



## Guidance for Seeking Payment from the Ocean Protection Council

This document provides guidance on the nuances of the process of creating your budget for your project with the Ocean Protection Council (OPC) and direction on how to invoice once your project has been executed.

Only direct project-related, actual costs incurred during the performance period as specified in the budget in the executed Grant Agreement are eligible and reimbursable by the grant. All costs must be supported by appropriate documentation (to be discussed later). Any costs incurred before the performance period begins are not eligible. Costs can only be reimbursed if they are in the budget and contribute to the scope of work and deliverables.

All invoices are paid on a reimbursement basis. The OPC may make an exception for some projects to allow for advance payments depending on the Grantee, project, and funding source.

### Creating your Budget

Part of the preliminary discussions with your Project Manager on your project involves creating a budget. When doing so, anticipate all direct costs you will accrue through the life of your project. This includes salary, materials, any subcontracted work, travel, etc.

#### Salary

Salary will be reimbursed at equal compensation provided to the employee (salary plus benefits, including fringe benefits) as proven in pay stubs and/or timesheets. Project budgets should break out all labor costs to show the title of the employee(s) working on the project and the hourly rate they will be paid at. Due to annual raises and changes in cost of living, add an appropriate buffer to your hourly rate. All hourly rates need to have the benefits and fringe built into the rate. Please note, if employees are salaried, OPC will not accept any hourly rates or hours that are broken out past 2 decimal points.

## Materials

Project-specific supplies and services (for example, printing, copying, publications, maps, technical surveys) may be billed to the grant if these costs appear in the approved work plan and budget. Receipts (original or scanned) or other documentation will be required. Generally, OPC funds may not be used to purchase equipment, such as furniture, computers, phones, etc. Please refer to the “Prohibited Items” section for a detailed list and discuss any items you are not sure about at the onset of creating your budget.

## Travel

Essential project-related travel expenses will be reimbursed at cost up to the limits allowed by the State’s [Travel Guidelines](#). The budget must describe the necessary trips and travel costs within this category. The State’s Travel Guidelines have strict limits on reimbursement for mileage, hotels, and meals among other costs. Receipts will be required for all costs. Both In-State overnight travel and Out-of-State travel must be pre- approved by the OPC. Meals will only be reimbursed for those travelling as listed in the original budget. Travel is considered as a trip in excess of 50 miles from your home base/headquarters.

## Subcontractors

When listing subcontractors (subs) in your budget, lump all of the subs (if more than one) under the same budget line. This is done in an effort to avoid any amendments if you need to redirect money to a different sub. OPC does not control any overhead or withhold you choose to apply to the subs.

OPC does not allow overhead to be charged on the subcontractor funding line *unless* previously approved by the Administration & Finance Manager or Deputy Director.

## Equipment

OPC considers an item “Equipment” if the value of the item is in excess of \$5,000.00. Equipment may be leased, rented, or purchased, whichever is most economical. If purchased, the equipment’s residual market value must be credited to the project costs upon completion of the project. Equipment owned by the grantee may be charged to the project for each use. Equipment charges must be made in accordance with the grantee’s normal accounting practices. The [equipment rental rates published by the California Department of Transportation](#) or local prevailing rates may be used as a guide. If the grantee’s equipment is used, a report or

source document must describe the work performed, indicate the hours used, relate the use to the project, and be signed by the operator and supervisor.

**Check with your OPC project manager before you purchase any equipment** to ensure that it is appropriate under the Agreement.

*Overhead cannot be charged to equipment.*

## Overhead

“Overhead” and “indirect costs”, hereby referred to as IDC, are both acceptable terms that represent the same category of costs. If a grantee seeks to recover overhead costs from an OPC grant, overhead should be included as a line item in the approved project budget. Indirect costs typically include non-project costs necessary for general operation of an organization, such as rent, insurance, furniture, computers, office supplies, utilities, accounting, electricity, or fiscal sponsor fees.

IDC cannot be applied to Equipment or Subs (unless previously approved). OPC does not pay more than 15% IDC on approved costs with an exception for UC/CSUs (or other laboratories as approved) in which OPC will pay no more than 25% IDC (allowances are subject to grant guidelines for bond funds).

