

**Department of Forestry and Fire Protection**  
**Wood Products and Bioenergy Business and Workforce**  
**Development Grant Guidelines**

**FY 2023-2024**



**July 31, 2023**

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# CAL FIRE WOOD PRODUCTS AND BIOENERGY

The Wood Products and Bioenergy Team (Wood Products) is part of CAL FIRE's Climate and Energy Program. Wood Products awards funding for California business and workforce development projects that support healthy resilient forests and the people and ecosystems that depend on them. Wood Products has four primary areas of responsibility, including existing and emerging technologies:

1. **Business Development**, including solid wood and biomass processing and manufacturing, in-woods operations, and tree nurseries.
2. **Bioenergy Business and Workforce Development**, including forest bio-material power generation and biofuels for domestic use and export.
3. **Forest-related Workforce Development**, including in-woods, transportation, and manufacturing.
4. **Research and Development**, must be ancillary to forest-related business and workforce development.

CAL FIRE Wood Products supports the creation of a robust and diversified wood products industry to facilitate the economic and sustainable management of California's forests. Grants can make California a more competitive place to conduct forest-sector business. Grants will also create financial incentives for industries to invest in clean technologies, develop innovative ways to process wood products, and support the growth of a strong forest-sector workforce.

## ELIGIBLE ACTIVITIES

Two project types are eligible for grant funding: business development and workforce development in California. Research proposals that have the potential to facilitate an immediate benefit to California's forest-sector businesses and/or workforce will also be considered. Projects may include planning, organizational and business capacity building, and workforce and infrastructure development as components of proposed projects.

The following are examples of activities eligible for funding:

- a. Manufacture solid wood products from forest materials, such as post and poles, dimensional lumber, plywood, or other products that allow for continued carbon storage.
- b. Develop new tree nurseries and increase capacity at existing tree nurseries, with grantees committing to producing native, seed-zone-specific seedlings for private and public forestland owners for the purpose of reforestation of native trees. Growing some native, non-woody plants may be eligible.
- c. Develop and expand workforce and operations businesses in logging, fuels treatments, prescribed fire, right-of-way clearing, forestry, and other forest-industry support services.

- d. Utilize forest biomass to generate energy through combustion, gasification or other energy producing technologies, which displaces carbon-intensive fossil fuel-based energy.
- e. Subsidize transportation of forest biomass from the woods to processing facilities, supporting hazardous fuels reduction, reforestation, and wood utilization.
- f. Market or utilize forest products for beneficial uses. Beneficial uses include, but are not limited to, firewood, dimensional lumber, animal bedding, biochar, artistic and cultural products, cross-laminated timber, mulch, oriented strand board, pulp, post, shredding, and veneer products.
- g. Permit new and/or expanding forest-sector businesses.
- h. Provide a training opportunity or program in a related field that aims to increase the forest-sector workforce capacity is an eligible workforce development grant. Qualifying workforce development projects generally include the ability to provide recurring training opportunities to unique cohorts of individuals and may include the award of institutionally recognized training certificates.
- i. Hire and train workers for a forestry-sector business may be eligible for a business development grant but not a workforce development grant.
- j. Research and development activities that support workforce development and wood products infrastructure development in California. All projects will facilitate immediate benefit to California's forest-sector businesses and/or workforce. Competitive projects will provide new information with immediate impact across a region or statewide. Research and development projects will be evaluated in the context of the eligibility criteria for the project type (business development or workforce development) to which the R&D project is related. Examples of potential topics include:
  - 1. Feasibility analyses
  - 2. Permitting strategies
  - 3. Feedstock supply studies
  - 4. Engineering
  - 5. Technology development
  - 6. Market analyses
  - 7. Design and development of new wood products.
  - 8. Research of new applications for existing wood products.
  - 9. Testing for regulatory compliance/conformance.
  - 10. Product modification to increase yield.
  - 11. Improvement of manufacturing or production technologies, processes, techniques, or procedures to increase yield, reduce waste and byproducts, or improve safety.
  - 12. Design and development of scaled-up manufacturing processes.
  - 13. Automated processes or robotics to increase production efficiency.
  - 14. Software development or information technology initiatives related to

wood product or process improvements.

15. Forest and wood products sub-sector needs analyses, coursework design, partnership development, professional recruitment, and student recruitment.

## Preferred Projects

Preferred Projects are projects that the Wood Products Team has identified as currently strategic in advancing the forest sector. Proposals incorporating preferred projects may receive additional consideration. The following are preferred project categories as of the date of this publication:

- a. Transportation of forest biomass<sup>1</sup>. Applicants will apply for a business development grant that should address one or more of the following:
  - i. Support the establishment of new wood processing facilities or the retention of facilities with documented risk of closing. Facilitate reopening of mothballed facilities. Incentivize existing facilities to expand where feedstock supply exceeds their current capacities.
  - ii. Prepare post-fire lands for reforestation.
  - iii. Remove residual piles from completed forestry projects that can be utilized at a facility rather than open-air burned.
- b. Establishment and/or expansion of wood utilization infrastructure in regions of California where capacity is currently lacking (e.g., Southern California, Central Coast, Southern Sierras, Eastside Sierras).
- c. Businesses with sustained intake of 20+ bone dry tons per day of burned logs within 3 months of executing grant agreements.
- d. Businesses that provide in-woods fuels reduction operations and workforce training.
- e. Trucking operations and workforce training.
- f. Wood-processing facilities operations and workforce training.
- g. Projects that connect forest-industry businesses with each other and with workers.

## FUNDING AVAILABILITY, HOLD BACK, and PARTNERING ORGANIZATIONS

The Wood Products and Bioenergy [website](#) is updated regularly to show approximate available funding. Funding expiration dates will vary based on fiscal year and fund source. Wood Products may hold back a portion of the total funding allocation to be distributed throughout the fiscal year. The holdback will prevent a large proportion of the funds being spent in one area while ensuring funding is available for incoming projects

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<sup>1</sup> See Appendix F- Additional *Guidelines and Reporting Requirements for Biomass Transportation Grants*

throughout the fiscal year.

CAL FIRE will work closely with the Governor's Office of Business and Economic Development (GO-Biz) where applicable. GO-Biz offers several programs to promote new business development in California including access to incentives, permitting assistance, and potential financing through the California Infrastructure and Economic Development Bank (iBank). Specific to the forest sector, iBank's Climate Catalyst Fund will focus on infrastructure that advances forest biomass management and utilization in California. The Climate Catalyst Fund is intended to be a general-purpose financing vehicle dedicated to furthering California's climate goals, including the implementation of low carbon technologies such as mass timber, advanced bioenergy, and related projects. More information regarding the Climate Catalyst Fund can be found here: <https://ibank.ca.gov/climate-financing/climate-catalyst-program/>

## **PROJECT ELIGIBILITY**

All applications will be screened for eligibility. Applications must be complete, prepared in accordance with the guidelines herein, and submitted by an eligible applicant. Applications that do not meet these criteria will not be scored against the selection criteria and will not be eligible for award.

### **Eligible Applicants**

#### **Business Development**

Business development proposals submitted by an organization whose operations have the potential to support forest restoration and/or wood products infrastructure in California will be considered. Eligible business development project applicants include, but are not limited to, the following:

- a) Academic institutions
- b) Local agencies, including counties, cities, and special districts
- c) State agencies
- d) Federal agencies
- e) Native American tribes
- f) Non-profit organizations
- g) Private entities including businesses, foundations or others not listed above

Furthermore, business development project applicants should be involved in at least one of the following business endeavors:

- a) Primary wood processing for wholesale and retail markets.
- b) Tree nursery capacity/facilities improvement.
  - i. Seedlings must be made available for sale to private California landowners, though some seedlings can be for other entities with reforestation projects in the state.

