

# Parks and Trails Legacy Grant Program

## Program Manual



*New accessible trail at Bend in the River Regional Park, Benton County*



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## I. INTRODUCTION

The Greater Minnesota Regional Parks and Trails Commission (GMRPTC) has recommended your project for funding from the Minnesota Parks and Trails Legacy Fund. Eligible project components and costs have been determined as part of your application and approval process through the GMRPTC.

The contracts will be administered by the Minnesota Department of Natural Resources (DNR) through the Parks and Trails Legacy Grant Program under MN Statutes [85.535](#) in accordance with all applicable laws and State Office of Grants Management policies. The application received and recommended by the GMRPTC will be incorporated into the final application needed by the DNR to process a grant contract for your project. A grant contract cannot be executed until we have a complete application with all required documentation listed in Section III below.

**Do not incur any project costs until after a grant contract has been fully executed for your project.** Any project costs incurred prior to the start date of the grant contract will not be eligible for reimbursement or match. Projects involving ground-disturbing development may not begin until the State Historic Preservation Office (SHPO) has issued a letter stating no historical/archeological resources will be harmed by the project and all other environmental documentation has been received. It is recommended that a consultation with relevant Tribal Historic Preservation Offices is done to assess cultural resources that may be on site.

Payment of grant funds to the Grantee is by reimbursement only. The Grantee must initially pay project expenses which are then reimbursed under the terms of the grant contract. Ten percent of the grant funds will be retained until a final inspection has been completed and/or final documentation received. A Parks and Trails Legacy Reimbursement Manual with forms and instructions will be provided to you to request reimbursement of your grant.

Funding for these grants is provided through the state Parks and Trails Fund, which constitutes a portion of the dedicated sales tax revenue resulting from the Clean Water, Land and Legacy Amendment approved by voters in 2008. **The dedicated money under this amendment must supplement traditional sources of funding for these purposes and may not be used as a substitute.**

## *II. PROGRAM REQUIREMENTS*

### LAND RETENTION & USE REQUIREMENT

**The grant contract will require all lands acquired and facilities developed with assistance from the MN Parks and Trails Fund be retained and operated solely for outdoor recreation.**

For Trail Projects: Developed land must be retained and operated for outdoor recreation and available for use to the general public for a minimum of 25 years. Acquired lands must be retained for outdoor recreation in perpetuity and a condition of this requirement must be recorded with the deed using language provided in the grant contract.

For Park Projects (Including acquisition and/or development): All land within the project boundary must be retained and operated for outdoor recreation in perpetuity and a condition of this requirement must be recorded with the deed using language provided in the grant contract. This boundary must include all contiguous lands currently owned by the applicant and managed for public recreation and any additional land to be acquired with this grant.

## **AMERICANS WITH DISABILITIES ACT**

Grantees must comply with the Americans with Disability Act (ADA) and the standards and guidelines listed below. In addition, all critical components must be made accessible even if they are not part of this proposal. Critical components include parking, restroom, drinking fountains and accessible routes to all facilities. This program requires all facility access routes to be a minimum of 5 feet wide.

The following documents are available from the [U.S. Access Board](http://access-board.gov) at [access-board.gov](http://access-board.gov).

1. [ADA Standards for Accessible Design, 2010](#)

(For local government facilities and certain recreation facilities including playgrounds, recreational boating facilities, and fishing piers)

2. [Final Accessibility Guidelines for Outdoor Developed Areas September 26, 2013](#)

(For outdoor developed areas such as campgrounds, picnic areas, trails, and beaches)

## **REPORTING**

It is GMRPTC policy to monitor progress on state grants by requiring grantees to submit written progress reports approximately every six months until all grant funds have been expended and all of the terms in the grant contract have been met. A progress report form will be provided by GMRPTC staff and shared with the DNR grant manager.

DNR also requires annual status reports. Your DNR grant manager will send a template to be completed. Grant payments shall not be made on grants with past due progress reports unless program staff have given the grantee a written extension.

