the award notification provided by SCC and the Contract for Cost Share.
- We reserve the right to ask for additional documentation and information on a case-by-case basis.

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<sup>1</sup>If the conservation district chooses the option provided under [RCW 89.08.220 \(6\)](#), no exceptions will be made to the documentation required. SCC will only issue reimbursement if all the defined documentation is present for each cost incurred or reimbursement.

## Partial Payment of Cost Share Award

A conservation district or entity may request reimbursement for a partial payment of cost share from SCC for BMPs included in the Contract for Cost Share Funds or programmatic specific contract that are implemented in phases. A partial payment request can only be submitted when one or more BMPs on the Contract for Cost Share Funds are fully completed and there are other BMPs in the contract still being worked on. Only the fully completed BMP(s) will be reimbursed. Partially completed BMPs aren't eligible for reimbursement until they have been completed per NRCS specifications.

Partial cost-share reimbursement requests to SCC must include a copy of the Cost Share Partial Payment Request Form, the Contract for Cost Share Funds or grant specific contract, appropriate receipts, Cost Share Detail Receipt Worksheet, and be included on a voucher for payment.

Once the final payment on the Contract for Cost Share is requested, a copy of the Cost Share Partial Payment Request Form needs to be submitted with the final payment information filled out along with the fully signed Contract for Cost Share.

## Assignment of Payment

The [Assignment of Payment Form](#) is used to help alleviate cash flow issues for SCC funded projects. This form allows the participant to assign their cost share payment from the district or entity directly over to the contractor doing the work on the project.

The participant, district or entity, and contractor all sign the Assignment of Payment Form. A copy is given to each party. Once the project is finished and the district or entity has reimbursed the contractor in accordance with the form, a request for reimbursement may be made to SCC. A copy of the Assignment of Payment Form must be included with the Contract for Cost Share Funds or programmatic specific contract and all other cost share documentation when requesting reimbursement.

## 1099 – G Issuance to Landowners Receiving Cost Share

SCC worked in conjunction with the Municipal Research and Services Center (MRSC) and the IRS to provide additional information regarding the issuance of the form 1099-G Certain Government Payments to landowners receiving cost-share assistance.

A [District Operations Brief](#) was published January 2017.

## Retroactive Payments Prohibited

No retroactive cost-share payments shall be made under SCC's cost sharing program.

For purposes of this policy, the effective date of a Contract for Cost Share Funds is the date the conservation district chair or authorized signatory signs the contract as approved for funding, not the date the participant signs it. There may be specific grant programmatic exceptions to this rule.

The term "retroactive" refers to any time prior to the date of the chair or authorized signatory's signature.

SCC will not reimburse the conservation district, entity, participant, or cooperator for any receipts/charges that occurred before the effective date of the Contract for Cost Share Funds. All technical assistance costs must be vouchered for in the fiscal year they are incurred in.

The exemption to this policy would be cost share reimbursements. These costs may be vouchered

for when BMP(s) are completed, and the cooperator is reimbursed in accordance with the grant funding requirements. All cost share funding must be vouchered for and completed by the end of the fiscal year if funded through operating funds or the end of the biennium if funded through capital funding.

## Maintenance or Operation of Existing BMPs

Maintenance or operation of existing BMPs is not allowable for funding unless specifically approved in the grant programmatic guidelines. However, cost sharing may be used to repair existing BMPs damaged or destroyed by acts of nature. An “act of nature” is defined as an occurrence, especially a disaster, that’s due entirely to the forces of nature and that could not reasonably have been prevented.

Conservation districts or entities considering the use of cost share dollars for repair of existing BMPs destroyed by an act of nature must consider the cost-effectiveness of the repair, whether the design criteria is adequate, and if the public benefit outweighs private gain.

## Equipment Usage

If a participant owns equipment needed to install BMPs in accordance with the Contract for Cost Share this is considered an eligible expense and can be considered for cost share reimbursement. If the participant owns the equipment, the local Farm Service Agency (FSA) rate will be used to establish the hourly rate cost. If the local FSA rate is not available or representative of area rates, the district can use an average of two local bids from an equipment rental company, the NRCS rate, or the district can adopt their own equipment usage rates based on local rates and board resolution. The charge will go under labor for the project.

- **Example:** If a participant owns a large tractor and the local FSA rate is \$80/hour, then the participant will be reimbursed \$80/hour for his/her time spent on the tractor performing work on the approved BMPs. This is the max per hour the participant can be reimbursed and includes the \$25/hour typical participant hourly charge.

If the participant rents equipment from a company, an invoice will be obtained and charged as materials for the project.

## Work Crews

The use of contracted work crews, such as Ecology's Washington Conservation Corps (WCC) are allowable under most grant programs. A district or entity may contract with a work crew to perform work.

The following needs to be adhered to when subcontracting with work crews:

- The charges for the work crew will be coded to the outcome the work applied to.
- The contract between the district and work crew must be on file with SCC.
- When billing, the invoice from the work crew entity or supplemental backup from the district must be clearly broken down by project with the corresponding backup included.
- The district may choose to use their awarded technical assistance or cost share funding to pay for the work crew.

## Conservation District Staff Installing/Constructing Cost Share Projects

Conservation districts may employ their own work crew or have staff conduct installation/construction work on the project but are prohibited from charging the same hours worked to multiple grants. These staff hours to implement a BMP may be charged to the cost share portion of the grant award upon completion of a BMP or project.

- The staff timesheets must break out the time worked directly on BMP implementation separately from technical assistance work.
- All conservation district staff must have a current Composite Rate Form on file with SCC.
- Conservation districts must ensure that any staff conducting work in the field and installing/constructing projects have the correct industrial insurance codes and rates paid for those hours worked.

## Unique Situations

If a conservation district or entity believes cost sharing a BMP in a unique situation will have a demonstrable, positive natural resources impact, a request for cost sharing approval from SCC will be reviewed on a case-by-case basis.

“A unique situation” is one that’s outside the policy established and contained in this manual and/or in the General Terms and Conditions attached to Conservation District Master Contract. This may also apply to any contract established with SCC. The approval process for unique situations is the same as for cost share appeals shown below.

## Location of BMPs

- Cost sharing may be used in urban areas and on rural farms and ranches located within conservation district boundaries. Projects funded in urban areas must meet the same requirements as those funded on agricultural land.
- In the case of cost sharing with a lessee, the entity owning the land, whether public or private, must also be a signatory to the Contract for Cost Share Funds.

