

ML 2016 Project Abstract

For the Period Ending June 30, 2018

PROJECT TITLE: Contract Agreement Reimbursement

PROJECT MANAGER: Katherine Sherman-Hoehn

AFFILIATION: Minnesota Department of Natural Resources

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FUNDING SOURCE: Environment and Natural Resources Trust Fund

LEGAL CITATION: M.L. 2016, Chp. 186, Sec. 2, Subd. 10a

APPROPRIATION AMOUNT: \$135,000

AMOUNT SPENT: \$118,318

AMOUNT REMAINING: \$16,682

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 67 grants active in FY 2017. In FY 2018, the Grants Unit managed 71 active grants.

Between 7/1/2016 when the services began and 06/30/2018 when they ended, the DNR Grants Unit:

- Made 359 reimbursements to grantees totaling \$13,053,825.58
- Prepared and executed 21 ML 2017 grant agreements
- Published 6 editions of the quarterly newsletter for all grantees
- Billed 350 hours at the FY 2017 professional services rate of \$63.00/hr
- Billed 1,534 hours at the FY 2018 professional services rate of \$63.00/hr
- Monitored all grants in compliance with Office of Grants Management policies.

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. 2016 Final Work Plan

Date of Report: August 31, 2018

Date of Next Status Update Report: Final Report

Date of Work Plan Approval: June 7, 2016

Project Completion Date: June 30, 2018

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 55155-4010

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

Location: Statewide

Total ENRTF Project Budget:	ENRTF Appropriation:	\$135,000
	Amount Spent:	\$118,318
	Balance:	\$16,682

Legal Citation: M.L. 2016, Chp. 186, 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 Agreement Reimbursement

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.

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.

The goal of the DNR Grants Unit is to provide grantees with one consistent point of contact for their agreements and excellent customer service.

III. OVERALL PROJECT STATUS UPDATES:

Project Status as of January 31, 2017:

The Grants Unit is currently primarily charging to the ML 2015 appropriation for contract management activities, but did charge 33 hours of grant staff time, for \$2,081.36, to this grant.

Project Status as of August 31, 2017:

The Grants Unit is currently primarily charging to the ML 2015 appropriation for contract management activities.

Project Status as of January 31, 2018:

The DNR OMBS Grants Unit managed agreements and reimbursements for ENRTF projects as recommended by LCCMR and appropriated by the legislature. The Grants Unit monitored all grants in accordance with Department of Administration Office of Grants Management Policy 08-10. The unit executed ML17 ENRTF pass-through grant agreements and associated documents and provided contract management training to current grantees. The Grants Unit charged 644 hours to this appropriation for contract management activities, for \$40,576.36.

Amendment Request (01/31/2018):

The DNR Grants Unit's professional services rate is reviewed annually and has been set at \$63.00 for FY18. This is a \$1.00 increase from our FY 17 rate of \$62.00. This increase is necessary due to contractually- required staff salary increases. Per the work plan, we have the ability to change this at the beginning of the fiscal year. Through the process it took effect in September. We have been drawing down at the higher rate since September and would like the amendment to be retroactive to that time, and for the rest of the fiscal year ending June 30, 2018 or until revised.

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 67 grants active in FY 2017. In FY 2018, the Grants Unit managed 71 active grants.

Between 7/1/2016 when the services began and 06/30/2018 when they ended, the DNR Grants Unit:

- Made 359 reimbursements to grantees totaling \$13,053,825.58
- Prepared and executed 21 ML 2017 grant agreements
- Published 6 editions of the quarterly newsletter for all grantees
- Billed 350 hours at the FY 2017 professional services rate of \$63.00/hr
- Billed 1,534 hours at the FY 2018 professional services rate of \$63.00/hr

- Monitored all grants in compliance with Office of Grants Management policies.

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 work 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 determined to be 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 fiscal monitoring in compliance with OGM policy.
 - l. Provide/confirm information to assist with grantee audits.
 - m. Process returned grant funds.

The DNR Grants Unit works in cooperation with LCCMR staff to ensure that ENRTF funds are spent appropriately and reimbursed expediently in order to facilitate recommended project work.

This appropriation funds contract management services billed using a professional services rate. The rate for FY18 is \$63/hr. If the rate were to change for FY19, LCCMR staff would be informed immediately and an amendment to the work plan would be requested. The professional services hourly rate includes salary and fringe for grants management staff, supervisory time, travel costs, supplies, allocated administrative costs including rent and printing, as well as other related costs necessary to carry out the pass-through grant management program. Multiple staff with a variety of grants, financial or other responsibilities provides contract management services to ENRTF as well as the Outdoor Heritage Fund (OHF). Cost coding is used to record and differentiate time spent on ENRTF and OHF pass-through grant management. Services not received or provided will not be billed.

