

M.L. 2014 Abstract

For the Period Ending June 30, 2016

PROJECT TITLE: Contract Agreement Reimbursement

PROJECT MANAGER: Katherine Sherman-Hoehn

AFFILIATION: MN DNR

MAILING ADDRESS: 500 Lafayette Road

CITY/STATE/ZIP: St. Paul, MN 55155-4010

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FUNDING SOURCE: Environment and Natural Resources Trust Fund (ENRTF)

LEGAL CITATION: M.L. 2014, Chp. 226, Sec. 2, Subd. 10a

APPROPRIATION AMOUNT: \$135,000

Overall Project Outcome and Results

This appropriation was used to support the ENRTF contract management program, which ensured that ENRTF grantees expended grant funds in compliance with state law, session law, approved work plans, and Office of Grants Management grants policies.

The DNR Grants Unit managed 39 grants active in FY 2015, including monitoring 32 grants. In FY 2016, the Grants Unit managed 59 active grants.

Between 7/1/2014 when the services began and 12/31/2015 when they ended, the DNR Grants Unit:

- Made 199 reimbursements to grantees totaling \$7,099,485.17
- Prepared and executed 23 ML 2015 grant agreements
- Published 6 editions of the quarterly newsletter for all grantees
- Billed 1,619 hours at the FY 2015 professional services rate of \$56.94/hr
- Billed 720 hours at the FY 2016 professional services rate of \$59.00/hr
- Participated in the Office of the Legislative Auditor's Internal Controls and Compliance Audit of the Environment and Natural Resources Trust Fund. This audit, published in February 2016, identified no findings relating to the DNR Grants Unit contract management. It identified one finding related to DNR allocation of administrative costs, which the Grants Unit worked with LCCMR staff to resolve.

Project Results Use and Dissemination

Project personnel were in frequent contact with appropriation recipients and LCCMR staff. Information was disseminated through manuals, training sessions, orientations, meetings, memos, letters, emails, newsletter, and phone.



Environment and Natural Resources Trust Fund (ENRTF) M.L. 2014 Work Plan Final Report

Date of Report: October 27, 2016

Final Report

Date of Work Plan Approval: June 4, 2014

Project Completion Date: January 31, 2016

PROJECT TITLE: Contract Agreement Reimbursement

Project Manager: Katherine Sherman-Hoehn

Organization: Minnesota Department of Natural Resources

Mailing Address: 500 Lafayette Road

City/State/Zip Code: St. Paul, MN 55155

Telephone Number: (651) 259-5533

Email Address: katherine.sherman-hoehn@state.mn.us

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

Location: Statewide

Total ENRTF Project Budget:

ENRTF Appropriation: \$135,000

Amount Spent: \$135,000

Balance: 0

Legal Citation: M.L. 2014, Chp. 226, Sec. 2, Subd. 10a

Appropriation Language:

\$135,000 the second year is from the trust fund to the commissioner of natural resources at the direction of the Legislative-Citizen Commission on Minnesota Resources for expenses incurred for contract agreement reimbursement for the agreements specified in this section. The commissioner shall provide documentation to the Legislative-Citizen Commission on Minnesota Resources on the expenditure of these funds.

I. PROJECT TITLE: Contract Management

II. PROJECT STATEMENT:

This appropriation will be used to provide continued contract management services to pass-through recipients of Environment and Natural Resource Trust Fund dollars appropriated to the commissioner of natural resources. DNR provides this fiduciary service to ensure funds are expended in compliance with state law, session law, and approved work plans. The goal of the DNR Grants Unit is to provide grantees with one consistent point of contact for their agreements and excellent customer service.

Contract management ensures oversight of reimbursement for project deliverables and meets the requirements of the Department of Administration's Grants Management procedures as well as the recommendations of the Legislative Auditor. It aids recipients with financial compliance and ensures project consistency with appropriation law, state statute, grants policies and approved work plans.

III. PROJECT STATUS UPDATES:

The DNR Grants Unit's professional services rate has been reviewed and set at \$59.00 for FY16. This is an increase from our FY15 rate of \$59.

