

Budget Terms and Conditions

1. **Project Administration:**

For the administration of this agreement the RECIPIENT must follow the current edition of the [Administrative Requirements for Recipients of Ecology Grants and Loans](http://www.ecy.wa.gov/biblio/9118.html) (Yellow Book). <http://www.ecy.wa.gov/biblio/9118.html>. Please note that this document is being updated. In the event of inconsistency between these documents, unless otherwise provided herein, the inconsistency will be resolved by giving precedence in the following order:

- a) Applicable Federal and State statutes and regulations.
- b) Scope of Work.
- c) Special Terms and Conditions.
- d) Any terms incorporated herein by reference including the "Administrative Requirements for Recipients of Ecology Grants and Loans."
- e) The General Terms and Conditions.

2. **Invoicing:**

- Grants are awarded on a reimbursable basis. The RECIPIENT initially pays project costs as they incur. Invoicing to ECOLOGY is usually by quarter but not more often than once per month. Upon presentation of an invoice to the RECIPIENT, ECOLOGY's share of the project is reimbursed to the RECIPIENT.
- The RECIPIENT must **submit complete backup documents with each invoice** including but not limited to all invoiced costs and time sheets - signed and dated by employee and supervisor. The RECIPIENT must keep these expenses in grant files according to budget task for a period of three years after project completion and make them available at any time for inspection by ECOLOGY.
- Expenditures will be monitored by ECOLOGY for compliance with the task budget (see above). When submitting invoices to ECOLOGY, **the RECIPIENT shall highlight (or otherwise indicate) all costs on backup documentation to avoid data searches for cost verification by ECOLOGY. These costs will be listed on ECOLOGY's Voucher Support Form (C2 form) with subtotals provided by task.** All payment requests must have forms A, B, C (and D if applicable for consultant services), be accompanied by a commensurate progress report, and receive ECOLOGY Project Manager approval before payment can be released.
- Budget deviations are allowed between tasks (e.g., a grantee may spend less money on one task and more on another), but in no circumstances may the RECIPIENT exceed the total project cost. If the total of all budget deviations exceeds 10 percent of the entire project cost, the ECOLOGY Project Manager may require a written budget redistribution.
- **NOTE:** For payment requests, the RECIPIENT must use the ECOLOGY forms provided. Otherwise, ECOLOGY will return requests to the RECIPIENT for submittal on the correct forms.

- Requests for reimbursement must be **submitted at least quarterly** but not more than once per month by the RECIPIENT on state invoice voucher forms.
- If indirect is an allowable cost as documented in the RECIPIENT's *SMP Budget Worksheet* , the indirect rate must not exceed 25 percent of direct (staff) labor and benefit costs. If allowed, the use of indirect must be reported on a separate line item on the C2 invoicing form. The indirect rate covers space utilities, miscellaneous copying, telephone, motor pool, janitorial services, records storage, rental, county fiscal and legal services, etc. Items not included in this list must be reported with the first payment request and must remain consistent for the life of the grant.
- **Right to Audit:** The RECIPIENT agrees that payment(s) made under this grant shall be subject to reduction for amount charged thereto which are found after audit examination not to constitute allowable costs under this grant. The RECIPIENT shall refund by check payable to ECOLOGY the amount of such reduction of payments under completed or terminated grants.
- All travel costs shall not exceed State travel rates: <http://www.ofm.wa.gov/resources/travel.asp>
- If light refreshments are deemed appropriate, a *Light Refreshments Approval Form – Grants* will be requested and approved by ECOLOGY's Project Manager prior to the event, an agenda of the event, and a roster of attendees will be submitted as part of the payment request.
- Payment of invoices is contingent on receipt of viable deliverables as determined by ECOLOGY's Project Manager.