DEPARTMENT OF NATURAL RESOURCES

REGIONAL TRAIL GRANT PROGRAM

2026 Program Manual

Revised Jul-26

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I. PROGRAM INTRODUCTION

Program Description: This program is intended to accelerate the development of long-distance recreational trails that are destinations, in essence to create significant new recreation trails. The primary purpose of this program is to promote the development of regionally significant trails that are developed by local units of government outside of the seven-county metropolitan area and act as counterparts and/or compliments of the state trail system.

Grants are awarded for the acquisition and development of regional trails and for removal of barriers that impede full access to these facilities. Historically, priority has been given to projects that can demonstrate significant length, a high-expected use, significant resource quality and attractiveness. The Regional Trail Program depends on local communities and their local government representatives to provide inspiration, planning and commitment, as well as the local matching financial requirement, to make these trail projects a reality. Local governments complete the acquisition and/or projects and are reimbursed for a portion of the acquisition and/or project actually completed.

Grant Funding: Funding available for FY 2027 is a portion of $1.1 million from "In Lieu Of" lottery proceeds available for three Park and Trail grant programs. This funding is divided between three Park and Trail grant programs. This funding is subject to appropriation from the MN Legislature and signature of the Governor.

Who Can Apply: All local units of government (typically cities, counties, and townships) are eligible to apply. User groups and/or trail organizations may apply, **but only** in coordination with a local unit of government per legislation. Funding is only available to a local unit of government.

Grant Outcome Expectations: For the environmental documentation to be submitted within the first year. No costs to be incurred or any ground disturbance until all required documentation is reviewed and signed by the trail grant staff and the grant agreement is fully executed. To follow all environmental conservation and mitigation measures as outlined in the environment review and provide timely communication if any environmental concerns are identified while completing the work. For financial documentation to be submitted timely and follow requirements as outlined in the financial manual. For project work to be completed in accordance with the approved project as outlined in the grant agreement.

The program was first funded in 1997 and has awarded 84 regional trail projects statewide to date.

II. CONTACT INFORMATION

A. Trail Grant Program Staff

i. Minnesota Department of Natural Resources
Division of Parks and Trails
500 Lafayette Road, Box 39
Saint Paul, MN 55155

ii. Erin Foley
   1. Grant Specialist Coordinator
   2. erin.foley@state.mn.us
   3. (651) 259-5599

iii. Ryan Bloomberg,
   1. Grant Specialist, Sr
   2. ryan.bloomberg@state.mn.us
   3. (651) 259-5666

B. Sending Correspondence:

i. Voicemails: Include your name, LGU/sponsor, and project number, short description of reason for calling
ii. Emails: Include your name, LGU/Sponsor, and project number
iii. Mail: Please notify grant staff when sending any documentation by mail. Include your name, LGU/sponsor, and project number