Project Status as of January 31, 2015: From July 2014 through December 2014, DNR billed \$44,685 from the M.L. 2014 appropriation for contract management services (ENRTF only). Contract management services were billed at the FY15 professional services rate of \$56.94/hour. There is now \$90,315 remaining in the M.L. 2014 appropriation. Please see the attached financial report.

Project Status as of July 31, 2015: From January 2015 through June 2015, DNR billed 835 hours for a total of \$47,524 from the M.L. 2014 appropriation for ENRTF contract management services. Contract management services were billed at the FY15 professional services rate of \$56.94/hour. There is now \$42,791 remaining in the M.L. 2014 appropriation. Please see the attached financial report.

Amendment Request (07/24/15):

The DNR Grants Unit's professional services rate is reviewed annually and has been set at \$59.00 for FY16. This is a \$2.06 increase from our FY15 rate of \$56.94. This increase is necessary due to required staff salary increases and prior year estimated other related costs being previously under-reported. The actual costs for our unit are now reflected in the rate, as detailed in the Activity section.

Project Status as of January 31, 2016: From July 2015 through December 2015, DNR billed 720 hours \$42,791 from the M.L. 2014 appropriation for contract management services (ENRTF only). Contract management services were billed at the FY16 professional services rate of \$59.00/hour. There is now \$0.00 remaining in the M.L. 2014 appropriation.

Project Status as of August 15, 2016: From January 2016 to June 2016, the DNR billed no work hours to the M.L. 14 Contract Management project.

Overall Project Outcomes and Results:

This appropriation was used to support the ENRTF contract management program, which ensured that ENRTF grantees expended grant funds in compliance with state law, session law, approved work plans, and Office of Grants Management grants policies.

The DNR Grants Unit managed 39 grants active in FY 2015, including monitoring 32 grants. In FY 2016, the Grants Unit managed 59 active grants.

Between 7/1/2014 when the services began and 12/31/2015 when they ended, the DNR Grants Unit:

- Made 199 reimbursements to grantees totaling \$7,099,485.17
- Prepared and executed 23 ML 2015 grant agreements
- Published 6 editions of the quarterly newsletter for all grantees
- Billed 1,619 hours at the FY 2015 professional services rate of \$56.94/hr

Billed 720 hours at the FY 2016 professional services rate of \$59.00/hr

- Participated in the Office of the Legislative Auditor's Internal Controls and Compliance Audit of the Environment and Natural Resources Trust Fund. This audit, published in February 2016, identified no findings relating to the DNR Grants Unit contract management. It identified one finding related to DNR allocation of administrative costs, which the Grants Unit worked with LCCMR staff to resolve.

IV. PROJECT ACTIVITIES AND OUTCOMES:

ACTIVITY 1: Contract Management

Description:

The DNR Grants Unit will continue to balance the needs of appropriation recipients and the intended conservation work outcomes with financial integrity and fiduciary responsibility in order to ensure funds are expended in compliance with appropriation law, state statute, grants policies, and approved work plans.

Services to be provided under this appropriation include the following:

1. Contract Management
 - a. Prepare grant agreements and amendments.
 - b. Contract related policy and procedure development.
 - c. Process improvements that improve efficiency and ease for grantees while ensuring fiscal integrity.
 - d. Contract management documentation, including file management.
2. Training and Communications
 - a. Communicate regularly, informally and formally, with LCCMR staff and grant recipients (including website updates and newsletter).
 - b. Train recipients on state grant requirements, including reporting procedures, proper documentation of expenses, and the Department of Administration's grants management policies, to ensure grantees follow state law and grants management policies set forth by the state.
 - c. Work with recipients to ensure grantees understand the state's reimbursement procedures and requirements.
 - d. Provide ongoing technical assistance/guidance to recipients.
 - e. Participate in grants governance committees and meetings.
 - f. Consultation with subject matter experts on land acquisition.
3. Reimbursement
 - a. Review reimbursement requests to ensure claimed reimbursements include sufficient documentation and comply with state and session laws, the LCCMR approved accomplishment plan, and the Office of Grants Management (OGM) grants policies.
 - b. Consult with grantees on documentation submitted.
 - c. Arrange for prompt payment once grantee has submitted a completed reimbursement request and expenses have been deemed eligible for reimbursement.
4. Fiscal and Close-out
 - a. Encumber/Unencumber Funds.
 - b. Detailed accounting by pass-through appropriation for each grant recipient.
 - c. Electronically transfer funds for land acquisition.

