

## ADVANCED FUNDS & RECONCILIATION GUIDE

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## How to Request An Advance of Grant Funds

If you are interested in requesting an advance of grant funds, please contact your Grant Administrator. Your Grant Administrator will give you a standalone version of the Advanced Grant Funds Policy ("Policy") which explains the special requirements related to receiving advanced funds from the State. The Policy is also included at the end of this guide. You should provide the Policy to the people in your organization who manage grant funds and to your Authorized Representative.

After reviewing the Policy, your Authorized Representative must sign an Advanced Grant Funds Policy Acknowledgment ("Acknowledgment"), which will be provided by your Grant Administrator. The Acknowledgment is also included at the end of this guide. Like the Policy, the Acknowledgment should be provided to your financial team. The Acknowledgment must be returned to your Grant Administrator before you can request an advance.

You should consult with your Grant Administrator about the amount of grant funds you would like advanced. Advances are intended to help grantees with their immediate cash needs only and are limited to 25 percent of the grant award at a time. Generally, advanced funds should be fully spent within six months.

Advanced funds must be kept separate from other funds. The funds must be deposited into an FDIC-insured, interest-bearing account exclusively used for holding grant funds advanced for the CNRA-funded project

Your Grant Administrator will provide you with an Advance Request Form which must be signed by your Authorized Representative. Email the completed form to [bqpayments@resources.ca.gov](mailto:bqpayments@resources.ca.gov).

CALIFORNIA NATURAL RESOURCES AGENCY		Advance Request Form	
		CNRA Use Only	
		Date Received	P.O. Number
<small>Advance requests are for immediate cash needs only. Advanced funds must be spent within six months.</small>			
Advance Number	Grant Number	Amount Requested	Anticipated Date Range of Expenditures
-AR			to
Project Name			
Grantee/Foyee Name			
Payee Address			
Attention	Email	Telephone	
Name of Bank and Type of Account to be used for Advanced Funds (must be FDIC-insured and interest-bearing)			
<small>Grantee Certification: By signing below, I certify I have full authority to execute this advance request on behalf of the Grantee. I declare under penalty of perjury under the laws of the State of California the attached statement of need is true and correct and the advanced funds, including interest earned, will only be used for expenses listed in the Grant Agreement's cost estimate. All unused advance funding and interest not expended within the grant timeline shall be returned to the State.</small>			
Name of Authorized Representative		Title of Authorized Representative	
Signature of Authorized Representative		Date	

Once your request is approved, a check will be mailed from the State Controller's Office within approximately six weeks. The funds should be immediately deposited into the separate, interest-bearing account identified in the Advance Request Form

## How to Reconcile Advanced Funds

Each calendar quarter, you will need to report to CNRA on the amount of advanced grant funds you have spent. This is called “reconciling” the advance. Reconciling the funds spent each quarter is mandatory. **Failure to submit a quarterly reconciliation disqualifies you from receiving an advance in the future.**

Your Grant Administrator will provide you with the forms to reconcile the advance. Reconciliation documentation will be reviewed and approved in the same manner as a reimbursement payment request. All advanced funds must be reconciled before another advance of up to 25 percent is requested. A few pointers:

- An organized and complete reconciliation will shorten review and approval time.
- Reference your approved grant scope of work and budget to confirm eligible costs PRIOR to expending funds.
- Ineligible project costs or costs with incomplete documentation will not count toward reconciliation of an advance.
- Need help identifying eligible expenses or the right backup documents? See FAQs within this document or contact your Grant Administrator.

The following steps explain how to organize and submit an advance reconciliation.

### Step 1 – Organize and Compile Backup Documents

1. Organize invoices/receipts for all project costs paid for with advanced funds during the calendar quarter.
2. Make sure all invoices are legible. If helpful, write clarifying notes on invoices to assist Grant Administrator review.
3. Organized invoices/receipts should be scanned into single pdfs of approximately 50 pages each.
4. Scan invoices in the same order the corresponding expenses are listed on the Project Expenditures Form (Tab 1 of the Reimbursement & Reconciliation Workbook). See example of a completed Project Expenditures Form under Step 2 below.
5. A naming suggestion for the PDF is "Invoices." If there are multiple PDFs of approximately 50 pages, add numbers to file names e.g., "Invoices 1," "Invoices 2," etc.

