

DOJ TOBACCO GRANT PROGRAM  
2019-20  
GRANTEE HANDBOOK  
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**HANDBOOK FOR GRANTS MADE BY THE DEPARTMENT OF JUSTICE TO  
LOCAL AGENCIES UNDER PROPOSITION 56, THE HEALTHCARE, RESEARCH  
AND PREVENTION TOBACCO TAX ACT OF 2016 (THE ACT)**

*All items contained in this Handbook are subject to change.*

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## PART I: GRANT APPLICATION GUIDE

## GENERAL INFORMATION

### Eligibility

In accordance with the State Budget Act and the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Act), as added by Proposition 56, any local government or local government agency within the State of California that has authority to enforce tobacco-related state laws or local ordinances is eligible to receive funds.

### Purpose

Funds are granted for enforcement of tobacco-related state laws or local ordinances specifically including state and local laws related to the illegal sales and marketing of tobacco products to minors, and for investigative activities and compliance checks to reduce illegal sales of tobacco products to minors.

## APPLICATION PROCESS

### Applications

An eligible agency may submit one individual application.

### Joint applications

An eligible agency may submit one joint application in addition to, or in lieu of, an individual application. A joint application should include, in addition to other requirements set forth in the Request for Proposals, the following information:

- Identification of all entities that are jointly applying for the grant.
- A designation of the primary applicant and all secondary applicants.
- A statement from the primary applicant indicating that the primary applicant agrees to assume responsibility for performance of the projects in the event a grant is made.
- A statement from each secondary applicant identifying and acknowledging each responsibility that the secondary applicant shall assume in the event a grant is made to the primary applicant.
- A statement setting forth the benefits and disadvantages reasonably likely to arise from joint, as distinct from separate, performance of the project.
- A statement indicating whether any primary or secondary applicant is also submitting a separate application or is a primary or secondary applicant in any other joint application, and briefly identifying such application(s).

### Competitive Process

All grants will be made on a competitive basis.

## REVIEW, AWARD AND TERMS

### Administrative Review

Applications will undergo an administrative review by the Department of Justice (Department) to determine whether the application is timely, legible and complete, and whether the applicant agency is eligible. An applicant may request the Department to amend its application; however, a request to amend an application may be denied if the Department has already begun the merits review process for that award period.

Incomplete, illegible and untimely applications and applications received from ineligible entities will be disqualified. An applicant may appeal disqualification of its application.

All applications that are not disqualified in the administrative review will undergo a merits review. Department staff shall submit the results of the administrative review to the Attorney General and/or their designee for approval.

### Merits Review

Applications that satisfy the administrative review shall be reviewed by a merits review committee.

The merits review committee shall evaluate and score applications based on the extent to which the applications satisfy the scoring criteria set forth in the Request for Proposals, and on the extent to which the applicants show capacity to perform the proposed projects, to comply with the Act's requirement to refrain from using grant funds to supplant any existing state or local funding of activities that have the same purposes as those of the Act, and to comply with the administrative requirements of the grant, including those regarding submission of progress and final reports.

The merits review committee shall make a funding recommendation for each application, other than those that were disqualified or denied, based on the following factors:

- Amount of available funding.
- Amount of funding requested for eligible and meritorious activities.
- The merits of the application based on the scoring criteria set forth in the Request for Proposals.
- The Department's program, enforcement and research priorities, if any, as articulated in the Request for Proposals.
- Indicia of support for the application from local stakeholders including, for example, tobacco control and prevention programs; public health, health and human services, or environmental health departments; local lead agencies; community or youth organizations; and local elected officials.
- Indicia of the likely benefits of the scale of operations.

- Indicia that the funds granted will not be used to supplant existing state or local funds used for the same purpose.

The merits review committee shall provide its scoring and recommendations as to approval or denial of applications, and as to the amount of funding for successful applications, to the Attorney General and/or their designee.

#### Notification of Award, Denial or Disqualification

The Department shall send out notice to all applicants of disqualification, denial, award, or other decision within 30 days of the Attorney General's decision. A notice of denial or disqualification will include the reason for the denial or disqualification.

Notification of award does not authorize commencement of grant activities. Grant activities may begin once the grantee receives a revised budget detail from the Department, but reimbursement cannot be provided until a memorandum of understanding between the grantee and the Department is fully executed.

