



# Annual Pass-Through Grant Training

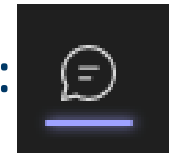
DNR Office of Management and Budget Services Grants Unit

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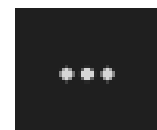


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# Presentation Structure

- This presentation is being recorded.
- We will pause for questions at the end of each section.
  - During the Q and A period you can unmute, or use the raise hand function on the reaction bar and we will call on you.
- During the presentation, you can ask questions via chat.
- The power point will be made available on our website.
- Please follow-up with your assigned Grants Specialist on any individual questions.



# Agenda

- Introduction
  - Roles of LCCMR/LSOHC & the DNR Grants Unit
- System Requirements (Q & A)
- Grant Agreement
- Grant Agreement Attachments
- Project Reimbursement (Q & A)
  - Forms
  - Documentation
  - Work Plans/Reports
- Documentation Kept on File (Q & A)
- Contact Information

The Reimbursement Manual is based on federal and state laws, and policies and procedures of the Minnesota Department of Administration's Office of Grants Management (OGM) and the Minnesota Department of Natural Resources' Office of Management and Budget Services. The Reimbursement Manual can be found on our website at:

[DNR Pass-Through Grants Website](#)

# Appropriations

- Legislative-Citizen Commission of Minnesota Resources (LCCMR)
  - Oversees projects appropriated from the Environment and Natural Resources Trust Fund (ENRTF)
- Lessard-Sams Outdoor Heritage Council (LSOHC)
  - Oversees project appropriated from the Outdoor Heritage Fund (OHF)

# Roles of LCCMR/LSOHC

- LCCMR/ LSOHC approve each project's scope of work
- LCCMR does this through the work plan
- LSOHC through the accomplishment plan
- They approve all:
  - Work or accomplishment plans and amendments
  - budget amendments
  - Status reports
  - Final Reports

# ENRTF Laws and Statutes

- Minnesota laws and statutes that pertain to ML21 ENRTF Projects
  - Land Acquisition Restrictions [M.S. 116P.15](#)
  - Real Property Interest Report [M.S. 116P.16](#)
  - DNR Commissioner Approval on all ENRTF Land Acquisitions [M.S. 116P.17](#)
  - Lands in Public Domain [M.S. 116P.18](#)
  - Appropriations M.L. 2021, 1<sup>st</sup> Special Session, [Chapter 6](#), Articles 5 and 6



# OHF Laws and Statutes

- Minnesota laws and statutes that pertain to ML21 OHF Projects
  - Outdoor Heritage Fund and the Lessard-Sams Outdoor Heritage Council Statute M.S. [97A.056](#)
  - Appropriations M.L. 2021, First Special Session, [Chapter 1](#), Article 1, Section 2

- The DNR Grants Unit oversees contract management:
  - Creates and administers grant agreements
  - Approves and monitors payments
  - Monitors grant, fiscal management and contract compliance
  - DNR Grants Unit and LCCMR/LSOHC work together to make sure project goals, contractual obligations, state laws, and reporting requirements are being met for Trust Fund and Outdoor Heritage Fund appropriations

# System Requirements

- Electronic Funds Transfer
- SWIFT e-Supplier Portal

# Electronic Funds Transfer

- The DNR prefers to make payments using electronic funds transfer (EFT) directly into the grantee's designated bank account.
- Once a payment is made to the grantee, it generally takes 2-3 business days for the funds to appear in the grantee's account.