**INCREIBLE RECREATION, INC.** 3

DATE: 7/31/2026

**Better Engineers, Inc.** 2

CIVIL • STRUCTURAL  
MBE • DBE • SBE

TO: Green Goodness  
205 East Oak College  
Anytown, CA 99888

**Joe's Masonry and Concrete, Inc.** 1

12345 Oak Canyon Road  
Coastal Town, CA 91234  
Phone: (123) 456-7890

DATE	09/06/2026	BILL TO:	Green Goodness Nonprofit 205 East Oak College Street Anytown, CA 99888
PROJECT	Big Valley Park Improvements		

INVOICE 212973

ITEM#	CONSTRUCTION LEGEND	QTY	UNIT PRICE	EXTENDED
1	ADA Ramps	1	19,948.50	19,948.50
2	Bioswales	1	17,700.00	17,700.00
3	Mulch	1	2351.50	2351.50
TOTAL DUE				\$40,000.00

Make all checks payable to Joe's Masonry and Concrete, Inc.

THANK YOU FOR YOUR BUSINESS!

SHIP TO		Same as recipient	
Address Nonprofit		205 East Oak College Street Anytown, CA 99888	
Terms	Due Date	Invoice No.	
Net 30	8/31/2026	4	
% Complete	Prior Billing	Current Fee	
100%	8,006.60	421.40	
0.00%		0.00	
0.00%		0.00	
<b>Total Amount Due</b>		<b>\$421.40</b>	
<b>Total Earned to Date</b>		<b>\$8,428.00</b>	
<b>Total Payments</b>		<b>\$8,006.60</b>	
<b>Total Balance</b>		<b>\$421.40</b>	

Thank you for your business!

PAYMENT TERMS	DATE
COD	7/31/2026
UNIT PRICE	LINE TOTAL
195,538.00	195,538.00
-9,776.90	-9,776.90
<b>UBTOTAL</b>	
<b>185,761.10</b>	
<b>SALES TAX</b>	
<b>0.00</b>	
<b>SHIPPING</b>	
<b>3,600.00</b>	
<b>RE-PAYMENT</b>	
<b>-92,880.55</b>	
<b>AMOUNT DUE</b>	
<b>96,480.55</b>	

LE RECREATION

**An example of scanned invoices. The red numbers at the top right corner of each invoice refer to line numbers in the Project Expenditures Form.**

## Step 2 – Fill Out Applicable Tabs in the Reimbursement & Reconciliation Workbook

- In the Reimbursement & Reconciliation Workbook, there are three worksheets (Tabs 1-3) for listing different types of expenses.
  - The Project **Expenditures** Form (Tab 1) is where you list most direct project costs, including materials, supplies, contracted or consultant services, travel expenses, mileage, stipends etc.
  - The Grantee **Labor** Costs Form (Tab 2) is for your employee labor costs related to the grant project.
  - The Grantee-Owned **Equipment** Costs Form (Tab 3) is where you invoice the grant for use of your equipment during the construction phase of a grant-funded project.
- Fill out the applicable worksheets within the Reimbursement & Reconciliation Workbook. A naming suggestion for the saved file is "Workbook." Attach the Workbook to your reconciliation request email as an Excel file.

Project Expenditures Form						
Grantee Name		Grant Number				
Green Goodness Nonprofit		GN1029-0				
Line #	Payment Recipient	Task No.	Payment Date	Payment Type	Invoice Date	Payment Amount
1	Joe's Masonry and Concrete	3.3	9/25/2026	ACH	9/6/2026	\$ 40,000.00
2	Better Engineers, Inc.	2.1	8/29/2026	ACH	8/1/2026	\$ 421.40
3	Incredible Recreation	3.4	8/29/2026	ACH	7/31/2026	\$ 96,480.55
Subtotal						\$ 136,901.95
Indirect Costs for Expenditure Period						\$ 25,000.00
Total						\$ 161,901.95

1 Project Expenditures   2 Labor   3 Equipment   4 Reimbursement Request Form   ... + :

**An example of a completed Project Expenditures Form. Note the highlighted line numbers in the far-left column. Backup invoices should be scanned in the same order expenses are listed here.**

### Step 3 – Update Your Payment Tracker

1. Your Grant Administrator will provide you with a customized Payment Tracker with the project cost estimate from your Grant Agreement. Each time you prepare an Advance Reconciliation, update this spreadsheet to show how the amount to be reconciled should be allocated among the various line items in the cost estimate.
2. A naming suggestion for the saved file is "Payment Tracker." Attach the file to your Advance Reconciliation email as an Excel file.

