



**DEPARTMENT OF ENVIRONMENTAL QUALITY
POLICY AND PROCEDURES**

**SUBJECT: GRANT CONTRACT ADMINISTRATION
GRANT CONTRACT PROCEDURES**

NUMBER: 10-002

DATE: March 5, 2007; Updated July 22, 2009

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ISSUE:

The purpose of this policy is to standardize certain elements of the grant contract processes for all Department of Environmental Quality (DEQ) grant contracts regardless of the mechanism with which they are selected (request for proposals, legislative direction in the form of direct appropriations, etc.). This policy does not address contracts for the procurement of goods and services from vendors, or loan programs in the DEQ.

For purposes of this policy, grants are characterized by one or more of the following:

- Generally available to local units of government, nonprofit entities, accredited institutions of higher learning, for profit entities, and individuals in accordance with enabling legislation, statute, administrative rules, or other guiding documents for the grant program.
- Implement projects that are consistent with one or more DEQ program goals.
- Result in a grant award from the DEQ whose terms and conditions are specified in a grant contract.

DEFINITIONS:

“Indirect costs” means the cost of the continuing operation of a grantee organization and generally includes the cost of building occupancy, equipment usage, procurement, personnel administration, accounting, and other overhead activity that cannot be directly charged to the project.

“Grant contract” means a legally binding agreement between the department and the recipient consisting of a boilerplate, project description, scope, tasks, budget, and timetable.

“Boilerplate” means standard language that is contained in all DEQ grant contracts.

POLICY:

The DEQ will enter into grant contracts per the following:

1. All grant contracts will be developed by staff consistent with the approved boilerplate and approved by division management.
2. All grant contracts will be awarded in accordance with State Administrative Board Policy 01-010 and signed by the delegated official.

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3. All grant contracts will contain all of the following:
- The approved boilerplate language used by the division assigned to administer the grant. Note that all DEQ grant programs are to adopt the DEQ boilerplate.
 - A project description containing the scope, purpose, goals, tasks, and timetable.
 - A budget on a form provided by the DEQ, including approved indirect costs. The indirect rate included will be the rate established for the grantee organization, up to a maximum of 20 percent of the salary plus fringes. The basis of the indirect rate shall be detailed enough to allow the grant program staff to compare indirect costs to the supplies and other items in the budget to ensure there is no duplication.
 - Reporting requirements consistent with DEQ policy 10-003, "DEQ Financial and Progress Reporting Requirements," and DEQ Policy 10-001, "Acceptable Rates for Volunteer Time."
 - Program-specific requirements per established program policies and procedures, as applicable.
 - Signatures by authorized officials of the DEQ and the grantee.
4. Before a grant contract is signed, grant program staff will ensure that the grantee and any subcontractors identified in a grant contract budget have not been debarred or suspended by searching the Excluded Parties List System.
5. All grant contracts will specify the start date and end date and allow expenditures only between the start date and end date. Expenditures outside the start and end dates of a contract will not be eligible for funding.
6. All changes to grant contracts must be done in accordance with the approved boilerplate.
7. All recipients of grants from the DEQ will be held to the terms and conditions of the grant contract.
8. All matching activities and costs will be held to the same standard as grant-funded activities and costs.

This procedure supersedes DEQ procedure 03-001, Overhead Rate Charges for Contractual Services.

Approved: _____



Date: _____

8-4-09