## Cost of BMPs

Projecting costs of BMPs will be based on local cost data, FSA data, or established NRCS contract cost lists. Operators will be allowed to obtain their own bids for installation of BMPs. The cost data and bids must be kept as backup in the district grant or cost share contract file.

## BMP Installation Using Materials Already Owned by Participant

These material costs are reimbursable under SCC’s grant programs. However, to determine the appropriate reimbursement rate, materials must be priced using an average of three local bids.

- The participant must provide a listing of materials on hand and sign/date the bottom. This backup needs to be included with the contract for reimbursement.
- Costs must be itemized on the [Appendix B: Cost Share Receipt Detail Form](#).
- Please note the use of materials on-hand is a rare occurrence. Pre-purchasing materials before the Contract for Cost Share Funds or program specific contract has been approved by the board or materials purchased for a project that couldn’t be finished by the end of the grant or contract and calling them materials on hand is not allowed. These costs aren’t eligible for reimbursement.

## Participant as Contractor

If a participant is going use his/her own contracting business to perform the work on their own project awarded with SCC funding, the following rules apply:

- The contractor and or subcontractors must be licensed and bonded to do business in the State of Washington and to do the work in the appropriate discipline that is directly related to the practice(s). The participant if acting as the contractor must be licensed and bonded.
- The participant is required to get at least two additional bids for the project. Copies of the bids must be submitted to the conservation district when requesting reimbursement. These copies must also be submitted to SCC. If a participant cannot secure more than one additional bid, document the reason why for the district file.
- The participant is required to submit all receipts for the project along with the itemized invoice to the conservation district when requesting reimbursement.

If a participant is not a licensed contractor but doing the work, they're subject to the participant labor reimbursement rate established by the conservation district not to exceed \$25 per hour.

## Maintenance of BMPs

Operators or participants shall agree to maintain BMPs cost shared under this program for the design life of the BMPs, as determined by FSA and/or NRCS standards, or as determined by a licensed professional engineer.

If the practice isn't maintained for the entire design life, the participant will be in violation of the Contract for Cost Share. The participant will be liable to repay the state for practices installed. The only exception to this is practices destroyed by an "act of nature".

Annual Proof of Performance will be established in the Contract for Cost Share between the district or entity and the participant. This will outline the annual check in on the BMP(s) status for the entire design life of the project in accordance with the Contract for Cost Share.

## Implementation Monitoring

- SCC aims to monitor 25 percent of the completed cost share projects put on the ground to validate compliance with the agency policy, programmatic guidelines and consistent with the terms specified in the Contract for Cost Share.
- Conservation districts or entities will be notified when their project is selected for monitoring and a date to review the project will be scheduled with the regional manager and other SCC staff, as appropriate.
- All efforts to group together monitoring visits will be made.

## Other Grant Programs and Cost Sharing

Other special purpose grant programs may include their own unique cost sharing policies. An example of this is the Conservation Reserve Enhancement Program. These policies are spelled out in that program's programmatic guidelines, the contract, and often on SCC website. [Contact SCC financial staff](#) or the [grant program manager](#) for additional information on special grant programs.

## Cost-Share Appeals

If your district has a compelling reason(s) to request a variance to an aspect of SCC cost share policy or programmatic guidelines, you may submit a written request for a policy exception to your Regional Manager. The request must state the nature of the hardship or special circumstances, the policy or policies you are seeking a variance to and specifically what the variance or variations would be.

The following is the process for appeals:

- All appeals must be made in writing, signed, or originating from (an email is acceptable) by the conservation district chair or designee, and sent to SCC Regional Manager.
- An SCC Regional Manager will review your appeal with other SCC staff, including finance staff, in a timely manner and present your appeal to the Executive Director.
- The SCC Executive Director may choose to decide on the appeal or bring the appeal to the next regular Commission meeting, at the Executive Director's discretion.
- Decisions made by the Executive Director may be appealed to the Chair and Vice Chair of the Commission to be heard at the next regularly scheduled Commission meeting.

## Cost-Sharing Questions and Answers

### If one of our participants requested cost share on a practice that cost \$150,000 to implement, how much could the district reimburse them?

No more than \$100,000 per landowner or cooperator, per fiscal year. The individual practice reimbursement may vary by program and by practice. Cost share reimbursement limits are established by SCC and reviewed annually.

### How can a participant make up their share of a cost-shared practice?

The participant's share is typically made up of out-of-pocket cash and/or in-kind labor billed at a max of \$25/hour for time.

### How is a participant's in-kind contribution figured?

The amount of SCC's cost sharing is based on the total cost of the BMP. If a participant furnishes labor, materials, or equipment as in-kind, they become a part of the total cost and must be factored in up-front before the conservation district decides how much cost sharing the participant is eligible to receive. Also, participants providing in-kind contributions must furnish the conservation district or entity with invoices detailing allowable costs.

### Can a participant receive a partial payment of cost share?

A participant can receive reimbursement on a fully completed practice when there are other BMPs to implement in the Contract for Cost Share Funds by submitting Cost Share Partial Payment Form and supplying the receipts for the purchases and expenses. However, SCC may not allow partial payments of cost share over fiscal year or biennium periods depending on funding source.

### Who determines the cost of BMP implementation?

You may obtain information on the cost of specific BMPs in its area from the NRCS cost list or from data in the NRCS Field Office Computing System (FOCS) or from recent historical data in the local FSA or conservation district office. Where this data is not available, you may determine costs for BMPs based on at least three quotes or bids of responsible local vendors and/or conservation districts.

SCC staff can assist with determining an allowable cost.

## **When can my conservation district or entity appeal the cost share policy?**

You must show that the existing policy will not allow sufficient funding to accomplish a significant public benefit, or that a unique situation exists that precludes sufficient participant match or cost sharing from another source. You may request approval to cost share in a unique situation where a practice isn't a recognized BMP but will provide a demonstrable water quality or public benefit.

## **Can my conservation district or entity cost share with another public entity?**

Yes, after approval by SCC. If approved, the Contract for Cost Share Funds is required. A conservation district or entity can cost share with municipalities or counties, or other public entities if the practice meets the same requirements as those on private lands. The maximum authorized cost share is 50 percent. The district or entity must ensure the individual signing the Contract for Cost Share Funds is authorized to commit the entity to uphold the practices for the entire design life as specified in the contract.