#### Grant Agreement

A written and signed memorandum of understanding is required for all grants. The grant agreement includes the Request for Proposals and associated documents, this Handbook, the Application and any associated documents submitted in response to the Request for Proposals, and the signed memorandum of understanding.

A grant agreement for a joint application includes, in addition to the items required for all grant agreements, the following:

- Name of the primary grantee.
- Name of each secondary grantee.
- The division of funds between each grantee, if applicable.
- Name of the Grant manager for the primary grantee.
- Name of the official contact for the grant for each secondary grantee.
- Name of the authorizing official for the primary grantee.
- Name of the authorizing official for each secondary grantee.
- Name of the fiscal or accounting official for the primary grantee.
- Approved designation, between the primary and each secondary grantee, of responsibilities for performance of the grant.
- A statement from the primary grantee indicating assumption of responsibility for performance of the project(s) in the event a grant is made.
- A statement from each secondary grantee identifying and acknowledging each responsibility that the secondary grantee shall assume in the event a grant is awarded.



### Access

Upon reasonable notice, grantees shall allow the Department access to the records of the project, the project sites (if applicable), and any employees or contractors who may reasonably have information related to the project. Also, upon reasonable notice, grantees shall allow the Department to accompany the grantee on project-related activities.

### Performance Compliance, Audit, and Responsibility

Grants and funding are subject to performance compliance reviews in the form of site visits, interviews with grantees, contractors and other stakeholders, and review of relevant documents. This review may be performed by the Department or its designee.

- The grantee is the responsible agency and may not transfer or assign the grant to another entity without prior written authorization from the Department.
- Grantees are subject to audit by the California State Auditor, as required by Revenue and Taxation Code, section 30130.56, subdivision (a).
- Grantees are subject to a financial compliance review in the form of an audit, an agreed-upon-procedure, or both. A review will be conducted in accordance with the Generally Accepted Government Auditing Standards and Revenue and Tax Code, sections 30130.56 and 30130.57, subdivisions (e)(1), (f) & (g), designed to accomplish any one or more of the following: to monitor compliance with the requirements of the grant program and the terms and conditions of the grant agreement; to assess the quantity, quality, timeliness and cost of services the grantee produces and delivers under the terms and conditions of the grant agreement; and to assess the performance of any contract entered into by a grantee relating to a grant.

### Reports

Progress reports, final reports, and inspection data shall be submitted by the grantee to the Department in accordance with the reporting requirements and deadlines set forth in the grant agreement.

### Withholding of Ten Percent Pending Closeout

The Department may withhold ten percent of the grant amount pending receipt of the final report by the Department, approval of the final report by the Department, resolution of performance issues to the satisfaction of the Department, or resolution of audit findings prior to closeout.

### Procurement of Goods or Services

The grantee shall follow its own written procurement policies and procedures when procuring goods or services for activities relating to performance of the grant. All documents related to the procurement of goods or services shall be maintained by the grantee for the records retention period (at least five years) and provided to the Department upon request.

### Use of Contractors

Grantees may contract for services for performance of a project as set forth in the grant agreement or with prior written approval from the Department.

- Contractor services must be for the purpose of achieving the grant objectives.
- Grantees are responsible for ensuring that each contractor complies with the grant agreement, including, if applicable, collecting and reporting of inspection data.
- Contracting out shall not affect the grantee's overall responsibility for the management of a Project, and the grantee shall reserve sufficient rights and control to enable it to fulfill its responsibilities for the grant.
- Grantees shall have a written agreement with each contractor and shall submit a copy of the agreement to the Department.

## PROJECT REQUIREMENTS

### Administrative Costs

A Grantee shall not use more than 5 percent of the funds received for administrative costs. See Revenue and Taxation Code, Section 30130.57 (f), (g).

### Project Costs

Project costs may include the reasonable and necessary cost of tobacco products purchased during grant-related enforcement operations and the reasonable and necessary costs incurred to obtain identification documents and electronic payment services for use by minors or agents during grant-related enforcement operations.

### Project Income

Income generated from project, if any, may be reinvested by the grantee into the project for which the grant was awarded, returned to the Department, or the Department may approve other uses by the grantee of program income in accordance with the general purposes of the grant. Program income does not include fines, penalties, legal costs, attorney's fees, or other property collected as a result of enforcement actions by the grantee.

