

Shoreland Habitat Grants Program Financial Manual



May 2010
Minnesota Department of Natural Resources
Division of Fish and Wildlife

PREFACE

The Minnesota Department of Natural Resources (under Minn. Stat. ' 97A.045) is empowered to do all things necessary to preserve, protect and propagate desirable species of animals and fish. One way to accomplish this was to establish an Aquatic Plant Restoration Program (under Minn. Stat. ' 84.975 subd. 4).

During the 1998 legislative session, the Minnesota Department of Natural Resources (MNDNR) Division of Fish and Wildlife received as part of their base budget, money for activities related to aquatic plant restoration. The Fish and Wildlife Division of the Minnesota Department of Natural Resources (DNR) is the lead agency for the Minnesota Shoreland Habitat (SH) Grants Program. As part of this program, the State will work with partners and cooperators to restore shoreline habitat in ways that demonstrate good shoreland stewardship.

This Financial Management Manual has been prepared to assist grant recipients in administering Minnesota SH projects. Please carefully read all the information in this manual. This document is based on federal and state laws and regulations. It is also based on the policies and procedures of the Department of Natural Resources and the U.S. Fish & Wildlife Service Division of Federal Aid. These laws, regulations, policies and procedures control the award and administration of SH grants.

This manual does not address all issues and potential concerns that may arise during the completion of a SH project. Please do not hesitate to contact SH Program coordination staff (John Hiebert at 651-259-5212) in DNR's Fish and Wildlife Division for any technical assistance needed.

Payment Schedule

The State will promptly pay the Grantee after the Grantee completes the specified requirements for each deliverable listed in Attachment 1 of the signed and fully authorized grant contract and the State's Authorized Representative has reviewed and approved the request for payment. Each payment request must include invoices including copies of time sheets signed by employees or volunteers indicating the dates and times (hrs) spent working on this project, and copies of paid invoices for other expenses associated with this project for the deliverable being paid. Final payment request must be submitted, on or before June 15, of the year the grant ends. A budget table is on line at:

<http://www.dnr.state.mn.us/grants/habitat/shoreland.html>

and will be included as Attachment 2. To obtain the total grant amount approved for a project, the grantee must document actual approved project expenditures totaling that amount. No federal funds are to be used as match in this program. A payment schedule will be developed for each grant upon approval.

PREAPPROVAL NEEDED FOR ALL CHANGES TO THE PROJECT

The payment for your project will be based on the grant agreement, a formal contract with the MNDNR, which contains the project description and cost breakdown. Any changes to the project description or significant changes to the cost breakdown must be submitted to and approved by SH program staff, prior to incurring any expenses related to the proposed change. Failure to notify DNR SH program staff prior to initiating a change in the project could jeopardize receipt of the funds approved for the project.

GRANT ACCOUNTING AND RECORD RETENTION

The grantee is responsible for maintaining fiscal controls and fund accounting procedures that are based on generally accepted accounting standards and principles.

The following minimum requirements must be met:

- 1) Establishment of accounts and supporting documents for their project.
- 2) Itemization of all supporting records of project expenditures in sufficient detail to show the exact nature of the expenditures.
- 3) Cross-referencing of the expenditures with the supporting purchase order, contract voucher, invoice, receipt etc. These supporting documents should contain the signature of the individuals authorized to approve such expenditures (DNR authorized representative and the Grantee).
- 4) When volunteers donate labor, the dates and hours worked must be recorded individually as well as a description of what was done and how the volunteer labor fits into the project description. DNR SH program administrators must approve the "hourly rate" used to value volunteer labor.
- 5) Records for grantee-owned equipment used on a project should include the time actually used for the project and the computation used to arrive at the charged use rate.
- 6) When payment of a project expenditure is by warrant check, the warrant check should be properly identified with the project item and number written on the check.
- 7) Establishment of adequate internal systems of financial control following generally accepted accounting and auditing principles.
- 8) All records related to your grant must be retained for a minimum of 3 years following the final payment on or your project.

