

## **M.L. 2011 Project Abstract**

For the Period Ending December 31, 2013

**PROJECT TITLE:** Contract Administration

**PROJECT MANAGER:** Amanda Graeber

**AFFILIATION:** MN DNR

**MAILING ADDRESS:** 500 Lafayette Road

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

**PHONE:** 651-259-5533

**E-MAIL:** Amanda.Graeber@state.mn.us

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

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

**LEGAL CITATION:** M.L. 2011, First Special Session, Chp. 2, Art.3, Sec. 2, Subd. 10b

**APPROPRIATION AMOUNT:** \$175,000

### **Overall Project Outcome and Results**

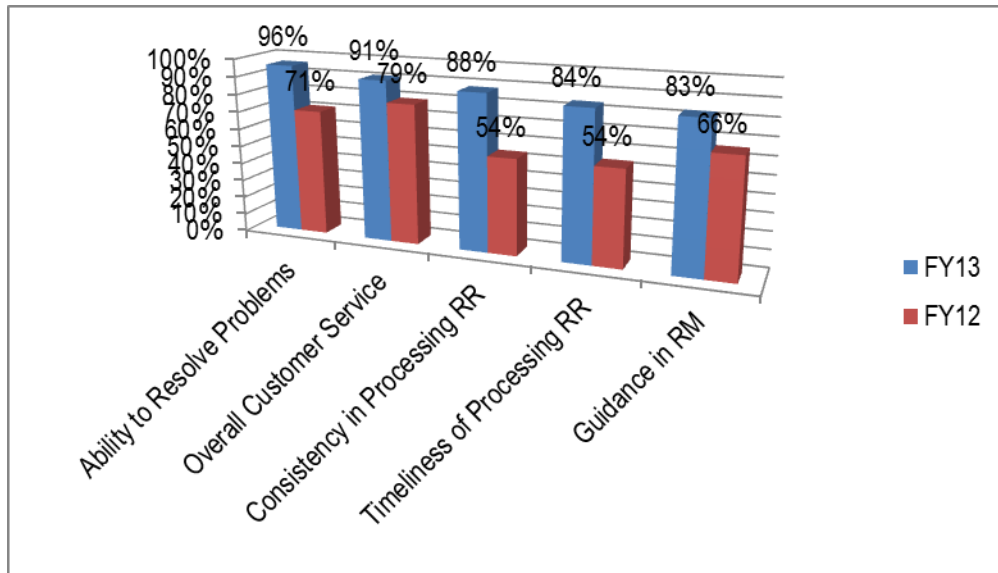
This appropriation, in conjunction with Outdoor Heritage Fund appropriations, was used to support the contract management program, which ensured ENRTF funds were expended in compliance with state law, session law, approved work plans, and Office of Grants Management grants policies.

Services provided under this appropriation included the following:

- Contract Management Services
  - Prepared grant agreements and amendments
  - Encumbered/Unencumbered Funds
  - Executed Use of Funds Agreements
  - Advanced funds for land acquisition (if approved)
  - Communicated regularly with LCCMR staff and grant recipients
  - Contract management documentation, including file management
- Training and Communications
  - Trained recipients on state grant requirements
  - Worked with recipients to ensure grantees understood the state's reimbursement procedures and requirements
  - Provided ongoing technical assistance/guidance to recipients
- Reimbursement Services
  - Reviewed reimbursement requests
  - Arranged for prompt payment once expenses were verified eligible for reimbursement
  - Detailed accounting by pass-through appropriation for each grant recipient
- Fiscal, Audit, and Close-out Services
  - Financial reconciliation
  - Financial reporting
  - Contract management reporting (fund balance/expenditures)
  - Examined or audited records of recipients
  - Worked with recipients to successful close out of grants
  - Worked closely with and responded to requests from the Office of the Legislative Auditor

In support of the above services to appropriation recipients, many contract management projects were completed:

- Two grantee surveys completed,
- Migration to a newly designed database,
- DNR, Admin, LCCMR, and LSOHC pass-through contract administration roles, processes, and guidelines finalized,
- Joint DNR/LCCMR/LSOHC orientation for appropriation recipients held,
- New DNR Grants Management Policy approved, including a financial Grants Monitoring Procedure.