III. NEED TO KNOW

A. How to Apply

- All applications are to be received electronically by **March 31, 2025**
- Paper submission of applications are only accepted on an as-needed basis. Email the trail grant program staff if you need to submit by mailing a hard copy. Mailed applications must be received by **March 31st, 2026.**
- Applications are to be submitted electronically in a ".pdf" format by the due date above. To submit the application, email a pdf version of the application and attachments to Trailgrants.DNR@state.mn.us. This is the official submittal email box. Submitting to any other email will not be accepted. Format the entire application, including all attachments, as one pdf document with all pages 8 ½" by 11" in dimension.
- After submission, make sure you have received a confirmation email that your application has arrived in a useable format. A confirmation email should arrive upon submission. Each email is opened to ensure files are readable and then followed with a confirmation email. Applications submitted in an unusable format will NOT be considered for funding. If there are any questions about submitting the application, please contact program staff.
- Grant awards will be announced by **June 30, 2026.**
- Funds will first be available no earlier than **July 1, 2026** to start the contracting process. This means projects funded in this grant round will not have a contract in place before July 1st and thus cannot begin the project prior to this date (see Grant Timeline section).
- The maximum permissible request is $300,000. The minimum is $5,000.
- **Match:** These grants are 75/25 "cash match" reimbursement grants. That means the grantee must complete the project and fully pay for it, produce documentation that shows actual expenditures and proper procurement process has been followed. Then they will receive 75% of what was spent up to their grant award.
    - Neither this funding source, nor the match can be used for in-house labor services and/or to meet existing payroll (see Section V, D. Non-eligible Reimbursement Costs for additional ineligible costs).
    - Only contract services, materials, and supplies are reimbursable.
- All projects awarded through this grant round must be completed by **June 30, 2028** and immediately available for use to the general public for no less than 25 years. A one-year extension may be available depending on funding type.
- If land is purchased with these funds, it is required that a "Twenty-five-Year Easement for Recreational Trail Purposes" is attached to the deed. Also, the property must be appraised by a state certified appraiser and in accordance with DNR and Federal requirements. Please see land acquisition and appropriate land appraisal requirements in this manual.
- Trail must be at least 10' wide.
- Applicants are required to design and construct their trail to meet ADA standards, unless it meets an ADA exemption. The applicant must site the exemption from ADA in the application for it to be considered, otherwise provide details and list design specifics in the ADA question of the application in how the project will meet ADA requirements. Do not just state the trail project will be ADA compliant; this is an insufficient answer.
- If your project is selected, the project will need to be evaluated for applicability of environmental review under Minnesota Rules, Chapter 4410. The local unit of government listed in the application is considered the Responsible Governmental Unit (RGU). Mandatory EAW categories are described at Minnesota Rules, 4410.4300.

Exemptions from environmental review are described at Minnesota Rules, 4410.4600. Verify if your project is or is not exempt.

- If your project is selected, the grantee will need to be evaluated for applicability of pre-award risk assessment under Minn. Stat. §16B.981/Chapter 62-MN Laws - Article 7, Section 11.
- If your project is selected and is $50,000 or more, financial documentation will need to be provided in accordance with Minn. Stat. §16B.981/Chapter 62 - MN Laws, Article 7, Section 11. This will include recent financial statements and audit as well as a statement of financial position.
- All facilities that are funded through this program also require a commitment from the applicant that the trail will be open and available for use, as well as maintained, for no less than twenty-five years and should be stated in their resolution.
- Each proposal must specifically and directly address each requirement and criterion to qualify and receive consideration. If one section of the application is not addressed, the application will not be reviewed for consideration.
- All pages and attached maps must be 8 1/2 X 11 inches ONLY and in color.
- Read each question thoroughly to make sure each part of a question is answered. Do not answer a question inside the same box as the question. Use the blank box associated with each question for the response.
- When identifying recreation use for your project, make sure to only mark those uses that will actually use the trail.

B. Grant Timeline

Grant Application Timeline

December, 2025	→	Grant application materials available on the DNR website
February, 2026	→	Public RFP Training
March 11, 2026	→	Draft applications due if grant applicant seeks comments by Grant Coordinator (not required)
March 31, 2026	→	Grant application due date; Applications will **NOT** be accepted after this date.
March 31, 2026 - July 2026	→	Application review and selection process. Reviews are done by a team within DNR followed by final approval made by DNR leadership.
July 2026	→	Grant applicants are notified of the results. All grant applicants will be sent a letter if they are awarded a grant or not. Copy of the notification letter will also be sent to the applicant partner, if applicable. Awarded grantees then will follow the timeline below.

Awarded Grant Timeline

July 2026	→	Award letter received! Congratulations! Required documentation checklist also included with notification letter.
July, 2026	→	Grantee must begin work on the required documentation checklist items. All items must be completed in order to receive a grant contract. Such items include: • Natural Heritage determination letter • USFWS Information for Planning and Consultation (IPAC) letter • SHPO Archeological Review determination letter • Water Wetland review • Land Certification • Environmental Quality Board determination letter • Environmental Assessment Statement completed
June 30, 2028	→	Projects are set with a completion deadline of 6/30/2028. Projects funded with In Lieu Of" lottery proceeds cannot be extended past 6/30/2028 because the funds expire 6/30/2028 per the legislation. The Grantee must plan accordingly to complete the project no later than 6/30/2028.