INTRODUCTION

The purpose of this manual is to provide direction for the proper administration and accounting needed for a SH Program project. Administrative requirements for activities funded through the grant are guided by two basic principles:

- In kind or costs incurred prior to the formal approval date of the grant agreement are not grant eligible.
- The in-kind share of the project may consist of cash, labor, materials and equipment and/or volunteer labor, material donations or donated equipment use. Donated costs must be necessary for the completion of the project (i.e. would have been purchased if not donated), can not be from a federal source or have been used to match other federal grants, must be applicable to the time period of the grant, must be an allowable cost and must be necessary and reasonable for the accomplishment of project objectives

This manual includes the following sections:

- Grant Payments
 - Eligible Costs
 - Non-Eligible Costs
- Purchased Materials and Services
- In-Kind Contributions
- Project Summary Sheet and Payment Request Form
- Project Cost Documentation Checklist

These items complete all the materials a grantee will need to properly document and request payment for their project.

Grant Payments

1. ELIGIBLE COSTS

- a. ***Compensation.*** The Grantee will be paid according to the breakdown of costs contained in the appropriate attachments of the grant contract. Only costs specified in this attachment as being eligible for payment can be funded. The grantees will contribute up to \$1,000 cash toward the projects, as well as in-kind costs, to fulfill the 25% match requirement.
- b. ***Total Obligation.*** The total obligation of the State for all compensation to the Grantee under this grant contract will not exceed the total listed on the grant contract unless amended and approved by all signatories on the grant agreement.
- c. ***Items Eligible for Reimbursement.*** The SH PROGRAM will reimburse items listed in Attachment 1 of the grant agreement. Typical eligible expenses include: the cost of native Minnesota plants and seeds, temporary biodegradable wave breaks, erosion control and installation materials, aquatic formulations of herbicides to control exotic or noxious weed species, natural mulch, temporary fences or structures for control of nuisance animals, tools and equipment specific to the completion of this project, temporary labor to assist in installing project, approved educational signs for the site and limited excavation of existing materials in the project site. Any items not listed above must be pre-approved and specifically stated within the budget section (Attachments 1 and 2) of the grant agreement.

2. NON-ELIGIBLE COSTS

Non-eligible costs for payment mean all costs not defined as eligible costs, including but not limited to the following:

- a) Any costs incurred before the grant is fully implemented and signed;
- b) Fund raising;
- c) Taxes, except sales tax on goods and services;
- d) Insurance, except title insurance;
- e) Attorney fees;
- f) Loans, grants, or subsidies to persons or entities for development;
- g) Bad debts, late payments fees, finance charges or contingency funds;
- h) Interest
- i) Lobbyists;
- j) Political contributions;
- k) Investment management fees;
- l) Memberships – (including subscriptions and dues);
- m) Indirect costs – (such as office maintenance, office utility costs, refreshments for staff, decorations);
- n) Directors or officers salary unless expressly approved in the grant agreement, together with a plan of activities and actual work products;
- o) Office rental fees – (including storage space rental);
- p) Food and refreshments, unless expressly approved in the grant agreement together with a plan of activities.
- q) Publications and periodicals;
- r) Merit awards and bonuses;
- s) Employee worksite parking;
- t) Entertainment;
- u) Gifts and prizes;
- v) Any items not listed in Attachment 1 or 2 of the grant document.

PURCHASED MATERIALS AND SERVICES

Materials and services purchased by the grantee must be included in the Budget Section of the grant agreement to be eligible for payment as project expenditures. Invoices and copies of credit cards receipts, personal or warrant checks must be included with the cost documentation to provide evidence of eligible expenditures.

1. **Invoices**: When the grantee purchases materials/services, an invoice must be obtained from the vendor to provide evidence of the sale. The invoice must be legible and include the following items:
 - Name and address of the vendor;
 - Quantity of item(s) purchased;
 - Description of item(s) purchased;
 - Unit price;
 - Total amount of each line item.

Please note that there are two instances that will require special attention. First, if the grantee has an invoice that contains some materials/services that are to be included for reimbursement and some materials services that will not be included for reimbursement. In this case, highlight on the invoice(s) only those items that are being charged against the project. Second, vendor statements are acceptable as cost documentation only in those instances when an invoice cannot be obtained from the vendor. Some vendors, as a matter of practice, do not use invoices. In such an instance, simply identify on the vendor's statement the actual items that are related to the project. Enter the total amount of the project related purchases from each invoice (or statement) on the Project Summary Sheet.