GRANT ADMINISTRATION PAYMENT TRACKING FORM						
GRANT NO. GNT029-0		GRANTEE Green Goodness Nonprofit		PROJECT TITLE Community Park Project		
TOTAL GRANT AMOUNT \$144,200.00		GRANT FUNDS REQUESTED TO DATE \$42,033.18		GRANT FUNDS REMAINING TO REQUEST \$122,166.82		
TASK NO.	LINE ITEM DESCRIPTION	CNRA GRANT Date	1- Reimbursement 1/1/25 - 1/31/25*	2- Advance 5/1/26 - 7/31/26 *	REIMBURSED & RECONCILED TO DATE	REMAINING AFTER REIMBURSEMENT & RECONCILIATION
<b>ADVANCE AMOUNTS</b>						
1.0	<b>Project Management &amp; Administration</b>			\$ 40,000.00		
1.1	Project Planning & Management	\$ 50,000.00	\$ 830.50	\$ 5,448.29	\$ 6,278.79	\$ 43,721.21
1.2	Community Outreach	\$ 16,000.00	\$ 977.32	\$ 2,591.00	\$ 3,568.32	\$ 12,431.68
	<b>TASK 1.0 SUBTOTAL</b>	\$ 66,000.00	\$ 1,807.82	\$ 8,039.29	\$ 9,847.11	\$ 56,152.89
2.0	<b>Planning, Design &amp; Permitting</b>					
2.1	Design & Engineering	\$ 45,000.00		\$ 8,790.00	\$ 8,790.00	\$ 36,210.00
2.2	CEQA	\$ 4,000.00			\$ -	\$ 4,000.00
	<b>TASK 2.0 SUBTOTAL</b>	\$ 49,000.00	\$ -	\$ 8,790.00	\$ 8,790.00	\$ 36,210.00
3.0	<b>Construction</b>					
3.1	Trees & Shrubs	\$ 25,000.00		\$ 10,044.82	\$ 10,044.82	\$ 14,955.18
3.2	Plantbed Preparation	\$ 2,200.00		\$ 2,152.00	\$ 2,152.00	\$ 48.00
3.3	Mulch	\$ 7,000.00		\$ 6,809.85	\$ 6,809.85	\$ 190.15
	<b>TASK 3.0 SUBTOTAL</b>	\$ 34,200.00	\$ -	\$ 19,006.67	\$ 19,006.67	\$ 15,193.33
	<b>INDIRECT COSTS</b>	\$ 15,000.00	\$ 225.36	\$ 225.00	\$ 450.36	\$ 14,549.64
	<b>GRAND TOTAL</b>	\$ 144,200.00	\$ 2,033.18	\$ 40,000.00	\$ 38,094.14	\$ 122,105.86
<b>ALL PAYMENTS</b>		RETENTION:	\$ 203.32	\$ -	\$ 203.32	◀ TOTAL RETENTION WITHHELD TO DATE
		PAYMENT AMOUNT:	\$ 1,829.86	\$ 40,000.00	\$ 41,829.86	◀ TOTAL PAID TO DATE
		DATE AUTHORIZED:	1/13/2025	3/25/2026	\$ 122,370.14	◀ ENCUMBERED (SHOULD MATCH ALLPROPS)
<b>ADVANCES ONLY</b>		TOTAL ADVANCED:	\$ -	\$ 40,000.00	\$ 40,000.00	◀ TOTAL ADVANCED TO DATE
		RECONCILED:	\$ -	\$ 36,060.96	\$ 36,060.96	◀ TOTAL RECONCILED TO DATE
		OUTSTANDING:	\$ -	\$ 3,939.04	\$ 3,939.04	◀ TOTAL OUTSTANDING
					2.40%	◀ % OF GRANT TOTAL ADVANCED AND OUTSTANDING

Grant Tracking Sheet   Advance Reconciliation   +   :   ◀

GRANT ADMINISTRATION ADVANCE RECONCILIATION FORM									
RECONCILIATION NO. 1-AR		AMOUNT ADVANCED \$75,000.00		GRANTEE Green Goodness Nonprofit			PROJECT TITLE Community Park Project		
TASK NO.	LINE ITEM DESCRIPTION	1-AR/1	1-AR/2	1-AR/3	1-AR/4	TOTAL			
1.0	<b>Project Management &amp; Administration</b>								
1.1	Project Planning & Management	\$ 5,448.29				\$ 5,448.29			
1.2	Community Outreach	\$ 2,591.00				\$ 2,591.00			
	<b>TASK 1.0 SUBTOTAL</b>	\$ 8,039.29	\$ -	\$ -	\$ -	\$ 8,039.29			
2.0	<b>Planning, Design &amp; Permitting</b>								
2.1	Design & Engineering	\$ 8,790.00				\$ 8,790.00			
2.2	CEQA					\$ -			
	<b>TASK 2.0 SUBTOTAL</b>	\$ 8,790.00	\$ -	\$ -	\$ -	\$ 8,790.00			
3.0	<b>Construction</b>								
3.1	Trees & Shrubs	\$ 10,044.82				\$ 10,044.82			
3.2	Plantbed Preparation	\$ 2,152.00				\$ 2,152.00			
3.3	Mulch	\$ 6,809.85				\$ 6,809.85			
	<b>TASK 3.0 SUBTOTAL</b>	\$ 19,006.67	\$ -	\$ -	\$ -	\$ 19,006.67			
	<b>TASK 4.0 SUBTOTAL</b>	\$ -	\$ -	\$ -	\$ -	\$ -			
	<b>OVERHEAD (NOT TO EXCEED 15%)</b>	\$ 225.00				\$ 225.00			
	<b>TOTAL RECONCILED</b>	\$ 36,060.96	\$ -	\$ -	\$ -	\$ 36,060.96			
<b>TOTAL RECONCILED TO DATE</b>		\$ 36,060.96	\$ 36,060.96	\$ 36,060.96	\$ 36,060.96	\$ 36,060.96			
<b>AMOUNT REMAINING TO BE RECONCILED</b>		\$ 38,939.04	\$ 38,939.04	\$ 38,939.04	\$ 38,939.04	\$ 38,939.04			
<b>DATE APPROVED</b>		7/15/2026							