FY12&13 DNR Grants Unit OHF & ENRTF Customer Survey Results  
 (%=Satisfied or Very Satisfied; RR=Reimbursement Requests; RM=Reimbursement Manual)

**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, and phone.

In addition, two new communication tools were added: a website that includes many appropriation recipient resources and frequently asked questions and a quarterly electronic newsletter, The DNR Grants Journal was established in January 2013 in order to provide another quick and effective way to communicate information to appropriation recipients. Prior issues of the DNR Grants Journal are archived on the Training page of the DNR pass-through administration website.



## Environment and Natural Resources Trust Fund (ENRTF) M.L. 2011 Work Plan Final Report

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**Date of Status Update:** 01/30/2014  
**Date of Next Status Update:** Final Report  
**Date of Work Plan Approval:** 09/27/2011  
**Project Completion Date:** 06/30/2014 **Is this an amendment request?** NO

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**Project Title:** Contract Administration

**Project Manager:** Amanda Graeber

**Affiliation:** MN DNR

**Address:** 500 Lafayette Rd, Box 10

**City:** St. Paul **State:** MN **Zipcode:** 55155

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

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**Location:**

**Counties Impacted:** Statewide

**Ecological Section Impacted:** Statewide

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<b>Total ENRTF Project Budget:</b>	<b>ENRTF Appropriation \$:</b>	175,000
	<b>Amount Spent \$:</b>	<u>175,000</u>
	<b>Balance \$:</b>	0

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**Legal Citation:** M.L. 2011, First Special Session, Chp. 2, Art.3, Sec. 2, Subd. 10b

**Appropriation Language:**

\$88,000 the first year and \$87,000 the second year are from the trust fund to the commissioner of natural resources for expenses incurred for contract fiscal services 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. This appropriation is available until June 30, 2014.

**I. PROJECT TITLE:** Contract Management

**II. FINAL PROJECT STATEMENT:**

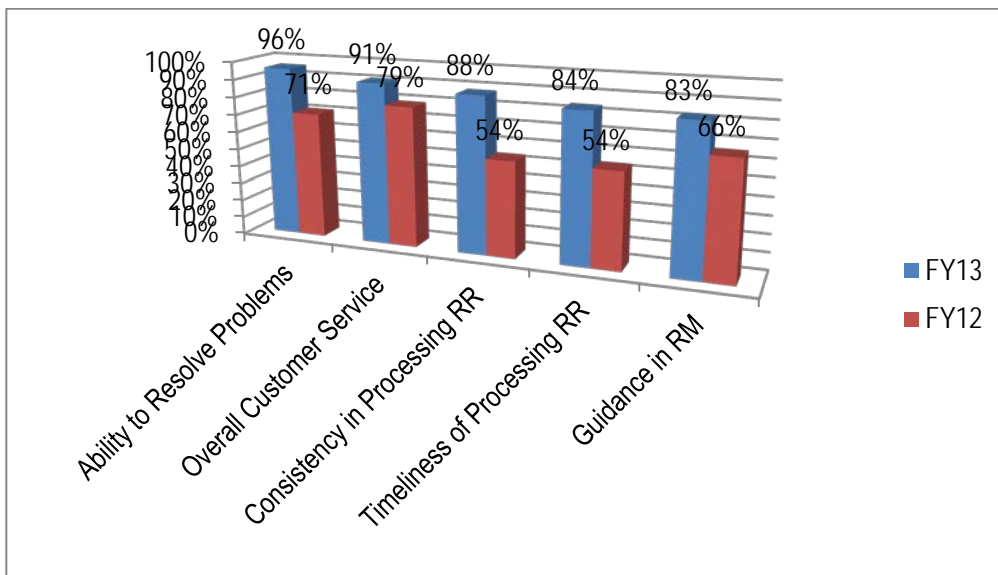
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Services provided under this appropriation included the following:

- Contract Management Services
  - Prepared grant agreements and amendments
  - Encumbered/Unencumbered Funds
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  - Communicated regularly with LCCMR staff and grant recipients
  - Contract management documentation, including file management
- Training and Communications
  - Trained recipients on state grant requirements
  - Worked with recipients to ensure grantees understood the state's reimbursement procedures and requirements
  - Provided ongoing technical assistance/guidance to recipients
- Reimbursement Services
  - Reviewed reimbursement requests
  - Arranged for prompt payment once expenses were verified eligible for reimbursement
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- Fiscal, Audit, and Close-out Services
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In support of the above services to appropriation recipients, many contract management projects were completed:

- Two grantee surveys completed,
- Migration to a newly designed database,
- DNR, Admin, LCCMR, and LSOHC pass-through contract administration roles, processes, and guidelines finalized,
- Joint DNR/LCCMR/LSOHC orientation for appropriation recipients held,
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FY12&13 DNR Grants Unit OHF & ENRTF Customer Survey Results  
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### III. PROJECT STATUS UPDATES:

**Project Status as of December 2011:** From July 2011 through December 2011, DNR billed 204.75 hours to contract management services (ENRTF only) at the professional services rate of \$60/hour for a total of \$7,794. A payment posting audit is attached to this report.