2. **Warrant or Personal Checks and Credit Card Receipts**

A photocopy of your credit card receipt, warrant or personal check must be attached to each vendor invoice to provide evidence that the purchase(s) were actually paid for by the grantee. In cases where a credit card or a single warrant or personal check was used to pay several invoices, simply attach all of the associated invoices to the check or receipt.

In Kind Contributions and Forms

In-Kind Contributions

In-kind expenses are necessary to provide the required 25% match component of the SH program grant. There are three basic types of in-kind expenses:

- Grantee and volunteer labor
- Grantee equipment usage
- Grantee purchases of equipment, materials and supplies for project.

All in-kind labor, equipment and materials expenditures must be thoroughly documented and directly related to the completion of the project. They also must be specifically outlined in Exhibit Attachment 1 of the grant agreement to be considered as part of the 25% match. Any additional in-kind expenditure, that are not outlined in Attachment 1, must be approved by all parties and amended to the grant prior to the expenditure occurring.

The following forms are provided, as part of this manual, for use in properly documenting in-kind labor, equipment and materials. These forms should be submitted with the final payment request.

1. Volunteer Labor Worksheet - The Volunteer Labor Worksheet is used to document the volunteer hours of each person. One sheet must be completed for each volunteer. The DNR SH program administrators must approve the “hourly rate” used to value volunteer labor. Typically this rate is based on what it would cost to hire someone to do the given task. The project grantee must retain copies of these volunteer time sheets that adequately record the type of work performed on the project.
2. Volunteer Labor Summary - The Volunteer Labor is used to summarize the individual volunteer labor worksheets to documents the total hours of all volunteers on the project and the total amount of labor to be claimed to help meet the 25% in-kind portion of the grant agreement.
3. Grantee Equipment Usage form - The Grantee Equipment Usage form should list all personal and rental equipment used for your project that will be used as in-kind. It must identify the date used, hourly rate of the equipment, total hours/miles, total amount and description of the work performed. Please show the total at the bottom of each form. For Grantee owned equipment, the hourly use rate must be comparable to the cost for renting a similar piece of equipment. DNR SH program administrators must approve the “hourly rate” used to value personal equipment usage.
4. Grantee Purchased Materials and Supplies form - The Purchased Materials and Supplies form allows you to document materials purchased or donated for your project to be used as in-kind. Please note that the cost of the materials taken from existing grantee stock should be equivalent to the prevailing cost of similar goods purchased from local vendors in your community.

Payment Request Form and Project Summary Sheet

1. Grant Expenditure Labor Worksheet - Must be submitted with payment request form along with copies of associated timesheets.
2. Grant Expenditure Final Labor Summary – Must be submitted with the final payment request form.
3. Payment Request Form - Must be submitted with each payment request.
4. Final Project Summary Sheet for Grant Expenditures – This form must be submitted with the final payment request form. This form documents all of the payable expenses incurred for your project. Please list all of the invoices with the required information on the form. The summary sheet, when completed, should total all of the expenses related to your project that you are requesting payment for under the terms of the grant agreement.

Project Cost Documentation Checklist

The checklist contains all of the items that must be included with each payment request. Please use the checklist to ensure that your payment request is complete.

For on-going payment requests

- _____ 1 copy of the Payment Request Form
- _____ 1 copy of each invoice for all labor/materials/services purchased for this request
- _____ 1 copy of each check or credit card receipt showing payment of invoice

For final payment request include the following forms: In addition, all necessary in-kind forms must also be submitted (see following two sections).

