

## Chapter NR 542

### RECYCLING GRANTS TO RESPONSIBLE UNITS

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**Note:** Corrections made under s. 13.93 (2m) (b) 7., Stats., Register, August, 1997, No. 500.

**NR 542.01 Purpose.** The purpose of this chapter is to establish rules for the implementation and administration of a grant program for planning, constructing, or operating effective recycling programs in accordance with ss. 287.11 (2) (a) to (h) and 287.23, Stats.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91; **CR 23-065: am. Register June 2025 No. 834, eff. 7-1-25.**

**NR 542.02 Applicability and cross referencing.** This chapter applies to all applicants and recipients of funding under s. 287.23, Stats., for planning, constructing, or operating a recycling program.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91; **CR 23-065: am. Register June 2025 No. 834, eff. 7-1-25.**

**NR 542.03 Definitions.** In this chapter:

(1) "Avoided disposal costs" has the meaning specified in s. 287.23 (1) (ar), Stats.

(2) "Capital expenses" means construction or acquisition costs including improvements or equipment costing \$1,000.00 or more and with an expected life of 3 years or more.

(4) "Department" means the department of natural resources.

(5) "Effective recycling program" means a solid waste management program that includes all of the components specified in s. 287.11 (2), Stats.

(5m) "Multiple-family dwelling" means a structure containing 5 or more residential units, including units that are occupied seasonally.

(6) "Population" has the meaning specified in s. 287.24 (1), Stats.

(7) "Postconsumer waste" has the meaning specified in s. 287.01 (7), Stats.

(8) "Prevailing market rate" has the meaning specified in s. 287.23 (1) (d), Stats.

(8m) "Recyclable materials" has the meaning specified in s. NR 544.03 (33).

(10) "Recycling program costs" means the costs incurred for collection, transportation, processing, and marketing of materials specified under s. 287.07 (2), (3), and (4), Stats.

(11) "Responsible unit" has the meaning specified in s. 287.01 (9), Stats.

(12) "Solid waste facility" has the meaning specified in s. 289.01 (35), Stats.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91; correction in (6) made under s. 13.92 (4) (b) 7., Stats., Register June 2013 No. 690; **CR 23-065: r. (3), cr. (5m), am. (8), cr. (8m), r. (9), renum. (10) (intro.) to (10) and am., r. (10) (a) to (c), (13) Register June 2025 No. 834, eff. 7-1-25.**

**NR 542.04 Applicants.** A responsible unit that has been

determined by the department to have an effective recycling program is eligible to apply for grant assistance under this chapter.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91; **CR 23-065: r. and recr. Register June 2025 No. 834, eff. 7-1-25.**

**NR 542.05 Eligible and ineligible costs. (1) ELIGIBLE COSTS.** The grantee's effective recycling program costs, net of the sale of recovered materials, that are reasonable and necessary for planning, constructing, or operating an effective recycling program during a grant year are eligible for grant assistance. Eligible costs may include any of the following:

(a) The costs of planning, including consultant fees.

(b) Construction costs, including capitalized interest, professional services of an attorney, and engineering services for design, construction and construction inspection.

(c) Training, salaries and fringe benefit costs of personnel.

(d) The purchase of necessary supplies.

(e) Capital purchases for any of the following:

1. Equipment; equipment costing \$1,000 or more and with an expected life of 3 years or more will be funded on an amortized basis;

2. Land, including site acquisition at fair market value and site preparation costs;

(f) The allocable cost of using equipment not purchased with grant monies as provided under s. NR 542.10 (1) (b)3.

(g) Costs of collecting, marketing, and transporting materials specified under s. 287.07 (2), (3), and (4), Stats., from a single family or a 2 to 4 unit residence.

(h) Public education and enforcement costs.

(i) Written contracts entered into by responsible units to obtain services necessary for an effective recycling program.

(j) The following costs of a solid waste facility designed to recover recyclables from postconsumer waste:

1. All costs that can be directly isolated to the recycling component.

2. The proportionate share of the remaining costs equal to the proportion of recovered recyclable materials to total waste, by weight.

(k) Cost of documenting how solid waste which is generated in the grantee's region and is not separated or recovered for recycling will be managed, as required by s. 287.11 (2) (ew), Stats.