## **Can my conservation district or entity cost share more than once with the same participant in the same biennium?**

Yes, your conservation district or entity may cost share more than once with the same participant (up to the cost-share dollar limit). When that participant is implementing a complete conservation plan, involving several cost shareable practices. Our cost share limit is \$100,000 per participant, per fiscal year across all programs.

**Please note:** A landowner or cooperator cannot receive \$100,000 cost-share award on one property under their personal name and apply for \$100,000 in the same fiscal year for cost share under an LLC owned by them.

## **Will there be an audit on cost share funding activities?**

The State Auditor will audit your conservation district or entity, and SCC may audit any grant or contract at any time.

## **What is the procedure for participants who default on the Contract for Cost Share Funds?**

If a participant does default on the terms of the Contract for Cost Share Funds, you must attempt to recover the amount of the cost share (depreciated based on design life).

## **How do I determine when BMPs were installed retroactively (and are therefore ineligible for cost sharing)?**

The term "retroactive" applies to any expenses related to BMPs that were incurred before the date your conservation district chair or authorized signatory signed the Contract for Cost Share Funds or award notification from SCC. The participant's signature on the Contract for Cost Share Funds does not represent an approval to incur costs. Your conservation district chair or authorized signatory's signature represents board approval and is also the effective date of the contract.

## **Can I provide cost share for a demonstration project?**

Yes, if your district wishes to demonstrate new or innovative conservation practices, it may pay up to 100% for such practices on private or public land on a one-time basis. The BMPs demonstrated must show local land users how new technology or innovative methods can reduce water pollution and conserve natural resources. Again, demonstration sites must incorporate practices that are

truly new or innovative, and your district may pay for them completely, but only once.

### **Can a Contract for Cost Share Funds be revised after it has been signed by the participant and district?**

Yes, on a case-by-case basis. The district or entity must work with SCC financial staff or your regional manager to request a change to the Contract for Cost Share Funds after the contract has been signed by both the participant and the district. An example of this would be the project came in under budget and the participant would like to add a BMP using the existing funding award. SCC financial staff will guide you on how to make the changes. An updated Contract for Cost Share Funds may be required to be resigned, re-initialed and/or re-approved by the board. There can be no changes to the Contract for Cost Share Funds after the BMPs and project have been completed.

### **Who can answer other questions on the cost sharing program?**

Feel free to call [SCC financial staff](#) or your [regional manager](#).

# SECTION 9: DISTRICT-IMPLEMENTED PROJECTS

## In this section you learn about:

- ✓ Rate of reimbursement
- ✓ Eligible practices
- ✓ Cultural resources
- ✓ Landowner Agreements
- ✓ Conservation Practice Data System (CPDS)
- ✓ Partial payments
- ✓ Frequently Asked Questions

## District-Implemented Project (DIP)

A district-implemented project (DIP) is a project where the district is the lead planner and implementer of the work. A DIP is different from a cost-share project where the landowner is in the lead. In this project type, the district is taking full responsibility for installation/construction of the project which may include but is not limited to acquiring permits, bidding and purchasing processes, prevailing wage requirements, and any other public works project compliance requirements.

A DIP must not include cost-sharing or cash reimbursement to a landowner(s) or land manager(s) with SCC funds. The district is assuming all responsibility for project planning and construction directly. The DIP project structure option is only available to conservation districts. Please see the [District Implemented Project Decision Tree in Attachment A](#) for assistance with determining if a cost share or DIP approach is best for your project or contact your regional manager.

An example of a DIP could be implementing an identified practice with multiple landowners at the same time – reducing vegetative fuels throughout a neighborhood or installing riparian buffers on several consecutive properties along a creek. Another example of a district implemented project could be performing one aspect of a much larger project such as acquiring large woody debris for a stream restoration project or constructing or installing one component or practice of a multi-practice project.

If a conservation district does not complete a DIP as planned, without a compelling reason, the district's eligibility to utilize the DIP structure may be suspended.

## Eligible Practice Types

A DIP project may be implemented using one of the following practice types:

- Allowable NRCS Best Management Practices (BMPs).
- Alternative practices approved by a professional engineer licensed by the State of Washington.
- [SCC-approved program specific practices](#). These practices must be approved by SCC program managers prior to entering into an agreement with a participant.

If NRCS or engineer standards and specifications are not followed, the district is responsible to get the contractor and/or participant to remedy to the standard.

## Cultural Resources

Projects funded by SCC must follow current policy and procedures regarding the protection of cultural resources. In addition, we encourage each district to develop good working relationships with local tribes that can help inform and support their conservation activities and protect cultural resources. Cultural resources work must be done before project implementation begins or when the scope of the project changes.

Procedural guidance to implement the [SCC Cultural Resources Policy](#) and the [Cultural Resources Complied Statement Form](#) can be found in the [Cultural Resources page](#) of our website for instructions on how to be reimbursed for these expenses.

The Cultural Resources Complied Statement Form is required for every district implemented project using SCC funding. It must be included when requesting reimbursement. Please contact [SCC's Cultural Resource Coordinator](#) with any questions.

## Conservation District Staff Installing/Constructing Projects

Conservation district staff may conduct DIP installation/construction work on the project but are prohibited from charging the same hours worked to multiple grants. The only staff hours that may be charged to a DIP project are for actual implementation of the BMP.

These staff hours to implement a BMP can be charged to the installation/construction portion of an SCC grant and must be vouchered for on a monthly basis. Administrative hours, project oversight, and general staff time must be charged to the TA portion of the award, not to the DIP allocation.

- The staff timesheets must break out the time worked directly on DIP installation/construction separately from technical assistance work.
- All CD staff must have a current Composite Rate Form on file with SCC.
- Conservation districts must ensure that any staff conducting work in the field and installing/constructing projects have the correct industrial insurance codes and rates paid for those hours worked.
- All hours worked on installation of the DIP project must be vouchered for on a monthly basis. Administrative, technical assistance and project implementation are eligible to charge up to 25% overhead.

## District Landowner Agreement

The district must provide a copy of the district's Landowner Agreement and Cultural Resource Complied Statement form when requesting the first reimbursement from SCC. SCC provides a [Landowner Agreement template](#) for district use, if desired. Additional guidance is outlined in the programmatic guidelines for each grant program.