### Records of Tobacco Products

Grantees shall retain and preserve the tobacco products purchased or otherwise obtained during the course of performing a project, and the purchase records for such tobacco products, in accordance with the grantee's written policies regarding retention, destruction or forfeiture of such items.

## Travel

Travel costs of grantees are permitted for travel to/from tobacco-related trainings, meetings, seminars, and/or workshops. All travel must be approved and included in the grant budget.

Travel by grantees shall be in accordance with the State of California's written travel policies, subject to any further requirement in the grant agreement. Travel costs shall be substantiated by receipts and these receipts shall be made available to the Department upon request for reimbursement.

Out of state travel must be clearly specified in the grant budget or amendment because it requires prior approval and may be subject to additional restrictions.

Travel costs may only consist of the reasonable and necessary charges for commercial fares, public transportation, private vehicle, overnight and day parking of private or rental vehicles, bridge and road tolls, meals, lodging, and incidentals, incurred for travel necessary for the performance of the grant. The State of California's written travel policies can be found online at [www.calhr.ca.gov/employees/pages/travel-reimbursement.aspx](http://www.calhr.ca.gov/employees/pages/travel-reimbursement.aspx).

## Equipment Property Records

Grantees shall maintain property records for the records retention period for each item of tangible personal property having a useful life of more than one year and a per-unit acquisition cost of \$5,000 or more.

## Records Retention

Grantees shall maintain records relating to the application, grant agreement, scope of work, budget, and performance of projects, for the records retention period established by the agency for those types of records or for five years from the date the grant was closed out, whichever is longer. These records include but are not limited to reports of enforcement activities, educational programs, policy programs, personnel activity records, payroll records, travel claims, receipts, documents showing the calculation or methodology for determining whether funds were supplanted, and documents showing the calculation or methodology for determining administrative costs.

## Noncompliance

In the event a grantee fails to comply with the terms and conditions of the act or grant agreement the Department will notify the grantee, and meet and confer to resolve the issue.

In the event the Department and a grantee are unable to resolve a grantee's non-compliance with the terms and conditions of the Act or grant agreement, the Department may take one or more of the following actions:

- Withholding of payments.
- Recovery of funds paid to the grantee.
- Imposition of additional conditions on the grantee.
- Termination of the grant agreement.

- Disqualification from consideration for future grants.

#### Closeout

The Department shall conduct closeout review activities prior to closing out each grant to ensure that all necessary administrative actions and Projects have been completed by the grantee.

Closeout review activities include review of the final report due from the grantee to ensure it is sufficient and complete, verification that any performance issues are resolved, and verification that any audit or agreed-upon-procedure findings are resolved.

#### Allowable Costs; Reasonable Costs; Allocable Costs

Costs must meet all of the following general criteria to be allowable. An allowable cost must:

- Be reasonable for the performance of the grant, and allocable to the grant.
- Be accorded consistent treatment. In the event a cost is assigned in one way and another cost incurred for the same purpose in like circumstances was previously allocated in another way, the grantee shall provide a description of both the current and the prior assignments. The description shall be sufficient for the Department to ascertain whether or not funds have been supplanted.
- Be adequately documented.
- Comply with the Act and terms and conditions of the grant agreement.
- Comply with applicable state and local laws.
- Not be disallowed under the terms of the grant agreement.

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining the reasonableness of a given cost, consideration will be given to:

- Whether the cost is generally recognized as ordinary and necessary for the proper and efficient performance of the grant.
- The requirements of the grant program and the terms and conditions of the grant agreement.
- Market prices for comparable goods or services for the geographic area.
- Whether the grantee deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase a cost.

A cost is allocable to the grant if the cost is incurred for grant-related activities.

Unless otherwise provided for in the grant agreement, if a cost is incurred for the performance of grant-related activities and also for other non-grant-related activities, and benefits both grant and non-grant activities, the proportion that is incurred for the performance of grant-related activities may be approximated using reasonable and properly documented methods and assigned to the grant.

## Supplanting

Supplanting is prohibited. Grant funds may not be used to pay for costs that are already funded within your agency's budget, or for which other funding has already been received, in order to reallocate existing funding to other purposes. If funds awarded under this grant are used to supplant existing agency resources previously allocated for the same purpose, the Department may pursue remedies for non-compliance.