# SWIFT e-Supplier Portal

- In order to receive payments by any method, you must have an up to date Vendor profile in SWIFT.
- Supplier Portal
- <https://supplier.swift.state.mn.us/>
- Vendor Resources
- <https://mn.gov/mmb/accounting/swift/vendor-resources/>

# Questions

# Grant Agreements

# Grant Agreements: DocuSign

- DocuSign manages electronic agreements
  - Allows us to send the agreements through email
  - Allows you to digitally sign the agreement and return it securely
- Benefits
  - Reduces the amount of time to execute the agreement
  - Eliminates the need to print and scan signed document



# Grant Agreements: Start and End Dates

- Incurring Expenses (Payment Conditions)- grantee can not incur expenses until July 1, 2021 or the date the work/accomplishment plan is approved, whichever is later
- Expiration Date - can vary depending on the following (Availability of Appropriation):
  - Project receives a federal grant
  - Acquisition-binding contract language (Outdoor Heritage Fund)
  - Restoration and Enhancement (Outdoor Heritage Fund)

# Grant Agreements: Payments

- Funds are paid on a reimbursement basis
- Payment requests should be submitted on a regular basis, at least annually
- Authorized Representative - if this changes, you must notify the state

# Grant Agreements: Subcontracting

## Subcontracting:

- NGOs must follow the State's procurement policy or have their own policy approved by the DNR.
- Municipalities must follow [Uniform Municipal Contracting Law](#).
- The subcontract agreement must contain all applicable provisions of the grant agreement the Grantee has with the state

# Grant Agreements: Acknowledgement

- Appropriation recipients must acknowledge financial support from the funds in program publications, signage, and other public communications and outreach related to work completed using the appropriation



# Grant Agreements: Compliance

- Monitoring
  - At least one monitoring visit per grant period on all state grants of over \$50,000 will be conducted and at least annual monitoring visits on grants of over \$250,000 ([OGM Policy 08-10](#))
- Grantee must comply with the most current versions of:
  - Attachment D (Reimbursement Manual)
  - Attachment E (Land Acquisition Requirements)
  - [DNR Pass-Through grants Forms page](#)
- Audit
  - Grant documentation is subject to a state audit for six years following the grant expiration date ([M.S. 16B.98, Subd. 8](#))

# Questions

# Grant Agreement Attachments

# Agreement Attachments

## Grant Agreement Attachments

- Attachment A-Initial Approved Work/Accomplishment Plan
- Attachment B- Non-Governmental Organization Subcontracting (if applicable)
- Attachment C- Conflict of Interest Disclosure
- Attachment D- Reimbursement Manual
- Attachment E- Land Acquisition Reporting Procedures



## Attachment A- Initial Approved Work/Accomplishment Plan

- Initial work/accomplishment plan associated with your grant agreement as approved by the LCCMR/LSOHC

[LCCMR Website](#)

[LSOHC Website](#)

# Subcontracting Policy

- Attachment B- Non-Governmental Organization Subcontracting (if applicable)
  - NGOs must follow the state's subcontracting policy or you can choose to follow an alternate policy that must be approved by the DNR Grants Unit
  - Municipalities are exempt from Attachment B
  - [Non-Governmental Organization Subcontracting Form \(Attachment B\)](#)

## Attachment B- Non-Governmental Organization Subcontracting (if applicable)

- Subcontractors include other organizations and/or businesses that perform services identified in the work/accomplishment plan
- Vendors provide supplies or materials to the project
  - Both must be selected based on contracting/purchasing procedures outlined in the current reimbursement manual
  - Transparency, fiscal control and accountability are key reasons why the State requires grantees to be thorough in the solicitation and selection of subcontractors and vendors

# Solicitation and Selection #1

The following guidelines should be used by NGOs if they intend to follow the DNR's procurement guidelines:

- Any services and/or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process. Grantees must use a Request for Proposal (RFP)/Request for Quote (RFQ) process to competitively select professional and technical services
- Any services and/or materials that are expected to cost between \$25,000 and \$99,999 must be scoped out in writing and offered to a minimum of three (3) bidders.
- Any services and/or materials that are expected to cost between \$10,000 and \$24,999 must be competitively bid based on a minimum of two (2) verbal quotes.

