

**2001 Project Abstract
For the Period Ending June 30, 2004**

Title: Contract Administration

Project Manager: William H. Becker

Organization: Minnesota Department of Natural Resources

**Address: 500 Lafayette Road
St. Paul, MN 55155**

Web Site Address: <http://www.dnr.state.mn.us/index.html>

**Fund: Future Resources Fund \$40,000
Minnesota Env. And Nat. Res. Trust Fund \$110,000**

Legal Citation: ML 2001 Special Session, Chap. 2, Sec. 14, Subd. 3b

Appropriation Amount: \$150,000

Overall Project Outcome and Results

To administer this program DNR staff redesigned and improved LCMR agreement forms and related. Improvements include addition of an appendix showing required actions to acquire land with LCMR funds, an updated agreement conforming to statutes and revisions of confusing passages. DNR developed and delivered information to recipients ensuring recipients have the knowledge necessary to comply with LCMR and other state regulations. Staff reached sub-recipients, such as the US Fish and Wildlife Service, as well as initial pass through recipients. Staff met personally with each project manager and their fiscal staff, providing them with a draft manual. That manual reached final form in the fall of 2003.

A few recipients failed to comply with requirements. Improper claims for reimbursement were rejected. DNR acted to guarantee a clear hearing of recipient problems. When possible staff resolved the problem. Sometimes staff helped recipients articulate their issues with LCMR staff and cooperatively work out a solution. Examples include cash flow issue resolution, developing supporting materials enabling reimbursement of lumped expenses, and developing rationale to support stipend reimbursement.

DNR implemented a program guaranteeing quick payment of requests for reimbursement that reimburse only allowable expenses. Generally expenses are reimbursed in a day or two.

Finally, DNR reconciled the expenditures in a major appropriation to enable the recipient's efforts to make the state whole regarding a number of LCMR and DNR program allocations to the recipient. In addition the staff reviewed other recipients' claims resolving issues regarding indirect and unsupported expenditures.

Project Results Use and Dissemination

The results of this project are used and disseminated through written materials such as manuals and forms. Staff meets personally with recipients, contacts them frequently by e-mail and phone and provides information at meetings arranged for by LCMR staff.

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Date of Report: October 15, 2004
LCMR Final Work Program Report
Date of Work Program Approval: June 13, 2001
Project Completion Date: January 1, 2004

LCMR Work Program 2001

I. Project Title: Contract Administration

Project Manager: Bill Becker
Affiliation: Minnesota Department of Natural Resources
Office of Management and Budget Services
Department of Natural Resources
Mailing Address: 500 Lafayette Road, St. Paul, MN 55155
Telephone Number: (651) 296-3093
E-Mail: bill.becker@dnr.state.mn.us
FAX: (651) 296-6047
Web Address: <http://www.dnr.state.mn.us>

Total Biennial Project Budget (LCMR): \$150,000

\$ LCMR Appropriation	-	\$ Amount Spent	=	\$ Balance
\$ 150,000	-	\$ 150,000	=	\$ 0

Legal Citation: ML 2001 Special Session, Chap. 2, Sec. 14, Subd. 3b

Appropriation Language: (b)\$40,000 of this appropriation is from the future resources fund and \$55,000 the first year and \$55,000 the second year are from the trust fund to the commissioner of natural resources for contract administration activities assigned to the commissioner in this section and is available until June 30, 2004.

II. and III. FINAL PROJECT SUMMARY: To administer this program DNR staff redesigned and improved LCMR agreement forms and related. Improvements include addition of an appendix showing required actions to acquire land with LCMR funds, an updated agreement conforming to statutes and revisions of confusing passages. DNR developed and delivered information to recipients

ensuring recipients have the knowledge necessary to comply with LCMR and other state regulations. Staff reached sub-recipients, such as the US Fish and Wildlife Service, as well as initial pass through recipients. Staff met personally with each project manager and their fiscal staff, providing them with a draft manual. That manual reached final form in the fall of 2003. A few recipients failed to comply with requirements. Improper claims for reimbursement were rejected. DNR acted to guarantee a clear hearing of recipient problems. When possible staff resolved the problem. Sometimes staff helped recipients articulate their issues with LCMR staff and cooperatively work out a solution. Examples include cash flow issue resolution, developing supporting materials enabling reimbursement of lumped expenses, and developing rationale to support stipend reimbursement. DNR implemented a program guaranteeing quick payment of requests for reimbursement that reimburse only allowable expenses. Generally expenses are reimbursed in a day or two. Finally, DNR reconciled the expenditures in a major appropriation to enable the recipient's efforts to make the state whole regarding a number of LCMR and DNR program allocations to the recipient. In addition the staff reviewed other recipients' claims resolving issues regarding indirect and unsupported expenditures.

IV. OUTLINE OF PROJECT RESULTS

Result 1. Redesign and improve the contracts and related materials used to implement the pass through appropriations.

Result 2. Develop and deliver a recipient information program that provides recipients with the knowledge necessary to comply with LCMR and other state regulations governing pass through agreements. This program will reach sub-recipients as well as initial pass through recipients.

Result 3. Implement a program to ensure that recipient problems are heard and understood immediately and acted upon in a manner to solve problems.

Result 4. Develop and implement a program to guarantee quick payment of requests for reimbursement that reimburse only allowable expenses.

Result 5. As necessary for carrying out the fiduciary responsibilities of the state, perform audits and other examination of records of recipients.

Personnel

Community Development Representative: \$58,200 including benefits
Transitional Expenses¹

Planning Director: Reimbursed to general fund as coded for actual work
on LCMR contract administration

Grants Manager: Reimbursed to general fund as coded for actual work
on LCMR contract administration

Equipment

None

Development

None

Acquisition

None

Other

Travel and operating expenses 15,000

V. TOTAL PROJECT BUDGET:

Salaries and fringe	\$135,000
Office Expenses	10,000
Travel	<u>5,000</u>
Total	\$150,000

VI PAST, PRESENT AND FUTURE SPENDING:

A. Past Spending: Past costs of administering these pass through appropriations have been paid out of the general fund of each executive branch agency receiving the appropriation. This resulted in uneven administration and improper reimbursement, as noted in previous legislative audits of Environmental Trust Fund pass through grants.

¹ These transitional expenses are paying for DNR OMBS general fund staff to get the project up and running during an initial hiring and training period. These are actual hours spent working on pass through administration as coded by employees assigned. This is not a supplanting of general fund dollars because the general fund salary savings are retained and spent for OMBS management activities. Thus the total biennial OMBS effort equals the fy 2002-03 general fund supported effort plus the LCMR Contract Administration supported effort. This therefore is a supplement as required by M.S. 2001, 116P.03

B. Current and Future Spending: No funds are programmed for this function.

C. Project Partners: None

D. Time: Reports will be submitted at six month intervals, at the midpoint and the end of the fiscal years.

VII. Dissemination: Primary dissemination will be through manuals and other aides developed to improve management of state funds by recipients.

5/21/2003

Other travel expenses in Minnesota												
Travel outside Minnesota (where?)												
Tools and equipment (list categories)												
Office equipment & computers (be specific)												
Other Capital equipment (list specific items)												
Land acquisition												
Land rights acquisition (less than fee)												
Buildings (for what?)												
Other land improvement (for what?)												
Legal fees (for what?)												
COLUMN TOTAL	10,000	0	15,000	0	95,000	0	10,000	0	20,000	0	150,000	0