- c) Chip processing.
- d) Logging, forestry, or other forest-industry support services.
  - i. Wood utilization and/or marketing.
  - ii. Secondary wood processing that creates demand pull for California primary wood processing.
  - iii. Fuels treatments, commercial logging, forested right-of-way clearing.
- e) Bioenergy facility development or enhancement (e.g., fuels, gasification, pyrolysis, thermal, power, and/or advanced energy production) that uses forest biomass as feedstock.
- f) Forest biomass transportation, feedstock sorting, and/or aggregation from various sources
- g) Business Development projects may not include any of the following activities:
  - i. Cost of forest treatments
  - ii. Urban forestry
  - iii. Arborist/tree trimming

### **Workforce Development**

Applicants seeking to provide training opportunities that will increase California's workforce capacity in the fields of logging, fuels treatment, forest sector transportation, forest sector manufacturing, or other forest-sector support services are eligible to apply for workforce development funding. Qualifying workforce development projects generally include the ability to provide recurring training opportunities to unique cohorts of individuals and may include the award of institutionally recognized training certificates. Eligible workforce development project applicants include:

- a) Academic institutions
- b) Local agencies, including counties, cities, and special districts.
- c) State agencies
- d) Federal agencies
- e) Native American tribes
- f) Non-profit organizations
- g) Private training businesses and foundations

### **Existing Grantees**

Those who currently have a grant through Wood Products and Bioenergy are eligible to apply for new grants; however, applications for additional grants are subject to additional review criteria, including, but not limited to:

- a) Progress achieved on the existing grant project.
- b) Demonstrated performance on the existing grant.
- c) Potential impact of the new grant on performance of the existing grant.



- d) Administrative and technical capacity to manage and perform on multiple grants.

Approval of subsequent grant applications is subject to the discretion of Wood Products and Bioenergy Team. If these criteria apply to your proposal, please contact Staff for a consultation prior to submitting your application.

## Funding Limits

Table 1 shows anticipated award size constraints including match requirements for the grant agreements Wood Products will support. Match can include in-kind, non-cash contributions of value provided by personnel, goods, and services. In-kind contributions include any non-financial contributions to the project (e.g., volunteer time or employee time) that are funded by another source and contribute to the achievement of the deliverables spelled out in the Project Application. Capital expenditures, or in-kind contributions, made prior to the grant agreement execution date are not eligible to be counted as match. Contributions that are not directly related to the proposed project are not eligible to be counted as match. For general business development grants, the required match is 1:1 for funding requests up to \$500,000 and 2:1 for grant requests above \$500,000. For example, an \$800,000 grant request would require a \$1,100,000 match (1 x \$500,000 + 2 x \$300,000).

*Table 1. Funding limits and match requirements*

<b>Grant Type</b>	<b>Minimum Award</b>	<b>Maximum Award</b>	<b>Grant Match Requirement (Match: Grant)</b>
Business Development	\$10,000	\$500,000	1:1
	\$500,000	\$2,000,000	2:1 (amounts above \$500,000)
Workforce Development	\$10,000	\$500,000	No match requirement
	\$500,000	\$5,000,000	1:9 (amounts above \$500,000)
Business-Research and Development	\$10,000	\$500,000	No match requirement
Business-Transportation Subsidy	\$1,000,000	\$5,000,000	No match requirement

## Project Readiness

Eligible projects must complete grant-related activities within the time constraints associated with the funding source as prescribed by the California legislature. Generally, this timeline is four years. Actual funding timelines are specified in the grant agreements. Wood Products may also choose to fund portions of projects based on funding availability. Where applicable, preference may be given to projects according to operational readiness.

## Solicitation Timeline

CAL FIRE Wood Products intends to accept applications for Business and Workforce Development projects on a continuous basis as dictated by funding availability. Project proposals will be formally reviewed on a biannual basis with awards being issued respectively based on funding availability. The solicitation may close periodically, as needed to update the status of available funding or to revise the grant guidelines.

## Calendar

*Table 2. Biannual Grant Review Schedule.*

<b>Proposals Submitted by</b>	<b>Reviewing Quarter</b>	<b>Grant Award Notifications</b>
March 31	Q2 (Apr - Jun)	June 30
September 30	Q4 (Oct - Dec)	December 31

Applications will be reviewed and awarded biannually with submission deadlines occurring at the close of calendar quarters 1 and 3. Submission reviews and announcements will be made in the following quarter (e.g., Applicants that apply by March 31 will be notified on or before June 30). CAL FIRE reserves the right to review and award grant agreements sooner than indicated in Table 2.

## Equal Opportunity

CAL FIRE is committed to supporting disadvantaged and marginalized communities. This commitment furthers the mission of CAL FIRE to serve and safeguard the people of California. Applicants are invited to describe how implementation of grant funds may elevate historically under-represented populations.

## Project Consultation

CAL FIRE Wood Products staff offer applicant consultations. Please email [WoodProducts@fire.ca.gov](mailto:WoodProducts@fire.ca.gov) to schedule a 30-minute consultation. Allow 3-5 business days to receive a response. Please review the grant-related information available on the CAL FIRE Wood Products and Bioenergy website prior to requesting a consultation. Because grants are competitive, Wood Products staff is not able to review and comment on written draft applications prior to final submittal.

# APPLICATION SCORING

Applicants are required to submit a complete project application including a detailed scope of work, project workplan and timeline, detailed budget and budget justification, a business plan if submitting a business application, and additional supporting documents as listed in the Project Application Package described below.

Upon submission, applications will be reviewed to determine if the project meets eligibility requirements. Eligible projects will be evaluated against selection criteria to determine how well the project fits the purpose and objectives of Wood Products using the following Grant Selection Criteria.

## Grant Selection Criteria – Business Development

Grant applications will be scored as to how well the project fits the purpose and objectives of Wood Products, using the following criteria:

### Project Background (10 Points)

- a) Address this in the Scope of Work attachment (Only the first 5 pages of the Scope of Work attachment will be evaluated).
- b) List and describe deliverables.
- c) Include a detailed discussion on how the business proposal is consistent with the goals of Wood Products and Bioenergy.
  - i. Contributes to a robust and diversified wood products industry to facilitate the economic and sustainable management of California's forests.
  - ii. Contributes to making California a more competitive place to conduct forest-sector business.
  - iii. Creates financial incentives for industries to invest in clean technologies, develop innovative ways to process wood products, and support the growth of a strong forest sector workforce.
- d) Identify the additionality that would occur as a result of funding.

### Business Plan (20 Points)

- a) Provide a well-developed business plan<sup>2</sup> with financial analysis.

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<sup>2</sup> Regarding proprietary and confidential information, CAL FIRE is a State department subject to the California Public Records Act (Government Code § 6250 et seq.). Unless there is a specific statutory exemption, all records included within applications are subject to the Act, whereby allowing the public access and inspection of public information from government agencies. The Wood Products and Bioenergy Team understands that businesses may have information that is proprietary. Therefore, we recommend that you consult with CAL FIRE Wood Products staff prior to the submission of documents that may contain proprietary or confidential information.

- i. The plan shall be provided as an attachment and shall include at least the following:
  - 1. Operational efficiency
  - 2. Price of product
  - 3. Costs of inputs (labor, raw material, equipment, rent or mortgage)
  - 4. Inflation and discount rates
  - 5. Market analysis
  - 6. Feedstock agreements
  - 7. Offtake agreements
- b) Interested parties that do not have an established business plan may apply for funding to have one developed. The resulting business plan could then be the basis of a future grant application. The grant request minimum in Table 1 is not required for applications requesting business plan preparation.

### **Budget (25 Points)**

- a) The budget is developed through the eCivis Portal. Applicants **must** submit their budget through the eCivis Portal – Please refer to pages 11-20 of the [eCivis Grants Portal - Application Submittal User Guide](#) for detailed instructions. Contact Wood Products staff if you have trouble with the eCivis Portal budget tool.
- b) Costs are justified and reasonable in proportion to the proposed deliverables and scope of work.
- c) The budget specifies the number of employees and contractors funded under the grant and the cost basis for each.
- d) The budget identifies if project income will be reinvested.
- e) Budget worksheet clearly depicts how grant funds will be spent.
  - i. Please see budget guidance information in the Eligible Costs section of this document regarding Indirect Costs for Business Development projects.
- f) Match funding (Described in the Business Plan attachment and identified in the Budget):
  - i. Match has been secured.
    - 1. Match that has been committed (i.e., a letter of intent), but not yet secured (i.e., an executed agreement), may be considered on an ad hoc basis.
  - ii. Meets or exceeds the minimums in Table 1.
  - iii. Will be expended during the project period.
  - iv. Has been documented in the Letters of Participation attachment.