## Solicitation and Selection #2

- Support documentation of the bidding process utilized to contract services must be included in the grantee's financial records.
- Grantee must take all necessary affirmative steps to assure that targeted vendors for businesses with active certifications are used.
- Grantee must verify the vendor/subcontractor is not on the State's debarment list: [Debarment List Website](#)

# Solicitation and Selection #3

Single/sole source contracts: It is the policy of the State of Minnesota (Policy 08-07: Single and Sole Source Contracts) that grants are to be competitively awarded as much as possible.

- Single and sole source contracts are to be used when only one entity is reasonably able to meet a grant's intended purpose and objectives, due to their geographic location, specialized knowledge, relationships or specialized equipment.
- The following template should be used: [Grant Single Source Justification Form](#).
- The Grantee should send in their signed form to the State's authorized representative for consideration of approval. If approved, the Grantee must keep the executed copy on file.

# Subcontracting Policy: Municipalities

Per [Minnesota Statute 471.345](#), **municipalities** as defined in Subd. 1 must follow that Uniform Municipal Contracting Law if contracting funds from this grant contract agreement for any supplies, materials, equipment, or the rental thereof, or the construction, alteration, repair, or maintenance of real or personal property.

# Prevailing Wage and Subcontracting

- **What is prevailing wage?**

- Prevailing wage is the minimum hourly wage employers must pay certain workers who work on construction projects funded with state dollars. The prevailing wage includes the employer's cost of benefits.

- **What types of construction projects require workers to be paid prevailing wage?**

- Any construction project funded in whole or in part by state funds. For example, state-funded projects can be projects to construct highways, roads, wastewater treatment plants, public utilities, colleges, schools, or park and recreation improvements.

- **Prevailing wage is determined by the type of work being done and with what equipment, not the nature of the project.**

- **Who decides the prevailing-wage rate?**

- The Minnesota Department of Labor and Industry (DLI), sets the prevailing-wage rates to be comparable to wages paid for similar work in the county where the construction project is located. These are called the "certified" prevailing-wage rates.



# How does this affect me as a Grantee?

- Work with DLI to determine what tasks will need to be documented and what classification or rate assignment will be used.
- A prevailing wage contract clause must be included in RFPs/bidding documents so a potential bidder knows they must use prevailing wage for that project. The Grantee must verify using the winning bid satisfies prevailing wage requirements.
- If prevailing wage applies, grantees are required to collect timesheets from contractors using DLI's certified payroll form verifying that prevailing wage was used.
  - If you as the Grantee do not check for your subcontractors compliance, you could be held liable for any additional funds paid to affected workers.

**For more information on prevailing wage please contact the Minnesota Department of Labor and Industry at [dli.prevwage@state.mn.us](mailto:dli.prevwage@state.mn.us) or [651-284-5091](tel:651-284-5091).**

# Attachment C: Conflict of Interest

## Attachment C- Conflict of Interest Disclosure

- Grantee must maintain a conflict of interest policy throughout the term of the grant agreement
- Transparency is critical in dealing with all forms of conflict of interest.

### Types of Conflicts of Interest

- **An actual conflict** of interest occurs when a decision or action would compromise a duty to a party without taking appropriate action to eliminate the conflict.
- **A potential conflict** of interest may exist if a member of an organization has a relationship, affiliation, or other interest that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations, or interests

# Conflict of Interest Definitions

- **Individual conflict** of interest that may benefit an individual employee where actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a friend, relative, acquaintance or business or organization with which they are involved.
- **Organizational conflict** of interest occur when: A grantee is unable or potentially unable to render impartial assistance or advice due to competing duties or loyalties; objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties; grantee creates an unfair competitive advantage in hiring for professional services or purchasing supplies or equipment by furnishing unauthorized proprietary information or source selection information that is not available to all competitors and create a path to one or a few.

