



DEPARTMENT OF ENVIRONMENTAL QUALITY

**RESCISSION OF DEPARTMENT POLICY AND PROCEDURE**

Subject: Grant Contract Administration – Grant  
Contract Procedures

Number: 10-002

Rescinded Date: March 3, 2017

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DEQ Policy and Procedure No. 10-002, Grant Contract Administration – Grant Contract Procedures, dated March 5, 2007, is rescinded. The substance of Policy and Procedure No. 10-002 was incorporated in DEQ Policy and Procedure No. 10-005, Outgoing Grant Agreement Administration Outgoing Grant Agreement Procedures, dated March 3, 2017, which makes Policy and Procedure No. 10-002 unnecessary.

Approved: *Barb Schaibly*  
Barb Schaibly, Administration Deputy Director



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POLICY AND PROCEDURE

Subject: Grant Contract Administration – Grant  
Contract Procedures

Number: 10-002

Original Effective Date: March 5, 2007

Revised Date: July 22, 2009

Reformatted Date: February 28, 2013

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Category:  Internal/Administrative  External/Non-Interpretive  External/Interpretive

*A Department of Environmental Quality (DEQ) Policy and Procedure cannot establish regulatory requirements for parties outside of the DEQ. This document provides direction to DEQ staff regarding the implementation of rules and laws administered by the DEQ. It is merely explanatory; does not affect the rights of, or procedures and practices available to, the public; and does not have the force and effect of law.*

**ISSUE:**

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

For purposes of this policy and procedure, 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 DEQ 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.

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### **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/office management.
2. All grant contracts will be awarded in accordance with State Administrative Board Policy 01-010 and signed by the delegated official.
3. All grant contracts will contain all of the following:
  - The approved boilerplate language used by the division/office 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 and Procedure No. 10-003, "Grant Contract Administration – Financial and Progress Reporting Requirements," and DEQ Policy and Procedure No. 10-001, "Grant Contract Administration – 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.

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This policy and procedure supersedes DEQ Policy and Procedure No. 03-001, "Overhead Rate Charges for Contractual Services."

Approved:

  
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Dan Wyant, Director