A district may also use their own version of a Landowner Agreement which must:

- Be signed and dated by a district authorized signatory.
- Be signed and dated by the landowner.
- Include the BMP(s) or description of work being installed.

Districts will submit reimbursement requests for all DIP costs on a monthly basis, when expenditures have been paid. Once a DIP project has been completed, the following must be submitted when requesting final reimbursement from SCC on the project:

- The [\*\*DIP Closeout Form\*\*](#). This form summarizes the landowners, CPDS Participant ID numbers and BMPs completed.
- The “Closeout” tab in CPDS must be filled out for each BMP the district has completed under the District Landowner Agreement.

## **Conservation Practice Data System (CPDS)**

All projects receiving SCC project funding must be entered into the CPDS. The following must be uploaded in the CPDS upon completion of the DIP:

- “Before” and “after” pictures for each BMP.
- Planned and actual implementation measures for each BMP.
- Completion date for each BMP and/or project.

[\*\*View more information about CPDS and the CPDS Manual.\*\*](#)

## **Work Crews**

The use of work crews, such as Ecology’s Washington Conservation Corps (WCC), are allowable under most grant programs. A district may contract with a work crew directly to perform work.

The following needs to be adhered to when subcontracting with work crews:

- The contract between the district and work crew must be on file with SCC.
- When billing, the invoice from the work crew entity or supplemental backup from the district must be clearly broken down by project with the corresponding backup included.

If a district employs its own work crew, copies of the individual’s timesheets must be included when vouchering SCC broken out by funded project. Please refer to the Conservation District Staff Installing/Constructing Projects section outlined in this chapter for full guidance.

## **Maintenance of BMPs**

The maintenance responsibility of the BMPs will be included in the District Landowner Agreement. The BMPs must be maintained for the design life of the BMPs, as determined by FSA and/or NRCS standards, or as determined by a licensed professional engineer.

If the practice isn’t maintained for the entire design life, the responsible party as outlined in the District Landowner Agreement will be liable to repay the state for practices installed. The only exception to this is practices destroyed by an “act of nature.”

## **Implementation Monitoring**

- SCC aims to monitor 25 percent of the completed projects put on the ground to validate compliance with the agency policy and, programmatic guidelines.
- Districts will be notified when their project is selected for monitoring and a date to review the

project will be scheduled with the regional manager and other SCC staff, as appropriate.

- All efforts to group together monitoring visits will be made.

## Other Grant Programs and DIPS

Other special purpose grant programs may include their own unique DIP policies. An example of this is the CREP Program. These policies are spelled out in that program's programmatic guidelines, the contract, and often on SCC website. [Contact SCC financial staff](#) or the grant program manager for additional information on special grant programs.

## Frequently Asked Questions

### **Do SCC cost-share policies apply to a district-implemented project?**

A district-implemented project (DIP) is not a cost-share project so SCC policies that apply to cost share specifically do not apply to a district-implemented project.

### **Does SCC have a landowner agreement template?**

SCC provides a [Landowner Agreement template](#) for district use, if desired. A district may also use their own version of a landowner agreement.

### **Why do we need to enter into CPDS all of our completed practices regardless of whether or not it was a cost share or district implemented project?**

SCC utilizes CPDS to compile metrics on accomplishments for our grant programs. We must be able to efficiently report out to the legislature and others what the public investment of funds is buying. CPDS is our current method of collecting this information from conservation districts.

### **We are using our district staff and work crew to implement the project. How do we voucher for reimbursement for the hours?**

If a district is using district staff to implement the project, the project time will be billed to the DIP grant allocation outcome monthly as costs are incurred.

### **Who can answer other questions on a district implemented project?**

Feel free to call [SCC financial staff](#) or your [regional manager](#).

# SECTION 10: OTHER REQUIREMENTS

## In this section you learn about:

- ✓ Compliance with all laws
- ✓ Federal audit requirements
- ✓ State audit requirements
- ✓ SCC sponsor monitoring
- ✓ Record retention
- ✓ Property and equipment
- ✓ Disposition of property
- ✓ Bidding and contracting

## Compliance with All Laws

You must comply fully with the contract terms, grant programmatic guidelines, SCC policies, and all applicable federal, state, and local laws, orders, regulations, and permits. Please contact your [regional manager](#) with any questions.

All work performed under the grant or contract and any equipment purchased will be made available to SCC and to any authorized state, federal, or local representative for inspection at any time during the grant or contract timeframe and for at least three years following grant or contract termination or dispute resolution.

## Federal Audit Requirements

The Office of Management and Business (OMB) issued the [Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards \(Uniform Guidance\)](#) to clarify and streamline the federal guidance. The Uniform Guidance supersedes the following OMB Circulars: A-21, A-50, A-87, A-89, A-102, A-110, A-122, and A-133.

The OMB audit policy changes target audit requirements on the risk of waste, fraud and abuse, and raise the dollar threshold for requirement of a single audit to \$1,000,000 or more in expenditures in an entity's fiscal year.

Failure to complete the audit or receive an extension by the due date will result in suspension of all agreements and reimbursements. Extensions only can be granted by the federal agency responsible for implementing the requirements of the Single Audit Act for your organization.

If there's an audit finding, the district or entity may be asked to submit a corrective action plan to SCC and work with their regional manager to address the resolutions of the findings.

## State Auditor Requirements

All funds paid to conservation districts or entities are subject to an audit per the requirements of [RCW 43.09](#). State and local governments will be audited by the Washington State Auditor's Office.

Expenses for an audit are grant reimbursement-allowable expenses under the district's Implementation grant.

## Audit Findings or Management Letter

Conservation districts or entities are required to notify their regional manager if they receive a finding or a management letter from the Office of State Auditor Audit findings or management letters may also be subject to CAPP requirements.

## SCC Grant and Contract Compliance Oversight

SCC reviews all grant or contract costs for each voucher processed and may conduct additional compliance oversight, which could include visits to the district or entity's office. This monitoring is a more detailed review of the district or entity's source financial documents and reports.

## Records Retention

The Office of the Secretary of State Washington State Archives works with the Local Records Committee in accordance with [RCW 40.14.070](#) to determine and update the records retention schedules for all state agencies and local governments each entity is required to follow.

The records retention schedule authorizes the destruction/transfer of the public records of all local government agencies relating to the common functions of the management of the agency, management of the agency's assets, finances, human resources, and information resources. It is to be used in conjunction with the other approved schedules that relate to the functions of the agency.