### **Applicant Qualifications (10 Points)**

- a) Provided as attachment.
- b) Key persons.
- c) Experience related to role, business or operations proposed.
- d) Commitments of time and resources.
- e) Applicant and Project Partner resumes included in the application packet.

### **Project Impact (25 Points)**

- a) Address this in Scope of Work attachment and the Grants Portal Goals section (Only the first 5 pages of the Scope of Work attachment will be evaluated).
- b) Project goals align with the grant program goals.
- c) Project outcome measures, such as tons of additional biomass utilized, number of additional people trained.
- d) Annual acres of forest treatment supported by the project when operational should be estimated along with the following additional information:
  - i. Annual forest derived feedstock consumption.
    - 1. Facility's preferred forest-origin feedstock type – (e.g., chips, roundwood, residuals).
    - 2. Preference may be given to facilities that will use generally under-utilized feedstock (e.g., small diameter logs, shrubs, slash).
    - 3. Forecasted impact may be considered for planning projects.
- e) Job creation information (can be addressed in Business Plan attachment and in the Grant Portal Goals).
  - i. Full-time equivalent employees by classification.
    - 1. Wage ranges and average wages for each classification.
- a) For nursery facilities only, state the annual production of seedlings anticipated.
  - i. Preference will be given to projects that produce large numbers of seedlings that are made available to private landowners.
  - ii. The scope of work or business plan shall state expected minimum seedling production.
  - iii. Grantees will be expected to commit to producing seedlings in the grant-funded nursery spaces.
- b) GHG benefit description (narrative).
- c) Includes priority landscapes ([Link to Viewer](#)).
  - i. Proposals that will potentially impact priority landscapes may

receive greater consideration.

### **Project Readiness (10 Points)**

- a) Addressed in Scope of Work attachment (Only the first 5 pages of the Scope of Work attachment will be evaluated).
- b) Provide a detailed chronology of milestones that have been accomplished and will be required to reach operability.
- c) Project demonstrates community support.
  - i. Letters of Support shall be included with the application submission.
  - ii. Letters of Participation (that describe partner commitments) shall be included from entities or individuals that are directly participating in the project financially or in supporting roles.
- d) Technology/Engineering Guarantees.
  - i. Proposals that include guaranteed performance or performance warranties for technology or engineering results may receive greater consideration.
- e) Planning, permitting and environmental compliance status.
  - i. Costs are eligible expenses, if proposed.
- f) Technology Readiness Level (TRL) or other measure of reliability / commercial readiness.
  - i. Standard methods of evaluating TRL will be utilized where applicable.
- g) Site control has been established.

### **Grant Selection Criteria – Workforce Development**

All forest-related workforce development proposals, including wood utilization and manufacturing, will be considered. Grant applications will be scored as to how well the project fits the purpose and objectives of Wood Products, using the following criteria:

#### **Project Background (25 points)**

- a) Address this in the Scope of Work attachment (Only the first 5 pages of the Scope of Work attachment will be evaluated).
- b) A detailed description of the training/education provided.
  - i. Include how the training or training program fits within relevant existing certificate or other programs.
  - ii. Include a list of relevant certifications that may be awarded and standardized courses that may be completed.
  - iii. List any accreditation to be pursued.
  - iv. Include name of entity certifying designation (NWCG, NIFC, etc.).

- c) Include a detailed description of how the project has the potential to positively impact the pace and scale of forest management in California.
- d) Describe how the training project is consistent with the needs outlined in [California's Wildfire and Forest Resilience Action Plan](#) & other plans.
- e) Explain post-training job placement goals, commitments, and plans.
- f) Demonstrate project viability beyond the timeframe of CAL FIRE grant funding.

**Budget (20 Points)**

- a) Address this in Scope of Work attachment and budget developed in the eCivis Portal. (Only the first 5 pages of the Scope of Work attachment will be evaluated). Applicants **must** submit their budget through the eCivis Portal – Please refer to pages 11-20 of the [eCivis Grants Portal - Application Submittal User Guide](#) for detailed instructions.
- b) Efficiency of dollars spent per worker trained is demonstrated.
- c) Budget worksheet clearly depicts how grant funds will be spent.
- d) Greater consideration may be given to proposals with match funding, including in-kind contributions.

**Collaboration, Community Engagement and Local Support (20 Points)**

- a) Address this in Scope of Work attachment and supported by letters of support/participation attachments (Only the first 5 pages of the Scope of Work attachment will be evaluated).
- b) Demonstrates collaboration with multiple stakeholders.
- c) Provides letters of support and letters of participation.
  - i. Preferred letters are from potential employers.
- d) Project provides benefit to disadvantaged and marginalized communities.

**Readiness (20 Points)**

- a) Address this in Scope of Work attachment (Only the first 5 pages of the Scope of Work attachment will be evaluated).
- b) Project proponents demonstrate administrative capacity.
- c) Applicant has a history of successful and timely project execution.
- d) Planning, environmental compliance and permitting are completed.
- e) Proponents will implement upon grant award and within their proposed schedule.
- f) Letters of Participation from project partners are included.

**Job Creation (15 Points)**

- a) Address this in Scope of Work attachment and in the Grants Portal Goals

(Only the first 5 pages of the Scope of Work attachment will be evaluated).

- b) The application includes narrative describing need for training in job market.
- c) The applicant provides estimates of average wages.
- d) The application shows geographic demand.
- e) The application explains long-term demand.

## APPLICATION PROCESS

Applications will be accepted on a continuous basis. These processes are applicable to both business and workforce development proposals unless otherwise specified.

Applicants to Wood Products grants must submit an application using the Grants Portal in eCivis ([Link to CAL FIRE Solicitation page](#)) and complete the application including uploading all required documentation using the Grants Portal. Incomplete applications may be disqualified. Guidance for setting up a new Grants Portal account via eCivis can be found within the *eCivis Grants Portal - Application Submittal User Guide* document (linked [here](#)) and also accessible on the [CAL FIRE Grants webpage](#). No hard copy or emailed applications will be accepted. The eCivis Grants Portal may close occasionally when there is a need to update available funding information, update the grant guidelines, or revise the application format.

The information required in the application form will differ depending on the type of project and consists of several sections:

- 1) Applicant Profile
- 2) General Project Information
- 3) Applicant Information
- 4) Detailed Budget (budget execution guidance can be found in the eCivis Portal User Guide). Applicants **must** submit their budget through the eCivis Portal– Please refer to pages 11-20 of the *eCivis Grants Portal - Application Submittal User Guide* for detailed instructions.
- 5) Detailed Goals (guidance on proposing goals can be found in the eCivis Portal User Guide). Applicants **must** submit their goals through the eCivis Portal – Please refer to pages 20-21 of the *eCivis Grants Portal - Application Submittal User Guide* for detailed instructions.
- 6) Specific Project Information According to Project Type.
  - a. Business Development Project Information to include:
    - i. Project Type
    - ii. Organization Type
    - iii. Business Operations Information
      - a) Planned and Current Status



- b) Timeline
  - iv. Feedstock and offtake Information
    - a) Planned and Current Status
- b. Workforce Development Project Information to Include:
  - i. Project Type
  - ii. Organization Type
  - iii. Number of workers to be trained
    - a) During and after project implementation period
  - iv. Project Operations Information
    - a) Planned and Current Status
    - b) Timeline

An asterisk (\*) in the application form indicates a required response. Prior to submission, ensure all required (\*) fields are filled with data in the appropriate format. The following documents will need to be uploaded as part of the application to the applicable fields indicated on the application:

A. Resume/CV

- The resume/CV of the primary contact person for the project is required. Project partner resume/CV will be required if applicants choose to include project partner information. MS Word or PDF format.

