

Shoreland Habitat Grants Program Financial Manual



Minnesota Department of Natural Resources
Division of Fish and Wildlife

PREFACE

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

During the 1998 legislative session, the Minnesota Department of Natural Resources (MNDNR) Division of Fish and Wildlife received as part of their base budget, \$200,000 for activities related to aquatic plant restoration. This amount was increase to \$300,000 in FY 03, and this amount is available from July 2005 through June 2006 for this program. Individual grants are expected to range from \$5,000 to \$50,000. The Fish and Wildlife Division of the Minnesota Department of Natural Resources (DNR) is the lead agency for the Minnesota Shoreland Habitat (SH) Grants Program. As part of this program, the State will work with partners and cooperators to restore shoreline habitat in ways that demonstrate good shoreland stewardship.

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

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

REIMBURSEMENT BASIS FOR FINANCIAL ASSISTANCE

All SH projects are administered on a reimbursement basis. Payment of the grant funds to the grantee is on a reimbursement basis. This means that the grantee must initially expend non-federal monies, which are then reimbursed under the terms of the grant agreement. To obtain the total grant amount approved for a project, the grantee must document actual approved project expenditures totaling that amount.

A reimbursement schedule will be developed for each grant upon approval.

PREAPPROVAL NEEDED FOR ALL CHANGES TO THE PROJECT

The reimbursement for your project will be based on the grant agreement, a formal contract with the MNDNR, which contains the project description and cost breakdown. Any changes to the project description or significant changes to the cost breakdown must be submitted to and approved by SH program staff, prior to incurring any expenses related to the proposed change.

Failure to notify DNR SH program staff prior to initiating a change in the project could jeopardize receipt of the funds approved for the project.

GRANT ACCOUNTING AND RECORD RETENTION

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

The following minimum requirements must be met:

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

INTRODUCTION

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

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

This manual includes the following sections:

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

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

Reimbursable Contributions

1. ELIGIBLE COSTS

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

2. NON-ELIGIBLE COSTS

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

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

PURCHASED MATERIALS AND SERVICES

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

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

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

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

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

In Kind Contributions

1. **In-Kind Expenses**

Grant related expenses incurred but not to be reimbursed, are defined as in-kind expenses. These expenses are necessary to provide the required 25% match component of the SH program grant. There are three basic types of in-kind expenses:

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

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

The following forms are provided, as part of this manual, for use in properly documenting in-kind labor, equipment and materials:

2. Volunteer Labor Worksheet - The Volunteer Labor Worksheet is used to document the volunteer hours of each person. One sheet must be completed for each volunteer. The DNR SH program administrators must approve the “hourly rate” used to value volunteer labor. Typically this rate is based on what it would cost to hire someone to do the given task. The project grantee must retain copies of these volunteer time sheets that adequately record the type of work performed on the project.
3. Volunteer Labor Summary - The Volunteer Labor is used to summarize the individual volunteer labor worksheets to documents the total hours of all volunteers on the project and the total amount of labor to be claimed to help meet the 25% in-kind portion of the grant agreement.
4. Grantee Equipment Usage form - The Grantee Equipment Usage form should list all personal and rental equipment used for your project that will not be reimbursed. It must identify the date used, hourly rate of the equipment, total hours/miles, total amount and description of the work performed. Please show the total at the bottom of each form. For Grantee owned equipment, the hourly use rate must be comparable to the cost for renting a similar piece of equipment. DNR SH program administrators must approve the “hourly rate” used to value personal equipment usage.
5. Grantee Purchased Materials and Supplies form - The Purchased Materials and Supplies form allows you to document materials purchased or donated for your project, but not reimbursed. Please note that the cost of the materials taken from existing grantee stock should be equivalent to the prevailing cost of similar goods purchased from local vendors in your community.

PAYMENT REQUEST FORM AND PROJECT SUMMARY SHEET

1. Payment Request Form - Must be submitted with each payment request.
2. Project Summary Sheet for Reimbursable Expenses - Documents all of the reimbursable expenses incurred for your project. Please list all of the invoices with the required information on the form. The summary sheet, when completed, should total all of the expenses related to your project that you are requesting reimbursement for under the terms of the grant agreement.

PROJECT COST DOCUMENTATION CHECKLIST

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

For on-going reimbursable expenses

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

For final reimbursable expenses (less 10% that will be withheld pending final project approval and submission of completion report) include the following forms. In addition, for final 10% payment all necessary in-kind forms must also be submitted (see following two sections).

- _____ 1 copy of each invoice for all materials/services to be reimbursed with this request
- _____ 1 copy of each check or credit card receipt
- _____ 1 copy of the Payment Request Form
- _____ 1 copy of the Project Summary Sheet for Reimbursable Expenditures

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

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

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

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

Volunteer Labor Worksheet for In-Kind Consideration

Worker's Name _____ Project Name _____

Grantee _____

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

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

Signature of Volunteer

Signature of Grantee

Volunteer Labor Summary for In-Kind Submission

Grantee: _____ Project Name: _____

Name	Hours	Rate	Benefits	Total
Total Value				\$

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

Grantee Signature: _____ Date: _____

Grantee Equipment Usage Form for In Kind Consideration

Grantee: _____ Project Name: _____

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

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

Grantee Signature: _____ Date: _____

Project Summary Sheet for In-Kind Expenses

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

Final Project Summary Sheet for Reimbursable Expenditures

Grantee: _____ Project Number: _____

Project Name: _____

Contractor/ Vendor	Description of Work	Invoice #	Amount	Check #	Date	State Use Only
Total						\$
\$						\$

Shoreland Habitat Grants Program
Payment Request Form

Project Number:	Grantee:	Project Name:
Request Number _____		Address for Payment:
Amount of Request \$ _____		
		I certify that I am the individual authorized to request funds and that all costs reported are in accordance with the grant agreement.
		<div style="display: flex; justify-content: space-between;"> _____ _____ </div>
		<div style="display: flex; justify-content: space-between;"> Name Title </div>
		Phone Number: _____
Remarks:		

For Department Use Only

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