Current approved records retention schedules for Local Government, also referred to as [Common Records Retention Schedule \(CORE\)](#) can be accessed online.

- The overall managing of conservation district records [can be found here](#).
- Records pertaining to landowner agreements retention [can be found here](#).

Keep the following original documents on file in accordance with the [Secretary of State Records Retention Schedule](#) after project close-out may include but is not limited to:

- Invoices and receipts.
- Vouchers.
- 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 and be made available upon request. If any litigation, claim, or audit is started before the end of the retention period, you must keep the records until all litigation, claims, or audit findings involving the records have been resolved.

The conservation district or entity will maintain complete program, contract, and financial records for each grant or contract to provide an audit trail for all expenditures.

If the funding source is federal, all grant or contract files need to be kept in accordance with the federal-established records retention schedule.

## **Construction Records**

Engineering documentation and field inspection reports of all construction work accomplished under the grant or contract will be maintained. Such records will clearly indicate total receipts and expenditures by fund source and budget object classification.

## **Length of Retention**

Comply with the records retention schedule for conservation districts or entities as outlined in the Secretary of State's [Records Management Guidelines and Records Retention Schedule](#).

Retain all statistical, property, materials inventory, and supply records and supporting documentation for a period in accordance with Secretary of State Records Retention Schedule from the termination of the grant or contract.

Retain records for non-expendable property for a period in accordance with Secretary of State Records Retention Schedule after the final disposition of the property.

If any litigation or audit is begun, or a claim is instituted involving the grant, contract or subcontract covered by the records, retain the related records for three years after the litigation, audit, or claim has been finally resolved.

All grant or contract records will be open for audit or inspection by SCC or by any duly authorized audit representative of the state of Washington for a period of at least six years after the final grant or contract payment or any dispute resolutions.

If any such audits identify discrepancies in the financial records, the conservation district or entity will make clarification and/or adjustments accordingly.

Cost share retention begins after the design life of the BMP(s) listed in the Contract for Cost Share Funds or District Implemented Project Landowner Agreement has been fully completed.

## **Property and Equipment Management - General Principles**

### **Equipment**

Equipment is considered tangible personal property which is used in operations and has a useful life of more than one year. Some examples are furnishings, tools, and computer hardware and software. Equipment may be attached to a structure for purposes of securing the item, but unless it is permanently attached to, or an integral part of, the building or structure, it is classified as equipment and not real property.

# Intangible Personal Property

## Copyrights

This is a form of protection grounded in the U.S. Constitution and granted by law for original works of authorship fixed in a tangible medium of expression. Copyright covers both published and unpublished works.

SCC reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and authorize others to use the copyright in any work developed wholly or in part under the grant or contract for SCC or other state purposes. This license also applies to any copyright that a conservation district or entity purchases with state funds.

Please see the Washington State's Office of the Attorney General [for more guidance on copyright law.](#)

## Publications

Appropriate credit will be given to SCC when the entity, conservation district, or persons employed by the entity or conservation district uses or publishes information of SCC, present papers, lectures, or seminars involving information supplied by SCC, uses logos, reports, maps or other data, printed reports, signs, brochures, pamphlets, images, etc.

## Personal property

Personal property is property of any kind except real property. It may be tangible (having physical existence) such as equipment and supplies; or intangible (having no physical existence) such as patents, inventions, and copyrights.

## Copyright

Again, this is a form of protection grounded in the U.S. Constitution and granted by law for original works of authorship fixed in a tangible medium of expression. Copyright covers both published and unpublished works.

## Patent defined

A patent grants the patent holder the exclusive right to exclude others from making, using, importing and selling the patented innovation for a limited period of time. The U.S. [Patent Act, 35 U.S.C. §§ 1 et seq.](#), was enacted by Congress under its Constitutional grant of authority to secure for limited times to inventors the exclusive right to their discoveries. [See Article I, Section 8, Clause 8.](#)

## Real property

Real property refers to land, including land improvements, structures and items added or attached to them, excluding movable machinery and equipment. SCC contract or grant projects do not include the purchase of real property.

## Supplies

All tangible personal property other than equipment.

## Tangible personal property

### Title

The conservation district or entity retains title to tangible personal property acquired under the grant or contract.

## **Use**

The conservation district or entity will use the equipment, tools, and/or supplies for the purposes authorized in the grant or contract for as long as needed, whether or not the project continues to be supported by SCC funds.

When no longer needed for the original project, the equipment, tools, and/or supplies may be used in other activities currently or previously supported by SCC.

These tools, equipment, and/or supplies are available for use in other projects if such use does not interfere with the work on the originally authorized project.

Preference for other uses will be given in the following order:

1. Program areas funded by SCC.
2. In grant or contract related work funded by another state or federal agency, or by the conservation district itself.
3. Projects administered by other state and federal agencies.
4. Other projects.

## **Disposition of property**

Conservation district officials and municipal officers are prohibited by state law from benefiting from the disposal of public assets owned by the conservation district or entity. The board or other governing body may elect to delegate the task of declaring items surplus to an officer or agent who is not a member of the conservation district board of supervisors or other governing body. If such a delegation is made, the prohibition of benefiting from the disposal of public assets is extended to the officer or agent.

If the asset proposed as surplus is evidence released by the court, seized assets or unclaimed property, the Board of Supervisors or other governing body must seek qualified legal counsel prior to declaring it surplus.

## **Disposition of tangible personal property**

When replacing tangible personal property, the conservation district or entity may dispose of the property being replaced by using it as a trade-in or by selling it and using the proceeds to offset the cost of the replacement.

When the grant or contract expires, or when the property is no longer needed for the originally authorized purpose (whichever comes first), consider any property purchased with grant or contract funds according to the following scenarios:

- If the property is necessary for the continued operation of the project, or other similar activities administered through SCC or by the conservation district or entity. SCC staff may instruct the conservation district or entity to retain the property with no further compensation to SCC.
- Conditions for the continued use of the property may be attached at the discretion of SCC.
- If the project has no further significant use for the property and the property had an acquisition cost of \$1,000 or less per unit (i.e., tools). It may be retained, sold, or otherwise disposed of, and have no further obligation to SCC.