B. Scope of Work –

- Business Development – See Grant Selection Criteria for required elements in a Scope of Work for applications. MS Word or PDF document limited to 5 pages using 11-point or greater, Arial font (Only the first 5 pages of the Scope of Work attachment will be evaluated).
- Workforce Development – See Grant Selection Criteria for required elements in a Scope of Work for applications. MS Word or PDF document limited to 5 pages using 11-point or greater, Arial font (Only the first 5 pages of the Scope of Work attachment will be evaluated).

C. Statement of Qualifications –

- Business and Workforce Development – Detail the applicant's ability to complete the project as proposed, identify the resources (staff, partners, contractors) intended to complete the tasks described in the Work Plan, and explain applicant's expertise completing and managing similar projects. MS Word or PDF document limited to one page using 11-point or greater, Arial font per individual or partnering organization.

D. Work Plan and Environmental Compliance Worksheets – Provided and submitted via the eCivis Grants Portal. See Appendix B below for example.

E. Budget and Goals forms – Fillable forms are accessed and submitted via eCivis Portal. Applicants **must** submit these through the Portal (Guidance can be found in the *eCivis Grants Portal - Application Submittal User Guide*).

- F. Signed Letters of Participation, including feedstock agreements, from primary project partners. Letters should be addressed to: Chief John McCarthy, Wood Products Program Manager, California Department of Forestry and Fire Protection. Applicant shall combine all letters into a single PDF file and upload to designated eCivis location.
- G. Signed Letters of Support from individuals and entities other than primary project partners. This includes letters of support from communities and other groups, if applicable. Applicant shall combine all letters into a single PDF file and upload into designated eCivis location.
- H. Business Plan (for business development applications only) with the components outlined in Business Development Grant Selection Criteria.
- I. Environmental Documents: NEPA/CEQA documents (should be uploaded as .pdf or .zip) – See Appendix C.

In addition, the following Organization Documents (if applicable to your entity type) will need to be uploaded to the system:

- Non-profit applicants shall provide Articles of Incorporation including the Seal from the Secretary of State. Business applicants shall provide proof of active business registration with the California Secretary of State.
- A signed Resolution by the Applicant's governing body, which allows the grantee to sign agreements and amendments for a specific project (See Appendix D). The Resolution is not required to be notarized. *Resolutions are required only from non-profit and local agency applicants.*
- State of California [Non-Discrimination Compliance Statement](#) (STD 19) – Not required from state agencies.
- State of California [Drug-Free Workplace Certification](#) (STD 21) – Not required from state agencies.
- State of California [Payee Data Record](#) (STD 204) – A W-9 can be substituted for tribal and governmental agencies.
- University of California and California State Universities are also required to submit their application using the [Model Agreement Template](#), which can be found on the Department of General Services' website. Documents must be submitted in MS Word.
- Justification and supporting documentation requesting application of indirect costs exceeding 12% (refer to Appendix E) but not to exceed 20%. *Only required for eligible applicants that are requesting indirect costs exceeding 12%.*

## **Application Review and Awards**

A list of applications received will be posted on the Wood Products grants [webpage](#) at least 10 business days prior to announcing planned grant offers.

CAL FIRE will review completed applications that meet the Project Eligibility Criteria. CAL FIRE Unit and Region staff will be asked to provide feedback on projects within their respective geographies. Eligible applications will be evaluated by CAL FIRE staff and an inter-agency panel against the Grant Selection Criteria. Final grant offers will be determined based on project scores, project need, and relative fit of the projects to each other both geographically and with respect to proposed activities.

CAL FIRE reserves the right to offer funding in total or in part, whichever best serves the objectives of Wood Products. Project applicants that are selected to receive partial funding will be provided additional information on their revised funding amount, project performance period, and any other changes to their application as needed.

Project applicants will be notified via email whether they have, or have not been, selected to receive offers for funding.

Successful applications will be summarized and posted to CAL FIRE's Wood Products grants [webpage](#) within two weeks of the decision to offer funding. Applications, including all submitted materials, will be treated in accordance with the Public Records Act requirements, and certain information, subject to those requirements, may be publicly disclosed.

## **GENERAL GRANT CONDITIONS AND PROJECT ADMINISTRATION**

### **Sample Grant Agreement**

- Successful applicants will be sent a grant agreement for review and signature. A sample grant agreement is available for viewing on the Wood Products and Bioenergy webpage ([Link to Sample Agreement](#)). If you are requesting reimbursement for equipment and/or infrastructure, review the Equipment and Infrastructure Disposition Plan that is attached to the Sample Agreement.

### **Project Performance Period**

- The Project Performance Period is from the time the Grant Agreement is signed by the CAL FIRE Deputy Director or designee to the Agreement expiration date. Only eligible costs incurred during the Project Performance Period will be paid by the State.
- CAL FIRE will execute all Grant Agreements as soon as feasible and no later than 6 months from approval notification for Business Development and

Workforce Development projects. CAL FIRE may require agreements to be executed sooner based on funding availability.

- Consult the CAL FIRE Wood Products Team regarding time constraints associated with project funding. CAL FIRE has the discretion to specify an earlier project completion date at the time of award based on the funds associated with the grant award. CAL FIRE will work with the awardees to ensure projects will still be achievable within the earlier timeframe.
- Final invoices for all grant-related work must be submitted to CAL FIRE no later than 30 days after the Project Performance Period has ended.

## Project Reporting

Activity Reports on progress toward completion of the Scope of Work are required quarterly. Activity Reports are also required with every Financial Report. Quarterly Activity Reports are due 30 days following the end of each calendar quarter: Activity Reports are submitted online via eCivis Portal and also via the Business & Workforce Development Progress Report Form. Report contents are determined by CAL FIRE and are consistent with the required project type-specific reporting requirements in other CAL FIRE grant programs.

Information to be submitted includes, but is not limited to:

- Project accomplishments
- Challenges and obstacles
- Before and after photographs
- Benefits to disadvantaged and/or low-income communities, and other co-benefits.
- Metrics about deliverables:
  - Bone dry tons of biomass by species and source (landowner type) delivered to/received by a renewable energy facility, volume/weight of biomass by species and source delivered to/received by a wood processing facility, units of renewable energy produced, and days of production.
  - Number of trainings, type of certificates, and number of participants trained.

Progress towards project deliverables will be reported via online progress reports and Activity Reports.

Where applicable, grantees may be required to provide project information to CAL FIRE for entry into CalMAPPER, CAL FIRE's geospatial database that facilitates mapping and monitoring of CAL FIRE projects. Information from grantees will include spatial data (project lat/long), project type, grantee contact information, project activities, activity costs, and other information. CAL MAPPER information from grantees will be required at specific times throughout the effective period of the grant, including at initial grant

award and at periodic Activity Report submissions. Some reported project information will be publicly available on the CAL FIRE website.

All grantees are required to submit a final project report to CAL FIRE with the final Financial Report. The final Activity Report will include a final summary of all metrics reported in prior periodic progress reports, as well as a narrative summary of project outcomes and photographic documentation of project activities and outcomes.

Biomass Transportation Grantees are required to submit an additional report (See Appendix F).

## **Reporting for Equipment and Infrastructure**

For grants that fund acquisition of equipment and/or infrastructure, wholly or in part by grant funds, the grantee must submit a record of physical inventory upon acquisition, project completion, and every two years thereafter. Reporting shall be completed until notified in writing by the Wood Products and Bioenergy Team that additional reporting is no longer required. Please refer to the Equipment and Infrastructure Disposition Plan in the sample Grant Agreement.

## **Amendments to an Approved Project**

A grantee wishing to change the scope of work, budget, or project performance period of an approved project must submit the proposed change in writing, on company letterhead, to CAL FIRE for review and approval. Any change must be consistent with the statutes, regulations, and guidance governing the program. Requested budget changes may not increase the amount of funds awarded by CAL FIRE, unless such changes are initiated by CAL FIRE. The following scope of work revisions may require a major amendment: change in project end date (extensions allowed by legislation only); modifications in any budget categories by more than 10%; change in physical project location; any changes to project area or major tasks. CAL FIRE reserves the right to reject proposed changes to an approved project and/or budget. Contact the CAL FIRE Wood Products Team with inquiries regarding changes to an approved project.

