

## **ML 2015 Project Abstract**

For the Period Ending June 30, 2017

**PROJECT TITLE:** Contract Agreement Reimbursement

**PROJECT MANAGER:** Katherine Sherman-Hoehn

**AFFILIATION:** Minnesota Department of Natural Resources

**MAILING ADDRESS:** 500 Lafayette Road

**CITY/STATE/ZIP:** St. Paul, MN 55155

**PHONE:** 651-259-5543

**E-MAIL:** Katherine.sherman-hoehn@state.mn.us

**WEBSITE:** <http://www.dnr.state.mn.us>

**FUNDING SOURCE:** Environment and Natural Resources Trust Fund

**LEGAL CITATION:** M.L. 2015, Chp. 76, Sec. 2, Subd. 11b

**APPROPRIATION AMOUNT: \$135,000**

**AMOUNT SPENT: \$134,798**

**AMOUNT REMAINING: \$202**

### **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 59 grants active in FY 2016. In FY 2017, the Grants Unit managed 67 active grants.

Between 7/1/2015 when the services began and 06/30/2017 when they ended, the DNR Grants Unit:

- Made 270 reimbursements to grantees totaling \$6,186,311.59
- Prepared and executed 21 ML 2016 grant agreements
- Published 6 editions of the quarterly newsletter for all grantees
- Billed 976 hours at the FY 2016 professional services rate of \$59.00/hr
- Billed 1,245 hours at the FY 2017 professional services rate of \$62.00/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. 2015 Work Plan Final Report

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**Date of Report:** August 18, 2017

**Final Report**

**Date of Work Plan Approval:** June 11, 2015

**Project Completion Date:** June 30, 2017

**Does this submission include an amendment request?** No

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**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>

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**Location:** Statewide

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**Total ENRTF Project Budget:**

**ENRTF Appropriation:** \$135,000

**Amount Spent:** \$134,798

**Balance:** \$202

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**Legal Citation:** M.L. 2015, Chp. 76, Sec. 2, Subd. 11b

**Appropriation Language:**

\$135,000 the first 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. 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. OVERALL PROJECT STATUS UPDATES:**

**Project Status as of January 31, 2016:**

The DNR Grants Unit prepared and sent out all FY16 ENRTF grant agreements to trust fund appropriation recipients in July 2015. Reimbursement Manual training was conducted this past September and Grants Unit newsletters were distributed this past July and October.

**Project Status as of August 31, 2016:**

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 prepared ML16 ENRTF pass-through grant agreements and associated documents. From January 2016-June 30 2016 the DNR billed 620 hours for a total of \$36,580 from the ML 15 appropriation for contract management services.

**Amendment Request (08/31/16):**

The DNR Grants Unit's professional services rate is reviewed annually and has been set at \$62.00 for FY17. This is a \$2.00 increase from our FY16 rate of \$59.00. This increase is necessary due to required staff salary increases.

**Project Status as of January 31, 2017:**

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 ML16 ENRTF pass-through grant agreements and associated documents and provided contract management training to current grantees. From July 1 2016-December 31 2016 the DNR billed 454 hours for a total of \$28,148 from the ML 15 appropriation for contract management services.

**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 59 grants active in FY 2016. In FY 2017, the Grants Unit managed 67 active grants.

Between 7/1/2015 when the services began and 06/30/2017 when they ended, the DNR Grants Unit:

- Made 270 reimbursements to grantees totaling \$6,186,311.59

- Prepared and executed 21 ML 2016 grant agreements
- Published 6 editions of the quarterly newsletter for all grantees
- Billed 976 hours at the FY 2016 professional services rate of \$59.00/hr
- Billed 1,245 hours at the FY 2017 professional services rate of \$62.00/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 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.

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.

Please see the attached list of open pass-through contracts managed by the DNR under previous/existing ENRTF appropriations and to be managed with these funds when the prior year funds are expended. A document outlining the agreements made jointly by LCCMR and DNR staff regarding process and guidelines for pass-through projects is also attached.

This appropriation funds contract management services billed using a professional services rate (\$59.00/hr for FY16 and \$62.00/hr for FY17). 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.

The rate for FY 16 is calculated as follows:

|                                  |                  |
|----------------------------------|------------------|
| Salary and Fringe                | \$244,049        |
| Related Other Costs Listed Above | \$36,292         |
| <b>Total Grants Unit Cost</b>    | <b>\$280,341</b> |

Estimated billable hours = 4,716

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

The rate for FY17 is calculated as follows:

|   |                   |
|---|-------------------|
| <b>Salary and Fringe (2.75 FTE)</b>   | <b>\$ 233,200</b> |
| <b>Total of Related Other Costs as Listed in Narrative and Detailed Below</b> | <b>\$ 25,921</b>  |
| Other Employee Costs (severance, worker's comp, unemployment)                 | \$ 574            |
| Rent  | \$ 6,711          |
| In-state Travel and Employee Development                                      | \$ 1,152          |
| Supplies/ Non-Capital Equip/Communications/Computer/Fleet                     | \$ 5,746          |
| Agency Direct, Statewide, and Other Operating Costs                           | \$ 11,737         |
| <b>Total Grant Unit Cost</b>  | <b>\$ 259,121</b> |

Estimated billable hours = 4,150

$\$259,121 / 4,150 \text{ hours} =$   $\$62.44/\text{hour}$  (rounded down to \$62.00)

Multiple staff with a variety of grants, financial or other responsibilities provide the above 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.