## APPEALS

Actions that a grantee may appeal include:

- Disqualification of an application.
- Imposition of additional conditions.
- Suspension or termination of a grant agreement.
- Denial of an application in whole or in part.

Appeals must be in writing, postmarked within 30 calendar days of the date of the notification of the action, and mailed to the Department at the address provided in the Request for Proposals.

An appeal must include:

- A copy of the notification or other communication from the Department.
- The name of the applicant or grantee, as applicable.
- A statement of the reasons the action by the Department should not be imposed, including any documentation to support the appeal.
- A statement of the remedy sought by the appellant.
- Contact information for the appellant.
- The signature of the authorized representative of the appellant.

Appeals not postmarked within 30 days as specified above will be denied. The action or actions specified in the notification will remain in effect while the appeal is under review.

The Attorney General or designee who is employed by the Department and who is not a member of the merits selection committee will make the final decision regarding the appeal. The Department will issue a decision on the appeal no later than 60 calendar days from the date the appeal is received.

The remedy for an appeal that is successful in whole or in part may be provided either during the course of the current funding cycle or in a subsequent funding cycle that may be during the course of the following fiscal year, based on practicality and the availability of funds.

## DEFINITIONS

The following definitions apply to this Handbook and the associated request for proposals:

- **Administrative Costs.** Necessary and reasonable indirect expenses as allowed under the terms and conditions of the grant agreement, limited to five percent of the total award.
- **Application.** A request by an eligible agency to receive a grant from the Department pursuant to Revenue and Taxation Code, Section 30130.57(e)(1).
- **Contractor.** An entity or person, including a consultant, that enters into a contract with a grantee to perform an activity.
- **Department.** The California Department of Justice.
- **Grant.** An award of financial assistance made to a Grantee, the principal purpose of which is the transfer of funds to carry out a project of public benefit authorized and intended by Revenue and Taxation Code, section 30130.57, subdivision (e)(1), a Request for Proposals, and the grant agreement between the grantee and the Department.
- **Grant Agreement.** The final agreement entered into between the Department and a grantee, or primary grantee in the case of a joint application, which sets forth the terms and conditions of the Grant. The grant agreement includes the executed memorandum of understanding, Request for Proposals and associated documents, application and associated documents, and this Handbook.
- **Grant Duration.** The period of time provided for in the Grant Agreement.
- **Grantee.** A local agency to which a grant is awarded. A grantee includes a primary or a secondary grantee as specified in a grant agreement arising from a Joint application.
- **Inspection Data.** Information regarding retailer inspection or enforcement activity by a grantee under the terms of the grant agreement, including but not limited to information about retailer location, retailer violations, retailer inspections, and retail-related citations, licensing actions, administrative proceedings, diversion proceedings, and prosecutions. Inspection data includes information regarding such activities whether or not a violation was found or a citation was issued. A grant agreement may contain further information about what constitutes inspection data, how it is to be gathered and retained by a grantee, and how and when it is to be reported to the Department.
- **Joint Application.** A request to receive a grant that is submitted by more than one eligible agency. A joint application includes a primary applicant and at least one secondary applicant.
- **Local Law Enforcement Agency.** A division, department, board, office, section, or branch of local government, or institution of public education, that employs one or more persons appointed and duly sworn as a peace officer; city police department; county sheriff's department; police protection and community services district; agency of a city, county, city and county, special district, or other political subdivision of the state that is authorized to enforce criminal statutes, regulations, or local ordinances; city or county health department that is authorized to conduct workplace inspections; city, county or regional public transit agency; city, district or county housing authority; police or school resource office of a K-12 school district; police department of the University of

California, California State University, or California Community Colleges; city, district, or county attorney's office; or any other local public agency that employs one or more sworn peace officers.

- **Project.** An undertaking that is planned to conduct activities and achieve stated goals and objectives for which funds were awarded by the Department to a grantee from the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund.
- **Records Retention Period.** The period of time after the grant is closed out that a grantee must maintain records related to the grant, which is at least five years.
- **Supplant.** Replace or reduce the amount of state or local funds currently being appropriated or previously appropriated for a purpose because grant funds are available or expected to be available to fund that same purpose. The effect of supplanting would be to reduce the total amount that would have been available for the purpose stated in the application or grant agreement.
- **Tobacco Products.** The same meaning as in Revenue and Taxation Code, Section 30130.50(b).