## Attachment D- Reimbursement Manual

[Link to Reimbursement Manual](#)

- Changes In This Version From Last Year
- All requests and support documentation submitted electronically

# Attachment E: Land Acquisition Reporting

## Attachment E- Land Acquisition Reporting Requirements

- Required documentation for land acquisitions
- Use the most recent July 2021 version
- Link to Attachment [E-ENRTF](#)
- Link to Attachment [E-OHF](#)

# Land Acquisition Requirements #2

## Attachment E: Trust Fund

- Acquisitions specifically identified in appropriation law are not subject to commissioner approval. All other ENRTF acquisitions require completion of the Commissioner Approval Form prior to purchase.
- Appropriation recipients must submit the most recent tax assessed value, most recent tax statement of the real property, and the amount the recipient plans to offer for the interest in real property to LCCMR and the commissioner of natural resources at least 30 business days prior to acquiring an interest in real property with an appropriation from the Trust Fund
- The Recipient will not be entitled to use funds available under this agreement (alone or in combination with other funds) for a land purchase price in excess of the appraised value. Up to 110% of appraised value may be approved following review by the LCCMR.

# Land Acquisition Requirements #3

If an acquisition requires preliminary work performed by the DNR such as an appraisal review, it is important that a Use of Funds Letter is submitted well in advance and that funding is available in the “DNR Land Acquisition Costs, DNR IDP (OHF)” or “Professional Services for Acquisition, DNR IDP (ENRTF)” line item of the approved work/accomplishment plan

# Land Acquisition Requirements #4

- Please contact your grants coordinator 30 days prior to the acquisition date to make them aware of the upcoming closing
- All pre-closing documentation that is required per Attachment E must be submitted **at least** 30 business days prior to close to ensure the documents can be reviewed and the payment can be delivered
- Funds can be electronically transferred through SWIFT into the banking account that you designated one to two days prior to closing



# Land Acquisition Requirements #5

- All parcels that are being acquired must be listed in the most current, recently approved work/accomplishment plan for payment to occur
- For appraisal related questions, please contact the DNR's [Appraisal Management](#) Appraisal Coordinator Greg Heyblom at 218-231-8451.

# Questions

# Project Reimbursement

# Project Reimbursement Overview

- Reimbursement Request
- Reimbursement Documentation

# Eligible Expenses

- The expenses are incurred within the grant period
- Expenses are in the approved work/accomplishment plan
- Each expense must be direct and necessary to the project
- For questions regarding the eligibility of expenses, please contact your Grants Specialist.

# Reimbursement Request

- The Reimbursement request has four parts:
  - **Section 1:** Project Reimbursement Payment Request Form
  - **Section 2:** Reimbursement Spreadsheets
  - **Section 3:** Project Activity Summary Excel Spreadsheet
  - **Section 4:** Reimbursement Documentation
- These documents are provided with the Reimbursement Manual and online

# Reimbursement Payment Request Form

**Section 1:** Required for all payment requests including acquisition. The form must be signed and dated by someone who is authorized to submit reimbursement payment requests on behalf of your organization.

We encourage you to sign all request forms digitally. You can use Adobe certified signatures or another digital medium. We will review your form and also sign digitally.

We are only accepting requests for reimbursement **electronically**, please do not send regular mail to the DNR.

+

Voucher Number (DNR only):

 DEPARTMENT OF NATURAL RESOURCES

Project Reimbursement Payment Request Form

Grantee Information

Fund LSOHC or LCCMR:
Grantee:
Grantee Remit to Address:
Project Name:
Appropriation citation:
SWIFT PO Number:
Request Number:
Period for which funds are being requested:
Amount of Request:
Final Request Yes or No:

I certify that I am authorized to request funds, and that all services rendered, materials purchased, and expenditures reported are as shown in the attached reimbursement forms. I certify that the expenditures reported have been incurred, are not being reimbursed from another source, and were used exclusively for this project. All original documentation is retained by the grantee in the form of invoices, proof of payment, and signed time records. Copies of these supporting documents are attached as required by State grant management policies.