Grant Tracking Sheet   Advance Reconciliation   +   :   ◀

An example of a completed Payment Tracker. Note "Task No." column in the Project Expenditures Form corresponds to the "Task No." column in the far-left column of the Project Tracker.

## Step 4 – Complete the Advance Reconciliation Form within Docusign and Download

1. Instructions and a link to complete the Advance Reconciliation Form within Docusign are on Tab 5 of the Reimbursement & Reconciliation Workbook.
2. Under Step 1 there is a cell that totals the sum of all worksheets. Confirm the Total Amount of Reconciliation shown is correct. This is the number you will transfer to the Advance Reconciliation Form within Docusign.
3. Click the Advance Reconciliation Form link under Step 2 to open the Advance Reconciliation Form within Docusign.

**Fill out the Advance Reconciliation Form**

**Step 1: Confirm the total amount is correct**

Total Amount of Reconciliation: **\$161,901.95** Enter this amount on the Advance Reconciliation Form (Sum of all worksheets)

**Step 2: Click the link below to launch the tool and access the form**

[Advance Reconciliation Form](#)

**Step 3: Download the signed form**

Docusign will send an email with the final signed form attached.  
Download the form and save it to your computer. A suggested name for the file is "Reconciliation Form."

**Step 4: Email your request to [bgpayments@resources.ca.gov](mailto:bgpayments@resources.ca.gov)**

Attach the signed Reconciliation Form, Invoices, Workbook, and Payment Tracker.

> ... 2 Labor 3 Equipment 4 Reimbursement Request Form 5 Reconciliation of Advanc ...

**PowerForm Signer Information**

Fill in the name and email for each signing role listed below. Signers will receive an email inviting them to sign this document.

Please enter your name and email to begin the signing process.

**Project Manager (Day to Day Contact Person)**

Your Name: \*

Full Name

Your Email: \*

Email Address

Please provide information for any other signers needed for this document.

**Authorized Representative (Signer)**

Name:

Full Name

Email:

Email Address

[Begin Signing](#)

4. The link will take you to the Docusign website and display the Power Form Signer Information shown on the left. Enter the name and email address for the person who will complete the form (the Project Manager) and your organization's Authorized Representative, who will sign the form.
5. An Advance Reconciliation Form will generate. Fill out all fields.

**Advance Reconciliation Form**

CNRA Box Only

Date Received

Advance No.	Reconciliation No.	Amount Reconciled*	Date Range of Expenditures**	Interest Earned***
AR			to	

\*Amount Reconciled should match amount shown on Tab 3 of the Reimbursement & Reconciliation Workbook.  
\*\*Date range should be a calendar quarter such as 1/1/2026 to 3/31/2026. Only costs paid during the quarter should be included in the reconciliation.  
\*\*\*Interest earned since last reconciliation. If first reconciliation, then interest earned since advance deposited.

Project Name:

Grantee:

Grantee Certification:

By my signature below, I certify that I have full authority to execute this Advance Reconciliation on behalf of the Grantee. I declare under penalty of perjury, under the laws of the State of California, that:






- This report and accompanying documents are true and correct to the best of my knowledge.
- All expenditures claimed herein were made for the purposes outlined in the Grant Agreement.
- All invoices and receipts for project expenditures from all funding sources will be retained and produced in the event of state audit.
- If this Reconciliation includes payment of in-house labor:
  - All employees have been fully compensated for the time billed to the grant.
  - No overhead or indirect costs have been added to employees' billed rates.
  - Time records describing hours billed and work performed on the grant project and records supporting billed rates will be retained and produced in the event of state audit.

