Potential Updated List of Generally Ineligible Expenses

Generally ineligible expenses are expenses that are ineligible but may be allowed if additional justification is provided and the LCCMR approves an explicit exception. All potential expenses listed would only be eligible if they:

1) Meet the conditions established by the commission.
2) Are included in the work plan budget and approved by the LCCMR.
3) Are clearly justified and individually documented as directly related to and necessary for producing the project outcomes described in the proposal or work plan.
4) Occur after work plan approval or July 1 of the appropriation year, whichever is later, and prior to the project completion date.

All expenses must be documented and verified once spending occurs.

	Expense	Current Status	Prohibited	Staff Notes and Questions for Member Consideration	Potential Conditions (Under what conditions do you think this expense should be allowed?)
1	In-state conferences	Generally Ineligible Expense		Is there value in allowing conference attendance only to interact with other experts and gather information to better inform a project? Is there value in allowing conference attendance as an exhibitor or to conduct outreach with targeted groups and not to present findings?	Current Condition: A. May only be approved to participate in formal presentation of project findings. Additional Options: 1. Allow for presentation of project without findings. 2. Allow for attendance as outreach to targeted groups, such as hunters or farmers. 3. Limit number of conferences per project. 4. Limit number of people that may attend.
2	Out-of-state conferences	Generally Ineligible Expense	International conferences Attendance without presentation of project results	What is the benefit to Minnesota of presenting results at an out-of-state conference? What is a satisfactory explanation for why an out-of-state conference versus an in-state conference?	Current Conditions: A. May only be approved if it can be demonstrated satisfactorily why the objective cannot be met through presenting at an in-state conference. B. Limited to one conference per project for one person to present project findings.

	Expense	Current Status	Prohibited	Staff Notes and Questions for Member Consideration	Potential Conditions (Under what conditions do you think this expense should be allowed?)
3	Salaries or wages for employees of government agencies specifically hired to conduct project work	Eligible Expense		Should this apply to tribal, federal, state, and local governments or only certain levels of government? Should this apply to quasi-state agencies, such as the Minnesota Zoo or the Science Museum of Minnesota? Is there a difference between employees hired to conduct project work for a government agency and employees hired to conduct project work for a nongovernment organization, university, or college? The subcommittee recommended that the latter be an eligible expense.	Current Conditions: A. When the appropriation has been spent, the position must be canceled and the approved complement of the agency reduced accordingly. B. If the position is temporary and only to conduct the project work. C. If the work to be conducted through the project is not traditionally funded through the agency's standard budgeting process or from the agency's standard sources.
4	Salaries or wages for current employees of government agencies	Generally Ineligible Expense		Should this apply to tribal, federal, state, and local governments or only certain levels of government? Should this apply to quasi-state agencies, such as the Minnesota Zoo or the Science Museum of Minnesota? Is this supplanting of existing funds?	Current Condition: A. For state agencies: May only be approved if unclassified staff or it is demonstrated satisfactorily how the agency will backfill that part of the classified staff salary proposed to be paid for with these funds to ensure no supplanting occurs. Additional Options: 1. An existing employee is being temporarily reassigned to conduct the work, or the project work is outside the scope of the current employee's job and it is demonstrated satisfactorily how the agency will backfill that part of the employee salary proposed to be paid for with these funds to ensure no supplanting occurs. 2. Hiring a new employee does not attract the skills needed for the work. 3. Salary or wages for the employee are fully or partially dependent on fundraised or grant funds. 4. The project is a continuation of a previously funded project.
5	Salaries or wages for current employees of non-government organizations and universities	Eligible Expense	Board of directors' or officers' salaries	Is this supplanting of existing funds?	Options: 1. An existing employee is being temporarily reassigned to conduct the work, or the project work is outside the scope of the current employee's job and it is demonstrated satisfactorily how the organization will backfill that part of the employee salary proposed to be paid for with these funds to ensure no supplanting occurs. 2. Hiring a new employee does not attract the skills needed for the work. 3. Salary or wages for the employee are fully or partially dependent on fundraised or grant funds. 4. The project is a continuation of a previously funded project.