## PART II: GRANT OWNER'S MANUAL



## GRANT ACCEPTANCE AND TERMS

### Award

Your award is not final upon initial notification. A letter of intent to accept the award will be attached to the award notification. Your agency must affirm that either (1) it will seek a resolution to accept the award, if your agency has a governing body, or (2) no governing body exists and no resolution is required. In order to officially accept your award, your agency must return the completed, signed letter of intent within 15 calendar days of the date of the letter to:

California Department of Justice  
Division of Operations  
Tobacco Grant Program  
PO Box 160187  
Sacramento, CA 95816-0187

Your agency may begin spending funds once a revised budget detail is received from the Department, but will not be eligible to receive Tobacco Grant funds until a Memorandum of Understanding is in place, fully executed with original signatures. The Memorandum of Understanding must be approved by the head of your agency, or your agency's governing body if one exists, and returned within 90 days of receipt. Failure to return the letter of intent within 15 days or execute the memorandum of understanding within 90 days will be deemed a declination of the award. In the event of an unclaimed or declined award, funding may be awarded to another applicant.

### Terms and Conditions

By accepting these funds, your agency agrees to comply with and be bound by the conditions set forth in the memorandum of understanding and this Handbook.

### Allowable Costs

In general, costs must meet all of the following general criteria to be allowable. An allowable cost must:

- Be reasonable for the performance of the grant, and allocable to the grant.
- Be accorded consistent treatment. In the event a cost is assigned in one way and another cost incurred for the same purpose in like circumstances was previously allocated in the agency's budget in another way, the grantee shall provide a description of both the current and the prior assignments. The description shall be sufficient for the Department to ascertain whether or not funds have been supplanted.
- Be adequately documented.
- Comply with the Act and terms and conditions of the grant agreement.
- Comply with applicable state and local laws.
- Not be disallowed under the terms of the grant agreement.

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining the reasonableness of a given cost, consideration will be given to:

- Whether the cost is generally recognized as ordinary and necessary for the proper and efficient performance of the grant.
- The requirements of the grant program and the terms and conditions of the grant agreement.
- Market prices for comparable goods or services for the geographic area.
- Whether the grantee deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase a cost.

A cost is allocable to the grant if the cost is incurred for grant-related activities. Unless otherwise provided for in the grant agreement, if a cost is incurred for the performance of grant-related activities and also for other non-grant-related activities, and benefits both grant and non-grant activities, the proportion that is incurred for the performance of grant-related activities may be approximated using reasonable and properly documented methods and assigned to the grant.

Specific costs that may be supported by funds awarded under the Tobacco Grant Program are as follows:

#### *Personnel*

Salaries, benefits and overtime are allowable expenses. Amounts claimed must be supported by payroll and attendance records.

#### *Travel*

Travel that directly supports the applicant's project may be reimbursed using grant funds, with limitations on expenditures for meals, incidentals, lodging and mileage. Travel may be billed and reimbursed only as allowed by the State of California's established travel reimbursement rates in effect as of the date(s) of travel. Please refer to the California Department of Human Resource's website at <http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx> for the most current approved travel reimbursement rates.

Travel expenditures that exceed the State's allowable rates will be reimbursed only up to the amount allowed and your invoice will be reduced accordingly. Your agency will be responsible for the balance.

Acceptable documentation for reimbursement of travel expenses includes copies of receipts for meals, lodging, etc., and if applicable, completed agency mileage forms. All receipts must show 'paid' by cash/check or credit card.

#### *Training*

Training must be Tobacco Grant related. If the training is not DOJ-sponsored and specifically related to the Tobacco Grant, then prior approval must be sought. To obtain prior approval for training, an agency must submit a flyer with an agenda.

Acceptable documentation for reimbursement of training expenses include copies of receipts and proof of payment (copies of checks or credit card statements).

### Equipment

Equipment that directly supports the applicant's project proposal may be purchased using grant funds. Equipment is defined as an item that has a per-unit acquisition cost of \$5,000 or more and a useful life of at least one year.

Acceptable documentation for equipment purchases include copies of receipts and proof of payment (copies of checks or credit card statements).

### Supplies

Supplies that directly support the applicant's project proposal may be purchased using grant funds. Supplies are defined as items that have a per-unit cost of less than \$5,000 and may be consumable.

