EXHIBIT B
PROCEDURES AND REQUIREMENTS

MICRO GRANT PROGRAM FOR COLLECTION/REUSE
Cycle 5M (2025/26)

Copies of these Procedures and Requirements should be shared with BOTH the Finance Department AND the staff responsible for implementing the grant activities.

INTRODUCTION
The Micro Grant Program for Collection/Reuse is administered through the Carpet America Recovery Effort (CARE) California Carpet Stewardship Program. These Procedures and Requirements describe project and reporting requirements, report due dates, report contents, grant payment conditions, eligible and ineligible project costs, project completion and closeout procedures, records and audit requirements.

This document is attached to, and incorporated by reference, into the Grant Agreement.

MILESTONES (For competitive grants)

NTP Date:	**Grant Term** on date indicated on the Notice to Proceed (NTP)
Quarterly	**Progress Report Due**
12/31/26	**All Expenditures Finalized**
01/21/27	**Final Report and Final Payment Request Due**
01/21/27	**Grant Term End**

No extensions will be granted for submittal of Final Report and Final Payment Request. Failure to submit the Final Report and Final Payment Request with appropriate documentation by January 21, 2027 may result in rejection of the Payment Request and/or forfeiture by the grantee of claims for costs incurred that might otherwise have been eligible for grant funding.

PRIOR TO COMMENCING WORK
Prior to commencing work under this grant, the grantee's Grant Manager or primary contact and authorized grant Signature Authority should review the Terms and Conditions (Exhibit A) and the Procedures and Requirements (Exhibit B) to identify key grant administrative requirements. Evaluation of the grantee's compliance with these requirements is a major focus of grant audits.

Photo Requirement
Prior to commencing work or incurring costs, the grantee is required to submit to the Grant Manager at least one pre-construction digital photograph of the project site. The grantee is also required to submit post-construction photos as well as a photograph of each piece of purchased equipment within a vendor bid document that CARE will provide.

Reliable Contractor Declaration

Prior to authorizing any contractor or subcontractor to commence work under this Grant, the Grantee shall submit to CARE a Reliable Contractor Declaration from the contractor or subcontractor, signed under penalty of perjury, disclosing whether any of the events listed in Declaration has occurred with respect to the contractor or subcontractor within the preceding three (3) years. If a contractor is placed on CARE's Unreliable List after award of this Grant, the Grantee may be required to terminate that contract.

Project Update Requirement

Prior to commencing work or incurring costs, the Grant Manger must approve in writing any proposed changes to the project as compared to the one identified in the grantee's Grant Application. If approved, the grantee must submit a new, updated and complete Recycling Targets Form, and Business Licenses Checklist, if applicable.

(For competitive grant programs)
GRANT TERM

The Grant Term begins on the date indicated in the Notice to Proceed. The Grant Term ends on January 21, 2027. January 21, 2027 is the date the Final Report and Final Payment Request are due to CARE. CARE may request reporting on project impacts for up to three years after the close of the Grant Term.

Grant-eligible program expenditures may start no earlier than the date indicated in the Notice to Proceed. Eligible program costs must be incurred no later than December 31,2026.

Costs incurred to prepare the Final Report and Final Payment Request are only eligible for reimbursement during the Grant Term.

PROJECT REQUIREMENTS

- Projects must document improvements in collection and reuse.
- Project(s) must be completed by January 21, 2027, to ensure full reimbursement.
- Application must specify, itemize and quantify additional PCC pounds collected for diversion or diverted directly via recycling, remanufacturing, reuse or other strategies as a result of the project. New sources must be disclosed.
- All grant applicants must verify that all pounds collected or reused are 100% California-generated PCC.

ELIGIBLE COSTS

All grant expenditures must be for activities, products and costs specifically included in the approved Work Plan and approved Budget. Eligible costs must be incurred, services provided and goods received after receiving a NTP and before the end of the Grant Term.

Any proposed revision(s) to the Work Plan and/or Budget must be submitted in writing and reviewed and pre-approved in writing by the Grant Manager, CARE Executive Director, and potentially the CARE Sustainable Plan Committee prior to the grantee incurring the proposed expenditure. This revision request must include a reason for the proposed change and a new, updated and complete Recycling Targets Form, and Business Licenses Checklist, if applicable. The approval document should be retained by the grantee for audit purposes. See Audit/Record Access section of the Terms and Conditions (Exhibit A).