Signature Block

Grantee Authorized Signature:
Printed name:
Date:
Phone Number:
Email:

FOR DNR USE ONLY

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Dollar amount reimbursement approved for:	Date Received:
	Second Review:
DNR Staff Name:	DNR Staff Name:
Title:	Title:
Date:	Date:      Ok to pay   Y/N

# Reimbursement Spreadsheet

**Section 2:** The starting budget must be reflected in the latest approved Work/Accomplishment Plan. Only approved budget items are eligible for reimbursement.

Attachment A. Budget Spreadsheet

**Section 2 - Reimbursement Spreadsheet**

See Instruction at bottom of page

Grantee: \_\_\_\_\_  
 Project Title: \_\_\_\_\_  
 Legal Citation: \_\_\_\_\_  
 Period Covered by Request: \_\_\_\_\_  
 PO Number: \_\_\_\_\_  
 Request #: \_\_\_\_\_  
 Total Amount Awarded: \_\_\_\_\_

*Budget (All LSOHC Funds must be direct to and necessary for program outcomes.)*

Budget Item	A. LSOHC Approved	B. Total Reimbursed as of Last Request	C. Beginning Balance (A-B)	D. Current Invoice	E. Ending Balance Including Current Request (C-D)	F. Total Reimbursed Including Current Request (B+D)
Personnel		\$0.00	\$0.00		\$0.00	\$0.00
Contracts		\$0.00	\$0.00		\$0.00	\$0.00
Fee Acquisition w/ PILT (breakout in table 6 & 7)		\$0.00	\$0.00		\$0.00	\$0.00
Fee Acquisition w/o PILT (breakout in table 6 & 7)		\$0.00	\$0.00		\$0.00	\$0.00
Easement Acquisition		\$0.00	\$0.00		\$0.00	\$0.00
Easement Stewardship		\$0.00	\$0.00		\$0.00	\$0.00
Travel (in-state)		\$0.00	\$0.00		\$0.00	\$0.00
Professional Services		\$0.00	\$0.00		\$0.00	\$0.00
Direct Support Services		\$0.00	\$0.00		\$0.00	\$0.00
DNR Land Acquisition Costs		\$0.00	\$0.00		\$0.00	\$0.00
Capital Equipment		\$0.00	\$0.00		\$0.00	\$0.00
Other Equipment/Tools		\$0.00	\$0.00		\$0.00	\$0.00
Supplies/Materials		\$0.00	\$0.00		\$0.00	\$0.00
DNR IDP		\$0.00	\$0.00		\$0.00	\$0.00
<b>Total</b>	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00



- Please make sure the spreadsheet is formatted to include cents (e.g. \$1,110.15 vs. \$1,110.)
- Overspending in budget line item by 10% is allowed for LSOHC projects. Anything over 10% requires a budget amendment.

# Project Activity Summary Spreadsheet

**Section 3:** Provides a detailed summary of all reimbursement request items. This document aids both the grantee and state in tying all requested expenses to the project's work/accomplishment plan with each reimbursement request.

	<b>Grantee: Northern Conservation</b>	<b>PO # 1234</b>	
	<b>Request Number: 9</b>	<b>Date Range:</b>	
		4/1-4/5/16	
<b>Transaction</b>	<b>Description- ie. vendor, contractor, restoration site location, ect.</b>	<b>Category</b>	<b>Requested Amount</b>
4/1/16	Johnson Nursery - Seeds for Lafayette Park	Supplies	4,265.31
4/1/16	Johnson Nursery - Mulch for Spring Park	Supplies	2,039.07
4/5/16	Restoration Inc. - Herbicide application, Lafayette Park	Contract	3,600.00
4/5/16	Resoration Inc - Burn for Spring Park	Contract	7,430.00
	Total		17,334.38
	Personnel		0.00
	Contracts		11,030.00
	Supplies		6,304.38
	Travel		0.00
	Total Req 9		17,334.38