## **Project Amendments and Termination**

Once signed, a Grant Agreement may only be amended with advance written consent of CAL FIRE and the grantee. A Grant Agreement may only be terminated by CAL FIRE or the grantee upon 30 days advance written notice to the other party. Further details on this process will be provided in the Grant Agreement.

## **Accounting Requirements**

The grantee must maintain an accounting system that accurately reflects fiscal transactions following Generally Accepted Accounting Principles (GAAP). The accounting system must provide an adequate audit trail, including original source

documents, such as receipts, progress payments, invoices, purchase orders, timecards, cancelled checks, etc. The accounting system must document the total cost of the project. The grantee must maintain accounting records for one year following the duration of the Project Performance Period or after final disposition of any disputed audit findings. Grantees are required to keep source documents for all expenditures related to each grant for at least three years following Project completion and one year following an audit. Upon CAL FIRE's discretion, Grantees shall be required to provide an audit report from a third-party Certified Public Accountant at the grantee's expense.

## **Loss of Funding**

CAL FIRE reserves the right to withdraw funding award if stated requirements are not met. The following are examples of actions that may result in a grantee's loss of funding. This is not a complete list and is intended only to show examples.

1. Grantee fails to obtain an executed Grant Agreement within 6 months of award.
2. Grantee has not satisfied all legal requirements (e.g., CEQA &/or NEPA for ground disturbing projects, ancillary contracts, agreements, MOUs, etc.) necessary to initiate project work within 1 year of grant agreement execution.
3. Grantee fails to use all the grant funds.
4. Grantee withdraws from the grant program.
5. Grantee fails to complete the funded project described in the Grant Agreement Scope of Work.
6. Grantee fails to submit all documentation within the time periods specified in the Grant Agreement.
7. Grantee changes the Project Scope of Work or project implementation without CAL FIRE's prior written approval.
8. Grantee or CAL FIRE terminates the Agreement.
9. Any activity that results in significant change to the expected GHG impacts of the project.

## **Eligible Costs**

Costs will be reimbursed only, with one exception; advances may be requested from non-profit organizations with workforce development grants. Please refer to the [eCivis Grants Portal - Application Submittal User Guide](#) when completing the budget section in eCivis Portal.

Table 3. Eligible Costs and Requirements

<b>Project Costs</b>	<b>Costs Eligible for Reimbursement</b>	<b>Required Documentation</b>
<b>Salaries and Wages</b>	<p>Salaries and wages of employees employed by the grantee who are DIRECTLY engaged in the execution of the grant project.</p> <p>Limited to actual time spent on the grant project. Examples of expenditures include time related to site visits and project monitoring, and completion of reporting related to the grant project. Staff time related to accounting, business services, etc. are allowed only if those functions are not included in the grantee's overhead cost.</p>	<p>A payroll summary of all employees' time spent on the project (i.e. who, rate, time worked, brief description of activity) must be provided with invoices requesting salary/wage reimbursement. Payroll documentation should show a nexus between time worked on the project and wages paid to the employee after the fact.</p> <p>Timesheets or similar documentation detailing days and hours worked on the project must be maintained and retained by the grantee for audit purposes but should not be submitted to CAL FIRE unless otherwise instructed.</p> <p>Any leave charged to the grant must reflect the calculation of time spent on the grant compared to overall time worked. A statement certifying that leave charged to the grant is in proportion to employee's time spent must be included as part of the supporting documentation. All salary and wages charged to the grant must tie back to the grantee's accounting records</p>
<b>Benefits</b>	<p>Employer contribution share of fringe benefits associated with employees (paid from salaries and wages Budget Item) who are directly engaged in the execution of the grant project. This will include Social Security, Medicare, Health Insurance, Pension Plan costs, etc. as applicable for the specific employee.</p>	<p>Same documentation as Salaries and Wages. Payroll documentation showing wages and hours paid to the employee and associated fringe benefits.</p>

<b>Project Costs</b>	<b>Costs Eligible for Reimbursement</b>	<b>Required Documentation</b>
<b>Contractual</b>	<p>Direct consultant and contractual services necessary to achieve the objectives of the grant. Examples of contractual costs will be certification, professional/consultant services (the costs of consultant services necessary for project permitting, planning and implementation), etc. Procurement of contractual services should be documented to ensure selection on a competitive basis and documentation of price analysis. Documentation shall be provided immediately upon request by CAL FIRE Wood Products Team. Travel by contractors goes into the Contractual category.</p>	<p>Invoices from Consultant/Contractor identifying expenditure, services performed and period of services. Documents related to consultant/contractor selection analysis shall be kept by the grantee but available for audit purposes. All invoices must relate to a specific line item in grant budget.</p>
<b>Supplies</b>	<p>Supplies that are used in the direct support of the project are allowable. Supplies exceeding \$500 per unit cost shall be documented to ensure procurement of supplies on a competitive basis and documentation of price analysis.</p>	<p>Receipts identifying items purchased, cost and date of purchase. Documentation related to cost analysis of procurement of supplies exceeding \$500 shall be kept by the grantee but available for audit purposes.</p>
<b>Travel</b>	<p>Travel cost associated with travel to and from project sites, meetings, etc. directly related to the grant project and must be considered reasonable and necessary for the completion of the project. Reimbursement rates shall be consistent with the grantee's written travel policy. Absent a written policy, per diem shall not exceed the California Standard Per Diem Rate allowable by the <a href="#">U.S. General Services Administration</a>. Mileage rates shall not exceed the <a href="#">rates allowable by IRS</a>. Costs for out-of-State travel are generally not eligible. Travel to prohibited states in accordance with AB 1887 is not reimbursable. A list of all prohibited states can be found on the <a href="#">Office of the Attorney General webpage</a>.</p>	<p>Receipts identifying travel cost (i.e. lodging, rental cars). Mileage must be documented by either employee travel claims that are signed by the employee or vehicle mileage logs for vehicles owned by the grantee. Per Diem must be documented by employee travel claims. Grantee may be requested to provide a copy of their written travel policy if that is the basis for the reimbursement. Documentation or notes should show who traveled; when; where; which budget line item/how travel furthered the grant.</p>



<b>Project Costs</b>	<b>Costs Eligible for Reimbursement</b>	<b>Required Documentation</b>
<b>Equipment and Infrastructure</b>	<p>Equipment/Infrastructure is an item exceeding \$5,000 or more per unit cost and has a tangible useful life of more than one year.</p> <p>Cost to lease equipment/infrastructure to use in the grant project may be charged to the grant. A cost-benefit analysis to justify the cost of purchasing equipment/infrastructure versus leasing must be provided.</p> <p>Procurement of equipment/infrastructure must be done on a competitive basis and include documentation of price analysis.</p> <p>Grantee must include in the application package the proposed use and maintenance plans for equipment/infrastructure after the performance period of the grant. Disposition of equipment beyond the project performance period is subject to CAL FIRE approval.</p> <p>Equipment/infrastructure shall be warranted and maintained according to manufacturer's specifications during the course of the grant period. Warranty and maintenance costs are eligible expenses. Down payments may be eligible with prior program approval only when these are required for equipment/infrastructure construction and purchase.</p>	<p>Cost of leased equipment/infrastructure charged to the grant must be substantiated with receipts identifying equipment leased, dates equipment was leased, lease rate and total cost. Usage of grantee equipment/infrastructure must be substantiated with an equipment and infrastructure usage log, equipment used, rate and total rental cost.</p> <p>Cost of equipment/infrastructure purchased shall be substantiated by purchase receipt.</p> <p>Documentation related to price analysis of procurement of equipment/infrastructure shall be kept by the grantee but available for audit purposes. Disposition of the equipment/infrastructure must be in accordance with the Equipment and Infrastructure Disposition Plan.</p>
<b>Other</b>	<p>Other costs that do not fit in any of the above categories. Cost must be directly related to the grant project. A cost (such as rent, utilities, phones, general office supplies, etc.) that must be apportioned to the grant is considered indirect cost unless written justification is submitted and approved by CAL FIRE.</p> <p>Use of equipment owned by the grantee may be charged to the grant at a rate set by the California Department of Transportation <a href="#">"Labor Surcharge and Equipment Rental Rate" guide</a>. Rates for items not</p>	<p>Invoices or receipts identifying the item and cost charged to the grant.</p>