Eligible costs are limited to the following:

- Equipment/infrastructure for implementation of new or improvement to existing collection and reuse activities that increase collection and/or reuse.
- Minor improvements to existing collections or reuse facilities. (Examples include but are not limited to: trailer ramps or stairs, awnings or coverings to stage PCC and keep PCC clean/dry, water-tight cargo containers or bins, cement pads to stage PCC and keep PCC clean/dry).
- Multiple pieces of equipment or other infrastructure may be combined into a single application.
- Program education and outreach materials. Costs in this category must not exceed 20% of the total project budget, and materials must include the CARE California logo.

INELIGIBLE COSTS

Any costs not specifically included in the approved Budget; not directly related to establishment of, or improvement to, collection and/or reuse activities; and not within the approved grant project, are ineligible for reimbursement. Contact the Grant Manager if clarification is needed. Ineligible costs include, but are not limited to:

- Costs incurred prior to the date of the NTP letter or after the end of the Grant Term.
- Costs associated with incineration, energy recovery processes (Carpet as Alternative Fuel, kiln or waste-to-energy) and landfilling.
- Purchase of offsets.
- Administrative costs, overhead and salaries.
- Excessive tax and shipping on products.
- Products installed outside the State of California.
- Costs deemed unreasonable by CARE or unrelated to the grant project.

ACKNOWLEDGEMENTS: The grantee shall acknowledge CARE's California Carpet Stewardship Program support each time projects funded, in whole or in part, by this Agreement are publicized in any medium, including news media, brochures, blogs or other types of promotional materials. The acknowledgement of CARE's support must incorporate the CARE California program logo. Initials or abbreviations for CARE's California Carpet Stewardship Program shall not be used. The Grant Manager may approve deviation from this requirement on a case-by-case basis where such deviation is consistent with CARE's Communication Strategy and Outreach Plan.

REPORTING REQUIREMENTS

One progress report and a Final Report are required by this Agreement; however, the Grant Manager may request a Progress Report at any time during the Grant Term. All reports must be e-mailed to the Grant Manager, who will send out the reporting documents one month before the reporting document deadline.

The reports must be current, include all required sections and documents, and must be approved by the Grant Manager before any Payment Request can be processed. Failure to comply with the specified reporting requirements may be considered a breach of this Agreement and may result in the termination of this Agreement or rejection of the Payment Request and/or forfeiture by the grantee of claims for costs incurred that might otherwise have been eligible for grant funding. Any problems or delays must be reported immediately to the Grant Manager.

PROGRESS REPORT

The grantee must submit a **Progress Report on a quarterly basis**. The **grant manager will send the form 3 weeks in advance of the due date.** The report may include the following, covering the previous quarter:

- How funds have been used to date.
- A description of work completed according to categories outlined in the work plan. How will the grantee complete delayed tasks to make up the lost time?
- What have been some of the project challenges and how have they been overcome?
- A report on the success of installing equipment and/or infrastructure to establish or improve collection and/or reuse. Equipment serial numbers.
- Quantities of additional California-generated post-consumer carpet collected for recycling and/or reused as a result of grant funding. Amount of California-generated post-consumer carpet collected for recycling and/or reused as a percentage of all California-generated post-consumer carpet collected. Did this percentage increase as a result of grant funding? Sources of new lbs and frequency of container use if applicable.
- Conservation measures met to date, such as MTCO2e avoided and other waste diversion achieved.
- Impact by material type.
- Project photos.
- Work to be conducted during the subsequent grant reporting period and any adjustments to the work plan.

- List any changes to all permits, licenses, certifications, contracts or filings relevant to the grant work.

The Progress Report must be submitted even if no work has started on the Project.