IV. PROJECT ELIGIBILITY

I. Eligible Projects

Eligible projects may include, but are not necessarily limited to the following examples:

- Land acquisition from willing sellers, where value is established by a licensed and certified appraiser, whose conclusions of value are certified by the State, and only if perpetual easement for recreation trail purposes is conveyed to the state. See the land acquisition requirements section of this manual for more information.
- Construction of trails on public or private lands where a twenty-five year easement for the purpose of the project can be obtained.
- Development of trail linkages near homes and workplaces.
- Development of permanent trailside improvements and trailhead facilities (e.g., drainage, crossings, stabilization, parking, signage, controls, open-sided shelters, water, and sanitary facilities).
- Provision of features that facilitate access and use of trails by persons with disabilities.
- Restoration of existing trail facilities, such as resurfacing, repair, or rehabilitation of trails or trailhead facilities.
- Contracted maintenance of existing recreational trails.
- Construction or restoration of trail bridges.

II. Eligible Reimbursement Costs

- Advertising costs solely for (1) Recruitment of personnel; (2) Solicitation of bids; and (3) Disposal of scrap materials.
- Capital and labor expenditures for facilities, equipment and other capital assets.
- Materials and/or supplies.
- Freight transportation expenses.
- Professional services and Project administration costs provided that they do not exceed 20 percent of the total cost of the project.
  Land acquisitions (including permanent easements) whose value a licensed appraiser establishes and whose conclusions of value are certified by the state. See land acquisition requirements section of this manual.

Any cost not defined as an eligible cost or not included in the approved Application shall not be paid from state funds committed to the project, unless the Department has provided written authorization.

III. Non-eligible Projects

Non-eligible projects include but are not limited to the following:

- Projects within state park boundaries, state recreational areas, on state trails, and elements of the Metropolitan Open Space System.
- Construction of trails within federally designated wilderness areas (with some exceptions).
- Construction of ordinary sidewalks.
- Planning projects that are preliminary to construction of any trail projects.
- Improvements on highways or other roadways, including but not limited to, lighting, striping, on-street routing, and shoulder work.
- All paved multi-use bicycle/pedestrian trails less than 10 feet in width are not eligible. Short distance exceptions are allowed on a case by case basis.

IV. Non-eligible Reimbursement Costs

Including all costs not defined as eligible costs, but not limited to the following:

- Any expenditure that occurs before the effective date of this agreement
- Fund raising
- Taxes, except sales tax on goods and services
- Insurance, except title insurance
- Attorney fees
- Loans, grants, or subsidies to persons or entities for development
- Bad debts, late payment fees, finance charges or contingency funds
- Interest, investment management fees
- Lobbyists
- Political contributions
- Wages and expenses of Sub grantee's employees
- Fringe benefit costs of Sub grantee's employees
- Land appraisals
- Entertainment, gifts and prizes, food and refreshments
- Purchase of phones, computers, tablets or audiovisual equipment
- Memberships (including subscriptions and dues), publications, periodicals and other subscription fees
- Agency advertising and marketing expenses
- Office Rental Fees, and Overhead and Indirect Expenses (including, but not limited to office or storage space rental, utility expenses, copier rental, phone bills, office materials and supplies)

V. APPLICATION PROCESS

Application is found Here

Applicants are urged to begin the application process early in order to allow time to complete application requirements, such as getting a local unit of government resolution. Completed applications must be received electronically by **March 31, 2026**.