## **MONITORING**

It is State of Minnesota policy to conduct at least one monitoring visit per grant period on all state grants of over \$50,000 and to conduct at least annual monitoring visits on grants over \$250,000.

Periodic post-completion inspections may be conducted to ensure that the site is being properly operated and maintained and that no conversion of use has occurred. A conversion of use is when parkland is used for non-outdoor recreation purposes.

## **CONFLICT OF INTEREST**

It is State policy to deliberately avoid actual or potential conflict of interests related to grant-making and grant administration at both the individual and organizational levels.

A conflict of interest occurs when a person has actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A conflict of interest exists even if no unethical, improper, or illegal act results from it.

- **Actual Conflict of Interest**  
An actual conflict of interest occurs when a person's decision or action would compromise a duty to a party without taking immediate appropriate action to eliminate the conflict.
- **Potential Conflict of Interest**  
A potential conflict of interest may exist if a person 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.

### Organizational Conflict of Interest

A conflict of interest can also occur with an organization that is a grant applicant in a competitive grant process or grantee of a state agency.

Organizational conflicts of interest occur when:

- A grantee's objectivity in carrying out the grant is impaired or compromised due to competing duties or loyalties
- A grantee, potential grantee or grant applicant has an unfair competitive advantage through being furnished unauthorized proprietary information or source selection information that is not available to all competitors.

The grantee must maintain an adequate Conflict of Interest Policy and, throughout the term of the contract, monitor and report any actual or potential conflicts of interest to the State. Grantees are expected to follow their own documented conflict of interest policy and procedures. Grantees will confirm compliance with this policy with the execution of the grant contract.

## **CLOSEOUT PROCEDURES**

Upon completion of your project, a final reimbursement must be submitted to our office. Program staff and GMRPTC staff will complete an on-site final inspection. The inspection will ensure that the project was completed in accordance with the grant contract, that facilities developed are accessible and a funding acknowledgment sign is installed. Prior to final reimbursement of your grant and official closeout notification of your project, any problems that are revealed during the final inspection must be corrected and/or all final documentation has been received and approved including a copy of the recorded deed restriction, if applicable.

All expenditures are subject to verification by an independent state audit and, therefore, you must retain all project records for a period of at least six years after you receive the official closeout notification letter.

## **ACKNOWLEDGEMENT SIGN**

All projects acquired or developed with assistance from this program must display a state-approved funding acknowledgment sign in a prominent location at the main entrance to the park or trail. The grant program staff will provide the specific sign information. A Greater Minnesota Regional Parks and Trails acknowledgement sign is also required to be posted. This sign will be provided by GMRPTC at no charge.

## **AVAILABILITY OF USERS**

Public property, facilities and programs that receive state assistance and future development of a site that has received state assistance shall be open to entry by all persons regardless of race, color, national origin, religion or sex. No person shall, on the basis of disability, be excluded from participation in any program or activity receiving state assistance. Finally, discrimination on the basis of residence, including preferential reservation, membership or annual permit systems is prohibited except to the extent that reasonable differences in admission and other fees may be maintained on the basis of residence. Fees charged to non-residents cannot exceed twice that charged to residents and must be comparable to fees charged at other state or local facilities. Any campground or marina facilities funded by this grant program should be operated in conformance with the [Campground/Marina Rental Policy](#), MN DNR Recreation Grant Programs. This policy is available on the program web page.

## **INELIGIBLE EXPENSES**

Ineligible park facilities, amenities and costs are items that may not be funded by a GMRPTC grant, including local match. Ineligible expenses include, but are not limited to:

- ❖ Construction of any facility on land not owned by the grantee. Construction of a trail not having a minimum 25-year lease agreement
- ❖ Construction of ballfields, rinks swimming pools, courts or soccer fields
- ❖ Construction projects within state parks, state recreation areas and state trails
- ❖ Administration expenses – examples include:
  - Appraisals
  - Closing Costs
  - Boundary Surveys
  - Wetland surveys and wetland credits
- ❖ Design and engineering expense in excess of 10% for park projects and 20% for trail projects
- ❖ Acquisition of land already in public ownership
- ❖ Advertising expenses for bids and project management
- ❖ Any expenditure that occurs outside the dates of the grant contract
- ❖ Bad debt, interest or contingency funds
- ❖ Concession only buildings
- ❖ Condemnation costs

