



CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE EXHIBIT 4 – ADVANCE PAYMENTS, AB 590

Grant Agreement Number:
Grantee Name:

BACKGROUND AND AUTHORITY

The Governor of California signed [Assembly Bill \(AB\) 590, Chapter 535: Advance Payments](#) on October 8, 2023. This bill authorizes the California Department of Fish and Wildlife (CDFW) to allow advanced payment in contracts and grants to community based private nonprofit agencies, not to exceed 25% of the total award, upon the Department's determination that an advanced payment is *essential* for the effective implementation of a program. The private nonprofit agency must meet the requirements set forth in California Government Code Section 11019.3(c)(2) to receive advance payment.

REQUIREMENTS: For a community based private nonprofit agency to receive advance payment up to 25% of the total award, the Grantee must satisfy the following minimum requirements:

1. Submit documentation to support the need for advance payment, which may include, but is not limited to, invoices where the nonprofit does not have sufficient cash or credit to float payments before state reimbursement, contracts, estimates, payroll records, and financial records.
2. Demonstrate current status in good standing as a nonprofit under section 501(c)(3) of the Internal Revenue Code.
3. Provide an itemized budget for the eligible costs the advanced payment will fund.
4. Obtain insurance in an amount commensurate with the assessed risk, if required by CDFW and stipulated within the contract or grant agreement.
5. Deposit funds into a federally insured account of the recipient entity that provides the ability to track interest earned and withdrawals. Any accumulated interest will be deemed to be contract or grant money, subject to federal and state laws and regulations. The recipient must report interest earned on the advance payment to CDFW. The recipient entity's account must be in the recipient entity's name, and not in the name of any of its directors or officers.
6. Establish procedures to minimize the amount of time that elapses between the transfer of funds and the expenditure of those funds by the recipient.
7. Provide progress reports on the expenditure of advance funds as required by the CDFW Contract/Grant Manager but no less than on a quarterly basis. Progress reports to the CDFW Contract/Grant Manager must include a summary of work completed, proof of expenditure, and other associated information as determined by the CDFW Contract/Grant Manager.
8. Return any unused funding provided as advance payment but not expended within the contract or grant timeline to CDFW. Failure to return unused advanced payment funding will be subject to standard account receivable collection procedures.