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6	Scholarships for youth participation	Generally Ineligible Expense		How are youth defined? Are university/college students considered youth?	Options: 1. Scholarship funds cannot be used to pay expenses that would otherwise be prohibited. 2. Scholarship funds cannot be used to pay expenses that would otherwise be generally ineligible, unless explicitly approved. 3. Scholarship funds cannot be used to pay expenses at higher amounts than would otherwise be approved if listed as separate expenses. 4. There is a demonstration that the youth would not be able to attend the program without financial assistance. 5. The basis for the program fee that the scholarship is fully or partially covering must be provided. 6. The basis for the program fee is consistent across all programs, whether ENRTF funding is being provided or not. 7. The scholarship may not cover more than X% of the standard program fee. 8. Limit to environmental education and outdoor recreation opportunities through schools or learning centers.
7	Scholarships for adults to attend or participate in camps, outdoor recreation activities, trainings, or conferences	Generally Ineligible Expense		How are adults defined? Are university/college students adults?	Options: 1. Scholarship funds cannot be used to pay expenses that would otherwise be prohibited. 2. Scholarship funds cannot be used to pay expenses that would otherwise be generally ineligible, unless explicitly approved. 3. Scholarship funds cannot be used to pay expenses at higher amounts than would otherwise be approved if listed as separate expenses. 4. There is a demonstration that the participant would not be able to attend the program without financial assistance. 5. The basis for the program fee that the scholarship is fully or partially covering must be provided. 6. The scholarship may not cover more than X% of the standard program fee. 7. Limit to certain groups of adults (e.g., teachers, university/college students, etc.) 8. Limit to certain activities (e.g., camps, outdoor recreation activities, trainings, conferences, etc.) 9. Limit to situations where adults are chaperoning youth.

	Expense	Current Status	Prohibited	Staff Notes and Questions for Member Consideration	Potential Conditions (Under what conditions do you think this expense should be allowed?)
8	Food and refreshments for the public or attendees at project trainings, demonstrations, conferences, meetings, or other project events	Generally Ineligible Expense	Meals during travel for employees of other organizations or agencies conducting project work or participating in project meetings Alcohol	When is providing food and refreshments directly related to and necessary for completing a project? Is water considered food and refreshment? Are youth attending events, such as day-long or overnight camps, considered attendees? What if it is a training in a remote location? What if education or training occurs during lunch, i.e., working lunches? Does it make a difference who is attending? For example, what if the attendees are K-12 teachers? Would this apply to volunteers conducting manual labor such as at organized restoration events? Does the length of the event impact what food and refreshments are appropriate? What if the event, such as a training, is over multiple days?	Options: 1. In the same manner and in no greater amount than provided for in the current "Nonrepresented Employees Compensation Plan" promulgated by the Commissioner of Management of Budget or, for University of Minnesota projects, the University of Minnesota plan. 2. Limit to certain groups (e.g., teachers, youth, K-12 and college students, volunteers, etc.). 3. Exclude certain groups (e.g., general public). 4. Limit to certain events (e.g., trainings). 5. Limit to certain meals (e.g., snacks and refreshments, lunch, etc.). 6. Limit to a certain dollar amount or percentage of the overall request/award.
9	Transportation and travel expenses for youth, volunteers, and participants in project events	Generally Ineligible Expense	Transportation and travel expenses for employees of other organizations or agencies conducting project work or participating in project meetings	May include K-12 youth, college students, adults, volunteers, general public, or teachers.	Options: 1. In the same manner and in no greater amount than provided for in the current "Nonrepresented Employees Compensation Plan" promulgated by the Commissioner of Management of Budget or, for University of Minnesota projects, the University of Minnesota plan. 2. There is a demonstration that the participant would not be able to attend the program without assistance. 3. Limit to certain groups (e.g., teachers, youth, students, etc.). 4. Exclude certain groups (e.g., general public). 5. Limit to certain events (e.g., trainings, camps, etc.). 6. Exclude or include certain expenses (e.g., parking, meals, etc.) 7. Limit to public/group transportation. 8. Limit to a certain dollar amount or percentage of the overall request/award.