- ❖ Decorative fountains, statues and plaques
- ❖ Dredging, water impoundments and dams
- ❖ Entertainment or gifts
- ❖ Facilities not available for public use
- ❖ Fundraising
- ❖ Golf courses
- ❖ Improvements to highways or roadways, including but not limited to lighting, striping on street/road routing and shoulder work
- ❖ Indoor recreational facilities
- ❖ Insurance
- ❖ Invasive species removal, woodland management, or prairie restoration, unless incidental to another project component
- ❖ Legal fees
- ❖ Lobbyists or political contributions
- ❖ Maintenance equipment
- ❖ Memberships
- ❖ Non-permanent infrastructure (i.e. portable snow guns)
- ❖ Office rental costs and overhead
- ❖ Overhead
- ❖ Press boxes
- ❖ Rental facilities (including campsites, camper cabins, boat slips/moorings, etc.) may be no more than 20% seasonal rental. If the facility exceeds 20% overall, no new Legacy-funded amenities of that type may be seasonal.
- ❖ Volunteer or donated labor
- ❖ Wages and expenses of grant recipient's employees

### ***III. PROJECT REQUIREMENTS***

The following items will need to be completed, if applicable, prior to a grant contract being executed.

#### **1. PRE-AWARD RISK ASSESSMENT**

Grantees are required to submit the Pre-award Risk Assessment Questionnaire and organizational chart prior to grant contract. This form will be provided to you by GMRPTC. Additional financial documents may be requested by your DNR Grants Manager, as required.

#### **2. MINNESOTA HISTORICAL SITES ACT AND MINNESOTA FIELD ARCHAEOLOGY ACT REVIEW: ALL PROJECTS**

For all projects prior to receiving a grant contract, the State Historic Preservation Office (SHPO) must be contacted to review your project to determine if the site is a potential location for historical or archeological findings. If SHPO determines that a survey is required, the survey will need to be completed prior to any site disturbance for development projects and prior to the final reimbursement of the grant funds for acquisition projects.

For review of your project, complete and send the [Request for Project Review form](#) and required documentation directly to SHPO:

Please submit materials to [ENReviewSHPO@state.mn.us](mailto:ENReviewSHPO@state.mn.us) with cover letter and attachments, preferably in a single PDF. Please include valid return email address for recipient of SHPO response letter. **Copy your DNR grant manager.** Expect the review to take at least 2 months to complete.

**Submit a copy of the SHPO response letter to your DNR grant manager.**

#### **3. NATURAL HERITAGE INFORMATION SYSTEM REQUEST: ALL PROJECTS**

Review of your project by the Natural Heritage Review Team is required to determine if there are any state-listed endangered, threatened, or special concern species; rare plant communities, or other rare or sensitive ecological resources that may be affected by the project. All requests for a Natural Heritage Review should now be submitted through the [Minnesota Conservation Explorer \(MCE\)](#). Please click on the Help Tab for instructions.

**Submit a copy of the response to your DNR grant manager.** If a review has been completed for a prior project on this property within the last year, you may submit the previous letter and reports.

#### **4. WATER AND WETLANDS PERMITS: ALL PROJECTS**

Development or alteration of shoreline adjacent to rivers, streams, lakes, and other public water bodies and wetlands may require written permits. Evidence of compliance with water and wetland regulations must be **submitted to the DNR grant manager** including a determination

whether a permit is required for your project. This [link](#) will provide general information related to permit requirements.

Submit a copy of the letter of determination if permits are required or not for your project.

If a permit is required, this [link](#) will take you to an online joint application process when DNR, Board of Water and Soil Resources and U.S. Army Corp of Engineer permits are needed.

## 5. ENVIRONMENTAL ASSESSMENT STATEMENT (EAS) CHECKLIST: ALL PROJECTS

Completion of an Environmental Assessment Statement (EAS) is required for every project. The EAS will provide information necessary to determine the impacts of the project, if any, on the environmental and cultural resources of the area. The required form will be provided to you by your DNR Grant Manager.