Applications are to be submitted electronically in a ".pdf" format by the due date above. Paper submission of applications are only accepted on an as-needed basis. Email the trail grant program staff if you need to submit by mailing a hard copy. Mailed applications must be received by March 31st, 2025.
To submit the application, email a pdf version of the application and attachments to Trailgrants.DNR@state.mn.us. This is the official submittal email box. Submitting to any other email will not be accepted. Format the entire application, including all attachments, as one pdf document with all pages 8 ½" by 11" in dimension. After submission, make sure you have received a confirmation email that your application has arrived in a useable format by the due date. A confirmation email should arrive within one or two business days after you have submitted your application. Each email is opened to ensure files are readable and then followed with a confirmation email. Applications submitted in an unusable format will NOT be considered for funding. If there are any questions about submitting the application, please contact program staff.

This is a competitive program. Staff members are available to discuss your project or review application materials prior to submittal. You are encouraged to submit any draft application or materials by March 11, 2026 if you would like staff to provide comments.

VI. COMPETATIVE REVIEW AND SELECTION PROCESS

The program is very competitive and requires a review and selection process to make funding determinations and awards. The review and selection process will take place after the application due date, and funding announcements will be made in summer. Completed applications received after the deadline will not be eligible for funding consideration.

Priority for trail project funding will be given to projects that provide significant connectivity. Considerations also include ability to connect people to the outdoors, trail length, expected amount and type of use, and quality, attractiveness of natural and cultural resources and how the proposed project addresses the needs and interests of future generations and diverse communities. Projects are scored and ranked internally by a team in DNR using set priorities and scoring criteria. Selected projects receive final approval from DNR leadership. A grant applicant's past performance as a grantee of DNR will be considered when evaluating a grant application.

Scoring Criteria	
Regional Trail Program	
100	**TOTAL POINTS**
Project Quality Priorities	
10	Past Performance
8	Project Match
10	Regional Significance
12	Site and Project Quality
5	Project Readiness and Timeline
9	Cost vs. Benefit of Project
Connect People and the Outdoors: better develop Minnesota's stewards of tomorrow through efforts to increase life-long participation in parks and trails. Access, Programming and Partnerships.	
10	Partnerships
Acquire Land, Create Opportunities: acquire/develop trails that provide connections, such as to communities, to existing state/regional trails, and to high quality natural resources. Projects that secure critical pieces of trail and provide a unique opportunity.	
5	Overall Connectivity of the Trail System
6	Connects to Communities
4	Connects to State/Regional Trails
4	Connects to Natural Resources or State/Regional Park
4	Secures Critical Piece of Trail
3	Unique Opportunity
Take Care of What We Have: provide safe, high-quality trail experiences by regular re-investment in infrastructure and natural resource management. Protect the public's investment in the built infrastructure and natural resources and maintain the quality of natural resources.	
5	Restore Facilities or Trails
5	Quality of Natural Resources

Selection Priorities:

- Projects that provide connectivity, such as trails connecting where people live (e.g., residential areas within cities, entire communities) and significant public resources (e.g., historical areas, open space, parks and/or other trails).
- Projects located in a regionally desirable setting that can be expected to have relatively high usage and/or will meet the needs and interests of future generations and diverse communities.
- Projects long enough to provide an hour of outdoor recreation opportunity or connect to other facilities that can provide an hour of recreation in total .
- Projects that provide for a unique and interesting connection to the outdoors, such as trails with scenic views, unique natural and cultural features, and wildlife/nature viewing.
- Projects that provide an opportunity to connect underserved communities to significant public resources (e.g., enhancing accessibility to historical areas, open spaces, parks and/or other trails).
- Projects that are designed for use by people of all abilities (new projects that provide an opportunity for people with disabilities or renovations that significantly improves a current facility that is not accessible).
- Projects that take into consideration the construction impacts to the surrounding landscape (e.g., surface erosion, fish and wildlife populations, damage to wetlands or other ecologically sensitive natural resources and/or historical or archeological sites).

VII. HOW THIS PROGRAM WORKS WITH TRANSPORTATION ENHANCEMENTS OR TRANSPORTATION ALTERNATIVES PROGRAM

This program can provide a portion of the local match for Transportation Enhancement Projects that are awarded by MnDOT with Federal Highway Administration funding. However; this program provides reimbursement up to 75 percent, while Enhancements provide up to 80 percent. The grantee must ensure that there is never more than 100 percent reimbursed.