Name of Authorized Representative	Title of Authorized Representative
Signature of Authorized Representative	Date

6. Docusign will collect signatures and email the signed Advance Reconciliation Form to the Project Manager and Authorized Representative.
7. Download the signed form from the Docusign email. A naming suggestion for the saved file is "Reconciliation Form." Attach the file to your Advance Reconciliation email.

### Step 5 – Submit the Advance Reconciliation via Email

- Attach all four files (more if you have multiple PDFs of Invoices) and email them to [bgpayments@resources.ca.gov](mailto:bgpayments@resources.ca.gov), as shown below.
- You will receive an email confirming receipt within 2 business days.

	To	<input type="radio"/> Bonds and Grants Payments;		
	Cc			
Subject		GN1029-0 Advance Reconciliation		
 Reconciliation Form.pdf 444 KB	 Workbook.xlsx 318 KB	 Invoices.pdf 488 KB	 Payment Tracker.xlsx 38 KB	
Please process the attached Advance Reconciliation.				

Your Grant Administrator will reach out with questions, if needed, during the approval process. Once your advance is fully reconciled, you may be eligible to request another advance of up to 25 percent of the grant award.

Questions? See the Frequently Asked Questions in this document and/or contact your Grant Administrator.



## Frequently Asked Questions (FAQs) about CNRA Advances & Reconciliations

### How much can I request for an advance?

The maximum amount that can be requested is 25 percent of the grant. All advanced funds must be reconciled before another advance of up to 25 percent is requested.

### How long do I have to spend the advance?

Advances of grant funds are to help with grantees' immediate cash needs. Therefore, advanced funds generally should be spent within six months.

### Can I deposit the advance in my regular checking account?

No. Advanced funds must be kept separate from other funds. Advanced funds must be deposited and held in a separate, FDIC-insured, interest-bearing account until spent.

### What do I do with the interest earned on advanced funds?

Interest earned on advanced funds should be reported in your quarterly reconciliations and be applied to your grant project. At project closeout, you will report the total interest earned on all advanced funds and submit invoices showing how the interest was spent. Any unused interest earned must be returned to the State at project completion.

### How often should I submit an Advance Reconciliation?

- You must reconcile advanced funds spent during each calendar quarter.
- Reconciliation is mandatory and due within 45 days of each quarter's end. Grantees must submit the required reconciliation form even if no advanced funds are spent in the quarter.

### What happens if I do not submit an Advance Reconciliation within 45 days of the end of a quarter?

- You will no longer be eligible to receive additional advances of grant funds.

### When spending advanced funds, how do I know if an expense is eligible?

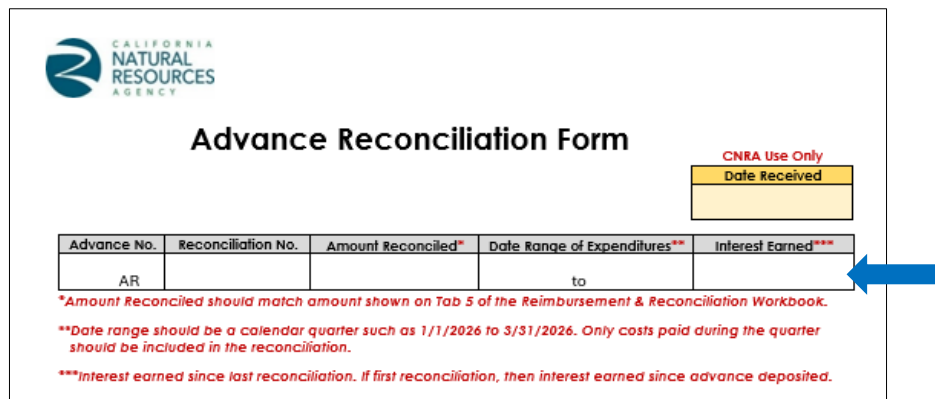
- Expenses must be part of your approved grant agreement.
- Check the following documents to confirm eligible costs PRIOR to spending funds:
  - Grant Agreement Exhibit A (scope of work): is the expense necessary to accomplish a grant deliverable listed in the scope of work?
  - Grant Agreement Exhibit A-1 (cost-estimate): do you see a line item/task number that corresponds to your expense?
  - Payment Tracker: do you have funds remaining in the line item/task number for your expense? If not, contact your grant administrator about adjusting the budget.
- Consult the grant program guidelines. Most contain an appendix or section on eligible expenses.
- If you are unsure about eligibility, contact your Grant Administrator.

### What can I do if an expense was disallowed for reconciliation due to incomplete documentation?

- If an expense was denied because of incomplete documentation, it can be resubmitted with the full documentation in a later advance reconciliation.