- _____ 1 copy of each invoice for all materials/services for this request
- _____ 1 copy of each check or credit card receipt
- _____ 1 copy of the Payment Request Form
- _____ 1 copy of the Final Project Summary Sheet for Grant Expenditures

For all materials/services purchased to be used as the cash portion of the in-kind match, the grantee must submit the following:

- _____ 1 copy of each invoice for all materials/services purchased
- _____ 1 copy of each check or credit card receipt for all materials/services provided

If donated/volunteer labor or materials/services were used to complete a project, the grantee must submit the following:

- _____ 1 copy of the Donated Labor Summary Form
- _____ 1 copy of each of the Volunteer Labor worksheet(s)
- _____ 1 copy of Project Summary Sheet of In-kind Expenses
- _____ 1 copy of Grantee Equipment Usage Form for In-kind consideration
- _____ 1 copy of Grantee Material Usage Form for In-kind consideration

In-Kind Forms and Worksheets

Volunteer Labor Worksheet for In-Kind Consideration

Worker's Name _____ Project Name _____

Grantee _____

Date	Description of Work Performed	Hours	Rate	Total
	Total Value			\$

I certify that the services covered by this claim have been preformed and that this claim is just and correct.

Signature of Volunteer

Signature of Grantee

Volunteer Labor Summary for In-Kind Submission

Grantee: _____ Project Name: _____

Name	Hours	Rate	Benefits	Total
Total Value				\$

I certify that the services covered by this claim have been preformed and that this claim is just and correct.

Grantee Signature: _____ Date: _____

Grantee Equipment Usage Form for In Kind Consideration

Grantee: _____ Project Name: _____

Date	Equipment Used	Cash or In-Kind contribution	Type of Work Performed	Rate	Total Hrs/Miles	Total Amount
					Total	\$

I certify that the services covered by this claim have been preformed and that this claim is just and correct.

Grantee Signature: _____ Date: _____

Grantee Materials Used for In-Kind Submission

Grantee: _____ Project Name: _____

Date	Material Used	Description of Use	Cash or In-kind Contribution	Quantity	Price	Amount
					Total	\$

I certify that the services covered by this claim have been preformed and that this claim is just and correct.

Grantee Signature: _____ Date: _____

Project Summary Sheet for In-Kind Expenses

Grantee: _____ Project Number: _____ Project Name: _____ Total Grant Amount: _____ Final Amount Reimbursed: _____ Required Amount of in-kind (25% of Final Reimbursement Total) : _____	
Total Volunteer Labor \$	
Total Donated Materials \$	
Total Donated Equipment \$	
Total In-Kind \$	
Required Match \$	
Total In-Kind less Required Match (must be positive) \$	

Payment Request Forms and Summary Sheets

Grant Expenditure Labor Worksheet

Worker's Name _____ Project Name _____

Grantee _____

Date	Description of Work Performed	Hours	Rate	Total
Total Value				\$

I certify that the services covered by this claim have been preformed and that this claim is just and correct.

Signature of Volunteer

Shoreland Habitat Grants Program
Payment Request Form

Project Number:	Grantee:	Project Name:
Deliverable Number _____ Amount of Request \$ _____	Address for Payment: I certify that I am the individual authorized to request funds and that all costs reported are in accordance with the grant agreement. _____ Signature Date _____ Name Title Phone Number: _____	
Remarks:		

For Department Use Only

I certify that the goods and/or materials covered by this claim have been inspected and received or the services have been preformed and are in accordance with the grant agreement, and payment therefore is recommended. Payment approved in the amount of \$ _____ By _____ DNR Authorized Representative Date _____	I approve the reimbursement of this request in the amount of \$ _____ By _____ MNDNR Shoreline Habitat Coordinator Date _____
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Attachment 1: Grantees Responsibilities and Schedule of Payment

(xx/xx/xxxx-xx/xx/xxxx):

Work to be conducted by _____ (Grantee) or its authorized representative. The State's Authorized (DNR) Representative for this project is _____ or his/her appointed successor.

Maximum amount of grant to be awarded: \$ _____

A total of up to X projects and X workshops will be completed with the grant dollars specified. Dispersal of funds will be based on the information contained in Payment Schedule of this grant document.

Projects on private properties require that at least 75% of the frontage restored with an adjacent native plant buffer zone that is at least 25 ft deep/wide. The focus of these restoration projects must be on reestablishing native vegetation. Funds cannot be used for rock riprap stabilization or permanent wave breaks.

Funds can be used for materials needed to reestablish native vegetation along shorelines. This may include: native trees, shrubs, plants and seeds; temporary biodegradable toe protection and erosion control fabric, mulch; herbicide to treat invasive species; controlled burns to prep or maintain the restoration site, labor to design, install and maintain the restoration project, temporary biodegradable wave breaks and fencing to keep out foot traffic or herbivores (geese/muskrats) from the site.