- d. Execute Use of Funds Agreements.
- e. Financial reconciliation.
- f. Financial reporting.
- g. Contract management reporting (fund balance/expenditures).
- h. Examine records of recipients.
- i. Work with recipients to successfully close out grants.
- j. Work closely with and respond to requests from the Office of the Legislative Auditor.
- k. Grant monitoring in compliance with OGM policy.
- l. Provide/confirm information to assist with grantee audits.
- m. Process returned grant funds.

Please see the attached list of pass-through contracts to be managed by the DNR. A document outlining the agreements made jointly by LCCMR and DNR staff regarding process and guidelines for pass-through projects is also attached.

Summary Budget Information for Activity 1:

ENRTF Budget: \$ 135,000
Amount Spent: \$ 135,000
Balance: \$ 0.00

Activity Completion Date: January 31, 2016

Outcome	Completion Date	Budget
Administer Environment and Natural Resources Trust Fund Pass-through Program. Activities include: grant agreements and amendments, grants training, technical support, reporting, auditing, payment reimbursement review and processing, and grant close-out.	January 31, 2016	\$135,000*

*Amount spent is not tracked by result; services are billed at an hourly rate of \$59.00 for FY16.

This appropriation funds contract management services billed using a professional services rate of \$59.00/hr. for FY16. The professional services hourly rate includes salary and fringe for grants management staff, supervisory time, travel costs, supplies, agency directs, and related costs necessary to carry out the pass-through grant management program. Multiple staff with a variety of grants, financial or other responsibilities provide contract management services to ENRTF and OHF. Cost coding will be used to record and differentiate time spent on ENRTF and OHF pass-through grant management. Services not received or provided will not be billed.

This rate for FY16 is calculated as follows:

Salary and Fringe (3.12 FTE) \$244,049

Related Other Costs as Listed Above and Detailed Below \$36,292

Other Employee Costs (severance, worker's comp, unemployment)	\$2,574.80
Rent	\$14,904.24
In-state Travel and Employee Development	\$1,104.48
Supplies/ Non-Capital Equip/Communications/Computer/Fleet	\$4,845.60
Agency Direct, Statewide, and Other Operating Costs	\$12,863.34
TOTAL	\$36,292.46

Total Grant Unit Cost \$280,341

Estimated billable hours = 4,716

\$280,341/4,716 hours = \$59.44/hour (rounded down to \$59.00)

Activity Status as of January 31, 2015: M.L. 2014 contracts and the associated reimbursement manual were sent out to appropriation recipients in July. Training on the reimbursement process was provided in September. Contracts were executed and subsequently reimbursement requests were reviewed and processed.

Activity Status as of July 31, 2015: The DNR OMBS Grants Unit managed agreements and reimbursements for ENRTF projects (list attached), as recommended by LCCMR and appropriated by the legislature. Grant management and financial monitoring was completed in accordance with Department of Administration Office of Grants Management Policy 08-10. DNR Grants Unit staff participated in an OLA audit of ENRTF appropriations. The report is pending. ML15 ENRTF pass-through grant agreements and associated documents were prepared.

Activity Status as of January 31, 2016: Reimbursement requests were processed and reviewed for all ML 2014 appropriations and Grants Unit newsletters were distributed to appropriation recipients to keep them up-to-date on contract management-related topics.

Final Report Summary: DNR staff created and executed ENRTF grant agreements and maintained corresponding grant files. Staff provided training and ongoing technical assistance to appropriation recipients. Staff reviewed and processed reimbursement requests in a timely manner and conducted financial reconciliations and monitoring as required by the Minnesota Department of Administration Office of Grants Management. DNR staff closed out grants in accordance with Office of Grants Management policy and LCCMR requirements.

V. DISSEMINATION:

Description:

Minnesota Department of Natural Resources Grants Unit staff are in frequent contact with ENRTF pass-through appropriation recipients through phone calls, emails, letters, trainings, surveys, quarterly newsletters, and manuals. In addition, a website with grantee resources can be found here:

<http://www.dnr.state.mn.us/grants/passthrough/index.html>.