FINALREPORT

The Final Report is due **January 21, 2027.** This report should cover grant activities **from NTP** through **December 31, 2026.** The report may cover the following:

- A breakdown of the budget: How have funds been allocated?
- How have milestones been met according to the original work plan?
- What challenges did the project encounter and how were they overcome?
- Conservation measures met to date, such as MTCO2e avoided and other waste diversion achieved.
- A report on the success of installing equipment and/or infrastructure to establish or improve collection and/or reuse.
- Quantities of additional California-generated post-consumer carpet collected for recycling and/or reused as a result of grant funding. Amount of California-generated post-consumer carpet collected for recycling and/or reused as a percentage of all California-generated post-consumer carpet collected. Did this percentage increase as a result of grant funding? Sources of new lbs.
- Impact by material type.
- Project photos.
- Does the grantee anticipate project impacts beyond the Grant Term, and if so, what are the impacts in terms of scope and scale? Please quantify in terms of pounds of PCC diverted via recycling and reuse as a result of grant funding, tons of greenhouse gas emissions avoided, California jobs created, etc.
- Improvements that could be made to the grants program.

GRANT PAYMENT INFORMATION

1. Payment to the grantee for eligible grant expenses is made on a reimbursement basis only and for only those materials and services specified in the approved grant application. CARE reserves the right to reimburse vendors or lenders directly on a case-by-case basis. Pertinent documentation may include invoices, receipts, purchase orders with proof of payment, expenditure itemization summary, proof that multiple vendors were solicited during expenditure bidding processes.
2. Reimbursement may be requested only two times during the Grant Term. In conjunction with submission of the progress report and in conjunction with the Final Report. CARE will consider “special payment requests” made outside of the two reporting periods.
3. The grantee must submit the required Progress Report/Final Report, and the Grant Manager must approve the reports prior to, or concurrent with, submission of the Grant Payment Request.
4. The grantee must submit a completed Grant Payment Request and provide supporting documentation as described in the “Payment Request and Documentation” section for completed project(s) only.

5. Grant payments will be made only to the grantee. It is the grantee's responsibility to pay all contractors and subcontractors for purchased goods and services.
6. CARE will make payments to the grantee as promptly as fiscal procedures permit. The grantee can typically expect payment approximately 45 days from the date a Grant Payment Request is approved by the Grant Manager.
7. The grantee must provide a Reliable Contractor Declaration signed under penalty of perjury by the grantee's contractor(s) and subcontractor(s) in accordance with the "Unreliable List" provision of the Terms and Conditions (Exhibit A). This form may be requested from the Grant Manager. The Declaration must be received and approved by the Grant Manager prior to commencement of work. See "Unreliable List" provision in Terms and Conditions (Exhibit A) for more information.
8. Grantees should understand that all reports are subject to review by the CARE Executive Director and/or the Sustainable Plan Committee (SPC) before payments occur.
9. It is the grantee's responsibility to pay all product manufacturers, suppliers/vendors, contractors and subcontractors for services and/or materials purchased.
10. Grantees must be current on all grant, CARE public drop-off site and/or CARE membership requirements before payment is made.

PAYMENT REQUEST AND DOCUMENTATION

Payment requests must be submitted by e-mail to the Grant Manager. The Grant Manager will send out payment request forms one month before the payment request and documentation deadline. Supporting documentation requested will be:

A. Acceptable cost documentation must include at least one of the following: Invoices, receipts or purchase orders containing the product manufacturer, supplier/vendor, and/or contractor name, phone number, address, purchase amount, date and description of goods/services; **and**
B. Acceptable proof of payment must include at least one of the following: Invoice(s) marked as paid; receipts; and accounting reports if they contain check number, date, product manufacturer, supplier/vendor, and/or contractor name and amount; and copies of cancelled check(s).
C. The Grant Manager may request weight tags proving CA-generated PCC pounds collected and/or reused. If funding is used for existing program improvements, the grantee must also submit weight tags for CA-generated PCC pounds collected and/or reused before grant funding was implemented.

Post-construction, no less than three digital and color photographs, of the Project site(s) showing the completed Project with signage. Bids from at least three vendors or sole source justification and a photograph of the piece of equipment selected.

AUDIT CONSIDERATIONS

The grantee agrees to maintain records and supporting documentation pertaining to the performance of this grant subject to possible audit for a minimum of three (3) years after final payment date or Grant Term end date, whichever is later. A longer period of records retention may be stipulated in order to complete any action and/or resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later.

Examples of audit documentation include, but are not limited to, expenditure ledger, payroll register entries, time sheets, expenditure itemization summary form, proof of payments, purchase orders, paid warrants, contracts and change orders, samples of items and materials developed with grant funds, invoices and/or cancelled checks and check registers. Please refer to the Terms and Conditions (Exhibit A) for more information.