Project Costs	Costs Eligible for Reimbursement	Required Documentation
	addressed in the “Labor Surcharge and Equipment Rental Rate” guide may apply a not-to-exceed cap rate only if the rate has been agreed upon in advance by CAL FIRE.	
<b>Indirect Costs</b>	<p>Indirect Costs are costs associated with doing business that is of a general nature and are incurred to benefit two or more functions within the grantee organization. These costs are not usually identified specifically within the grant agreement, project, or activity, but are necessary for the general operation of the organization. Examples include salaries and benefits of employees not directly assigned to a project; functions such as personnel, accounting, budgeting, audits, business services, information technology, janitorial, and salaries of supervisors and managers; and rent, utilities, supplies, etc. Functions included as direct versus indirect costs must be applied consistently for all activities within the grantee organization, regardless of fund source.</p> <p><b>Workforce development projects managed by non-profit grantees are the only project types eligible for indirect charges. The maximum allowable indirect charge for this grant generally should not exceed 12% for eligible projects unless an exemption is granted by CAL FIRE (See Appendix E). Indirect charges shall not be applied to equipment purchases or business development projects. When filling out the project budget within Portal, the “Indirect Cost” option should be selected according to the policies described above.</b></p>	Applied on a percentage (%) basis on direct costs on a per-invoice basis, <u>except for equipment</u> . Documentation related to the determination of the grantee’s indirect cost rate must be retained by the grantee for audit purposes.

## Ineligible Costs

The following are ineligible for reimbursement under the grant:

1. Advances, other than approved requests by non-profit organizations with workforce development grants.
2. Costs incurred before or after the Project Performance Period.
3. Cost of preparing the Project Application or other grant proposals.
4. Overtime, sick time, paid time off or vacation pay for employees and/or contractors. Overtime hours will be reimbursed at the straight time rate.
5. Projects or activities utilizing CAL FIRE staff without corresponding reimbursements or requests seeking funding for services already provided by CAL FIRE.
6. Late fees, penalties, and bank fees.
7. Any activity that would lead to the project not achieving a direct or indirect GHG reduction.
8. Any practice or activity that, in CAL FIRE's judgment, is not a best management practice or that is, or could be, harmful to the environment.
9. Any indirect costs applied on equipment or business development project costs (see above).

## Payment of Grant Funds

Funds will be disbursed only once there is a fully executed Grant Agreement between CAL FIRE and the grantee. **Payments will be made on a reimbursement basis** (i.e., the grantee pays for services, products, or supplies; submits a Financial Report to CAL FIRE for the same; and the State reimburses the grantee upon approval of the invoice). No work prior to or after the grant period will be reimbursable. Advance funds may be provided (see **Advances** below) in lieu of reimbursement.

The grantee will submit to CAL FIRE a Financial Report consistent with invoice guidance above under ELIGIBLE COSTS and the [Grants Portal – CAL FIRE Grantee User Guide](#) when requesting payment of any type and will include appropriate documentation to support the costs (e.g., paid vendor receipts, payroll documents, other back-up documentation of expenses). Please see Required Documents on the Eligible Cost table for further description on supporting documents. An invoice template is available on the Wood Products Grantee Resources webpage.

A Wood Products Grant Project Progress Report or Final Report shall accompany all invoices. CAL FIRE may conduct a site inspection to verify that work invoiced has been satisfactorily completed. The invoice will then be forwarded to Sacramento Headquarters for review and subsequent approval of payment. **Expect payment to be issued 45 days from the time an acceptable invoice is received.** If an invoice is

incomplete or non-reimbursable, it will be returned to the grantee.

## **Advances**

Advance payments will be considered for nonprofit organizations with Workforce Development Grants. Advance payments are solely at CAL FIRE's discretion and eligibility and will not be approved within six months of the Grant Agreement expiration unless authority to advance funds is extended. An [Advance Payment Request Form](#) must be submitted identifying how funds may be used over a six-month period. No single advance payment shall exceed 25% of the total grant award. An accountability report must be submitted to CAL FIRE no later than every four months and upon full liquidation after receiving the advance until the funds have been fully utilized. Advances should be fully utilized within a six-month period unless additional time is approved by CAL FIRE. No additional advances may be requested until acceptable documentation is received by CAL FIRE that the previous advance has been fully exhausted on eligible expenses.

## **Conflict of Interest**

Grantee must establish conflict of interest policies and procedures and maintain adequate controls to ensure that the grantee or anyone acting on behalf of the grantee does not have any conflicting personal and/or financial interest associated with activities funded by the grant project. CAL FIRE may request additional documentation during the performance of the grant, including during review of financial and/or progress reporting, or during State Audit to verify that a conflict of interest does not exist.

Failure to comply with conflict-of-interest laws, including business and financial disclosure provisions, will result in the Project Proposal being rejected and any subsequent grant agreement being declared void. Other legal actions may also be taken. Applicable statutes include, but are not limited to, California Government Code section 1090 and Public Contract Code sections 10365.5, 10410, and 10411.

All applicants and individuals who participate in the review of submitted Project Proposals are subject to state and federal conflict of interest laws. Any individual who has participated in planning or setting priorities for a specific solicitation over and above the public comment process and tribal consultation or who will participate in any part of the grant development and negotiation process on behalf of the public is ineligible to receive funds or personally benefit from funds through that solicitation.

## **Prevailing Wage Requirements**

CAL FIRE provides no opinion as to whether projects may be subject to prevailing wages. For determination for prevailing wages, please contact the [Department of Industrial Relations](#). It is the applicant's responsibility to budget for prevailing wages in their project cost when applicable.

## **State Audit**

The State may audit the project records at any time over the Project Performance Period and three years following Project completion. A project is considered complete upon receipt of final grant payment from the State. The purpose of the audit is to verify that project expenditures were properly documented and consistent with the project scope of work.

If your project is selected for audit, you will be contacted at least 30 days in advance to the audit commencing. To expedite the audit, the grantee shall have the project records, including the source documents, cancelled checks and written policies and procedures readily available. The audit should include all books, papers, accounts, documents, or other records of the grantee, as they relate to the project for which State funds were granted.

The grantee shall also provide an employee having knowledge of the project and the accounting procedure or system to assist the State auditor. The grantee shall provide a copy of any document, paper, record, or the like as requested by the State auditor.

All project records must be retained by the grantee for a period of not less than one year after the State audit or after final disposition of any disputed audit findings. Grantees are required to keep source documents for all expenditures related to each grant for at least three years following Project completion and one year following an audit unless the grantee has a longer retention policy.

## APPENDIX A – EXPLANATION OF TERMS

TERM	EXPLANATION
<b>Activity Report</b>	A summary of activities and metrics performed over a given point of time compared to goals initially proposed in the application that is submitted via the eCivis Portal. Each Activity Report is submitted as a pair with an Online Progress Report (see definition below below).
<b>Agreement</b>	A legally binding agreement between the State and another entity.
<b>Amendment</b>	A modification or a change of the agreement, such as term, cost, or scope of work. This may include minor amendments or major amendments (see below).
<b>Application</b>	The form identified as Attachment A and supporting attachments for grants required by the enabling legislation or program, or both.
<b>Authorized Representative</b>	The designated position identified in a resolution as the agent to sign all required grant documents including, but not limited to, grant agreements, application forms and payment requests.
<b>CEQA</b>	The California Environmental Quality Act is a law establishing policies and procedures requiring agencies to identify, disclose to decision makers and the public, and attempt to lessen significant impacts to environmental resources that may occur as a result of a proposed project.
<b>Contractor</b>	An entity contracting with the grantee for services and generally receives a Form 1099 for tax purposes.
<b>Employee</b>	Individuals employed directly by the grantee and generally receives a W-2 for tax purposes.
<b>Financial Report</b>	A report that tracks spending and reimbursement requests that the grantee will submit to CAL FIRE. Report will be used to submit all invoices.
<b>Forestland or herein “Forest”</b>	As in Public Resources Code § 4793, land at least 10% occupied by trees of any size that are native to California.