### How do I report interest earned on advanced funds in my quarterly reconciliation?

- You report interest in a field on the Advance Reconciliation Form.



**Advance Reconciliation Form**

**CNRA Use Only**  
Date Received

Advance No.	Reconciliation No.	Amount Reconciled**	Date Range of Expenditures**	Interest Earned***
AR			to	

\*Amount Reconciled should match amount shown on Tab 5 of the Reimbursement & Reconciliation Workbook.  
 \*\*Date range should be a calendar quarter such as 1/1/2026 to 3/31/2026. Only costs paid during the quarter should be included in the reconciliation.  
 \*\*\*Interest earned since last reconciliation. If first reconciliation, then interest earned since advance deposited.

### What is a Project Expenditure and what backup do I need to include?

- Project expenditures include most direct project costs, including materials, supplies, contracted or consultant services, travel expenses, mileage, etc.
- Submit an invoice or receipt for each expenditure showing the date of issue or purchase, the payee's name, items purchased or services performed, and total cost.
- Some expenses require additional or alternative backup documents:

#### Food backup (only eligible in select grant programs)

- Food receipts should include a note indicating: 1) event date; 2) purpose for food expense; and 3) number of participants that were fed.

#### Mileage backup

- Mileage should be billed at the rate reimbursed to the employee, but no greater than the State mileage rate at the time of travel.
- For grantee-owned vehicles: submit a mileage log showing destination, miles, and grant purpose for travel in lieu of an invoice/receipt.
- For personal vehicles: submit a signed employee expense form (per grantee's standard business practice) in lieu of an invoice/receipt.

#### Youth Stipends for Youth Community Access grants

- Document youth participation in the program via a signed agreement/enrollment form between the youth recipient (or parent/guardian) and the grantee.
- Youth stipends for program projects should be entered on the expenditure form.
- If the stipend is paid with a gift card, provide: 1) the gift card purchase receipt and 2) signed participation agreements for each recipient.
- Grantee should maintain a tracking sheet detailing all gift-card stipends disbursed, including the gift card amount, the recipient, and the date of the receipt, to be produced at audit or at Grant Administrator request.

#### How should I organize my invoices/receipts for Project Expenditures?

- Assemble invoices/receipts in the same order as the expenses listed on the Project Expenditure form (see line numbers in column A) into one PDF.
- If an invoice is partially paid with grant funds, indicate on the invoice the amount billed to the grant and the amount billed to other funding sources.
- If an invoice includes costs for several grant budget tasks, provide a breakdown of the amounts charged to each task on the invoice.

#### What are Grantee Labor Costs and what backup do I need to include?

- Grantee labor costs are your in-house employee costs for working on the grant project.
- You may bill the grant for your employee salary and benefits for work performed on the grant project.
- Only salary plus benefits is eligible. No indirect rates or overhead costs may be folded into the hourly rate. No billable rates may be used.
- Salary and benefits should be combined into one hourly rate for each employee.
- Employee labor must be computed on actual time spent on the project as evidenced by time sheets describing work performed, unless otherwise specified in the grant program guidelines.
- No backup documentation should be submitted with this form. However, grantees should be prepared to submit documentation if requested by a grant administrator. Additional backup documentation must be retained in event of an audit, see list below.

#### What are Grantee-Owned Equipment Costs and what backup do I need?

- Grantee-owned vehicles used to transport personnel and supplies should not be charged as equipment. Instead, grantees may bill mileage for use of their vehicles as a project expenditure.
- Grantee-owned trucks may only be charged as equipment if they are used to accomplish construction work on a project.
- Grantees may charge a daily or hourly rate for use of grantee-owned equipment. Rates should not exceed average rental rates for similar equipment.
- The [California Department of Transportation equipment rental rates](#) may be used as a guide for appropriate equipment types and rates to be used on this form.
- No back up documentation should be submitted with this form. However, grantees should be prepared to provide back up if requested by a grant administrator.
- Additional backup documentation must be retained in event of an audit, see list below.

#### What are indirect costs?

- Indirect costs are expenses related to the general operation and support of an organization or project. Examples include rent for office space, utilities, insurance, office supplies, administrative salaries, and accounting. Indirect costs are also called overhead or administrative costs.
- Unlike direct costs, which are easily traced to a specific project, indirect costs are shared across multiple projects or the entire organization. Indirect costs are typically calculated as a percentage of the direct costs of a project. This percentage is called the **indirect cost rate**.
- Organizations determine their indirect cost rate using an accounting methodology of their choice following generally accepted accounting principles.
- You must maintain records to support your organization's indirect cost rate and provide those records in the event of an audit.

