

# DRAFT

## Proposed Regulations for the Pet Lover's License Plate 4/16/2012

2090 The Veterinary Medical Board of California recognizes The California Spay & Neuter License Plate Fund Inc., a non-profit California corporation, as its agent for the administration and management of the California Pet Lovers License Plate Program. The Fund shall be responsible for the following functions of the Program:

**Comment [SMB1]:** The Board will need to determine if this structure is acceptable to the Board, if these responsibilities meet the needs of the Board, and if any additional responsibilities should be included.

- (a) Accept and process applications from providers of spay and neuter services
- (b) Evaluate all applications for compliance with program requirements and determine which provider applications will be accepted for funding
- (c) Determine funding levels on an annual basis for each provider accepted into the program
- (d) Monitor program participant compliance through participant reporting and auditing
- (e) Provide an annual report to the Board no later than April 1 of each year.
- (f) Investigate and report all complaints received regarding the conduct of the grant recipients made by the public in the annual report to the Board.

**Comment [SMB2]:** This date was selected so that there would be sufficient time for the Board to prepare the mandatory Annual report to the Legislature.

2090.01 The title of the license plate program "California Pet Lovers License Plate Program" is wholly owned by the Board. Upon termination of the participation of the Fund's participation, it shall immediately cease use of this title.

2090.1 The California Spay & Neuter License Plate Fund Inc. serves at the pleasure of the Board. The Fund shall be subject to audit and inspection as directed by the Board. While the Fund is a completely legally separate entity from the Board and has no obligation to continue assisting the Board with the management of the California Pet Lovers License Plate Program, it is the Board's understanding that the Fund's sole purpose for existence is to assist the Board with the implementation and continuation of the California Pet Lovers License Plate Program. Therefore, the Fund shall maintain no document in confidentiality from the Board, however, any documents reviewed by the Board shall be done so in confidence and without release to the public unless discovery of wrongdoing is identified. Withholding of documentation as confidential shall be grounds for termination of the relationship between the Board and the Fund.

**Comment [SMB3]:** The Board should carefully consider this language and determine if the Board is ok with this language and if it desires other language.

**Comment [SMB4]:** The Board will need to consider what it considers to be events worthy of termination of the relationship. Such things as loss of non-profit status...

2090.2 (Grounds for termination of relationship between Board and Fund)

**Comment [SMB5]:** And anything else that the Board finds imperative should be listed here

2090.3 As part of the annual report to the Board, the Fund shall include the following information:

- (a) a current list of board members and their affiliations
- (b) a verification of the Fund's continued 501(c)(3) status

**Comment [SMB6]:** Does the Board desire to set membership requirements? For example, does the Board desire to require a DVM on the Board, or any other criteria, such as a person with a PR background? Shelter medicine?

- (c) Fund board meeting minutes for the prior year
- (d) An accounting of the total number of plates sold and renewed and whether the plates sold or renewed were of the vanity or sequential type.
- (f) In any year in which the participation rate drops below 7,500 plates, the Fund's plan for bring the program back into compliance with Vehicle Code statutes and Department of Motor Vehicle regulations.

2090.5 Any and all costs associated with the administration and management of the California Pet Lovers License Plate Program shall originate from the funds derived of the issuance and renewal of license plates associated with the Program. In the initial year of operation, subsequent to a budget allocation being provided by the state legislature for purposes of the Program, no more than XX% of the total funds available to the program shall be utilized for administrative costs of the program. In subsequent years, no more than XX% shall be utilized for administrative costs. [Statute provides that no more than 25% of the total funding allocation may be spent on administration of the program, this includes both funds spent by the Board and funds spent by the Fund. All of this money must be accounted for in the annual report to the legislature.]

**Comment [SMB7]:** The Board will need to determine what an appropriate administrative overhead percentage will be. In the initial year, the percentage of the total available funds may need to be higher to account for a smaller budget and more substantial start-up effort, whereas in later years the percentage may appropriately be much smaller as the fund size increases and day to day operations settle into a predictable routine.