Projects should not destroy existing, desirable habitat or native vegetation. Only local, native species may be included within the project area. No exotic species or nursery-derived cultivars of natives may be used. Plants included in the project should be native to the county and grow in natural, reference sites along the lake or similar nearby ecosystems.

Preference will be given to projects that include restoring woody vegetation (native shrubs and trees) and aquatic plants in the project vision, but these plants should be known to have grown (or currently grow) within the project area or along undeveloped reference shorelines. There should also be a strong likelihood of aquatic plants surviving without major modifications to the shoreline, to have them included in the plan.

If projects are implemented in a manner different from the approved plan, without prior approval for the changes by the DNR Authorized Representative SH program Consultant or their appointed successors, the entire grant may be terminated and no future payments made.

Payment Schedule:

Deliverable One: The grantee or his/her authorized representative will provide on-site inspection and site specific technical expertise for up to X site plans and their associated budget to restore native vegetation on _____ Lake(s)/River(s), _____ County. The site plan consists of a map, photographs, and a written description outlining the details for a specific site, which includes the following information:

- a) Project owners name, contact information and directions to site
- b) A map showing the project size in relation to the lot size and the location of the project on the lake.
- c) A list of the species and number of plants and/or amount of seed to be planted and the source for all plants and seed.
- d) Where mulch, cover crops, and erosion control materials will be placed and what will be used.
- e) If temporary biodegradable toe protection or wave breaks are needed, where and how much will be installed and when it will be removed.
- f) A list of the amount of labor and who will provide the labor to design, install and maintain the project.
- g) A timeline for the project.
- h) Photographs of the project area.

They will also supply a signed landowner maintenance agreement form with the grantee listed as project cooperater and all necessary permits required to complete the project. The project budget will include all expenses anticipated for the project. There is an example budget spreadsheet available for review on the SH website:

http://files.dnr.state.mn.us/assistance/grants/habitat/shoreland/block_grant_budget_spreadsheet.pdf

Once the site plan, landowner agreement and budget has been reviewed and approved by _____ the authorized DNR Representative, up to a total of **\$ X** for each plan for a total of no more than **\$ X**, will be authorized for payment. John Hiebert or other authorized DNR Representative must approve any changes to this approved plan otherwise future payments will not be allowed.

Deliverable Two: The grantee or their authorized representative will successfully install up to X shoreland projects according to each of the site plans developed and approved for each specific site in deliverable one. Any variation from this approved plan without prior approval by _____ the Authorized DNR Representative will void payment for deliverable two. Once the request forms and necessary documentation has been received for each project and all the projects which are requesting reimbursement have been inspected

and approved by _____ the Authorized DNR Representative, approved expenditures up to a total of **\$ X** for each project for a total of no more than **\$ X**, will be authorized for payment. The authorized DNR Representative must approve any changes to this approved plan otherwise future payments will not be allowed.

Deliverable Three: The grantee will conduct up to **X** workshops related to restoring native vegetation on shorelines. Once the materials for the workshop have been reviewed and approved by _____ the authorized DNR Representative prior to conducting the workshop, approved expenditures up to **\$ X** per each workshop for a total of no more than **\$ X** will be authorized for payment. The authorized DNR Representative must approve any changes to the approved workshop materials and content prior to conducting the workshop, otherwise future payments will not be allowed.

At least one month prior to the end of the grant period (xx/xx/xxxxx), the grantee will provide a project summary and completed Maintenance Review Plan to the DNR Authorized Representative. The project summary will include a list of all expenses incurred, including where grant dollars were spent and what expenditures were used for in-kind. All bookkeeping requirements for this grant program will be documented using the procedures and be based on the forms located in the *Shoreland Habitat Program Financial Manual*:

http://files.dnr.state.mn.us/assistance/grants/habitat/shoreland/block_financial_manual.pdf

After the necessary forms have been received, a visit to each project site will occur to assess if the project has been properly maintained. Once each site visit is completed and the project summary and maintenance plan are approved by John Hiebert or other authorized DNR Representative, the final reimbursement of authorized project expenditures from deliverable 3 will be authorized.