# Documentation Requirements

- Grantees with a history of clean reimbursement requests (at least four over a six month period) and no findings on their most recent monitoring will not have to send in receipts for equipment, supplies, and travel with your reimbursement payment requests.
- You will need to keep all of this information on file and we will select a reimbursement at monitoring for you to produce all receipts of that request.
- You will still need to list every expense on your Project Activity Excel sheet

# Still needed documentation at every request

You will still send in invoices/receipts/other proof of expenses in these categories with payment requests:

- Contracts
- Land Acquisition
- Capital Equipment
- Expenses over the bidding threshold in all categories.
- Personnel time sheets

# Reimbursement Documentation-Expenses

The following information must be added to (or written on) the copies of receipts, invoices, time records or other documentation:

- Budget item category the expense is being posted to such as personnel, equipment, travel, etc.
- If the documentation has expenses for more than one activity and/or budget item, please indicate which items are being posted to which activities.
- Please get itemized receipts for meal purchases and follow the Commissioner's Plan

# Reimbursement Documentation-Expenses #2

- If the documentation has non-project expenses on it, be sure to identify the expenses being posted to the project along with the activity and budget item
- Check number or payment number used to pay for receipt, invoice, or payroll. Number should match with bank statement or other proof of payment
- All invoices must state the dates that the services were performed and those dates must fall within the project period in order to be eligible for reimbursement.
- Records for grantee-owned equipment used on a project must include the time actually used for the project and the computation used to arrive at the charged use rate. Use rates are subject to review by DNR.

# Materials and Services #1

Materials and services purchased by the grantee to achieve outcomes/activities stated in the work/accomplishment plan are eligible project expenditures

- Typical examples of material/service purchases include hardware, paint, lumber, sand/gravel, concrete, landscape materials, signs, design/engineering services and subcontractor services.
- Professional service rates require written documentation to justify the reason for the rate, how it was calculated, and the services included in the rate.

# Materials and Services #2

- An invoice must be obtained from the vendor to provide evidence of the sale/service whenever the grantee purchases materials or services.
- The invoice and the copy sent in with the reimbursement request must be legible and include the following items:
  - Name and address of the vendor
  - Date the item or service was purchased
  - Date the service was performed
  - Quantity of item(s) purchased or hours worked
  - Description of item(s) or services purchased
  - Unit price/Prorate if need be
  - Total amount of each line item



# Reports and Work Plans

- Status Reports are typically due to the LCCMR and LSOHC on a semi-annual basis. Due dates are specified in each Work/Accomplishment Plan.
- The State may withhold payments for projects with past due Status Reports.
- Final reimbursement request payments will be paid when the Final Report has been submitted and approved by LCCMR or LSOHC staff.

# Payment Information

- Grantees should expect payment within 30 days of the DNR receiving a reimbursement request as long as all the proper documentation has been submitted.
- If you have a land closing, funds will be paid prior to a land acquisition as a transfer of funds to your account one day prior to closing.

# Reimbursement Submission Recap

- Send one copy of the Reimbursement Request by mail or email to your assigned DNR Grants Specialist. Required items:
  - Reimbursement Payment Request Form
  - Reimbursement Spreadsheet
  - Project Activity Summary Spreadsheet
  - Supporting documentation (receipts, invoices, etc.)
  - Proof of payment not submitted with reimbursement request. Keep on file.
- In the event of an overpayment, the Grantee must immediately notify their Grants Specialist.

# Documentation Kept on File for Monitoring & Audit

- Proof of payment
  - Copies of cancelled checks
  - Electronic bank statements
  - Copy of bank statement with photocopy of check
- Contracting/purchasing bidding documentation
- Organization Conflict of Interest Policy
- Prevailing wage documentation, if applicable
- Receipts/Invoices if you qualify for reduced documentation reimbursement procedure

# Questions

**Katherine Sherman-Hoehn - Grants Manager/State Authorized Representative**

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