After the shutdown ended in July, the DNR resumed contract management. In addition to administering existing contracts, 28 new agreements were sent out to grantees. A summary of the new grants is attached to this report.

**Project Status as of June 2012:** Actual expenditures through December 2011 were \$8,310. From January 2012 through June 2012, DNR billed 1,103 hours to contract management services (ENRTF only) at the professional services rate of \$60/hour for a total of \$66,180. Please see Manager's Financial Report for all FY12 billing and Expenditure Detail Report for January-June 2012 billing.

**Project Status as of December 2012:** From July 2012 through December 2012, DNR billed \$64,692 to contract management services (ENRTF only). Please see the attached Managers Financial Report.

**Project Status as of June 2013:** From January 2013 through June 2013, DNR billed \$34,940 to contract management services (ENRTF only). Please see the attached Managers Financial Report.

**Project Status as of December 2013:** From July 2013 through December 2013, DNR billed the remaining \$878 from the M.L. 2011 appropriation for contract management services (ENRTF only).

### IV. PROJECT ACTIVITIES AND OUTCOMES:

#### **ACTIVITY 1:** Manage the Environment and Natural Resources Trust Fund Pass-through Program

##### **Description:**

Continue to provide contract management services to pass-through grant recipients. Funding for this service is \$175,000 from the Minnesota Laws 2011 appropriation. Services provided under this appropriation include the following:

- Contract Management Services
  - Prepare grant agreements and amendments.
  - Encumber/Unencumber Funds.
  - Execute Use of Funds Agreements.
  - Advance funds for land acquisition (if included in work plans and session law).
  - Communicate regularly with LCCMR staff and grant recipients, informally and formally.
  - Continue to work on process improvements that improve efficiency and ease for grantee while ensuring fiscal integrity.
  - Contract management documentation, including file management.
  
- Training and Communications
  - 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.
  - Work with recipients to ensure grantees understand the state's reimbursement procedures and requirements.
  - Provide ongoing technical assistance/guidance to recipients.

- Reimbursement Services
  - Review reimbursement requests to ensure claimed reimbursements include sufficient documentation and comply with state and session laws, LCCMR approved work plan and the Office of Grants Management Grants Policies.
  - Arrange for prompt payment once grantee has submitted a completed reimbursement request and expenses have been deemed eligible for reimbursement.
  - Detailed accounting by pass-through appropriation for each grant recipient.
  
- Fiscal, Audit, and Close-out Services
  - Financial reconciliation.
  - Financial reporting.
  - Contract management reporting (fund balance/expenditures).
  - Examine or audit records of recipients.
  - Work with recipients to successful close out of grants.
  - Work closely with and respond to requests from the Office of the Legislative Auditor.

DNR complies with the prompt payment requirements as set forth M.S.16A.124. While there have been times when DNR's review time has exceeded 30 days, it has been the exception rather than the rule. DNR has been closely reviewing ways to improve contract management services and has discovered that pass-through recipients need more in-depth and ongoing training around financial requirements for grants. Grantee accuracy also continues to be an issue that can delay payment review as can other oversights such as missing forms and failure to provide proper payment documentation. Improved communications, an updated reimbursement manual, revised grant agreement, and training around grants reimbursement will be priorities for contract management services.

**Summary Budget Information for Activity 1:**

**ENRTF Budget: \$ 175,000**  
**Amount Spent: \$ 175,000**  
**Balance: \$ 0**

**Activity Completion Date:**

Outcome	Completion Date	Budget
1. 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. Reporting for both the carry-forward and new funding will be reported jointly.	June 30, 2014	\$175,000*

\*Amount spent is not tracked by result; services are billed at an hourly rate of \$60.

Contract management costs will be billed using a professional services rate of \$60/hr up to the level that this appropriation supports. 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 management functions.