- Food and beverages, fundraising, lobbying and entertainment may not be included in your indirect cost rate. Any cost billed as a direct expense also may not be included.

### How do I bill the grant for indirect costs?

- Check the grant program guidelines to verify indirect costs are allowed. The guidelines will state any limitations on indirect cost rates. Most CNRA grant programs allow a maximum indirect cost rate of 15% of the direct costs of the grant.
- Indirect costs should be included as a line item in the approved project budget.
- Indirect costs billed to the grant are entered at the bottom of the Project Expenditures Form.

Project Expenditures Form					
Grantee Name		Grant Number			
Green Goodness Nonprofit		GN1029-0			
Payment Recipient	Task No.	Payment Date	Payment Type	Invoice Date	Payment Amount
Joe's Masonry and Concrete	3.3	9/25/2026	ACH	9/6/2026	\$ 40,000.00
Better Engineers, Inc.	2.1	8/29/2026	ACH	8/1/2026	\$ 421.40
Incredible Recreation	3.4	8/29/2026	ACH	7/31/2026	\$ 96,480.55
<b>Subtotal</b>					\$ 136,901.95
<b>Indirect Costs for Expenditure Period</b>					\$ 25,000.00
<b>Total</b>					\$ 161,901.95

Project Expenditures 2 Labor 3 Equipment 4 Reimbursement Request Form ... + : ◀ ▶

**An example of a completed Project Expenditures Form. The blue arrow shows where indirect costs for the expenditure period should be entered.**

### What documentation must I retain for audit?

The following backup documentation for reconciliation requests should be retained in the event of an audit or to be provided at a Grant Administrator's request.

#### For Project Expenditures, this includes but is not limited to:

- Proof the expenses claimed were paid in full.
- If a credit card was used to pay the expense, proof the amount charged to the credit card was paid off.

#### For Grantee Labor Costs, this includes but is not limited to:

- Pay stubs or payroll records showing employees' pay rates or salaries and proving employees were paid.
- Documentation supporting employee benefits billed to the grant.
- Documents used to calculate the hourly rates billed for each employee on the Grant-Labor Costs Form.

#### For Grantee-Owned Equipment Costs, this includes but is not limited to:

- Grantee's Equipment Rate Policy
- Log of equipment use, identifying operator, hours, and hourly rate. Log should be signed by the operator and supervisor, when possible.

#### For Indirect Costs, this includes but is not limited to:

- A cost allocation plan or other method for determining indirect rates.
- All back up documentation supporting the indirect cost rate calculation.
- Any other document relevant to supporting indirect costs charged to the grant.

## **Advanced Grant Funds Policy**

All California Natural Resources Agency (CNRA) grants are reimbursement programs. This means Grantees pay project expenses and then seek reimbursement from grant funds. In certain grant programs, an advance of grant funds may be available<sup>1</sup> subject to the requirements included in the grant program guidelines and the following conditions:

### 1. Deposit of Advanced Funds

- a. Advanced funds must be kept separate from other funds. Advanced funds must be deposited and held in a separate, FDIC-insured, interest-bearing account until spent. Account statements must show all transactions related to the advanced funds.
- b. Advanced funds may not be deposited into an account in which there is risk of loss.
- c. Public grantees may choose to deposit advanced funds in their treasuries if the advanced funds can be identified and tracked and interest earned solely on the advanced funds can be documented.
- d. Grantees may not hold advanced funds in a pooled interest-bearing account. Advanced funds, all related transactions, and interest earned on grant funds must be identifiable.

### 2. Interest Earned on Advanced Funds

- a. Any interest earned on advanced funds should be applied to the grant project for which funds were advanced.
- b. Interest earned during each calendar quarter should be reported on the Advance Reconciliation Form.
- c. Before grant closeout, Grantees must submit a report indicating how interest earned was used on the project and submit supporting invoices.
- d. Any unused interest must be returned to the State before grant closeout.

### 2. Reconciliation of Advanced Funds

- a. Grantees must reconcile advanced funds spent during each calendar quarter using forms provided by a Grant Administrator. Reconciliation documentation will be reviewed and approved in the same manner as a reimbursement payment request.

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<sup>1</sup> State entities, including Joint Power Authorities (JPAs) which include state entities as members, are not eligible for an advance when the project is awarded under a bond-funded program. Deposits into a third-party escrow account for acquisition projects are not considered advances to a state entity.

- b. Quarterly reconciliation is mandatory and is due within 45 days of the end of each calendar quarter. Grantees must submit the required reconciliation form even if no advanced funds are spent in the quarter.
- c. As part of the quarterly reconciliation, Grantees must submit account statements for each month in the quarter showing all transactions relating to the advanced funds and any interest earned.
- d. If a reconciliation is not submitted within 45 days after the last day of the calendar quarter, further advance requests will not be considered.