- If the project has no further significant use for the property and the property had an acquisition cost of over \$1,000 per unit, SCC will instruct disposal of the property and either:
  - Pay SCC an amount equal to SCC's share of the current market value or other price agreed upon by SCC.
  - Sell the property and retain the proceeds from the sale for use in other activities administered through SCC.
- If the property has no further value, the district may utilize a recycling or surplus option such as the Department of Ecology's E-Cycle program or DES Surplus Disposal, or
- Transfer title to SCC, or to a third party named by SCC that is allowable under existing statutes.
- The following disposal procedures will apply:
  - The board of supervisors or other governing body will assign a value to the asset.
  - The board of supervisors or other governing body will declare the asset as surplus.

At the direction of SCC, the board or other governing body will authorize one of the methods of disposal described in the following subsections.

## **Disposal of Assets to the General Public**

Primary methods of disposal to the general public are recognized as direct sale, sealed bid, trade-in or auction. Other methods of disposal to the general public must be clearly detailed in writing and must have the consent of the conservation district board of supervisors or other governing body.

When disposal is made to the general public through direct sale, sealed bid or auction, final determination of value will be the highest responsible bid or offer.

## **Disposal of Assets to Other Government Entities**

The conservation district or entity may sell, transfer, exchange, lease or otherwise dispose of any assets to any municipality or any political subdivision (this includes other conservation districts), or the federal government, on such terms and conditions as may be mutually agreed upon.

This requires a written request to entity acquiring the asset and a determination that doing so is in the public interest. The written request from the recipient public agency will specify the asset and the compensation to be received by the conservation district or entity. Compensation may be less than the fair market value, and may take the form of monetary payment, services, materials, or other assets provided in exchange for the asset.

If the value of the asset is estimated to be more than \$50,000, provisions of [\*\*Section 39.33.020 RCW\*\*](#) will apply. This includes several requirements, including a public hearing and certain notice provisions.

For more information see the following resources:

- Conservation District Master Contract
- [\*\*MRSC Asset Management Policies\*\*](#)
- [\*\*MRSC on Sales of Property\*\*](#)

If you have any questions, please contact your [\*\*regional manager\*\*](#).

## Prevailing Wage Requirements

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

- [SCC District Operations Brief on Prevailing Wage](#)
- [Davis Bacon information](#)
- [State prevailing wage information](#)

## Competitive Bidding

Grant and contract recipients shall establish and follow written procurement procedures or follow current state procurement procedures. All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. Be aware of organizational conflicts of interest. Conservation districts or entities that develop or draft specifications, requirements, statements of work, invitations for bids, or requests for proposals shall be excluded from competition for such procurements.

Conservation districts, contact your [regional manager](#) for more information regarding competitive bidding requirements or the [MRSC's Suggested Guidelines](#) for Purchasing, Bidding and Contracting for Washington State Conservation Districts. Or, see the [MRSC website](#) to find more information.

# SECTION 11: GLOSSARY

**Allowable Costs** are those that meet all eligibility requirements established in the terms of the master contract, grant programmatic guidelines or the Grant and Contract Procedure Manual.

**Addendum** a written document detailing the scope of work to be accomplished with the grant award. Adds new information or clauses to a signed master contract without altering the original terms.

**Advance Payment** is a payment of up to 50% of the cost share or district implemented project award of the grant taken in a lump sum for the district to reimburse the participant for a project. An advance payment is intended to relieve "cash flow stress." Please see the Advance Payment section for a more detailed explanation of the criteria.

**Amendment** written document detailing the changes or revisions to the original terms of the grant, contract or addendum.

**Authorized Signatory** the person designated by the district or entity on the Authorized Signatory Form on file in the Commission. It is preferred the chair may sign the conservation district master contract. The chair may delegate other signature authority to another elected or appointed supervisor or to an employee of the district via the Authorized Signature Form.

**Authorized Signatory of the Commission** is the Executive Director or other staff as authorized on the Authorized Signature notification.

**Budgeting, Accounting and Reporting System (BARS) Manual** prescribes accounting and reporting for local governments in accordance with [RCW 43.09.200](#). Its purpose is to provide (1) uniform accounting and financial reporting to allow for meaningful use and comparison of financial data; (2) accounting and reporting instructions as a resource for local government managers; and (3) a consistent framework for financial reporting to intended users, including managers, governing bodies, granting and regulatory agencies, the state Legislature, and the general public. The manual is maintained by the State Auditor's Office with input from the [Local Government Advisory Committee](#).

**Best management practice (BMP)** is a technique designed to protect the air, water, soil, animals, plants, and humans. BMPs must meet NRCS standards, or alternative practice designs approved by a licensed professional engineer. NRCS Practice Standards and Specifications are contained in the USDA NRCS Field Office Technical Guide (FOTG). SCC also maintains a list of approved practices eligible for cost share.

**Close Out** means all administrative matters relative to a grant or contract are reconciled in order to close the file.

**Commission (SCC)** means the Washington State Conservation Commission, any division, section, office, unit, or other entity of the Commission, or any of the officers or other officials lawfully representing the Commission.

**Competitive Solicitation** means a process by which an entity solicits bids or proposals from a sufficient number of bidders to assure adequate, fair, and open competition.

**Composite Rate** is the accepted method to recoup employee salary, and employer paid benefits. A

composite rate includes the employer's share of social security or SEP, Medicare, health insurance premiums, employment security, labor and industries, retirement, leave hours, and any other employer-paid benefits. SCC provides a form to be used by conservation districts to establish hourly billing rates and is completed for each employee. Loaded composite rates and/or fees added onto a composite rate will not be accepted.

**Conservation District Master Contract** is the formal written contractual arrangement, signed by the district chair and the Commission, and includes the general terms and conditions.

**Conservation Practice Data System (CPDS)** is designed as a landowner management system with the purpose to track resource concerns, Best Management Practices (BMP) needing funding and BMPs that have been completed using SCC funding. A landowner may have multiple properties with many BMPs being implemented on any of them. The BMP's implemented are based on the resource concerns identified on the property then funded by the appropriate funding source. [Login information here.](#)

**Cooperator** is an eligible participant that works with the SCC or conservation district to conserve natural resources. Cooperators can include farmers, ranchers, landowners, land managers, lessees, land trusts, and other partners."

**Costs** include all charges made to the project.

**Cost Share** is funding used to reimburse participants for a percentage of the costs associated with the implementation of Best Management Practice(s) BMP(s). Examples of costs include, but are not limited to labor, materials, and permits. Grant programmatic guidelines or contract terms may apply to cost share.