The OPC does not control or regulate the IDC charged between a Grantee/Contractor and a Subgrantee/Subcontractor.

## Withhold

The State withholds up to 10% of each reimbursement payment which will be released upon the successful completion of the project and receipt of all deliverables. This amount will be released with the use of an itemized withhold release Request for Disbursement. This will be discussed further in this document.

A lower withhold amount can be discussed for Grantees/Contractors who can provide a documented cashflow hardship. Any reduced rate must be approved by the Administration & Finance Manager and/or Deputy Director *before* the execution of the Agreement.

## Prohibited Items

The below list includes (but is not limited to) items/costs that OPC will not reimburse as part of our projects.

- Alcoholic Beverages
- Breakroom Supplies
- Clothing (unless project required and previously approved)
- Computers/laptops (unless previously approved – non-refundable for bond funded projects)
- Conferences (unless presenting findings from project)
- Costs incurred outside of the Agreement Period
- Costs without valid documentation
- Food - As part of a meeting
- Food - For anyone traveling less than 50 miles away from their home office/headquarters
- Food - For volunteers (water ok with sign-up sheet)
- Gas (paid under mileage reimbursement amount)
- Gift Cards
- Insurance
- Internet/network costs
- Moving or parking violations
- Office furniture
- Printers
- Professional/career training (unless previously approved)
- Rent
- Salary for Personnel not listed in the Agreement or more than the approved amount in the Budget
- Software needed for normal business function (Adobe, Zoom, etc.)
- Swag
- Telephones/cellphones/accessories
- Utilities

**If ever in doubt, check with your Project Manager prior to purchasing any items that are not explicitly listed in the Agreement.**

## Invoicing

Invoices are required to be submitted every calendar quarter. Approval for monthly invoicing will be considered for Grantees/Contractors who can provide a documented cashflow hardship.

All invoices must be submitted to [OPCInvoices@resources.ca.gov](mailto:OPCInvoices@resources.ca.gov) using the provided Request for Disbursement (RFD) form. The key items that make up an invoice are the RFD, supporting invoices/receipts, and proof of payment. The requirements for the backup needed for each Budget category are listed below.

### Advanced Payments (when approved)

If you have been approved for advanced payments, please note the following:

- OPC will not advance more than 25% of the Agreement amount at one time;
- Proof that all of the money advanced has been spent is required prior to OPC advancing further funds.
- Personnel costs for the Grantee cannot be advanced.

### Salary

When invoicing for salary, OPC will need documentation showing the position being billed, the hours worked, the hourly rate, and the total reimbursement sought for each position. The hourly rate should include all fringe and additional benefits. OPC will not accept hours or hourly rates that go out more than 2 decimal points. Below is an example of an acceptable table provided as a backup document or within the RFD itself on page 2.

<b>Position</b>	<b>Hourly Rate</b>
Executive Director	120.00
Wetlands Manager	100.00
Project Manager	80.00

### Travel

Travel needs to be listed in the Scope of Work and listed in the budget to be reimbursed. Reimbursement is based on the current rates approved on the [CalHR website](#). The below items are required when seeking reimbursement for travel.

**Mileage Reimbursement** – A map showing the start and end locations and the miles between the two checkpoints must be provided. This can be obtained using the Directions function on [Google Maps](#) or any other mapping software. Items covered under this reimbursement are:

- Gasoline
- The cost of maintenance (oil, lube, routine maintenance)
- Insurance (liability, damage, comprehensive and collision coverage)
- Licensing and registration
- Depreciation and all other costs associated with operation of the vehicle

**Lodging** – An itemized invoice/receipt detailing the dates and rates of each stay is required as well as proof of payment (credit card confirmation on invoice is ok). The name of the person travelling must be added to the document if not listed. Rates will be reimbursed at the rate listed on the CalHR website. If no lodging can be located within the approved rates, the Grantee/Contractor will need to obtain prior approval from their OPC PM through a memo to book at a higher rate. A memo template will be provided at the beginning of the project and is available upon request. The approved memo will need to be submitted with the invoice. All excess lodging must be for the least expensive moderately priced lodging which is within a reasonable distance of their state business.