### 3. Requesting Advanced Funds

- a. The amount of advanced funds requested should be determined after working with the Grant Administrator to identify Grantees' immediate cash needs and the timeline for expenditure of requested advanced funds. Generally, advanced funds should be expended within six months.
- b. Advances may be requested in increments of no more than 25 percent of the grant at a time. All advanced funds must be reconciled before another advance of up to 25 percent is requested. In rare instances, exceptions may be considered so long as the total unreconciled advanced funds do not exceed 25 percent of the grant at any time.
- c. Advances are not subject to retention. The last 10 percent of a grant cannot be advanced.
- d. All advance requests must be submitted in writing using the Advance Request Form and signed by the Grantee's Authorized Representative.
- e. Any special provisions in the grant agreement relating to conditions necessary for release of funding must be met prior to requesting an advance.

### 4. Using Advanced Funds

- a. If advanced funds are used to pay grantees' in-house labor costs, timesheets maintained for audit must show all staff time and be tracked to different projects or activities, unless otherwise required by applicable grant program guidelines.
- b. Indirect costs may be advanced if listed as an eligible cost in the guidelines and included as a separate approved line item in the project budget.
- c. For grant programs allowing pass-through grants, if advanced funds are passed through a Grantee to a separate entity that is implementing the project (e.g., when funds are granted to a city for the benefit of a non-profit organization), the Grantee must ensure the immediate need of advanced funds and that advanced funds are deposited and held in a separate, FDIC-insured, interest-bearing account and reconciled as outlined in this policy.

- d. Grantees must repay any unused or inadequately documented advanced funds to CNRA within sixty days of project completion or the end of the project performance period, whichever is earlier. Grantees will not be eligible for any other CNRA grants until funds have been repaid.

## 5. Approval of Advance Requests

- a. CNRA reserves the right, at its sole discretion, to approve or deny an advance request. Final approval will be based on, but is not limited to, consideration of the following:
  - Grantees' explanation of immediate need for an advanced payment
  - Grantees' performance on prior CNRA or other State grants, with particular consideration of past performance issues
  - Grantees' record of providing timely and adequate payment backup documentation on previous CNRA grants
  - If available, financial practice information contained in grantees' Non-Profit Organization Questionnaire (submitted pre-award for certain programs) or other financial practice information requested by a Grant Administrator.

## 6. Legal Obligations

- a. By requesting and accepting advanced funds, Grantees agree that failure to use advance funds in a manner that is consistent with the Grant Agreement (including any amendment to the Grant Agreement), shall be **prima facie** evidence of an intent to deceive or defraud pursuant to Penal Code section 484 and 487, and shall work with or otherwise cooperate with the State to prosecute parties who improperly misappropriate advanced funds, or otherwise recover those funds so misapplied or misappropriated.



## Advanced Grant Funds Policy Acknowledgment

The paragraphs below describe mandatory requirements for receiving advanced grant funds from the California Natural Resources Agency (CNRA). Initial to the right to indicate understanding and acceptance of each requirement.

1. Advanced grant funds must be kept separate from other funds. \_\_\_\_\_
2. Advanced grant funds must be deposited into an FDIC-insured, interest-bearing account exclusively used for holding grant funds advanced for the CNRA-funded project. \_\_\_\_\_
3. Advanced grant funds must be spent within six months of deposit. \_\_\_\_\_
4. Grantees must reconcile advanced funds spent during each calendar quarter and submit account statements for each month in the quarter. \_\_\_\_\_
5. Reconciliation is mandatory and due within 45 days of each quarter's end. Grantees must submit the required reconciliation form even if no advanced funds are spent in the quarter. \_\_\_\_\_
6. If a reconciliation is not submitted within 45 days after the last day of the calendar quarter, further advance requests will not be considered. \_\_\_\_\_
7. All interest earned on advanced funds must be spent on the CNRA-funded grant project or be returned to the State at project completion. \_\_\_\_\_
8. Additional advance policies and procedures for requesting advances are in the Advanced Grant Funds Policy which was provided with this Acknowledgment. \_\_\_\_\_

### Certification by Authorized Representative

Grantee Name: \_\_\_\_\_

Grant Project: \_\_\_\_\_

I certify under penalty of perjury under the laws of the State of California, that the Grantee accepts and will comply with this policy. **I also certify the individual(s) responsible for managing grant funds within my organization have received a copy of the Advanced Grant Funds Policy and this Acknowledgment.**

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Name of Authorized Representative

\_\_\_\_\_  
Title of Authorized Representative