## 6. MN ENVIRONMENTAL QUALITY BOARD (EQB) REVIEW RULES: TRAIL PROJECTS ONLY

Projects need to be evaluated for applicability of environmental review under Minnesota Rules, Chapter 4410. Mandatory EAW categories are described at Minnesota Rules [4410.4300](#). Exemptions from environmental review are described at Minnesota Rules [4410.4600](#). In addition, an EAW is warranted when a project is not exempt under part 4410.4600, and when a governmental unit with approval authority over the proposed project determines that, because of the nature or location of a proposed project, the project may have the potential for significant environmental effects, either in response to a petition or otherwise (MN Rules [4410.1000](#), Sub. 3A).

A letter from the local RGU (responsible governmental unit) officially making the determination that your project can proceed and is compliant with all EQB rules is required. This letter must identify which exemption(s) apply, how your project qualifies for this exemption(s), and how this determination was made. **Please note, the MN DNR is not the RGU for these grant projects.**

## 7. LAND APPROVAL CERTIFICATION: TRAIL PROJECTS ONLY

A Certification Form must be signed by all administrators of public land crossed or utilized by the trail project providing approval of the trail proposal and agreeing to provide assistance to seek formal authorization. If a lease, permit, or easement is required, the terms must be for a minimum of 25 years. The Certification Form will be provided by your DNR Grant Manager.

## 8. CAMPGROUND PLAN APPROVAL: CAMPGROUND PROJECTS ONLY

Campgrounds must comply with state laws and rules set by the Minnesota Department of Health. A summary of these requirements is available at [Summary of General Requirements for Recreational Camping Areas](#). You must submit plans to, and receive approval for the development of a recreational camping area from, the Minnesota Department of Health or your

local health authority before construction begins. Upon completion of the campground, a license application, license fee and inspection by the area health inspector is required. A copy of the license must be submitted with your final payment request.

## ***IV. TRAIL DESIGN REQUIREMENTS***

All paved multi-use bicycle/pedestrian trails must have a paved surface of at least 10 feet in width to be considered for funding through this program. Very short distance exceptions might be allowed on a case-by-case basis (e.g. 20-30 feet).

Bicycle trails are required to conform to the recommendations contained within the 2007 “[Minnesota Bikeway Facility Design Manual](#)” developed by the Minnesota Department of Transportation (MnDOT), with the exception that all paved bicycle trails must be 10 feet wide versus the minimum 8 feet wide mentioned in the MnDOT manual.

For other uses, applicants must follow the “[Trail Planning, Design, and Development Guidelines](#)” developed by the Minnesota Department of Natural Resources – Parks and Trails Division.

Applicants are also encouraged to follow recommendations made in “[Designing Sidewalks and Trails for Access, Part II of II: Best Practices Design Guide](#)” produced by the Federal Highway Administration.

When developing natural surface trails, applicants are encouraged to follow principles outlined in “[Trail Solutions: IMBA’s Guide to Building Sweet Single Track.](#)”

When developing mountain bike trails, applicants are encouraged to follow the “[Mountain Bike Trail Development: Guidelines for Successfully Managing the Process](#)”, developed by GMRPTC, Rock Solid Trail Contracting, and the International Mountain Bicycling Association.

## DNR Requirements for All Outgoing Grants

**Effective Date: January 31, 2026.**

The following policies apply to all DNR grants, except where specifically noted. These requirements are in addition to requirements in program-specific manuals. In case of any conflicts with an existing grant program manual, the stricter document will control.

Questions about these requirements should be directed to the grant specialist for your grant program. Questions may also be directed to [GrantsTeam.DNR@state.mn.us](mailto:GrantsTeam.DNR@state.mn.us). When sending an email to this address, please include information on your grant funding source, program, and question.