	Expense	Current Status	Prohibited	Staff Notes and Questions for Member Consideration	Potential Conditions (Under what conditions do you think this expense should be allowed?)
10	Stipends and Honoraria	Generally Ineligible Expense	Payments provided as an incentive to complete surveys or participate in or attend project events	How do you feel about stipends to pay teachers to attend trainings or environmental education courses? How do you feel about stipends to pay adults (other than teachers) to attend trainings or environmental education courses? Stipends are fixed sums of money paid periodically for services or to defray expenses. Honoraria are payments for a service (such as making a speech) on which custom or propriety forbids a price to be set.	Options: 1. Stipends and honoraria cannot be used to pay for expenses that would otherwise be prohibited. 2. The basis for the stipend or honoraria amount must be provided. 3. The stipend or honorarium amount must not exceed an amount that is customary or proportional to the service provided or expenses incurred. 4. Limit stipends to a certain amount per day. 5. Limit to payments for services provided to support the project. 6. Limit to certain groups (e.g., teachers, K-12 youth, college students, volunteers, etc.). 7. Exclude certain groups (e.g., general public). 8. Limit to certain events (e.g., trainings). 9. Limit to a certain dollar amount or percentage of the overall request/award.
11	Out-of-state services	Generally Ineligible Expense		What if an out-of-state entity can provide the best value? What if there is no entity in the state of Minnesota that can provide the service?	Current Condition: A. Named service contracts in an approved work plan budget do not constitute a funder-designated subrecipient or approval of a sole-source or single-source contract. No contractor is approved unless it has been selected according to the contracting rules identified in state law and policy for organizations that receive ENRTF funds through direct appropriations, or in the DNR's reimbursement manual for non-state organizations. These rules may include competitive bidding and prevailing wage requirements. Additional Options: 1. Require a demonstration that the out-of-state provider can provide the service at the best value. 2. Require a demonstration that the service cannot be provided by an in-state entity. 3. Limit to a certain dollar amount or percentage of the overall request/award.
12	Out-of-state subawards	Generally Ineligible Expense		What do you think is sufficient to demonstrate that a role cannot be filled using in-state expertise? Should it include travel to and from Minnesota for training that cannot be conducted remotely or for implementation within Minnesota?	Current Condition: A. May only be approved if it is satisfactorily demonstrated that the role cannot be filled using in-state expertise and how Minnesota will benefit from the partnership. Additional Options: 1. Limit to a certain dollar amount or percentage of the overall request/award. 2. Allow if the subaward is only supporting employees residing in Minnesota and for work and travel within Minnesota.

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13	Out-of-state transportation and travel expenses, including lodging, meals, and mileage, for employees of the recipient entity	Generally Ineligible Expense	International travel Travel for out-of-state conferences without presentation of project results	When do you believe out-of-state travel is directly related to and necessary to complete a project? Would apply to employees of subaward recipient as all spending requirements flow down to these entities.	Current Condition: A. In the same manner and in no greater amount than provided for in the current "Nonrepresented Employees Compensation Plan" promulgated by the Commissioner of Management of Budget or, for University of Minnesota projects, the University of Minnesota plan. Options: 1. Allow travel within a certain distance of the Minnesota border. 2. Allow travel for employees traveling to and from Minnesota when funds are awarded to an out-of-state entity. 3. Demonstrate that purpose cannot be met through another means (e.g., remote communications, shipping, etc.). 4. Limit number of travel days. 5. Limit number of employees that may travel. 6. Limit form of travel. 7. Limit to a certain dollar amount or percentage of the overall request/award.
14	Internal Services Fees	Eligible Expense		Internal services fees are fees charged between departments of larger organizations for the use of common facilities or services. Examples: DNR aircraft use fees, UMN greenhouse fees, UMN genomic lab fees.	Current Condition: A. Billing rates must be based on a pre-existing fee schedule that is uniformly applied for services received and without regard to source of funds.
15	Publication expenses to publish project research results in a peer-reviewed journal	Eligible Expense		Is publishing results in a peer-reviewed journal important to capture and disseminate the findings of ENRTF-funded research and to ensure that the findings are useful to professionals and not lost?	