The Professional Services Rate is calculated as follows:

Table 1: Professional Services Rate Calculation

	FY 18	FY 17	FY16
Full Time Equivalents (FTE)	2.70	2.75	3.12
Salary and Fringe	\$ 261,470	\$ 233,200	\$ 244,049
Related Non-Salary Costs as Detailed in Table 2	\$ 6,600	\$ 25,921	\$ 36,292
Total Grant Unit Cost	\$ 268,070	\$ 259,121	\$ 280,341
Estimated billable hours (75% of staff time)	4228	4150	4716
Professional Services Hourly Rate (Total Cost/Billable Hours)	\$63.00	\$62.00	\$59.00

Table 2: Related Non-Salary Costs

	FY 18	FY 17	FY 16
Other Employee Costs (severance, worker's comp, unemployment)	0	\$ 574	\$ 2,575
Rent (allocated by average per FTE)	\$3,000	\$ 6,711	\$ 14,904
In-state Travel and Employee Development	\$500	\$ 1,152	\$ 1,104
Supplies/ Non-Capital Equip/Communications/Computer/Fleet (allocated by average per FTE)	\$3,100	\$ 5,746	\$ 4,846
*Agency Direct, Statewide, and Other Operating Costs (allocated by average per FTE)		\$ 11,737	\$ 12,863
Total	\$6,600	\$ 25,921	\$ 36,292

* Agency Direct, Statewide, and Other Operating Costs: Agency Direct costs are DNR Business Service, primarily DNR Contracting and DNR Accounts Payable; Statewide costs are charges from MMB, Admin, and MNIT for SWIFT; Other Operating Costs are purchased services such as document destruction. All costs are directly related to contract management work, which would not exist without this appropriation.

Summary Budget Information for Activity 1:

ENRTF Budget: \$ 135,000
Amount Spent: \$ 02,081.36
Balance: \$132,918.64

Outcome	Completion Date
1. Administration of Environment and Natural Resources Trust Fund pass-through contracts and reimbursements.	June 30, 2018

Activity Status as of January 31, 2017:

The Grants Unit is currently primarily charging to the ML 2015 appropriation for contract management activities, but did charge 33 hours of grant staff time, for \$2,081.36, to this grant

Activity Status as of August 31, 2017:

The Grants Unit is currently primarily charging to the ML 2015 appropriation for contract management activities.

Activity Status as of January 31, 2018:

The DNR OMBS Grants Unit manages agreements and reimbursements for ENRTF pass-through projects to the DNR, as recommended by the LCCMR and appropriated by the legislature. Grant monitoring will be completed in accordance with Department of Administration Office of Grants Management Policy 08-10. During July-December, the Grants Unit managed 72 open ENRTF grants, including appropriate monitoring. In addition, the Grants Unit executed ML17 ENRTF pass-through grant agreements and associated documents and provided contract management training to new and current grantees. The Grants Unit sent the DNR Grants Unit Journal Newsletter to all ENRTF pass-through appropriation recipients.

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, training, 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>

Status as of January 31, 2017:

The Grants Unit is currently providing contract management activities under the ML 2015 appropriation, including technical assistance, training, and publications.

Status as of August 31, 2017:

The Grants Unit is currently providing contract management activities under the ML 2015 appropriation, including technical assistance, training, and publications.

Status as of January 31, 2017:

The DNR Grants Unit receives, reviews, and processes reimbursement requests for trust fund appropriations. In addition, the Grants Unit provided contract management and land acquisition training to grantees and published the DNR Grants Unit Newsletter to all trust fund grantees on a quarterly basis.

Final Report Summary:

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.

VI. PROJECT BUDGET SUMMARY:**A. ENRTF Budget Overview:**

Budget Category	\$ Amount	Overview Explanation
Personnel:	\$ 135,000	This appropriation funds contract management services billed using a professional services rate (\$63 for FY18). The professional services hourly rate includes salary and fringe for grants management staff, supervisory time, travel costs, supplies, allocated administrative costs including rent and printing, as well as other 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 is 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: Classified staff receive funds from this appropriation through the professional services rate included.

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

Number of Full-time Equivalents (FTE) Directly Funded with this ENRTF Appropriation: 2

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 ENRTF pass-through appropriations to the commissioner of natural resources results in more efficient and consistent management of these funds and better communication among the project team/partners.

C. Timeline Requirements

The proposed Contract Management would occur during State Fiscal Year 17.

VIII. FEE TITLE ACQUISITION/CONSERVATION EASEMENT/RESTORATION REQUIREMENTS:

A. Parcel List: N/A

B. Acquisition/Restoration Information: N/A

IX. VISUAL COMPONENT or MAP(S): The most recent edition of our quarterly newsletter is attached.

X. RESEARCH ADDENDUM: N/A

XI. REPORTING REQUIREMENTS:

Periodic work plan status update reports will be submitted no later than January 31, 2017, August 31, 2017, and January 31, 2017. A final report and associated products will be submitted between June 30 and August 15, 2018.

Environment and Natural Resources Trust Fund
Final M.L. 2016 Project Budget

Project Title: Contract Agreement Reimbursement

Legal Citation: M.L. 2016, Chp. 186, Sec. 2, Subd. 10a

Project Manager: Katherine Sherman-Hoehn

Organization: Minnesota Department of Natural Resources

M.L. 2016 ENRTF Appropriation: **\$135,000**

Project Length and Completion Date: 2 Years, June 30, 2018

Date of Report: August 31, 2018



ENVIRONMENT AND NATURAL RESOURCES TRUST FUND BUDGET	Activity 1 Budget	Amount Spent	Activity 1 Balance	TOTAL BUDGET	TOTAL BALANCE
BUDGET ITEM	Fill in your activity title here.				
Other	\$135,000	\$118,318	\$16,682	\$135,000	\$16,682
Professional Services <i>This appropriation funds contract management services billed using a professional services rate (\$62/hr for FY17 and \$63/hr for FY18). The professional services hourly rate includes salary and fringe for grants management staff, supervisory time, travel costs, supplies, allocated administrative costs including rent and printing, as well as other 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 is used to record and differentiate time spent on ENRTF and OHF pass-through grant management. Services not received or provided will not be billed.</i>					
COLUMN TOTAL	\$135,000	\$118,318	\$16,682	\$135,000	\$16,682