This program can reimburse engineering and design costs associated with these projects, which cannot be reimbursed under the Enhancement program. Engineering and design costs can only be reimbursed up to 75 percent and can only account for up to 20 percent of the total cost of the project. (i.e., for a $100,000 project, the maximum a grantee may request reimbursement for engineering and design costs would be fifty percent of $20,000).

Typically, only projects that are programmed for funding in the current or upcoming federal fiscal year are eligible to receive funding through the current years' solicitation.

VIII. TRAIL DESIGN REQUIREMENTS

All paved multi-use bicycle/pedestrian trails must be 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 and limited in distance (i.e., 20-30 feet for example). Do not submit a trail project with the intention that there will be an exception. Make sure your whole paved trail can be 10 feet wide before applying.

With regards to bicycle trails, applicants will be required to conform to recommendations contained within the 2023 "Federal Highway Administration Guidance: Bicycle and Pedestrian Planning, Program, and Project Development" developed by the Minnesota Department of Transportation, with the exception that all paved bicycle trails must be 10 feet wide versus the minimum 8 feet wide mentioned in this 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. The guidelines are available at Parks and Trails publications.

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 "Guidelines for a Quality Trail Experience".

Applicants **are required** to address the **American with Disabilities Act** under the Evaluation Criteria Section of the application. The ADA Accessibility Guidelines for Outdoor Developed Areas, and the ADA and ABA Accessibility Guidelines for Buildings and Facilities can be found on the Federal Access Board website. Successful applicants are required to design and construct their trail to meet ADA standards.

- The following guidelines will help you design your facilities. Copies can be ordered from the U.S. Access Board at (800) 872-2253 or downloaded from their website. Below are links directly to specific guidelines:
- ADA Standards and ABA Guidelines and Standards (For buildings and certain recreation facilities including playgrounds, recreational boating facilities, and fishing piers).
- The Access Board's Final Guidelines for Outdoor Developed Areas and the Forest Service Trails Accessibility Guidelines (FSTAG) and Accessibility Guidebook on Outdoor Recreation and Trails are practices that State and local governments and private entities may use.

IX. LAND ACQUISITION REQUIREMENTS

When applying for a grant for land acquisition or easement, the application requires a reasonable market estimate**.** A full appraisal is not required to apply for a grant. If your application is approved for funding to purchase land or an easement, a full appraisal will then be required and must meet USPAP, DNR and UASFLA standards and pre-approved prior to purchase in order for the purchase to be eligible for reimbursement. Easements must include a term of no less than 25 years in the purchase agreement. This length of time is not negotiable. Any time length less than 25 years will not be reimbursable.

The following is done only if your trail project is awarded a grant and is approved for acquisition or easement purchase:

Prior to contacting and hiring a licensed appraiser to conduct an appraisal of the property, you must contact the DNR Appraisal Management Unit https://www.dnr.state.mn.us/lands_minerals/appraisal_mgmt.html to provide assistance. The appraisal will need to be completed to meet USPAP, DNR and UASFLA appraisal standards and the DNR must be named as an intended user of the report. If you are acquiring an easement, the appraiser will also need to be provided a final copy of the easement language you plan to acquire. A State Certified General Real Property Appraiser competent to appraise property to Federal Standards must conduct the appraisal. There are a limited number of appraisers that are certified to conduct appraisals to meet the federal standards. The DNR Appraisal Management Unit can provide you a list of appraisers that have indicated that they are competent to complete these appraisals. The requirements are also located on the DNR Appraisal Management website.

Once you have received a completed a land appraisal, it must be submitted to the DNR for appraisal review and approval before the land can be purchased with grant funds. The costs associated with a land appraisal are not eligible for reimbursement through the grant program. Therefore, it is important that the land appraisal be done correctly and with a qualified appraiser, to avoid the additional charges that would result if the appraisal were rejected by the DNR. The DNR review of land appraisals are done at no cost to the grantee. Once the DNR has approved the appraisal, grant funds can be reimbursed towards the cost of the land purchased.