Acceptable documentation for purchases of supplies include copies of receipts and proof of payment (copies of checks or credit card statements).

### Supplanting

Pursuant to Revenue and Taxation Code section 30130.57, subdivision (e), grant funds are not to be used to supplant existing state or local funds that were already allocated for the same purpose. If the Department or California State Auditor identifies that your agency has used grant funds to pay for costs that are already funded within your agency's budget, or for which other funding has already been received, in order to reallocate existing funding to other purposes, the Department may pursue remedies for non-compliance.

### Restricted Items

Grant funds shall not be used to purchase items that are considered restricted and for personal use. Examples include, but are not limited to, the items on the following list. An item may not appear on this list but if it is determined to be for personal use, the Department will not provide reimbursement or if reimbursement has already occurred, the Department may pursue remedies for non-compliance. If an item appears on this list, or if there is a question about whether an item will be approved for reimbursement, then prior approval from the Tobacco Grant Program should be sought.

- Awards
- Award Certificates
- Frames
- Pictures
- Ribbons
- Balloons
- Calendars (Decorative)
- Cleaning supplies (except with special justification, e.g. forensic lab work)
- Coffee pots
- Coffee supplies

- Plastic eating utensils
- Refreshments for meetings or conferences
- Refrigerators
- Luggage
- Luggage Carriers
- Briefcases
- Personalized products used to advertise an agency and/or programs (e.g., pens, magnets) not specific to anti-smoking/anti-tobacco campaigns. Any products in this category require prior approval from the Tobacco Grant Program
- Portable fans
- Portable heaters
- Hand sanitizers
- Kleenex
- Food/drinks
- Gift cards

## ACCESSING AND MANAGING GRANT FUNDS

### Invoicing

Invoices must be submitted by mail on a quarterly basis, in arrears. Invoices are due October 15<sup>th</sup>, January 15<sup>th</sup>, April 15<sup>th</sup>, and July 15<sup>th</sup>). Submit original invoices with all required attachments, plus two complete copies, to:

Department of Justice  
Division of Operations  
Tobacco Grant Program  
PO Box 160187  
Sacramento, CA 95816-0187

A complete invoice package will include:

- The invoice detail sheet, and
- Receipts for all operating expenses claimed.

### Modifications

Each agency shall be limited to three preapproved modifications in any twelve-month period.

### *Changes Requiring Advance Approval*

Prior written approval by the Department is required for substantive changes to an approved project or budget. Prior approval for the following types of modifications must be requested, and may be granted, only in writing:

- A revision of the project or scope of work
- Budget changes that involve shifting funding between categories (e.g., moving funds from Personal Services to Operating Expenses and Equipment)
- Extension of grant duration
- Purchase of equipment with a purchase price of over \$5,000 per item not included in the approved budget
- Travel not included in the approved budget
- Contracting out or obtaining the services of a third party not included in the grant agreement
- Withdrawal of a secondary grantee from a project that is part of a joint application
- Use of program income for purposes not in accordance with the grant agreement

Failure to obtain prior approval may result in the Department pursuing remedies for non-compliance. The Department will not reimburse expenditures made in violation of this section.

### *Minor Changes*

Advance approval is not required for changes that do not meet any of the criteria listed above. Minor changes that do not alter the scope of the approved project and do not shift funds from one category to another do not require prior approval.

### *Extensions*

An extension may be requested if your agency needs additional time to fully expend awarded funds. Extension requests must be received prior to the expiration date of the award. Extension requests received after an award expires will not be considered.

### *Record Maintenance*

Your agency must maintain records relating to the application, grant agreement, scope of work, budget, and performance of projects, for the records retention period established by your agency for those types of records or for five years after a grant is closed out, whichever is longer. These records include but are not limited to reports of enforcement activities, educational programs, policy programs; personnel activity records; payroll records; travel claims; receipts; documents showing the calculation or methodology for determining whether funds were supplanted; and documents showing the calculation or methodology for determining administrative costs.

### *Audits*

Grant fund recipients and sub-recipients are subject to audit by both the California State Auditor and the California Department of Justice. In addition to formal audits, the California Department of Justice may conduct site visits with reasonable notice. All documentation related to the receipt

and use of grant funds shall be made open to inspection upon request by the California State Auditor and/or California Department of Justice.