### Admin's Office of Grants Management (OGM) Policies

Under [Minn. Statutes, section 16b.97 subd. 2](#), the Minnesota Department of Administration (Admin) is required to create general grants management policies and procedures applicable to all state agencies. Admin's OGM implemented grant policies for the State of Minnesota. Please review [OGM grant policies](#) (select the Current Policies tab). Information especially relevant to grantees is summarized below. Unless otherwise noted, these policies do not apply to bonding grants and grants under [Minn. Statutes section 16A.86](#) or [section 16A.642](#).

### Grants Conflict of Interest (OGM Policy 08-01)

All grantees must sign a conflict-of-interest disclosure form or certify they will disclose conflicts of interest when signing their grant agreements/GANs. Grantees must also maintain a written standard of conduct covering conflicts of interest and governing the actions of its employees or board members engaged in the selection, award, and administration of contracts. State staff may request this written standard when conducting grant monitoring activities or if otherwise relevant. These requirements apply to all grants, including bonding grants and grants under Minn. Statutes section 16A.86 and section 16A.642.

OGM Policy 08-01 states that a conflict of interest occurs "when a person has actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A conflict of interest exists even if no unethical, improper, or illegal act results from it." Per the OGM policy, there are several types of conflicts of interest:

#### Actual Conflict of Interest

An actual conflict of interest occurs when a person's decision or action would compromise a duty to a party without taking immediate appropriate action to eliminate the conflict.

## Potential Conflict of Interest

A potential conflict of interest may exist if a person 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 interest.

## Individual Conflict of Interest

A conflict of interest that may benefit an individual employee or a grant reviewer is any situation in which their judgement, actions, or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to an immediate family member, business, or organization with which they are involved.

## Organizational Conflict of Interest

A conflict of interest can also occur with an organization that is a grant applicant in a competitive grant process or grantee of a state agency. Organizational conflicts of interest occur when:

- A grantee's objectivity in carrying out the grant is impaired or compromised due to competing duties or loyalties
- A grantee, potential grantee, or grant applicant has an unfair competitive advantage through being furnished unauthorized proprietary information or source selection information that is not available to all competitors.

## Use of Grant Contract Agreements and Grant Award Notifications (GAN) (OGM Policy 08-04)

All grants need a written grant contract agreement or Grant Award Notification (GAN). State agencies cannot award a grant to a grantee that is on either the [suspension or debarment lists for the state of Minnesota](#) or the federal government. If a grantee becomes suspended or debarred, that may be cause for the State to cancel their grant.

Grant agreements/GANs must contain a provision for the grantee to clearly post on the grantee's website the names and contact information for the grantee organization's leadership and the person(s) who directly manages and oversees the grant.

A fully executed copy of the grant agreement or GAN and all relevant records must be kept on file for a minimum of six years from the end date, receipt, and approval of all final reports, OR the period of time required to satisfy all state and program retention requirements, whichever is later.

Grantees must complete work in accordance with the terms and conditions of their grant agreement/GAN. Work not covered under the grant agreement/GAN will not be reimbursed without a prior amendment request.

## Public Questions and Comments Concerning Fraud and Waste in State Grants (OGM Policy 08-05)

OGM will serve as the central point of contact for questions and comments about fraud and waste in state grants and about the violation of statewide grants policies. OGM will also respond to other public questions and concerns about state grants.

## Grant Payments (OGM Policy 08-08)

State agencies may not issue grant payments until the funds are encumbered, and the grant agreement is fully executed, or the GAN is completed.

Reimbursement is the State's preferred method for making grant payments. DNR grants operate on a reimbursement basis, unless the grant agreement/GAN contains explicit language specifying otherwise.

Grantee reimbursement requests must correspond to the line items in the approved grant budget. Grant managers must review each reimbursement request against the approved grant budget, grant expenditures to date, and the latest grant progress report before approving payment. If grant managers see a discrepancy or have any questions about reimbursement requests and/or related documentation, they will follow up with the grantee.

Any deviation from this policy must be approved by the Agency Wide Grants Manager prior to signing a grant agreement/GAN and must be in accordance with state laws and OGM policies.

Grants in which the payment terms are defined in statute are not covered by this policy.