2091(a) Recipients of funds shall be limited to the following entities:

- (1) A California city, county, or city and county animal control facilities providing spay/neuter services to the public.
- (2) A California city, county, or city and county that currently operates, or has the ability to establish, a voucher program for spay and neuter services provider by participating local veterinarians. Voucher programs must be operated directly by the local government itself and may not be contracted out.
- (3) A California non-profit 501(c)(3) organization holding a municipal contract for animal control services
- (4) A California non-profit 501(c)(3) corporation operating a spay and neuter program in an area not otherwise serviced by a local government animal control facility providing spay and neuter services or a voucher program for spay and neuter services. Only one 501(3)(c) corporation for each geographic region may receive Program funding.

**Comment [SMB8]:** The Board will need to determine if these suggested entities conform to the Board's desires for the program.

(b) The following criteria apply to a 501(c)(3) corporations applying for funding:

- (1) Applicants must be established as an appropriate legal entity, under state statutes and must have the authority and be in good standing to do business in the State of California

(2) Applicants must have a California address. A post office box may be utilized when the proposal is submitted, however, applicants must conduct business at a physical location in California prior to the date that the contract for funding is awarded.

(3) Applicants must be in good standing with the United States Internal Revenue Service, if applicable, and the California Franchise Tax Board.

(4) Applicants may be deemed ineligible for contract awarding if financial statements submitted with the proposal for funding identify concerns regarding the future viability of the entity, material non-compliance or material weaknesses that are not satisfactorily addressed, as determined by the Fund.

2092 (a) Applications shall be submitted no later than **October 1** of each year for consideration by the Fund. Applications shall consist of the following components:

- (1) Contact Information for the agency applying
- (2) A brief description of the project for which funds are requested, including the type of program in which funds will be used and the target animal population covered by the proposal
- (3) Amount of funding requested
- (4) A description of the organizational structure of the entity applying and the structure of the organization, including the species currently served and what programs currently exist.
- (5) Community information including human population, poverty levels within service area, animal population of dogs, cats, and free-roaming cats within service area.
- (6) Statistical information for current and prior year related to intakes, adoptions, euthanizes, live releases, and if applicable, publically owned spayed/neutered dogs, cats, and rabbits.
- (7) A proposal narrative, no longer than two, double spaced pages in 12pt Arial or Times New Roman font. The narrative shall include, at a minimum, a description of the project, specific goals stated in measurable terms, the need for the program in the community and how the program will impact the number of spays/neuters in the community, if the program will be through vouchers describe completely how it will be administered and who will be eligible for the vouchers. The narrative must also cover other low cost or free spay/neuter [programs available in the community and how your program will supplement existing programs. A description of the planned public awareness campaign for the program and identification of any additional grants or funding sources for this program.
- (8) A line item budget for grant funding expenditures.
- (9) Current financial statements and financial statements, including audit reports, for the past two years, if applicable.

**Comment [SMB9]:** The Board will need to determine if this date is acceptable.

**Comment [SMB10]:** The Board may want to add to this list of components. At this time is a draft application, however, because this is a grant proposal, it was suggested that other than a mandatory cover page containing contact information, applicants be permitted to prepare their application in a freestyle format provided they provide all information required here.

(9) The application shall be signed by an individual authorized to bind the local government agency or the non-profit corporation to the terms and conditions of the program.

(b) Application packages, (CPLLPP App MO/YY) incorporated herein by reference, are available on the California Veterinary Medical Board's web site. All information requested in the application package, in the order requested is mandatory, however, use of the application documents themselves is not required.

(c) The application cover sheet (CPLLPP Cover MO/YY) must be completed in its entirety and submitted with the full application package. Failure to complete and return the cover sheet shall result in the application being deemed incomplete and will result in the application being returned to the applicant.

(d) Failure to submit all required information, or to have the application signed by a person authorized to bind the applying entity to the terms and conditions of the program, shall be grounds for disqualification from consideration.

2092.5 (a) If the deadline for submission has not passed, the reviewing committee, in its discretion, may permit an incomplete application to be amended to conform to program application requirements.

**Comment [SMB11]:** If there are other penalties or resolutions to an incomplete, as opposed to disqualified, application, this is where they would be placed.

(b) After the deadline for submission has passed, an incomplete application will be disqualified from further consideration.

2093 Every Program fund recipient shall agree to the following Program requirements prior to receipt of funding. Failure to agree to these program requirements shall disqualify a recipient. Failure to adhere to these requirements during the Program year after funding has been disbursed shall preclude the recipient from future participation in the Program.