Upon the purchase of land it is required to have a “Twenty-five-Year Easement for Recreational Trail Purposes” at a minimum that must be attached to the deed (this easement must be the same as the easement provided to the appraiser) for the land and submitted deed documentation to be approved for reimbursement. This protects the property for public recreational trail use. A 25-year commitment is required if the project is located on public or private lands that includes an easement or lease.

X. MINNESOTA STATUTE 85.019

85.019 LOCAL RECREATION GRANTS.

Subdivision 1. **Definition.** For purposes of this section, "unit of government" means a county, statutory or home rule charter city, or town.

Subd. 2. **Parks and outdoor recreation areas.** (a) The commissioner shall administer a program to provide grants to units of government for up to 50 percent of the costs of acquisition and betterment of public land and improvements needed for parks and other outdoor recreation areas and facilities, including costs to create veterans memorial gardens and parks.

(b) For units of government outside the metropolitan area as defined in section 473.121, subdivision 2, the local match required for a grant to acquire or better a regional park or regional outdoor recreation area is $2 of nonstate money for each $3 of state money.

Subd. 3. [Repealed by amendment, 1995 c 220 s 68]

Subd. 4. [Repealed by amendment, 1995 c 220 s 68]

Subd. 4a. **Natural and scenic areas.** The commissioner shall administer a program to provide grants to units of government and school districts for the acquisition and betterment of natural and scenic areas such as blufflands, prairies, shorelands, wetlands, and wooded areas. A grant may not exceed 50 percent or $500,000, whichever is less, of the costs of acquisition and betterment of land acquired under this subdivision. The commissioner shall make payment to a unit of government upon receiving documentation of reimbursable expenditures.

Subd. 4b. **Regional trails.** The commissioner shall administer a program to provide grants to units of government for acquisition and betterment of public land and improvements needed for trails outside the metropolitan area deemed to be of regional significance according to criteria published by the commissioner. Recipients must provide a nonstate cash match of at least 25 percent of total eligible project costs. If land used for the trails is not in full public ownership, then the recipients must prove it is dedicated to the purposes of the grants for at least 25 years. The commissioner shall make payment to a unit of government upon receiving documentation of reimbursable expenditures. A unit of government may enter into a lease or management agreement for the trail, subject to section 16A.695.

Subd. 4c. **Trail connections.** The commissioner shall administer a program to provide grants to units of government for acquisition and betterment of public land and improvements needed for trails that connect communities, trails, and parks and thereby increase the effective length of trail experiences. Recipients must provide a nonstate cash match of at least 25 percent of total eligible project costs. If land used for the trails is not in full public ownership, then the recipients must prove it is dedicated to the purposes of the grants for at least 25 years. The commissioner shall make payment to a unit of government upon receiving documentation of reimbursable expenditures. A unit of government may enter into a lease or management agreement for the trail, subject to section 16A.695.

Subd. 5. **Powers; rules.** The commissioner has all powers necessary and convenient to implement this section, including the authority to adopt rules for the program under chapter 14.

XI. OTHER PROGRAM REQUIREMENTS

A. Grants and Public Information

Under MN Statute 13.599, responses to a request for proposal are nonpublic until the application deadline is reached. At that time, the name and address of the grantee, and the amount requested becomes public.

After the application evaluation process is completed, data (except trade secret data) becomes public. Data created during the evaluation process is nonpublic until the negotiation of the grant agreement with the selected grantee(s) is completed.

MN Statute 13.44 categorizes estimated or appraised value of real property prior to purchase and sale as confidential data on individuals or protected nonpublic data. See also Minnesota Government Data Privacy Act for more information. This information, along with corresponding budget information, will be redacted from the applications before making them public.

B. 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.

C. 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.

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.