## DNR Reimbursement Procedures

- Grantees must pay for project expenses before seeking reimbursement from the grant and should only request reimbursement for paid expenses. Expenses are reviewed and those deemed eligible are then reimbursed under the terms of the agreement/GAN with the State of Minnesota.
- Grantees are not allowed to request reimbursement for invoices from a vendor that have not yet been paid by the grantee. Please also see the Proof of Payment section below.
- Grantees can expect to be reimbursed within 30 days of the DNR receiving a complete and accurate reimbursement request. If documentation to process the request is missing, or the request has discrepancies or incorrect information, the 30-day clock does not start until all necessary information has been submitted to the DNR and the request has been deemed complete and whole.
- The DNR will pay final reimbursement when the state determines that the grantee has satisfactorily fulfilled all the terms of their grant agreement/GAN, unless a grant term is altered or excluded by the DNR in writing.

Grantees should keep the following documentation on file for monitoring and audit purposes:

- Proof of payment of grant expenses (e.g. copies of cancelled checks, electronic bank statements, etc.)
- Contracting/purchasing bidding documentation
- Organization's conflict of interest policy

- Prevailing wage documentation (if applicable): project assessment form, certified payroll reports, etc.

## **Grant Progress Reports (OGM Policy 08-09)**

Grantees are required to submit written progress reports at least annually until all grant funds have been expended and all the terms in the grant agreement/GAN have been met. Information requested in a grant progress report may include (but is not limited to): goals and objectives, activities, outcomes, challenges, lessons learned, and financial information. State agencies cannot make grant payments on grants with past due progress reports (unless the agency has given the grantee a written extension).

## **Grant Monitoring (OGM Policy 08-10)**

All state grants over \$50,000 are required to have at least one monitoring visit before final payment is made. All state grants over \$250,000 are required to have annual monitoring visits. In-person visits are preferred where possible, but telephone or virtual visits are also used where reasonable.

The purpose of a monitoring visit is to review and ensure progress towards the grant's goals, address any problems or issues before the end of the grant period, and build a relationship between the agency and grantee.

For state grants over \$50,000, state agencies must conduct a financial reconciliation of grantees' expenditures at least once before final payment is made. A financial reconciliation involves reconciling a grantee's request for payment for a given period with supporting documentation (e.g. purchase orders, receipts, payroll records, etc.) for that request.

If previously reimbursed costs are found to be ineligible upon further review during monitoring (or at any other point during the grant period), repayment of those costs or other corrective action may be required.

## **Proof of Payment**

The State requires proof of payment documentation to ensure that funds are being provided on a reimbursement basis. The grantee must maintain proof of payment documentation and make it available when requested by the State. Proof of payment documentation may include:

- A copy of a bank statement with photocopies of cleared checks
- An electronic bank statement
- A copy of cancelled checks or other certified financial records
- Employee original time records and payroll documentation

## **Cost Share/Required Match**

For grants which require cost share or match, the requirements for documenting work completed or expenses incurred as match are the same as for expenses for which grantees are requesting reimbursement. The State may disallow otherwise-eligible costs for reimbursement if the grantee cannot provide proof of the expenses being used as match.

For grants with in-kind match (i.e. non-cash donations of a good or service), grantees should provide documentation similar to a payment request.

If the in-kind match is volunteer time, grantees will need volunteer logs and to show the calculation used to convert volunteer hours to time. If the in-kind match is something other than volunteer time (e.g. use of equipment, or donated materials), grantees must perform due diligence to determine how much the in-kind match would cost. For example, if the in-kind match is a land donation, the documentation should include an appraisal. If the in-kind match is use of equipment, the documentation should demonstrate a realistic cost for the type of equipment and amount of time.

## **Legislatively Mandated Grants (OGM Policy 08-11)**

State agencies must manage legislatively mandated grants with the same level of oversight (including monitoring) applied to other state grants, while respecting and maintaining the legislative intent.

Grantees for legislatively mandated grants must submit a work plan and budget. The grant agreement/GAN must be based on the legislation, the grantee's work plan and budget, and negotiations between the state agency and the grantee.