	Expense	Current Status	Prohibited	Staff Notes and Questions for Member Consideration	Potential Conditions (Under what conditions do you think this expense should be allowed?)
16	Publication and printing/copying expenses necessary for contract administration, work products production, and semi-annual reports relating to accomplishments	Eligible Expense		Is it important that recipients are able to disseminate results of their work through physical formats?	Options: 1. Publication, printing, and copying for educational purposes or to recruit or solicit participation in a project by a targeted group. 2. Publication, printing, and copying to disseminate results to natural resource and environmental professionals. 3. Publication, printing, and copying to advertise a project event or opportunity.
17	Advertising and marketing expenses for project-specific purposes	Generally Ineligible Expense		How do you feel about fees for social media boosting?	Options: 1. Allow to raise awareness of a project event or opportunity. 2. Allow to recruit candidates for open positions funded by the project. 3. Allow for required public notice of bids for contracting goods and services. 4. Exclude services provided by advertising or marketing firms.
18	Seasonal lodging for employees			What if seasonal lodging is cheaper than repeated travel to and lodging at a site, such as repeated and extended field work?	Options: 1. Allow if seasonal lodging is less expensive than hotels and mileage to and from the site. 2. Allow for field work in a remote location. 3. Limit number of months. 4. Limit number of employees. 5. Allow if employing temporary local employees is demonstrated to be a nonviable option.
19	Attorney fees	Generally Ineligible Expense			Current Condition: A. May only be approved for fees related to acquiring and clearing title of land or interests in land.
20	Insurance	Generally Ineligible Expense			Current Condition: A. May only be approved for title insurance.
21	Property and deed taxes	Generally Ineligible Expense			Current Condition: A. May only be approved for pro-rated taxes and assessments at closing as may be required for purchase of land.

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22	General overhead and other non-itemized indirect expenses	Generally Ineligible Expense		What if not paying for these costs creates conflicts with other constitutionally- or statutorily-dedicated funding, such as DNR's Game and Fish or other funds? Should general overhead be allowed for state agencies other than the DNR? If so, should they be consistent with the currently agreed upon DNR policy? Should general overhead be allowed for other organizations or universities? Is this supplanting of existing funds?	Current Condition: A. General overhead may be approved as a line item for the DNR's direct and necessary expenses that would not exist but for the appropriation in accordance with the agreed upon DNR and LCCMR policy. Additional Options: 1. Proportion of expenses may be approved that would not otherwise be incurred but for the ENRTF funding for organizations primarily supported through grant funds. 2. Exclude specific expenses from the calculation (e.g., office maintenance, office utility expenses, etc.) 3. Limit to a certain dollar amount or percentage of the overall request/award (e.g., the federal negotiated indirect cost rate or the federal de minimis indirect cost rate of 15% of modified total direct costs (MTDC)). 4. Work plan budgets with a general overhead line-item cannot also include itemized general operations costs.
23	General operations, including office maintenance, office utility expenses, and office materials and supplies		Office or storage rental fees	Is finance or communications staff time to conduct project work, including fulfilling financial reporting and other requirements, considered an indirect/ general operations/overhead expense?	Current Conditions: A. Itemized operation costs may be approved for university centers and other start-ups established using ENRTF dollars. B. Costs for a required fiscal agent may be approved. Additional Options: 1. Proportion of expenses may be approved that would not otherwise be incurred but for the ENRTF funding for organizations primarily supported through grant funds. 2. Exclude specific expenses (e.g., office maintenance, office utility expenses, office materials and supplies, etc.) 3. Work plan budgets with itemized general operation costs cannot also include a line-item for general overhead.
24	Background checks for employees working with children	Generally Ineligible Expense			Options: 1. Only when organization does not already conduct background checks on employees. 2. Only for employees working on the project.