**Comment [SMB12]:** These were the recommendations from the prior working group. The Board should consider whether or not there are other recipient obligations that are appropriate to require.

(a) Submission of preliminary and final reports.

(b) Advertisement of the "California Pet Lover's License Plate" in the facility, newsletters, and other local announcements

(c) Placement of the statement "These services are subsidized by sales of the California Pet Lover's License Plate" on all vouchers and receipts

(d) Agreement that the Fund may conduct unannounced site visits of recipient locations during the grant year.

(e) Agreement that program funds will only be used for the purposes described in the grant application and contract; that the grant contracts are for a single year only; and that funds remaining at the conclusion of the grant year shall be returned to the Fund.

(f) Providing notice to voucher recipients that they may file any complaints they have with the recipient's conduct toward the voucher recipient directly to the Fund

(g) Provide notice to the consumer that they may file any complaint they have regarding the provision of veterinary care received through the voucher program directly to the Veterinary Medical Board of California at [preferred contact method]

**Comment [SMB13]:** However the Board prefers these complaints to be received should be inserted here.

2094 Applications shall be disqualified for the following reasons:

- (a) Failure to submit a complete grant application prior to the posted deadline
- (b) Failure to qualify as an eligible agency
- (c) Request for excessive funding
- (d) Organizational history of unethical behavior, improper bookkeeping, or illegal activities
- (e) failure to agree to submit preliminary or final reports
- (f) failure to agree to advertise the pet Lover's plate
- (g) failure to agree that all vouchers/receipts will state that the sterilization was funded by the California Pet Lover's License Plate fund.
- (h) Request for funding for other than intended purpose:

2095 (a) Funding shall be limited to the following purposes:

- (1) Sterilization, at no or minimal cost, of pets owned by the general public
- (2) Sterilization of stray animals
- (3) Sterilization of owned animals when retrieved from the shelter, and
- (4) Vouchers for the sterilization of pets owned by the general public or of stray animals, for use with participating veterinarians who shall provide the service at no or low cost.

(b) Funding shall not be used:

- (1) For overhead and/or operational costs of the shelter
- (2) To offset budget reductions caused by general fund short falls
- (3)

**Comment [SMB14]:** Any additional prohibitions on the use of Fund monies?

**Comment [SMB15]:** Unless the Board desires to have the Fund make all distribution determinations without any input from the Board at all, this is the place for the Board to state its policy goals and to hold the Fund to those goals.

2095.5 Grant applications shall be considered taking the following Board goals into consideration:

For example, does the Board prefer rural distribution of funds over urban distribution? Does the Board desire to serve a particular area of CA first? Does the Board desire to prohibit participation of certain areas, groups, etc.?

Except for policy goals motivated by discriminatory animus, the Board can set policy goals related to the provision of veterinary medicine under this program as it sees fit.

This area would also include the Board's determination of how grant awards should be calculated. This is especially important in the lean years.

(a)

2096 Each recipient of funds shall be subject to an annual audit of the expenditures of funds received and the impact of the funds on the program established by the recipient.

(a) Governmental entities shall be subject to Generally Accepted Accounting Principles as established by the Governmental Accounting Standards Board regarding programs funded by Pet Lovers License Plate Funds. Audits of governmental entities shall be conducted in accordance with Generally Accepted Government Auditing Standards, commonly referred to as "Yellow Book."

(b) Non-profit organizations shall be subject to Generally Accepted Accounting Principles as established by the Financial Accounting Standards Board. Audits of non-profit organizations shall be conducted in accordance with Generally Accepted Auditing Standards as established by the American Institute of Certified Public Accountants.

2097 All monies received from the Pet Lovers License Plate Fund shall be segregated from all other funds and may not be diverted for other purposes. Governmental entities shall segregate these funds into "special" funds or utilize trust funds to prevent these funds from being comingled with general fund monies. In no event shall the monies from the Pet Lovers License Plate Fund be diverted to any local government entity's general fund. Action taken by any local government to so transfer funds shall constitute breach of contract and will subject the receiving local government and any non-profit with which they contract from disqualification in all future grant periods. This disqualification shall be in addition to any and all other remedies available to the Pet Lovers License Plate Fund.