**(2) INELIGIBLE COSTS.** Costs not directly associated with or not necessary for the planning, construction, or operation of an effective recycling program are not eligible for grant assistance. Ineligible costs include all of the following:

(a) Costs incurred either prior to January 1 or after December 31 for each grant.

(b) Costs of collecting and disposing of municipal solid waste

not separated for recycling, except as provided for under sub. (1) (k).

(c) Fines and penalties due to violations of, or failure to comply with, federal, state or local laws, regulations, rules and ordinances.

(d) Ordinary operating expenses of local government, such as salaries and expenses of a mayor or city council members that are not directly related to the recycling program.

(e) Interest or finance charges.

(f) Costs for which payment has been or will be received under another federal or state financial assistance program.

(g) Costs incurred in a contract that creates a real or apparent conflict of interest. An apparent conflict of interest arises when an official or employee of a grantee participates in the selection, awarding, or administration of a contract supported by this program and when any of the following occurs:

1. The official or employee, or a partner or immediate family member of the official or the employee, has an ownership interest in the firm selected for the contract.

2. Any person identified in subd. 1. receives any contract, gratuity or favor from the award of the contract.

(h) The purchase of plastic containers for the collection of recyclable materials unless the recycled content of the plastic containers is at least 25% by weight.

(i) Costs of collecting, transporting, or marketing recyclable materials from a multiple-family dwelling or commercial, retail, industrial, or governmental facility.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91; **CR 23-065: am. (1) (intro.), (e) (intro.), (g), (j) 2., (2) (intro.), (b), (g) (intro.), 1., cr. (2) (i) Register June 2025 No. 834, eff. 7-1-25; correction in (1) (a) to (d), (e) 1., 2., (f) to (i), (j) 1., (2) (a), (c), (d) to (f), (g) 2. made under s. 35.17, Stats., Register June 2025 No. 834.**

**NR 542.06 Distribution of grant assistance.** The department shall award a grant to each eligible responsible unit that submits a complete application for allowable expenses. The amount of the grant shall be distributed as described under s. 287.23 (5b) and (5p), Stats.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91; **CR 23-065: renum. (intro.) to NR 542.06 and am., r. (1) to (3) Register June 2025 No. 834, eff. 7-1-25.**

**NR 542.07 Grant assistance application. (1) PROCEDURE.** A completed application shall be submitted to the department by October 1 in the year preceding the year for which the assistance is sought. An application shall be made on forms provided by the department and submitted in accordance with department instructions.

**Note:** Forms and instructions may be obtained, at no charge, from the Bureau of Community Financial Assistance, Department of Natural Resources, P.O. Box 7921, Madison, WI 53707.

**(2) CONTENTS OF APPLICATION.** An application shall contain information from responsible units required under s. NR 544.10 and all of the following:

(a) A resolution adopted by the responsible unit authorizing a representative to file the grant application. The authorized representative shall be an official or employed position of the responsible unit.

(b) The information specified in s. 287.09 (2) (b), Stats.

(c) A description of the program, the processes and methods to be used, including who will implement them, and a timetable for implementation.

(d) Documentation that the assistance, when combined with future anticipated assistance, will result in the responsible unit doing one of the following:

1. Making continued progress in creating an effective recycling program as defined under s. 287.11, Stats.

2. Maintaining an effective recycling program following approval of the recycling program under s. 287.11, Stats.

(e) A financial schedule itemizing revenues and expenses of all programs and activities likely to be funded under the proposed grant.

(f) A financial report if the responsible unit received a grant under this chapter, or 1989 Wis. Act 335, section 85 (5), for the grant period preceding the grant period for which the application is being made. It shall include a statement of whether any portion of that grant was or is likely to be spent on ineligible activities, and the actual or estimated amount.

(g) An amortization schedule for all equipment, included in projected program costs, with a useful life exceeding 3 years and a cost greater than \$1,000.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91; **CR 23-065: am. (1), (2) (intro.), (a), (d) 1., r. (2) (h), (i) Register June 2025 No. 834, eff. 7-1-25; correction in (2) (b), (c), (d) 1., 2., (e) to (g) made under s. 35.17, Stats., Register June 2025 No. 834.**

**NR 542.09 Grant payments.** The department shall disburse all grant payments no later than June 1 of the year for which the grant is made.