**Demonstration Project** is a project that utilizes practices that are not commonly used in a specific region or type of operation/site and showcases the applicability of a technique/technology for natural resources conservation. The BMPs demonstrated must show local land-users how new technology or innovative methods can conserve natural resources. New and innovative practices include entirely new technologies that have not been utilized on a widespread basis, and those that have yet to be adopted in a regional or operational context. A demonstration project may pay up to 100% for such practices on private or public land, regardless of the district approved cost share rate, on a one-time basis. A demonstration project must be pre-approved by SCC and may only be allowable under certain grant programs.

**Disbursement** is a payment by cash, warrant, check, journal voucher, ACH, or any other technological payment method approved by OFM.

**District** is the conservation district named on the master contract and any individual or official lawfully representing the district in carrying out the terms and conditions of the grant or contract. District-Implemented Project (DIP) is a project where the district is the lead planner and implementer. In this project type, the district is taking full responsibility for installation/construction of the project which may include, but is not limited to acquiring permits, bidding and purchasing processes, and prevailing wage requirements. A district implemented project must not include cost-sharing, cash reimbursement, to a landowner(s) with NRI or other SCC funds. The district is assuming all responsibility for project planning and construction directly. Grant programmatic guidelines or contract terms may apply to district implemented projects.

**Effective Date** represents the earliest date allowable costs may be incurred. The Effective Date is

indicated in the grant or contract.

**Eligible Cost** is a cost that meets all eligibility criteria established in the terms of the grant or contract. This includes any criteria related to the nature and the amount of the costs.

**Envirothon Costs** incurred by the district for coordinating or participating in regional Envirothon contests are a conditionally allowable grant expense.

**Event Sponsorship** is a partnership between two entities, in which the sponsor supports the event host in organizing the event or adding value to the event, either financially or via an exchange of products or services. Businesses provide financial support, resources, or services to help make your event a success, and in return, they receive promotional benefits and exposure to your event's audience. The value that sponsors receive could come in many forms, such as increased brand exposure, access to attendee data, speaking opportunities, or discounted event tickets.

**Expenditures** - Decreases in net current financial resources. Expenditures include disbursements and accruals of the current period. Expenditures do not include encumbrances.

**Expenses** - Decreases in net total assets. Expenses represent the cost of operation incurred during the current period regardless of the timing of the related disbursements.

**Expiration Date** is the last date costs may be incurred (accrued) and considered allowable. Any costs incurred after the expiration date are not allowable. The expiration date is indicated in the grant or contract.

**Fiscal Year in Washington State**, a 12-month period extending from July 1 of one calendar year to June 30 of the next calendar year.

**Generally Accepted Accounting Principles (GAAP)** are uniform minimum standards for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application but also detailed practices and procedures. [Learn more here.](#)

**General Terms and Conditions** are those grant or contract provisions that apply to all activities carried out under all grant programs administered by SCC.

**Goods are products**, materials, supplies, or equipment provided by a contractor or vendor.

**Governmental funds** are used to account for most typical governmental functions focusing on the acquisition, use, and balances of a state's expendable financial resources and the related current liabilities. The accounting for governmental funds has a budget orientation using the current financial resources measurement focus and the modified accrual basis of accounting. There are five types of governmental funds: General, Special Revenue, Debt Service, Capital Projects, and Permanent Funds. [Refer to general funds, special revenue funds, debt service funds, capital project funds, and permanent funds.](#)

**Grant** is a award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, to an eligible grantee. The term does not include technical assistance which provides services instead of money, or other forms of assistance such as revenue sharing, loans, loan guarantees, interest subsidies, insurance or direct appropriations. Also, the term does not include assistance, such as fellowship or other lump sum awards, which the grantee is not

required to account for. [\*\*Refer to capital grants and operating grants.\*\*](#)

**Grant or Contract Number** is the official number assigned to the grant or contract by the Commission. The grant or contract number must be included on all project-related correspondence, payment requests, supporting documents and reports.

**Interagency agreement** is a written contract between one or more government agencies as defined in RCW 39.34, or between the district and one or more non-profit organizations, or any combination thereof, to perform all or part of the services under the grant or contract. An agreement commonly called a Memorandum of Agreement (MOA), Memorandum of Understanding (MOU), or an Interlocal Agreement shall be considered an interagency agreement. All interagency agreements between government agencies must comply with RCW 39.34 Interlocal Cooperation Act.

**Integral part of the meeting** - An activity within a meeting that is essential to the completeness of the meeting.

**Invention disclosure** is a confidential document written by a scientist or engineer for use by a company's patent department, or by an external patent attorney, to determine whether patent protection should be sought for the described invention.

**Invoice** is a legal document that a seller issues to a buyer to request payment for goods or services. It's a detailed record of a transaction, including the products or services provided, the price, and the terms of payment. Invoices can also serve as legal records. Invoices must be in accordance with the requirements under SAAM. The following must be included on invoices to meet state requirements: Payee name and address, invoice number, invoice date, dates when services were provided, total amount of goods or services, and date payment made.

**Landowner** is the legal owner of the property that the conservation district or entity engages to plan and implement best management practices. The landowner may be referred to as the cooperator.

**Light Refreshments** include coffee and/or any non-alcoholic beverages (e.g., tea, soft drinks, juice or milk) and between meal snacks (e.g. doughnuts, sweet rolls, nuts, or fruit and cheese) at meetings, conferences, or project tours. Reimbursements for light refreshments must include a receipt for goods, a list of attendees, [\*\*pre-authorization form\*\*](#), and a copy of the meeting/event agenda. Without this documentation, reimbursement will not be provided. To meet the requirements for light refreshments, documentation must show how they are an integral part of the meeting. The district must have a policy in place to allow light refreshments. Pizza, sandwiches, etc., are not considered light refreshments. For complete information regarding light refreshments please visits the SAAM Manual.

**Loaded Composite Rate** is an employee composite rate that adds to, or artificially inflates, actual or reasonably estimated costs or charges above and beyond the actual costs paid out to, or on behalf of, the employee for hours worked. Acceptable components of an employee's composite rate are: salary or wages, payroll taxes, unemployment insurance, employee benefits such as medical insurance, earned sick or vacation leave accrual, Social Security & Medicare withholding, and retirement benefits. Other costs such as equipment, supplies, training, or inflating the employee's salary or wages, are not acceptable on a composite rate for SCC funding sources.