This rate is calculated as follows:

Salary and Fringe (for the grants unit-4 FTE)	\$300,000
Supplies & Expense * (\$8,000 per FTE)	<u>32,000</u>
Total Grant Unit Cost	\$332,000

Estimated billable hours = 5,600

\$332,000/5,600 hours = \$60.00/hour (rounded)

\*Supplies & Expense includes rent, supplies, communications, copying, email, and related costs necessary

Grants unit staff code their time spent on ENRTF contract management services which is charged to this appropriation at \$60.00/hour.

DNR's professional services rates are submitted for review to Minnesota Management and Budget Services and are administered as set forth in M.S. 84.025. Professional services rates are based on historical cost basis detail and currently do not include costs for accounts payable, payroll, internal audit, or shared services. DNR anticipates that the professional services rates may increase because the rates do not (as of now) include department shared services costs into the calculation.

Cost coding will be used to record time spent on the pass-through management activities. Services not received or provided will not be billed.

**Activity Status as of December 2011:** In order to streamline the agreement process, a contract template was designed and implemented for new pass-through grantees. All new agreements have been sent out. To date, 14 agreements have been executed, 3 agreements are processing for execution, and the DNR is waiting for the remaining 11 agreements to be signed/sent back by the grantees.

In addition to the new contract template, staff revised the 2010 reimbursement manual and the DNR land acquisition procedures. The development of a training module for the reimbursement manual has begun and should be available to grantees near the end of January 2012.

The DNR continues to work through project closeout, amending current agreements, and processing reimbursement requests on existing agreements.

**Activity Status as of June 2012:** To date, 25 M.L. 2011 agreements have been executed, 1 agreement is processing for execution, and the DNR is waiting for the remaining 2 agreements (including Attachments A-F) to be signed/sent back by the grantees.

The Grants Unit is again fully staffed. Amanda Graeber has replaced Kristel Lynch. Grant Specialists continue to work with their assigned pass-through recipients, providing the grantee one point of contact for their agreement. The DNR is working through project closeout and processing reimbursement requests on existing agreements. In addition, staff sent a survey out to grantees and are working on the following projects: database redesign, grantee training scheduled for September 2012, an external website, and creating and updating forms and templates for grantees.

**Activity Status as of December 2012:** The goal of the DNR Grants Unit is to provide excellent customer service balanced with ensuring financial integrity and fiduciary responsibilities resulting in the intended conservation work. To that end, Grant Specialists continue to work with their assigned pass-through recipients, providing grantees with one point of contact for their agreements. All M.L. 2011 agreements have been executed. The DNR is completing grant closeout and processing reimbursement requests on existing agreements.

In addition, many contract management projects were completed: results of a grantee survey were reviewed and disseminated to all stakeholders and survey suggestions were incorporated into the Unit work plan, migration to a newly designed database occurred, an external website containing grantee resources was rolled out, the Reimbursement Manual was revised to include changes in the proof of payment requirements that lessen paperwork and speed payment processing for grantees while still ensuring compliance, and training was provided to grantees on the above mentioned changes.

Work continued on creating and updating guidance and procedures for the DNR Grants Unit. The following were completed during the last six months: Grant Contract Agreement Procedure, Grant Contract Agreement Amendment Procedure, Reimbursement Payment Request Checklist, Land Acquisition Request Checklist, Use of Funds Procedure, Grant Closeout Procedure, Conflict of Interest forms, Grant File Management Procedure, and Wire Transfer Procedure. A Grants Monitoring Procedure will be finalized and implemented by this spring. Grants Unit staff members attended land appraisal trainings provided by The Nature Conservancy, Minnesota Land Trust, and Kaplan.

**Activity Status as of June 2013:** Grant Specialists continued to work with their assigned pass-through recipients, providing grantees with one point of contact for their agreements and working toward the goal of the DNR Grants Unit: providing excellent customer service balanced with ensuring financial integrity and fiduciary responsibilities, resulting in the intended conservation work.

The new DNR Grants Management Policy was approved this spring and includes a Grants Monitoring Procedure that was implemented beginning in May. Appropriation recipients were notified of this via the DNR Grants Journal in April. Grants Specialists are now monitoring their appropriation recipients either once per year or once per grant period based on award amount per this DNR procedure, which is based on OGM Policy 08-10. Proof of payment will be reviewed during grant monitoring and therefore will no longer need to be submitted with reimbursement requests, but instead kept on file by the grantee.