## **Grant Amendments (OGM Policy 08-12)**

During the grant period, it may be necessary to make changes to the grant contract agreement/GAN. Generally, these modifications could include changes to the grant timeframe, to the scope of work, or to the budget categories.

A formal grant contract amendment is required for any changes. Should a situation arise that requires any changes to the project, it is the grantee's responsibility to communicate immediately with the DNR grants specialist.

The purpose of grant amendments must be similar to the original purpose of the grant and the grantee duties should be within the scope of the original RFP/notice of grant opportunity/application.

If an amendment is allowed, it must be fully executed before additional costs can be incurred.

## **Contracting and Bidding**

Competitive bidding needs to follow a fair and transparent public process.

Grantees must not contract with vendors or subcontractors who are on the suspension or debarment lists for either the State of Minnesota or the federal government.

Grantees must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through the entities below are used when possible:

- [Minnesota Department of Administration's Certified Target Group, Economically Disadvantaged, and Veteran-Owned Vendor List](#)

- Metropolitan Council’s Targeted Vendor list: [Minnesota Unified Certification Program](#)
- Small Business Certification Program through Hennepin County, Ramsey County, and the City of St. Paul: [Central Certification Program](#)

Grantees must maintain support documentation of the purchasing and/or bidding process utilized to contract services in their financial records, including support documentation justifying a single/sole source bid, if applicable. Grantees must retain the following documentation in the project file:

- Copies of executed subcontract agreements
- A copy of the RFP/RFQ, all submitted bids, and the bid tabulation (if applicable)
- Written documentation that describes the rationale for selection of each subcontractor
- Documentation of the contract/bid approval, if required by grantee internal controls (such as meeting minutes)

This documentation may be reviewed during monitoring visits or when requested by the state.

## **Contracting and Bidding for Political Subdivisions of the State**

In addition to the general contracting and bidding requirements above, municipalities (defined in Minn. Statutes, chapter 471.345 subd. 1 as a county, town, city, school district, or other municipal corporation or political subdivision of the state authorized by law to enter into contracts) must also follow the [Uniform Municipal Contracting Law](#).

## **Contracting and Bidding for Non-Governmental Organizations**

In addition to the general contracting and bidding requirements at the beginning of this section, non-government organizations must follow the contracting policies/procedures below.

## **Contracting and Bidding for Tribal Governments**

Tribal governments are subject to neither the Uniform Municipal Contracting Law nor the DNR contracting policies/procedures below. Tribal governments are subject to the contracting and bidding procedures of their own governance.

## **Contracting and Bidding Thresholds and Process**

- Services and/or materials that are expected to cost between \$10,000 and \$24,999 must be competitively awarded, based on a minimum of two verbal quotes or bids or awarded to a targeted vendor.
- Services and/or materials that are expected to cost between \$25,000 and \$99,999 must be competitively awarded based on a minimum of three verbal quotes or bids.
- Any services or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process.
- Grantees must use an RFP/Request for Quote (RFQ) process to competitively select professional and technical services.

- The advertisement for bid processes must allow for fair competition among potential qualified bidders.

## Prevailing Wage

Prevailing wage ([Minn. Statutes, sections 177.41-177.45](#)) is the minimum hourly wage employers must pay certain workers who work on construction and public works projects funded by state dollars. Prevailing wage includes the employer's cost of benefits. Other prevailing wage information can be found at the [Minnesota Department of Labor and Industry \(DLI\)](#). Prevailing wage rules apply to any grant award of \$25,000 or more that qualifies as a "project" per the following definition:

Project: demolition, erection, construction, alteration, improvement, restoration, remodeling, or repairing of a public building, structure, facility, land, or other public work, which includes any work suitable for and intended for use by the public, or for the public benefit, financed in whole or part by state funds. "Project" also includes demolition, erection, construction, alteration, improvement, restoration, remodeling, or repairing of a building, structure, facility, land, or public work when the acquisition of property, predesign, design, or demolition is financed in whole or part by state funds (Minn. Statutes, section 177.42).