TERM	EXPLANATION
<b>Indirect Costs</b>	Expenses of doing business that are of a general nature and are incurred to benefit at least two or more functions within an organization. These costs are not usually identified specifically with a grant, grant agreement, project or activity, but are necessary for the general operation of the organization. Indirect costs include salaries and benefits of employees not directly assigned to a project, which provide functions such as personnel, business, information technology or janitorial services, and salaries of supervisors and managers. Indirect costs may only be applied as a % of direct costs within the agreement subject to the limitations as specified in Eligible Costs.
<b>Major Amendment</b>	A formal agreement of changes that exceeds the limitations of minor amendments. These changes require formal re-signings of the grant agreement and typically take six weeks.
<b>Minor Amendment</b>	A grant change request that CAL FIRE approves in writing but that does not require formally re-signing the grant agreement. May include changes to grant scope, budget, timeline, etc. No budget categories change by more than 10%. No significant changes to grant deliverables. The grantee submits an amendment request letter and receives an approval letter from CAL FIRE Wood Products. These typically take 2-4 weeks..
<b>Net GHG Benefit</b>	The sum of the GHG emission reductions and sequestration less any GHG emissions resulting from project implementation.
<b>Non-profit Organization</b>	An organization formed for a non-profit purpose that is recognized by the federal Internal Revenue Service as being tax exempt.
<b>Online Progress Report</b>	Report that is submitted via <a href="#">this link</a> to report on progress made on project deliverables and activities. Each Online Progress Report is submitted as a pair with an Activity Report.
<b>Payee Data Record (Std. 204)</b>	A form required to establish a supplier number to encumber funds and subsequent payment.
<b>Project Performance Period</b>	The Project Performance Period is from the time the Grant Agreement is fully signed to the Agreement termination date. Only eligible costs incurred during the project performance period will be paid by the State.
<b>Project</b>	The activity, activities, or work to be accomplished utilizing grant and matching funds (if applicable).

<b>TERM</b>	<b>EXPLANATION</b>
<b>Scope of Work</b>	The detailed description of the proposed tasks identified as Attachment B, as described in enabling legislation and detailed in the grant agreement.
<b>Budget</b>	The proposed detailed budget plan identifying costs to be funded by the grant, matching funds, and projected income broken down by budget category.
<b>Resolution</b>	A signed resolution by the grantee's governing body, which identifies individual(s) authorized to act on behalf of the grantee's governing body for the grant project.





## Worksheet #2: Environmental Worksheet

5	<u>Environmental Documents and Permits Completed and Filed: Use this form for grant funded activities covered by environmental documents and other permits that have been completed and filed.</u>										
6											
7	Name	Type	Month, Year work will be completed	Lead Agency (federal)	Federal Env'tl. Compliance Doc.	Lead Agency (state)	State Env'tl. Compliance Doc.	Doc #	Date filed	Comment period ends	Other Permit/Doc.
8	E.g., "Mega Mass Timber"	E.g., Mass timber layup and production				E.g., Shasta County	E.g., EIR				
9											
10											
11											
12											
13											
14											
15											
16	Notes:										
17											
18											

## APPENDIX C – ENVIRONMENTAL COMPLIANCE

Grantee shall submit proof of California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA) compliance for applicable grant funded activities. State funding triggers environmental review for all grants, regardless of land ownership. Prior to any project activity that may have an effect on the environment, *including handwork and any ground-disturbing activity*, grantees shall submit final, signed environmental compliance documentation to the Wood Products Team to demonstrate that CEQA compliance has been met. No State funds shall be spent on ground-disturbing activities without having written acknowledgement of environmental compliance from the Wood Products Team. If the grantee does not have a public agency to assume the role of CEQA lead, the grantee shall contact Wood Products to discuss compliance.

### NEPA Compliance

Project work involving Federal actions must comply with NEPA. If the requirements of Public Resources Code (PRC) § 4799.05(d)(1) are met, the project could be exempt from CEQA. This means that prescribed fire, reforestation, habitat restoration, thinning, or fuel reduction on federal lands to reduce the risk of high-severity wildfire may not need additional CEQA analysis.

### California Environmental Quality Act (CEQA)

Within one year of the execution of the grant agreement and prior to commencing any groundwork, CAL FIRE requires proof of adequate compliance with CEQA. This may be accomplished by one or more of the following methods:

1. Notice of exemption is filed with the State Clearinghouse or the county clerk.
2. Initial study and negative declaration or mitigated negative declaration and all associated noticing documents are filed with the State Clearinghouse or the county clerk.
3. Draft and final environmental impact report and all associated noticing documents are filed with the State Clearinghouse or the county clerk.
4. Timber harvesting permit or notice in compliance with the California Forest Practice Act and Rules for projects that undertake timber operations per Public Resources Code §4527.
5. Finding of no significant impact-decision notice, categorical exclusion- decision memo or environmental impact statement-record of decision prepared in compliance with the National Environmental Policy Act for projects that are exempt from CEQA pursuant to Public Resources Code § 4799.05(d)(1).
6. Completed and accepted Project-Specific Analysis (PSA) under the [California Vegetation Treatment Program](#) (CalVTP).

In the grant application, grantees shall specify which agency is expected to be CEQA

lead agency<sup>1</sup> for each environmental compliance process. Generally, this is a public agency<sup>2</sup> that is a partner to the grant or another local jurisdiction such as a county, permitting agency, or resource conservation district. The CEQA lead agency is responsible for: (a) performing the necessary environmental effects analysis; (b) preparing environmental documents; and (c) filing associated notices.

The lead agency may require the grantee to prepare, or retain a consultant to prepare, the environmental documents required for demonstrating adequate compliance with CEQA. Grantees will be responsible for the costs of the analyses and document preparation. This may include biologists, professional archaeologists, air quality experts, registered professional foresters, environmental planners, etc. Grantees should ensure they have adequate funds for environmental work or apply for adequate grant funding to cover costs.

**Note:** Starting FY 2022-2023, per CAL FIRE's procedures, [CAL FIRE Certified Archaeological Surveyor certificate can only](#) be used when CAL FIRE is the *lead* agency for CEQA. If a grantee is a public agency or another public agency assumes the role as lead, the grant **CANNOT** use CAL FIRE Certified Archaeological Surveyor certificate and the grantee will need to utilize appropriate archeological professionals to complete this work. Please budget accordingly.

CAL FIRE will review all environmental documents and associated notices for adequate compliance with applicable procedures and CEQA.

**Note:** Per PRC Section 4137(d)(4), a *description of any mitigation required for each project, and whether the mitigation has been completed* will be required. To meet this requirement, grantees must report the project mitigation and status, as requested by CAL FIRE. This requirement extends to federal actions and projects exempt from CEQA per PRC § 4799.05(d)(1).

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<sup>1</sup>Per PRC § 21063 "Public agency" includes any state agency, board, or commission, any county, city and county, city, regional agency, public district, redevelopment agency, or other political subdivision.

<sup>2</sup>Per PRC § 21067 "Lead agency" means the public agency which has the principal responsibility for carrying out or approving a project which may have a significant effect upon the environment.

## APPENDIX D – SAMPLE RESOLUTION

A signed resolution, similar to this [sample](#), will be required prior to the signing of a Grant Agreement. Applicants are encouraged to submit a draft resolution with the Project application. Resolutions are required from non-profit and local agency applicants only.

### RESOLUTION

**NOTE: DO NOT CHANGE THE FORMAT OR VERBIAGE IN THIS RESOLUTION FORMAT WITHOUT WRITTEN APPROVAL OF CAL FIRE STAFF.**

Resolution No.: \_\_\_\_\_

RESOLUTION OF THE \_\_\_\_\_ (Title of Governing Body/City Council/ Board of Supervisor/Board of Directors) OF \_\_\_\_\_ (City/County/District/non profit) FOR FUNDING FROM WOOD PRODUCTS GRANTS..