Available Funds Fiscal Year xx (7/1/xx - 6/30/xx) - **\$ X**
Available Funds Fiscal Year xx (7/1/xx – 6/30/xx) - **\$ X**
Maximum Funds to be allocated to project: **\$ X**

Shoreland Habitat Program Maintenance Plan

All Shoreline Habitat Projects require some maintenance after they are completed. Because every project is unique, they may require slightly different maintenance needs. This sheet will help determine what specific maintenance activities will be needed on a project. This sheet is also an agreement between the DNR and the grantee that those needs will be carried out. Project success cannot be expected without ongoing maintenance activities being completed. The Shoreland Habitat Program can offer support and technical guidance in these ongoing maintenance activities but it is the primary responsibility of the grantee and landowner to see that these activities are carried out.

Please check (✓) the activities that will be required on your project.

First Year Activities:

_____ **Watering** - New plantings need 1 inch of water per week so if there is a lack of rain, watering your project site will be necessary.

_____ **Weeding** - Check for weeds at least once every 2 weeks. Remove weeds by hand pulling or spot treat them with herbicide if necessary. Watch for weeds especially along the edge of projects or paths.

_____ **Mowing** - On sites where seeding was the primary planting method, the site will need mowing to control weeds. Mowing should occur when weed growth reaches 10 inches and most importantly before the weeds begin to set seed. The cutting height should be set at 4 to 5 inches.

_____ **Plant Identification** - Become familiar with all new native plants on your project site. Also become familiar with weeds by obtaining a good weed identification handbook.

_____ **Mulch** - Mulch your plants as necessary throughout the season to prevent soil erosion and weed growth and to hold moisture in the soil.

_____ **Wave Breaks** - If an aquatic planting has been done in conjunction with your project make sure you maintain your wave break and fence to keep out predators to help your new aquatic plants become established.

Second Year Activities:

_____ **Dead Vegetation** – In the spring if desired, the dead vegetation may be cut back or raked. This is only necessary if the appearance of the project is a concern. Leave dead vegetation standing in the fall to act as a buffer to keep leaves from blowing in the lake. The standing dried vegetation also provides winter interest, food and cover for birds and other wildlife.

_____ **Weeding** - Conduct a thorough weeding of the site after green-up and check for weed growth at least once every three weeks. Hand pull or spot treat any weeds with herbicide if necessary.

_____ **Mowing** - If mowing is your primary weed control option raise the cutting height to 6 to 12 inches during the second year and again mow prior to any weeds setting seed.

_____ **Water** - as needed during periods of drought, making sure to provide the plants 1 inch of water per week.

_____ **Supplemental planting** can be conducted in areas with low native plant survival.

Third Year & Beyond Activities:

_____ **Spring Weeding and Standing Vegetation** - Again and every spring following, conduct a thorough weeding and cut back or rake the vegetation as desired.

_____ **Weeding** - Once a month check for weed growth and hand pull or spot treat weeds.

_____ **Supplemental planting** as necessary, continuous vegetation cover is the goal.

_____ **Project Expansion** - Consider expanding the project into new areas of the shoreline.

_____ **Dead Vegetation** - Leave dead vegetation standing in the fall.

_____ **Prescribed Burn** - After approximately 3 years or when the vegetation becomes thick enough to carry a fire you may consider burning the project. Prescribed burning is a tool that can be used for weed control, it will also help to increase flowering, seed production and germination of native plants and can reduce invasion by potentially unwanted woody vegetation. Prescribed burns may be conducted on a 3 or 4-year rotation. Please obtain the necessary permits before conducting a prescribed burn.

Monitoring

_____ The project site should be monitored every year after planting. Monitoring is recommended one hour per month through the growing season. Site monitoring should include noting successful species, weed problems, animal and human disturbances or issues and management needs. Site monitoring would ideally include written notes and photos of the site.

I have read and understand that maintenance and monitoring activities need to occur on the Shoreland Habitat Project I am responsible for and I will ensure these activities are carried out to the best of my abilities.

(Designated Grantee, landowner or cooperater) _____
Date

Shoreland Habitat Specialist _____
Date