**Minor** is any person 17 years of age or younger.

**Open Contract** is a legally binding agreement that can be used in many types of contracts, including employment, property, and financial agreements. Open contracts are characterized by the lack of a

specific end date or terms, which allows for flexibility and ongoing work arrangement.

**Overhead** represents those costs that benefit more than one activity of the district and that cannot be directly assigned to a task of the project. Overhead Costs are not to exceed SCC established rate of 25% of salaries/benefits or direct costs incurred by the district plus other acceptable goods and services outlined in the Overhead section of this manual. Once an overhead rate is established, the percentage will be used throughout the entire life of the grant or contract.

**Packing Slip** is a document that lists the contents of a package being shipped. It's used to ensure that the correct items are delivered to the customer. This may not be used and an invoice or receipt for reimbursement on a grant or contract.

**Participant** is an individual or entity that is, by signing the Contract for Cost Share Funds, accepting the cost-share funding and committing to install the BMPs in the contract. A participant may be the owner of the land, a lessee or operator, or a cooperator of the district.

**Per Diem Expenses** are daily travel costs covering both lodging expenses and subsistence expenses while in travel status.

**Personal Property** is property of any kind. It may be tangible (having physical existence) or intangible (such as patents, inventions and copyrights.) Personal property does not include real property. See Real Property definition.

**Personal Services** are professional or technical services provided by a consultant. Generally, personal services are used to address a short-term need, resolve an unusual problem, expedite a special project, and/or bring specialized skills for which the district is not permanently staffed.

**Prevailing Wage** is defined as the hourly wage, usual benefits and overtime, paid in the largest city in each county, to the majority of workers, laborers, and mechanics. Prevailing wages are established by the Department of Labor and Industries for each trade and occupation employed in the performance of public work. They are established separately for each county and are reflective of local wage conditions.

**Prior Authorization** is documentation from SCC authorizing the district to incur project costs or take particular actions. This permission is subject to certain conditions stipulated in the Prior Authorization Letter. Prior authorization is made before the execution of the grant or contract.

**Privately Owned Vehicle (POV)** is owned, leased, or borrowed by a state driver for which the driver receives or is entitled to receive monetary reimbursement or per diem when the vehicle is used to conduct official state business. The state driver is responsible to maintain vehicle insurance on the POV in compliance with Washington mandatory liability insurance requirements as defined in [RCW 46.29](#) and [RCW 46.30](#).

**Project Status Update** are projects that are required to be started within 120 days or provide a reason(s) or justification for any delays. Program and/or regional managers will reach out for status checks of all projects throughout the grant cycle.

**Purchase** is the acquisition of goods or services, including the leasing or renting of facilities or goods.

**Purchase Card** is a charge card issued to a card custodian for the purpose of making authorized purchases on behalf of the agency.

**Purchased Services** are services that support the day-to-day operations of a district or entity. Purchased services usually involve completion of an assigned task rather than an entire project, and do not require independent decision-making and analysis.

**Real Property** is land, including crops and mineral rights, land improvements, structures, and accessories to them, excluding movable machinery and equipment.

**Receipt** is a written acknowledgment of having [received](#), or taken into one's possession, a specified amount of money, goods, etc. All receipts must have an itemized list of what is included in the purchase as well as a date the transaction occurred. All receipts must be legible.

**Reduction in Funds** is when funding or authorization for the grant or contract is made unavailable, and the grant or contract is subject to amendment or termination.

**Request for Proposal (RFP)** is a written solicitation document which identifies the agency's need or problem, and consultants are invited to submit proposals which outline their solution to the need or problem, their qualifications and experience to provide the services, and their costs or fees.

**Request for Applications (RFA)** is a type of solicitation notice in which an organization announces that [grant funding](#) is available. An RFA informs researchers and other organizations that they may present bids on how the funding could be used.

**Sales Receipt** is a document that records a completed sale between a buyer and a seller. It serves as proof of payment and verifies that the buyer received the goods or services they paid for. A sales receipt must list the date of the transaction.

**Scope of Work** includes a detailed description of the project, including intermediate outcomes, budget, and completion dates used to determine successful completion.

Services are labor, work, analysis, or similar activities provided by a contractor or vendor to accomplish a specific scope of work.

**Speaker** is a person who presents information, ideas, or stories to an audience at an event. These can be any event, such as conferences, seminars, workshops, or webinars. Speakers are often experts in their fields and may include professionals, academics, or motivational leaders. Moreover, their primary goal is to educate, inspire, or entertain the audience, making the content relatable and accessible.

**State Administrative & Accounting Manual (SAAM)** provides control and accountability over financial and administrative affairs of the state of Washington and assists agencies in gathering and maintaining information needed for the preparation of financial statements.

**SCC Financial Staff** is SCC designated staff that has primary responsibility for overseeing the performance of the master contract by the district and represents the Commission in matters concerning any grant or contract awarded by SCC.

**Subcontractor** is an entity or organization, whose employees are not in the employment of the district, which is performing all or part of the services under the grant or contract under a subcontract with the district or entity.

**Subscriptions** include subscriptions to newspapers, periodicals and databases, and/or services providing informational reports, for periods not in excess of three years.

**Supplies** are all tangible (having physical substance and intrinsic monetary value) personal property other than tools or equipment.

**Supplemental Funding** is additional funding that comes available for use in the project.

**Termination** is permanent withdrawal, before the expiration date, of the authority to obligate previously awarded project funds. It also means the voluntary relinquishment of that authority by the district.

**Terms of the Contract** defines all requirements of the contract, whether in the contract, statute, regulations, or in the Grant and Contract Procedure Manual.

**Total Project Cost** equals the sum of allowable direct and overhead costs of the project.

**Voucher** is a reimbursement payment request that is submitted monthly to SCC for each grant or contract a district or entity is awarded. The voucher must include all backup documents as outlined in this manual to document the monthly costs incurred against the grant or contract.

**Volunteer** is a person, other than an emergency services worker as described by Chapter 38.52 RCW, who, of his/her own free choice, performs any assigned or authorized duties for the state or any agency thereof. A volunteer receives no wages and is registered and accepted as a volunteer by the state or any agency thereof, for the purpose of engaging in authorized volunteer service.