### Reports

You will be provided with a link to submit progress reports electronically. Progress reports must be submitted via the link provided on a quarterly basis.

### Closing Out

Once your agency's award expires, whether or not funds were fully expended, it must be closed out.

### Funding

Funds remaining in your award may be spent after the expiration date only if they were obligated *prior to* the expiration date. Examples include a fully executed purchase order that is pending fulfillment by the vendor, or services that were rendered but not invoiced prior to the expiration date. Unobligated funds may not be expended once the award expires.

Your agency will be asked to submit a final report itemizing the total amount of Tobacco Grant funds expended over the term of the award and the total amount of unobligated funds, if any, that remain upon expiration.

### Final Progress Report

Your agency will be asked to submit a final progress report summarizing grant activities completed up to the end of the award.

## PART III: DESK PROCEDURES

### Major Program Administration and Oversight Activities

Activity	Lead	Major Activities	Time Frame	Documents
<b>Initial Release, Marketing and Outreach</b>				
<b>Release Tobacco Tax Grant RFP</b>	SSMII/SSMI	<ul style="list-style-type: none"> <li>- Post updated RFP and grant eligibility information to AG website</li> <li>- Share RFP with law enforcement community</li> </ul>	30 days	Current year Tobacco Tax Grant RFP
<b>Outreach and Marketing</b>	UC Davis Research Group	<ul style="list-style-type: none"> <li>- Provide data on prior grant effectiveness, usage rates, other information to DOJ</li> </ul>	Ongoing	
	External Affairs Team	<ul style="list-style-type: none"> <li>- Monitor RFPs received and conduct additional outreach to targeted communities</li> </ul>	30 days	Memo from External Affairs
	SSMII	<ul style="list-style-type: none"> <li>- Review data on cigarette tax collections from the California Department of Tax and Fee Administration</li> </ul>	1 wk	
<b>Grant Application Review</b>				
<b>Receive RFPs</b>	SSMI/AGPA	<ul style="list-style-type: none"> <li>- Collect and document RFPs</li> <li>- Perform basic analysis (total requests received, major program</li> </ul>	2 wks	Award Summary Excel Sheet.

		initiative types, total amount requested, average grant request)		
<b>Administrative Review of RFPs</b>	SSMI/Associate Govt Program Analyst	<ul style="list-style-type: none"> <li>- Review proposals for eligibility using the Administrative Review Checklist</li> </ul>	1 wk	Administrative Review Checklist
<b>Merit Panel Review of RFPs</b>	Merit Review Panel (DOJ Policy Director, DLE Assistant Chief, DOJ Budget Analyst, Tobacco Litigation & Enforcement SAAG)	<ul style="list-style-type: none"> <li>- Merit review panel receives eligible applications</li> <li>- Merit review panel reviews each application and scores it using the Prop 56 benchmarks, documented on the Proposal Rubric Sheet</li> <li>- Merit review panel also reviews grants to ensure that proposals are reflective of the needs of the applicants, balance grant size with specific and overall community needs and characteristics</li> </ul>	2 wks	Prop 56 Benchmarks Proposal Rubric Sheet
<b>Document Award Decisions and Rationale</b>	SSMII/SSMI DAG	<ul style="list-style-type: none"> <li>- Merit review panel finalizes awards</li> <li>- Merit review panel, SSM and</li> </ul>	2 wks	Grant Summary Memo



		<p>DAG meet to review award decisions, review for geographic distribution, potential impact, other factors</p> <ul style="list-style-type: none"> <li>- DAG summarizes grant award decisions and rationale for each grant</li> <li>- Update budget sheets to reflect final awards</li> <li>- Regroup with Merit review panel for outstanding issues/concerns.</li> </ul>		
<b>Notification of Award, Denial, or Disqualification</b>	SSMI/Associate Govt Program Analyst - Grant Administrators	<ul style="list-style-type: none"> <li>- Staff will send hard copy letters to all applicants with the outcome of their application.</li> <li>- Successful applicants need to sign and return a Letter of Intent.</li> </ul>	1 wk	Letter of Intent MOU
<b>Appeal of Grant Denials/Application Disqualifications</b>				See Grantee Handbook p.XX
<b>Records Retention</b>				See Grantee Handbook p.XX
<b>Grant Management, Monitoring, &amp; Oversight</b>				
<b>Create Agency Case Files</b>	Grant Administrator	<ul style="list-style-type: none"> <li>- Grant administrator</li> </ul>		Grant Award Letter File Checklist Govt TIN form