WHEREAS, the Governor of the State of California in cooperation with the California State Legislature has enacted State of California General Funding which provides funds to the State of California and its political subdivisions for Wood Products Grants; and

WHEREAS, the State Department of Forestry and Fire Protection has been delegated the responsibility for the administration of the program within the State, setting up necessary procedures governing application by local agencies and non-profit organizations under the program, and

WHEREAS, said procedures established by the State Department of Forestry and Fire Protection require the applicant to certify by resolution the approval of application before submission of said application to the State; and

WHEREAS, the applicant will enter into an agreement with the State of California to carry out a Wood Products grant project;

NOW, THEREFORE, BE IT RESOLVED that the (Title of Governing Body):

1. Approved the filing of an application for Wood Products grant funds; and
2. Certifies that said applicant has or will have sufficient funds to operate and maintain the project; and,
3. Certifies that funds under the jurisdiction of (Governing Body) are available to begin the project.
4. Certifies that said applicant will expend grant funds prior to **March 30, 2026**.
5. Appoints (position title), or a designee, as agent of the (Governing Body) to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, amendments, payment requests and so on, which may be necessary for the completion of the aforementioned project.

Approved and adopted the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_. I, the undersigned, hereby certify that the foregoing Resolution, number \_\_\_\_\_ was duly adopted by the following roll call vote:  
(City Council Board of Supervisor Board of Directors)

Ayes: \_\_\_\_\_ Noes: \_\_\_\_\_ Absent: \_\_\_\_\_ \_\_\_\_\_ (Clerk) Notarized Seal:

## **APPENDIX E – JUSTIFICATION FOR INDIRECT RATE ABOVE 12% FOR ELIGIBLE PROJECTS**

Applicants that utilize a higher indirect rate on non-CAL FIRE grants and agreements may request to apply an indirect rate in excess of 12% as part of their application. The request shall include a detailed justification as a separate attachment to the grant application indicating why a higher rate is needed for the grant project along with supporting documentation as to how the higher indirect rate is determined. Supporting documentation may include, but is not limited to, the entity's Federally approved Negotiated Indirect Cost Rate Proposal. Under no circumstances will CAL FIRE approve an indirect rate exceeding 20%. Submittal of the justification and supporting documentation does not guarantee approval of the higher rate which is solely at CAL FIRE's discretion.

For applicants requesting the higher rate, you may include this rate within your total application request and within your budget breakdown. CAL FIRE will evaluate your request for higher indirect rate concurrently with your grant application. If your project is approved but the higher indirect rate is not approved, CAL FIRE will notify you of the reduced award amount and request changes to your budget if needed.

## Appendix F- Additional Guidelines and Reporting Requirements for Biomass Transportation Grants

Fuel reduction and thinning treatments are needed to reduce the potential impacts of intense wildfires in California. Larger trees can often be removed to manufacture products that have an established market and demand, such as lumber. The market for smaller trees, which can form ladder fuels that create conditions for intense, destructive wildfires, is often very limited, local, and the value less than harvest and hauling costs. Due to these high costs, most biomass generated is either masticated, left in the woods to decay, or piled and burned. To remove those ladder fuels, public investment is being applied. Generation of forest biomass is supported through existing subsidies and currently outpacing the capacity of existing biomass facilities. Additional public investment in existing infrastructure, including subsidies for transportation, may only displace other feedstock or supplant biomass that economic markets would have delivered regardless. Subsidizing the transport of biomass may also discourage in-place treatments, such as lop-and-scatter and mastication, even when those may be preferred given local conditions.

A well-planned transportation subsidy can facilitate the removal of additional trees that have low value in current forest product markets. It needs to establish whether the goal is to increase the amount of forest treated or change the fate of material that is already being removed. Projects should explicitly address one or more of the following objectives:

1. Support the establishment of new wood processing facilities or the retention of facilities with documented risk of closing. Facilitate reopening of mothballed facilities. Incentivize existing facilities to expand where feedstock supply exceeds their current capacities.
2. Prepare post-fire lands for reforestation.
3. Remove residual piles from completed forestry projects that can be utilized at a facility rather than open-air burned.
  - Because subsidies will impact markets, it will be important to first document the characteristics, structure, and functions of the current market (e.g., current costs of harvest, hauling, feedstock, and products in the project area). This information could be used to track market impacts over time and allow the program to be modified to minimize negative consequences. The subsidy should be structured to serve as the minimum cost to bridge the value of the product with the cost of production. The program should function only for the duration necessary to complete the identified objectives and should identify a transition strategy that enables long-term sustainability. When planning a proposal, consider the following: Dedicate adequate staff to administer the program. This includes:
    - Program management at the level necessary to administer contracts, monitor progress, collect and synthesize required information, and manage public funds. Specifically, administrators will be responsible for the following types of activities:
      - Tracking market impacts
      - Communication with subsidy participants and other stakeholders
      - Collecting standardized reports from program participants

- Establishing and tracking metrics to assess program effectiveness
- Documenting both intended and unintended consequences
- Amending the program, as needed, in response to changing conditions
- Pair subsidy funds with newly developed or expanded biomass utilization infrastructure.
  - Supporting facilities during the startup, restart, and expansion can promote long-term success by easing associated financial strain, such as working capital needs.
- Allow a broad range of facility technologies for eligibility to encourage a diversity of utilization methods and products.
- Consider new guidelines in concert with subsidy objectives.
  - For example, if the objective is to remove residual landing piles, restrict the practice of open burning where removal options exist.
- Insert the appropriate subsidy into the supply chain where it most effectively supports program objectives (i.e., Who gets paid and who benefits?).
- Work in collaboration with other agencies and other subsidies to identify the potential for co-benefits and to avoid conflicts and unintended, negative consequences.

## Reporting Requirements for Biomass Transportation Grants

Your proposed grant project must include preparation and submittal of a draft and final report on the biomass transportation grant. Reports are expected to be 10-15 pages. The draft is due 90 days prior to the end of the grant agreement Project Performance Period. Comments from Wood Products staff on your report will be provided within 30 days of your submittal, and a final report shall be submitted within 30 days of receiving comments. The report is expected to follow the outline below and address the provided questions, at a minimum. A plan for accomplishing this reporting requirement should be included in the Scope of Work attachment.

- I. Cover page
- II. Table of Contents
- III. Brief Summary
- IV. Activities and outcomes
  - a. Activities performed (What happened?)
  - b. Outcomes (What are the results?)
  - c. Evaluation (How satisfied are you with the results?)
  - d. Quantitative impacts summary tables (dollars spent, volumes and distanced transported, etc.)
- V. Follow-up actions
  - a. Lessons learned
  - b. Suggestions for the future

### Minimum questions the report must address:

1. Discuss biomass market impacts according to the following: What was the local market value of delivered biomass (i.e., “gate value”) prior to the grant agreement and during the grant period? Discuss changes that occurred during the grant period.
2. Where did biomass originate? Explain the projects, landowners, High Hazard Zones, salvage, fuels treatment, wildfire rehabilitation, etc...
3. Discuss the type of forest biomass (e.g., large logs, small logs, chips, hog fuel, species)



4. What other programs were involved in generating, transporting or utilizing the biomass?
5. To which facilities was the biomass hauled? What were transportation distances?
6. Who hauled the biomass?
7. Who was reimbursed with grant funds and through what contract mechanisms?
8. What was the most probable fate of the biomass transported as part of the project without the support of grant funding? Answer should be supported quantitatively (e.g., regional capacity expansion) and qualitatively (e.g., expert interviews).

**Additional topics encouraged:**

9. Price and volume data comparing before/after the transportation subsidy was implemented.
10. Market participation. Did biomass transportation subsidy result in more or fewer participants?
11. Interviews and qualitative results from partners and stakeholders.
12. Unintended consequences of biomass transport subsidy (externalities).