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25	Purchase of computers, tablets, or computer hardware	Generally Ineligible Expense		What if a specialized computing station is needed to complete the project work? What if it is a tablet for use in rugged or outdoor field conditions?	Options: 1. Proportion of the cost associated with the project when not exclusively used for ENRTF-funded work over the course of its useful life. 2. Exclude purchases to replace existing computers, tablets, or computer software. 3. Exclude standard computers, tablets, or computer hardware. 4. Allow external hard drives and storage devices for data.
26	Subscriptions for specialized software	Eligible Expense	Subscriptions to AI services	What do you consider to be specialized software?	Option: 1. Only when software is not part of the standard package that would be used for the work conducted by an agency or organization.
27	Purchase of audiovisual equipment, including digital cameras	Generally Ineligible Expense		What do you consider to be audiovisual equipment?	Current Condition: A. May be approved to purchase trail cameras. Additional Options: 1. Proportion of cost associated with the project when not exclusively used for ENRTF-funded work over the course of its useful life. 2. Exclude purchases to replace existing audiovisual equipment. 3. Exclude standard audiovisual equipment.
28	Communication expenses incurred for telephone calls, web access, postage, and similar services	Generally Ineligible Expense	Purchase of communication devices, such as pagers, cell phones, or smart phones		Options: 1. Allow mailings to recruit participants in project work. 2. Allow expenses related to remote uploading or data syncing for trail cameras, GPS units, GPS collars, GPS/Pit tags, and other remote monitoring equipment.
29	Website hosting fees	Generally Ineligible Expense		What if the purpose of the project is to create a website to share data or other resources?	Options: 1. Allow for new websites created as part of project. 2. Allow for websites that host an online resource or tool created as part of the project.

	Expense	Current Status	Prohibited	Staff Notes and Questions for Member Consideration	Potential Conditions (Under what conditions do you think this expense should be allowed?)
30	Capital equipment (i.e., expenditures greater than $5,000 per unit for equipment or tools)	Eligible Expense	Vans, cars, or trucks		Current Condition: A. May only be approved if it is demonstrated satisfactorily for each item how the equipment or tool purchased will continue to be used for the same program through its useful life, or if the use changes, a commitment to pay back to the ENRTF an amount equal to either the cash value received or a residual value approved by the director of the LCCMR if it is not sold. Additional Option: 1. Proportion of cost associated with the project for equipment not exclusively used for ENRTF-funded work over the course of its useful life.
31	Lease car, van, or truck	Generally Ineligible Expense			Current Condition: A. Not eligible for mileage reimbursement, only actual fuel costs. Options: 1. Only for the grant period. 2. Vehicle can only be used for project work. 3. Proportion of lease associated with the project if not used exclusively for ENRTF-funded work during the grant period. 4. Exclude excess mileage fees, wear-and-tear fees, and early lease termination costs.
32	Drones	Eligible Expense			Option: 1. Proportion of cost associated with the project for equipment not exclusively used for ENRTF-funded work over the course of its useful life.
33	Maintenance and repairs				Options: 1. Maintenance and repair of equipment required for the project. 2. Maintenance and repair of equipment purchased using ENRTF funds. 3. Proportion of costs associated with the project for maintenance and repair of equipment not exclusively used for ENRTF-funded work. 4. Allow when less than cost of acquiring a new piece of equipment.

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34	Equipment, tools, materials, or supplies (including clothing) that will be kept for personal use by employees, volunteers, or project participants			What if the equipment is required for safety, e.g., personal protective equipment? What if the equipment is a uniform that helps identify an employee? What if the equipment helps identify participant children from other children participating in field trips during outdoor camps?	Options: 1. Only to meet specific purposes that cannot be achieved by employees, volunteers, or participants supplying their own equipment, tools, materials, or supplies. 2. Only if re-use of equipment, tools, materials, or supplies by the organization or agency is not practical or reasonable. 3. Only for safety purposes.
35	Artwork commissions				Options: 1. May be approved to communicate information on the environment and natural resources. 2. May be approved to encourage the public to get outdoors and experience the environment and natural resources.
36	Employee professional development	Generally Ineligible Expense		How would we know if they are receiving this on the job? What if the purpose of the project is to provide training in a skill that is needed in the natural resources field? Especially if the training is to help address an unmet need (for example, burn bosses for restoration projects).	Current Condition: A. May only be approved for specialized employee training to develop skills needed to complete the project.
37	Contingency funds	Generally Ineligible Expense			Current Condition: A. May only be approved for capital construction projects. Once a project begins, the spending of contingency funds must receive explicit prior approval from the LCCMR.
38	Mitigation			Example: Mitigation for construction project impacts on wetlands. Is payment to compensate for natural resources damage or destruction caused by a project consistent with the constitutional purpose of the fund to protect, conserve, preserve, or enhance the state's natural resources?	Option: 1. Only for work that is above and beyond what is required for a permit or to mitigate the impact.