**Note:** Forms may be obtained, at no charge, from the Bureau of Community Financial Assistance, Department of Natural Resources, P.O. Box 7921, Madison, WI 53707.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91; **CR 23-065: r. and recr. Register June 2025 No. 834, eff. 7-1-25.**

**NR 542.10 Grantee accountability. (1) RECORDS MANAGEMENT.** Each responsible unit shall maintain an accounting system that accurately reflects all fiscal transactions, incorporates appropriate controls and safeguards, and provides clear references to source or original documents.

(a) *Accounting procedures.* Financial information filed with a grant application shall include estimated eligible costs based on records maintained under generally accepted accounting principles that meet all of the following minimum requirements:

1. Program accounts shall separate grant receipts and eligible expenditures from those allocable to other programs and activities.

2. Receipts and expenditures shall be listed in sufficient detail to provide a basis for accurate and complete program reporting.

3. All program receipts shall be identified in sufficient detail to reflect their source and purpose.

4. Supporting records for all program expenditures shall be itemized in detail to indicate the nature and appropriateness of each. Proof of payment, such as canceled checks or receipts from vendors, shall be maintained.

5. Time and attendance records describing the work performed, specifying project hours worked by day, and both signed by the employee and bearing evidence of management approval, shall be maintained, along with computations showing hourly pay rates and allocation of fringe benefits.

(b) *Fiscal controls.* 1. Any consultant, construction or service contract totalling \$10,000 or more annually shall be covered by a formal contract or agreement specifying financial terms, contract duration and services to be rendered.

2. Acquisition of real property shall be in accordance with state guidelines for preparation of appraisals and relocation assistance.

3. Allowable rates for use of a responsible unit's own equipment not purchased with grant monies shall be limited to the county-wide rates established annually by the department of transportation (DOT). Allowable costs for the use of equipment, for which DOT rates are not available, may be based on the

grantee's calculation of the cost of operating the equipment attributable to recycling activities.

**Note:** County-wide rates established by the DOT can be obtained from the grantee's county highway department.

**(2) RECORDS RETENTION AND AUDITING.** All responsible units receiving grant funds are subject to audit and shall retain all records pertaining to their programs for at least 3 years.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91; **CR 23-065: am. (1) (a) (intro.), (2) Register June 2025 No. 834, eff. 7-1-25.**

**NR 542.11 Grant variances.** The department may approve variances from nonstatutory requirements of this chapter upon request of the grantee when it is determined that variances are essential to effect necessary actions or department objectives, and where special circumstances make variances in the best interests of the state. Before granting a variance, the department shall take into account factors such as good cause, circumstances beyond the control of the grantee and financial hardship.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91.

**NR 542.13 Repayment of awards.** The department may request repayment of all or part of a grant award if it determines at least one of the following has occurred:

**(1)** The responsible unit spent grant funds on activities not eligible for assistance under s. NR 542.05.

**(2)** The responsible unit did not maintain an effective recycling program in the year for which the grant was awarded.

**(3)** The responsible unit failed to submit information required under this chapter or ch. NR 544.

**(4)** The responsible unit is in non-compliance with s. 287.11, Stats., or the provisions of this chapter or ch. NR 544.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91; **CR 23-065: r. and recr. Register June 2025 No. 834, eff. 7-1-25.**

**NR 542.14 Enforcement.** The following sanctions may be imposed for noncompliance with s. 287.11, Stats., the provisions of this chapter, or any award made under this chapter:

**(2)** Program costs directly related to the noncompliance may be declared ineligible.

**(3)** Payment otherwise due to the grantee under s. NR 542.09 may be withheld.

**(4)** Other administrative and judicial remedies may be instituted as legally available and appropriate.

**(5)** The department may seek recovery of some or all payments under s. NR 542.13.

**History:** Cr. Register, July, 1991, No. 427, eff. 8-1-91; **CR 23-065: r. (1), am. (3), (5) Register June 2025 No. 834, eff. 7-1-25; correction in (2) to (4) made under s. 35.17, Stats., Register June 2025 No. 834.**