D. Site Evaluation Requirements

This program requires all applicants to prepare the Project Site Evaluation. This evaluation will be necessary prior to completing an agreement/contract for the project and provide information necessary to determine the impacts of the project, if any, on the environmental and cultural resources of the project area. It is very important, therefore, that the project site evaluation identify all possible impacts of the proposed project. This will help determine whether any changes in project scope or design may be required or whether mitigation measures must be undertaken. Project site evaluation include:

E. Environment Review

Prior to beginning any construction or accruing any costs that are expected for reimbursement as part of this grant, an environmental assessment of the project must be completed, reviewed and signed by appropriate parties. Forms and documents available at Trail Grant Project Administration Page under Local Trail Connections and Regional Trail grant programs. All environmental reviews/assessments need to be submitted to the trail grants program staff when completed.
ENVIRONMENTAL ASSESSMENT STATEMENT (EAS) CHECKLIST
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. EAS form is available on the Trail Grants Project Administration Page.

MINNESOTA HISTORICAL SITES ACT AND MINNESOTA FIELD ARCHAEOLOGY ACT REVIEW
The State Historic Preservation Office (SHPO) and the Office of the State Archaeologist (OSA) must be contacted to review your project to determine if the site is a potential location for historical or archeological findings. If there is a determination that a survey is required, the survey would 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.

The Minnesota State Historical Inventory Portal (MnSHIP) is a new online application with geospatial capabilities developed by the Minnesota Geospatial Information Office (MnGeo) for the State Historic Preservation Office (SHPO). It contains digital forms of SHPO's formerly paper-based inventory of historic buildings, sites, and other property types. MnSHIP allows

everyone the ability to research publicly available information. It also a llows those with proper credentials the ability to add and update information on recently surveyed historic properties.

SHPO research request procedures have changed with the launch of the Minnesota Statewide Historic Inventory Portal (MnSHIP). Please visit MnSHIP and the OSA Portal to perform research yourself. You can also visit https://npgallery.nps.gov/nrhp to obtain National Register of Historic Places nominations and information. While this process will allow for quick turnaround of results, please allow sufficient time in case follow-up with MIAC and/or OSA is needed.

At MnSHIP, search for the project area by 1) address; 2) township, section, and range; or 3) Shapefile. Once you have located your project area, draw a box to further specify the project area, select the print option on the right-hand side of the map, enter a title and export. This will provide a map with a legend and scale.

At the OSA Portal, search for your project area. Once located, draw an area to further specify your project area and save a screenshot. If the MIAC layer shows up in your project area, you will need to reach out to MIAC and OSA to see if there is potential impact to a cemetery Contact the appropriate agency for more information.

STATE NATURAL HERITAGE INFORMATION SYSTEM REQUEST (Mn ENDANGERED AND THREATENED SPECIES)

Review of your project by the DNR's Endangered Species Environmental Review Coordinator 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.

Environmental Review by DNR for impact on state endangered species is initiated through Natural Heritage Review via a review requests through the Minnesota Conservation Explorer.

FEDERAL ENDANGERED SPECIES AND CRITICAL HABITAT RESOURCES US Fish and Wildlife Service (USFWS)

Review of your project by the USFWS required. Information for Planning and Consultation (IPaC) Report provides a list of species and other resources such as critical habitat (collectively referred to as trust resources) under the USFWS' jurisdiction that are known or expected to be in or near the project area. The list may also include trust resources that occur outside of the project area, but that could potentially be directly or indirectly affected by activities in the project area. However, determining the likelihood and extent of effects a project may have on trust resources typically requires gathering additional site-specific (e.g., vegetation/species surveys) and project-specific (e.g., magnitude and timing of proposed activities) information.

Visit the IPaC Information for Planning and Consultation webpage to initiate review of your project.

MN ENVIRONMENTAL QUALITY BOARD (EQB) REVIEW RULES.

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).

LAND APPROVAL CERTIFICATION
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 leased, permit or easement is required, it must be for a minimum of 25 years.

