

EXHIBIT B: ATTACHMENT 1 Invoicing and Payment Provisions

1. **Payment in Arrears:** Payment shall be made in arrears based on receipt of a complete, properly documented and accurately addressed invoice or payment request.
2. **Invoicing:**
 - 2.1 Invoices shall include the Agreement Number and one copy shall be submitted not more frequently than monthly in arrears to:

Resources Agency
CALFED Bay Delta Program
650 Capitol Mall, 5th Floor
Sacramento, CA 95814
Attn: Accounting Department
 - 2.2 Payment of any invoice will be made only after receipt of a complete and accurate invoice or payment request. All invoices must be approved by the Science Program Technical Grant Manager. Failure to use the address exactly as provided above may result in return of the invoice or payment request to the Grantee. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail.
 - 2.3 Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner which is in violation of or in conflict with federal or State laws, rules, or regulation, or which may require any rebates to the federal government, or any loss of tax-free status on State bonds, pursuant to any federal statute or regulation.
 - 2.4 Notwithstanding any other provision of this Agreement, the Grantee agrees that the Resources Agency may retain an amount equal to ten percent (10%) of the grant amount specified in this Agreement until completion of the Project in accordance with the Scope of Work. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.
 - 2.5 The invoice shall contain the following information:
 - 2.5.1 The word "INVOICE" should appear in a prominent location at the top of page(s);
 - 2.5.2 Printed name of the Grantee;
 - 2.5.3 Business address of the Grantee, including P.O. Box, City, State, and Zip Code;
 - 2.5.4 The date of the invoice;
 - 2.5.5 The number of the Grant Agreement upon which the claim is based; and
 - 2.5.6 The time period covered by the invoice, i.e., the term "from" and "to";
 - 2.5.6.1 The method of computing the amount due.

2.5.6.2 Supporting documentation for invoiced costs such as major equipment purchases.

2.5.7 Original signature of Grantee (not required of established firms or entities using preprinted letterhead invoices).

3. Budget Contingency Clause

If the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the Resources Agency to make any payments under this Agreement. In this event, the State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Agreement and Grantee shall not be obligated to perform any provisions of this Agreement. Nothing in this Agreement shall be construed to provide the Grantee with a right of priority for payment over any other Grantee.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Grantee to reflect the reduced amount.

4. Line Item Budget

For the purposes of this Grant Agreement, the Budget Summary (Exhibit B), is the line item budget for this grant

5. Budget Line Item Flexibility

- 5.1 Line Item adjustment(s). Subject to the prior review and written approval of the Grant Manager, adjustments between existing line item(s) may be used to defray allowable direct costs. Line item adjustments in excess of 15% of the agreement total, or a cumulative maximum of \$250,000, shall require an amendment to the Grant Agreement.
- 5.2 Procedure to Request an Amendment. Please refer to the Science Program Guidelines for Grant Amendment Requests document (Exhibit B – Attachment 3).

6. Payment of Project Costs

The Grantee agrees that it will provide for payment of its full share of Project costs and that all costs connected with the Project will be paid by the Grantee on a timely basis.