**Meals** – an itemized receipt is required for meal reimbursement. Each receipt must list who the meal is for and which meal it is (breakfast, lunch, or dinner). OPC will not reimburse for alcohol and asks that it be purchased on a separate receipt. Below is an outline of when meals can be requested (pulled from the CalHR website).

For travel lasting 24 hours or more, employees may claim meals based on the following timeframes:

- First day of travel:
  - Trip begins at or before 6 am - Breakfast may be claimed
  - Trip begins at or before 11 am - Lunch may be claimed
  - Trip begins at or before 5 pm - Dinner may be claimed
- Continuing travel after 24 hours:
  - Trip ends at or after 8 am - Breakfast may be claimed
  - Trip ends at or after 2 pm - Lunch may be claimed
  - Trip ends at or after 7 pm - Dinner may be claimed

- Fractional day travel (trips less than 24 hours) *must be in excess of 50 miles of travel*:
  - Trip begins at or before 6 am and ends at or after 9 am - Breakfast may be claimed
  - Trip begins at or before 4 pm and ends at or after 7 pm - Dinner may be claimed
  - If the fractional day includes an overnight stay, receipted lodging may be claimed. No meal or lodging expenses may be claimed or reimbursed more than once on any given date or during any twenty-four (24)-hour period.
  - Employees may not claim lunch or incidentals on one-day trips.
  - When trips are less than 24 hours and there is no overnight stay, meals claimed are taxable.

**Rental Car/Rideshare** – This will be reimbursed but must be reasonable in price.

**Parking** – This will be reimbursed at a reasonable cost. If leaving your vehicle at an airport, OPC will ask that you consider if a rideshare to the airport is cheaper than long-term parking.

## Materials

Reimbursement for materials solely requires an invoice with proof of payment or a purchase receipt listing the method of payment (i.e. FedEx receipt, Amazon order confirmation print out, etc.)

## Subs

When submitting for reimbursement for subs, only submit the *first* page of the invoice (not the backup documents). The invoice must be submitted on the sub's letterhead. Proof of payment is also needed and must be either a cancelled check, bank statement, or a clear ledger from the Grantees accounting software (and must include the Payee, amount, and check/routing number). Additional confirmation of payment may be requested if the ledger is not clear enough.

## Equipment

The same documentation is needed for Equipment that is used for materials. All cost analysis and approvals should be completed in the budgeting portion of this project so only an invoice (for the equipment or its rental) and a proof of payment is needed at this stage.

## Overhead

When invoicing for IDC, all allowable costs should be added together, and the IDC applied to the total costs, do not charge by individual line. See below for example.

<b>Salary</b>	\$5,000
<b>Materials</b>	\$1,200
<b>Travel</b>	\$250
<b>Allowable Costs Subtotal</b>	\$6,450
<b>IDC Percent</b>	.15
<b>Math</b>	$6450 \times .15 = 967.50$
<b>Total IDC Charge</b>	\$967.50

## Withhold Release

The withhold collected through the life of the project will be released once all invoices and final deliverables have been received. The withhold release request must be submitted on the OPC RFD and include the name of each invoice, the amount withheld, and the final withhold amount being sought.



**Example:**

<b>Work Plan Task Number and Name</b>	<b>Task Budget</b>	<b>Costs Incurred this Period</b>	<b>Total Cost to Date</b>	<b>Remaining Balance</b>
Invoice 1 Withhold	-	\$5,000.00	-	-
Invoice 2 Withhold	-	\$200.00	-	-
Invoice 3 Withhold	-	\$300.00	-	-
Invoice 4 Withhold	-	\$1,500.00	-	-
<b>Total</b>		<b>\$7,000.00</b>		
<b>Less 10% Withhold</b>		-		
<b>Total Amount Requested</b>		<b>\$7,000.00</b>		

**Payments**

Payments will be issued within 45 days of OPC’s approval of the invoice. Do note, sometimes the State Controller’s Office will hold payment for the full 45 days. The 45 days does *not* include the time for delivery by the postal service. The State issues payment through paper checks *only*.

Any costs that fall outside of this guidance should have written justification with your invoice submittal.