		creates hard copy case file for each grantee		Gov Body Resolution
<b>Invoice Processing</b>	Grant Administrator DOJ Accounting	<ul style="list-style-type: none"> <li>- Monitor receipt of monthly invoices from grantees</li> <li>- Receive, review, and process invoices</li> <li>- Forward to Accounts Payable for processing</li> </ul>		<i>Invoice processing procedure</i> <i>Invoice processing checklist</i> <i>Grant Activity Log</i> <i>Reimbursement Memo</i>
<b>Budget and Program Modifications</b>	Grant Administrator	<ul style="list-style-type: none"> <li>- Document budget and program changes</li> <li>- Notify Accounting of budget and program changes</li> </ul>		Grant/Contract Budget Modification Cover Memo Grant Modification Template Budget Template

### Create and Maintain Files

Upon approval of the grant application, grant administrators create an agency file that contains the following:

- Final executed MOU
- Completed Government TIN Form

To ensure that the grantee administers the grant according to DOJ guidelines, the grant administrator shares the following with each grantee:

- Grantee Workbook (excel file)
- Handbook

### Invoicing

Unless otherwise specified, grantees must invoice the Department for costs incurred on a quarterly basis, due by the 15<sup>th</sup> of the following month. Grant administrators provide grantees with a spreadsheet template for each month's invoice, grant amount, and budget. Grantees must also submit documentation to support their invoices. Agencies were previously required to submit invoices on a monthly basis, but some requested to process on a quarterly or semi-annual basis, depending on the project. Document these changes in the agency file.

Grant administrators process invoices and update grant balances and activities as follows:

### Invoice Review, Approval, and Payment

When an invoice is reviewed, the grant administrator:

- 1) Stamps the invoice on the date received and logs the date on the invoice tracking sheet for each billing/budget section, as applicable.
- 2) Verifies totals and validate receipts, , and other submitted documentation to substantiate requests for reimbursement
- 3) Verifies charges are consistent with grant agreement
- 4) Calculates remaining totals
- 5) Adjusts total balances with cuts or augmentations as appropriate
- 6) Notifies the agency of the new totals via email, including:
  - a. Copy of the invoice
  - b. Updated budget (each line item)
- 7) Updates internal logs with the new updated total
- 8) Creates the reimbursement memo page and submit to manager for approval
- 9) Manger reviews and approves
- 10) Sends reimbursement package to Accounts Payable via interoffice mail. The package includes:
  - a. Reimbursement Memo

- b. Invoice
  - c. Invoice detail (if applicable)
  - d. Copy of MOU
  - e. Budget Sheet (if applicable)
  - f. Grant Modifications (if applicable)
  - g. Government TIN form (if applicable)
- 11) Log date reimbursement memo sent to accounting

### Grant Modifications

The grant administrator may encounter, in their review, a need for a grant modification. Grant modifications are required in the following cases:

- Claim cuts
  - Insufficient funds in budget, by line item or category
  - Unbudgeted or unallowable expenses
  - Personnel billing is not consistent with MOU and original budget (e.g. agency hires an officer instead of a sergeant to perform grant tasks)
- Funds rollover at the end of a fiscal year
- Agency- initiated program and budget changes (e.g. agency switches from sworn officers to external contractors)
- Additional travel and training

To process a grant modification, the grant administrator:

- Prepares an updated budget form
- Sends the new budget detail form to agency via email
- Logs the grant modification in the Grant Log.
- Scans all items and saves in the corresponding agency folder on the I drive.

### Progress Reports

Progress reports are due on a quarterly basis, regardless of grant project activity or expenditures.

- Grant administrators notify the agency of an upcoming progress report 2 weeks prior to due date (15<sup>th</sup> of the month).
- Grant administrators review year-to-date expenditures alongside project timelines and the amounts expended to assess project implementation and effectiveness. They also evaluate the progress report for narrative and activity data for comparison against the agency's approved projects.
- Grant administrators follow up with client agencies as needed when productivity issues arise.
- If grant administrators are unable to make progress with an agency, and productivity continues to fail, the administrator will elevate their concerns to DOJ management.