The Grants Manager, Grants Specialists, and DNR's LCCMR liaison communicate with LCCMR staff.

Status as of January 31, 2016: The website was updated with the FY16 forms and manual. The DNR Grants Journal was sent to appropriation recipients and other subscribers in July and October. The DNR conducted FY16 reimbursement manual training in September.

Final Report Summary: DNR Grants Unit staff remained in close contact with appropriation recipients regarding on-going and emerging contract management topics via a variety of methods: phone, email, website, webinar, newsletter, manuals and in-person meetings.

VI. PROJECT BUDGET SUMMARY:

A. ENRTF Budget Overview:

Budget Category	\$ Amount	Explanation
Other: Professional Services	\$135,000	This appropriation funds contract management services billed using a professional services rate

		of \$59.00 for FY16. The professional services hourly rate includes salary and fringe for grants management staff, supervisory time, travel costs, supplies, agency directs, and related costs necessary to carry out the pass-through grant management program. Multiple staff with a variety of grants, financial or other responsibilities provide contract management services to ENRTF and OHF. Cost coding will be used to record and differentiate time spent on ENRTF and OHF pass-through grant management. Services not received or provided will not be billed.
TOTAL ENRTF BUDGET:		\$135,000

Explanation of Use of Classified Staff: These funds are for professional services and are not used to fund a position.

Explanation of Capital Expenditures Greater Than \$5,000: N/A

Number of Full-time Equivalents (FTE) Directly Funded with this ENRTF Appropriation: N/A

Number of Full-time Equivalents (FTE) Estimated to Be Funded through Contracts with this ENRTF Appropriation: N/A

B. Other Funds:

N/A

VII. PROJECT STRATEGY:

A. Project Partners: Appropriation recipients, LCCMR staff, Office of Grants Management staff, DNR Grants Unit and other staff, and other agency and legislative staff will be carrying out the proposed activities.

B. Project Impact and Long-term Strategy: Centralized administration of Trust Fund pass-through appropriations to the commissioner of natural resources results in more efficient and consistent management of these grants and better communication among the project team/partners.

C. Spending History:

Funding Source	M.L. 2008 or FY09	M.L. 2009 or FY10	M.L. 2010 or FY11	M.L. 2011 or FY12-13	M.L. 2013 or FY14
Environment and Natural Resources Trust Fund		\$158,000 Subd. 8a		\$175,000 Subd. 10b	\$135,000 Subd. 8b

VIII. ACQUISITION/RESTORATION LIST: N/A

IX. VISUAL ELEMENT or MAP(S): Our July and October newsletters are attached.

X. ACQUISITION/RESTORATION REQUIREMENTS WORKSHEET: N/A

XI. RESEARCH ADDENDUM: N/A

XII. REPORTING REQUIREMENTS:

A final report and associated products will be submitted no later than March 31, 2016.



Environment and Natural Resources Trust Fund

Final M.L. 2014 Project Budget

Project Title: Contract Management

Legal Citation: M.L. 2014, Chp. 226, Sec. 2, Subd. 10a

Project Manager: Katherine Sherman-Hoehn

Organization: Minnesota Department of Natural Resources

M.L. 2014 ENRTF Appropriation: \$135,000

Project Length and Completion Date: 1.5 Years, January 31, 2016

Date of Final Report: October 27, 2016

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND BUDGET	Activity 1 Budget	Amount Spent	Activity 1 Balance	TOTAL BUDGET	TOTAL BALANCE
BUDGET ITEM	Contract Management			\$135,000	
Other: Professional Services This appropriation funds contract management services billed using a professional services rate of \$56.94/hour for FY15 and \$59.00 for FY16. The professional services hourly rate includes salary and fringe for grants management staff, supervisory time, travel costs, supplies, agency directs, and related costs necessary to carry out the pass-through grant management program. Multiple staff with a variety of grants, financial or other responsibilities provide contract management services to ENRTF and OHF. Cost coding will be used to record and differentiate time spent on ENRTF and OHF pass-through grant management. Services not received or provided will not be billed.	\$135,000	\$135,000	\$0	\$135,000	\$0
COLUMN TOTAL	\$135,000	\$135,000	\$0	\$135,000	\$0