**Summary Budget Information for Activity 1:**

**ENRTF Budget: \$ 135,000**  
**Amount Spent: \$134,798**  
**Balance: \$202**

| <b>Outcome</b>   | <b>Completion Date</b> |
|--|------------------------|
| 1. Administer Environment and Natural Resources Trust Fund Pass-through Program. | June 30, 2017          |

**Activity Status as of January 31, 2016:**

The DNR Grants Unit receives, reviews, and processes reimbursement requests for trust fund appropriations. Monitoring visits will begin during the next status report period in compliance with the Office of Grants Management monitoring policy.

**Activity Status as of August 31, 2016:**

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 January-June, the Grants Unit managed 59 open ENRTF grants, including appropriate monitoring. In addition, the Grants Unit prepared ML16 ENRTF pass-through grant agreements and associated documents and sent the DNR Grants Unit Journal Newsletter to all ENRTF pass-through appropriation recipients in January and March.

**Activity Status as of January 31, 2017:**

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 67 open ENRTF grants, including appropriate monitoring. In addition, the Grants Unit executed ML16 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 in July.

**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 and Grants Specialists communicate with LCCMR staff.

**Status as of January 31, 2016:**

The DNR Grants Unit receives, reviews, and processes reimbursement requests for trust fund appropriations. Monitoring visits will begin during the next status report period in compliance with the Office of Grants Management monitoring policy.

**Status as of August 31, 2016:**

The DNR Grants Unit receives, reviews, and processes reimbursement requests for trust fund appropriations. Monitoring visits for FY2016 were completed during January-June.

**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 in August 2016.

**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        | Overview Explanation   |
|------------------------------|------------------|--|
| Other: Professional Services | \$135,000        | This appropriation funds contract management services billed using a professional services rate (\$59.00/hr for FY16 and \$62.00/hr for FY17). |
| <b>TOTAL ENRTF BUDGET:</b>   | <b>\$135,000</b> |  |

**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, 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 appropriations and better communication among the project partners.

**C. Funding History:**

| Funding Source and Use of Funds              | Funding Timeframe | \$ Amount |
|--|-------------------|-----------|
| Environment and Natural Resources Trust Fund | FY12/13           | \$175,000 |
| Environment and Natural Resources Trust Fund | FY14/15           | \$135,000 |
| Environment and Natural Resources Trust Fund | FY15/16           | \$135,000 |

**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):** Our October 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, 2016, August 31, 2016, and January 31, 2017. A final report and associated products will be submitted between June 30 and August 15, 2017.**



|   |  |  |  |  |  |
|---|--|--|--|--|--|
| <b>Environment and Natural Resources Trust Fund</b>               |  |  |  |  |  |
| <b>Final M.L. 2015 Project Budget</b>                             |  |  |  |  |  |
| <b>Project Title:</b> Contract Management                         |  |  |  |  |  |
| <b>Legal Citation:</b> M.L. 2015, Chp. 76, Sec. 2, Subd. 11b      |  |  |  |  |  |
| <b>Project Manager:</b> Katherine Sherman-Hoehn                   |  |  |  |  |  |
| <b>Organization:</b> Minnesota Department of Natural Resources    |  |  |  |  |  |
| <b>M.L. 2014 ENRTF Appropriation:</b> \$135,000                   |  |  |  |  |  |
| <b>Project Length and Completion Date:</b> 2 Years, June 30, 2017 |  |  |  |  |  |
| <b>Date of Final Report:</b> August 18, 2017                      |  |  |  |  |  |



| <b>ENVIRONMENT AND NATURAL RESOURCES TRUST FUND BUDGET</b>   | <b>Activity 1 Budget</b>   | <b>Amount Spent</b> | <b>Activity 1 Balance</b> | <b>TOTAL BUDGET</b> | <b>TOTAL BALANCE</b> |
|--|----------------------------|---------------------|---------------------------|---------------------|----------------------|
| <b>BUDGET ITEM</b>   | <b>Contract Management</b> |                     |                           | <b>\$135,000</b>    |                      |
| <b>Other: Professional Services</b><br>This appropriation funds contract management services billed using a professional services rate of \$59.00 for FY16 and \$62.00 for FY17. 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                  | \$134,798           | \$202                     | \$135,000           | \$202                |
| <b>COLUMN TOTAL</b>  | <b>\$135,000</b>           | <b>\$134,798</b>    | <b>\$202</b>              | <b>\$135,000</b>    | <b>\$202</b>         |