WATER AND WETLANDS PERMITS
Minnesota has adopted a "no-net-loss" wetlands policy. Each state agency must ensure that its activities, including state sponsored, financed, or assisted projects, do not contribute to the loss or diminishment of the many important values of wetlands. Unavoidable impacts must be minimized, and compensatory mitigation must be provided for all values that have been lost or diminished. 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 including a determination whether a permit is required for your project.

Projects involving work within waters and wetlands may require a permit from the U.S. Army Corps of Engineers (USACE). Grantees will be required to determine whether a water permit is required by visiting the USACE Regulatory Request System (RRS) and the MNDNR Permitting and Reporting System (MPARS).

F. Reporting Requirements (OGM Policy 08-09)

It is the policy of the State of Minnesota to monitor progress on state grants by requiring grantees to submit written progress reports at least annually until all grant funds have been expended and all 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). A progress report form will be provided by program staff. Grant payments shall not be made on grants with past due progress reports unless program staff have given the grantee a written extension.

G. Records Retention

Under MN Statute 16B.98, subd. 8 the Grantee the Grantee’s books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant contract or transaction are subject to examination by the Commissioner, the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant contract, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

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, financial records, supporting documents, statistical records, and all other records pertinent 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.

H. Monitoring Requirements

It is the policy of the State of Minnesota 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 of over $250,000. 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.

I. Conflict of Interest

It is the policy of the State of Minnesota to work to deliberately avoid actual and potential conflicts of interest related to grant making at both the individual and organizational levels.

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. Examples include, but are not limited to:

1. One party uses his or her position to obtain special advantage, benefit, or access to the other party's time, services, facilities, equipment, supplies, badge, uniform, prestige, or influence.
2. One party receives or accepts money (or anything else of value) from another party or has equity or a financial interest in or partial or whole ownership of the other party's organization.
3. One party is an employee, board member or family member of the other party.

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. For example, when one party serves in a volunteer capacity for another party, it has the potential to, but does not necessarily, create a conflict of interest, depending on the nature of the relationship between the two parties. A disclosed potential conflict of interest warrants additional discussion in order to identify the nature of the relationship, affiliation, or other interest and take action to mitigate any potential conflicts.

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 through indirect gain to an immediate family, 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:

1. A grantee's objectivity in carrying out the grant is impaired or compromised due to competing duties or loyalties
2. 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, by signing a grant contract with the State, must certify that it has read and understands the Office of Grants Management Conflict of Interest Policy 08-01, will maintain an adequate Conflict of Interest Policy and, throughout the term of the contract, monitor and report any actual, potential, or perceived conflicts of interest to the State.

J. 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.

K. 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.

L. 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.

M. Contracting and Bidding 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.

N. 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

O. 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 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.

P. 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.

Q. 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.

R. Closeout Procedures

Upon completion of project Grantee submits the following documentation to receive final reimbursement.

Trail Projects

1. Certification letter
    a. For you to receive any of the reimbursement payments, a certification letter must be submitted with the Documentation Checklist outlined on the next page. This certification letter must include the following:
        1. The letter needs to be from the sponsoring local unit of government,
        2. It needs to state that the project has been completed, and
        3. Address that the project is consistent with the agreement.
2. Photos of completed project
3. Depending on the type of funding an "acknowledgment sign" may be required to be purchased and displayed at the project location. Please contact grant coordinator for more information.
4. Project is not closed until grant recipient receives formal close out letter from grant coordinator

Upon completion of your project, a final billing must be submitted to our office. Program staff may complete a final inspection. The inspection will focus on ensuring that the project was completed in accordance with the grant agreement, 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 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.

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.

S. Records Retention

Under MN Statute 16B.98, subd. 8 the Grantee the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant contract or transaction are subject to examination by the Commissioner, the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant contract, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

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T. Monitoring Requirements (OGM Policy 08-10)

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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.

U. Acknowledgement Sign

Projects acquired or developed with assistance from this program may be required to display a state- approved funding acknowledgment sign to be posted at the entrance of the project site, or at an alternative obvious location on the site. Contact the trail grant program staff to see if your project requires an acknowledgement sign

V. Availability of Users

Public property, facilities & 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.