

Typical Grant Agreement Terms

Once the Conservancy has approved a grant at a public meeting, Conservancy staff will prepare a grant agreement setting forth the terms and conditions of the grant. The grantee must sign the grant agreement and comply with all of its conditions prior to beginning work. The grant agreement describes requirements in greater detail and will be the controlling document. Close review of and compliance with the grant agreement is essential and is the grantee's responsibility.

- The Conservancy usually limits overhead to 15%.
- Expenses incurred before the grant agreement is signed and the conditions precedent are approved cannot be billed to the grant.
- All Conservancy grantees should expect to be audited by the State of California. It is the grantee's responsibility to maintain all necessary records to substantiate and document all payments made pursuant to a Conservancy grant. If a grantee cannot provide adequate records when they are audited, they may be required to repay grant funds.
- The Conservancy reimburses grantees for expenses after they are incurred. This means the grantee will have to cover the costs of the project between the time the expenses are incurred and when they get paid by the Conservancy. It typically takes about 6 weeks between the time an invoice is received at the Conservancy and the payment is received by the grantee.
- 5% of each payment is typically withheld until the project has been completed.
- Grantees are required to maintain general liability, automobile, and other forms of insurance during the term of the grant agreement. The Conservancy usually requires a minimum of \$2 million in general liability insurance.
- Bonding is required for 100% of construction subcontractor costs for contracts over \$20,000.
- Grantees are typically responsible for operation, maintenance and monitoring of completed projects for 20 years.
- For grants to nonprofit organizations to construct improvements, the Conservancy will require a recorded agreement between the nonprofit, the Conservancy, and landowner if the property is not owned by the nonprofit, to protect the public interest in the project.
- Federal tribes will be asked to sign a limited waiver of sovereign immunity when entering into a grant agreement with the Conservancy to allow for enforcement of Conservancy grant terms.
- Grantees may be required to pay prevailing wages for their project in compliance with the Labor Code. General information on prevailing wage requirements can be provided upon request.
- For wetland and watershed restoration and protection projects, applicants will be required to conduct a baseline report utilizing the California Rapid Assessment Method (CRAM) within the

year prior to project construction, unless otherwise agreed upon in writing by the Conservancy and the grantee (<http://www.cramwetlands.org/>). Applicants will also be required to provide a plan for Completion of Post-Construction CRAM Assessment, including a budget and timeline for the collection of at least one CRAM assessment following construction of the project and prior to the completion date of the grant agreement in order to document the change in wetland condition at the project site. Costs associated with CRAM assessment should be included in the proposed project budget.