If the award is \$25,000 or more and contains activities in the work/accomplishment plan that qualify as a "project" per the definition above, prevailing wage rules in Minn. Statutes, sections 177.41-177.44 apply. If you are unsure if a project is subject to prevailing wage, ask the grant specialist for a copy of DLI's Project Assessment Form. Grantees must complete the form and return it to the grant specialist. Once ready, the DNR grant specialist will submit it to DLI and copy the grantee on the e-mail.

When prevailing wage applies, all bid requests and RFPs must state that the project is subject to prevailing wage to ensure that incoming bids have factored prevailing wage rates into their submittal. A prevailing wage form should accompany these bid submittals.

Grantees must retain documentation in the project file either the prevailing wage forms, or a notice from DLI that the project is not subject to prevailing wage.

## Fraud Reporting

In addition to OGM policy, various state statutes govern reporting of suspected fraud or misuse of state dollars.

State workers with information indicating that public resources (including public money) may have been used for an unlawful purpose must report that information. Any other person with such information is strongly urged to report that information. The DNR takes a "no wrong door" approach for reporting suspected fraud; essentially, the DNR encourages its workforce to report suspected fraud to any DNR supervisor or member of agency leadership, who will connect the person reporting to the correct contact or procedure, as needed.

All state agencies are required to report suspected fraud cases to the [Department of Revenue](#) for tax fraud investigation, in addition to referring all allegations of suspected fraud to the [Office of the Legislative Auditor](#) and the Minnesota Bureau of Criminal Apprehension's [Financial Crimes and Fraud section](#)

([Mnfraud.bureau@state.mn.us](mailto:Mnfraud.bureau@state.mn.us) or 651-739-3750). Grantees may report suspected fraud directly to these agencies, as well, or to their DNR grant manager or any DNR employee.

## Requirements for Working on State Land

When working on state land, grantees must follow all applicable policies and requirements of that land. Grantees should work with the appropriate management staff for the state land to determine these requirements. Insurance is required to do work on state land, following the [requirements of Admin.](#)

## Audits

Under [Minn. Statutes, chapter 16B.98 subd. 8](#), the state (the grantmaking agency, state auditor, attorney general, legislative auditor, Admin, etc.) has the right to perform programmatic or financial audits of the grantee. The grantee's books, records, documents, and accounting procedures and practices relevant to the grant are subject to state examination for a minimum of six years from the expiration or termination of the grant agreement/GAN, receipt and approval of all final reports, or the required period of time to satisfy state and program retention requirements, whichever is later. This provision is also included in grant agreements/GANs.

## Records Retention

Grantees must maintain a file for each project with all project agreements, correspondence, and the records pertaining to project expenses requested for reimbursement. Project records are required for monitoring/audit purposes and must be readily available for review. As with all provisions of the grant agreement/GAN, if the state finds a failure to comply, the State may take action, including immediate termination of the grant agreement/GAN with cause, refusal to disburse additional funds, and/or requiring the return of all or part of the funds already disbursed.

All records related to the project must be retained for a minimum of six years from the grant agreement/GAN end date, or the receipt and approval of all final reports, whichever is later. Some grant funds require permanent retention of the grant records, and in those cases, that requirement supersedes the six-year standard.

## Data Practices

- Grantees must comply with the [Minnesota Government Data Practices Act](#) (MGDPA) as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the grantee under their grant agreement/GAN. If a grantee receives a request to release this data, the grantee must immediately notify the State. Following this notification, the State will provide instructions to the grantee concerning the release of data.
- Grantees should instruct and train their staff regarding the governing privacy and data practices provisions; maintaining data in a secure manner; and limiting access to work duties and assignments.

- Grantees must mitigate risks associated with the unauthorized access or data breach and report to the DNR any real or perceived security or privacy incident regarding any private data in accordance with MGDPA.
- Grantees are not permitted to use private data with artificial intelligence (AI) services unless it is approved through the DNR/Minnesota IT (MNIT) vendor security risk and compliance process. AI services are reviewed and verified through a process that includes understanding the AI's training, ownership of data and level of security.