Meetings were held during this period including DNR, Admin, LCCMR, and LSOHC staff to discuss and clarify pass-through contract administration roles. A document outlining the agreements made jointly by those entities regarding process and guidelines for pass-through projects was finalized and is being implemented. A joint orientation for appropriation recipients was held at the DNR on June 27<sup>th</sup>.

**Activity Status as of December 2013:** Grant Specialists continued to work with their assigned pass-through recipients, providing grantees with one point of contact for their agreements and associated reimbursement requests.

The results of a second grantee survey were received, reviewed, and disseminated to all stakeholders in late summer/early fall. Survey results showed an overall upward trend across all categories. We were pleased to learn that 91% of respondents were satisfied or very satisfied with the DNR Grants Unit's overall customer service. 96% were satisfied or very satisfied with the ability of DNR Grants Specialists to resolve problems. 88% were satisfied or very satisfied with the consistency in processing reimbursement requests and 84% were satisfied or very satisfied with the timeliness. 83% were satisfied or very satisfied with the guidance provided in the Reimbursement Manual. The most progress was made in consistency and timeliness. Survey suggestions were incorporated into the Grants Unit work plan as possible.

**Final Report Summary:** As the prior activity statuses show, much work was accomplished and much progress was made during the project period. Appropriation recipient documents and communication were revised and created to lessen paperwork and confusion and speed payment processing for grantees while still ensuring compliance. The focus throughout was on continuous improvement, customer service, and the fiscal integrity of ENRTF dollars. The most recent survey responses received, as well as increased and improved communication between LCCMR and DNR staff, indicate that these efforts were successful.

## **V. DISSEMINATION:**

### **Description:**

**Status as of December 2011:** This project's personnel are in frequent contact with project managers and LCCMR staff. In addition, requirements are communicated through manuals, memos and letters.



**Status as of June 2012:** This project's Grants Specialists are in frequent contact with pass-through grant recipients. The Grants Manager and DNR's Liaison communicate with LCCMR staff. In addition, grant agreement requirements are communicated through manuals, emails, and letters.

**Status as of December 2012:** Grants Specialists continue to be in frequent contact with their assigned grantees via phone and email and, when possible and/or necessary, in person. Our new external website provides another way for us to communicate information to grantees. In addition, an electronic newsletter will be sent to ENRTF appropriation recipients on a regular schedule beginning in 2013. Members of the Grants Unit are also in contact with LCCMR staff in order to work through situations that arise during the grant implementation and reimbursement request processes together.

**Status as of June 2013:** The DNR Grants Journal was established in January in order to provide another quick and effective way to communicate information to appropriation recipients. The DNR Grants Journal is sent quarterly and provides brief, but informative articles on timely pass-through administration related topics. Prior issues are archived on the Training page of the DNR pass-through administration website.

**Status as of December 2013:** The external website was updated with additional FAQs. The DNR Grants Journal was sent out in July and October.

**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, and phone.

In addition, two new communication tools were added: a website that includes many appropriation recipient resources and frequently asked questions and a quarterly electronic newsletter, The DNR Grants Journal was established in January 2013 in order to provide another quick and effective way to communicate information to appropriation recipients. Prior issues of the DNR Grants Journal are archived on the Training page of the DNR pass-through administration website.

**VI. PROJECT BUDGET SUMMARY:**

**A. ENRTF Budget:**

<b>Budget Category</b>	<b>\$ Amount</b>	<b>Explanation</b>
Other: (Professional Services)	\$ 175,000	DNR provides contract management services at a rate of \$60/hr. Staff working on ENRTF contract management document time worked by project codes built into the timesheets. Because DNR provides contract management services for other funds, project coding for ENRTF contract management is unique. Services unrelated to this appropriation are not charged to this project code.
<b>TOTAL ENRTF BUDGET:</b>	<b>\$ 175,000</b>	

**Explanation of Use of Classified Staff:** This appropriation funds contract management services. This service may or may not be provided by staff in classified positions. Multiple staff with a variety of grants, financial or responsibilities provide contract management services to ENRTF pass-through recipients. These funds are for professional services and are not used to fund a position.

**Explanation of Capital Expenditures Greater Than \$3,500: N/A**

**Number of Full-time Equivalent (FTE) funded with this ENRTF appropriation: N/A**

**Number of Full-time Equivalent (FTE) estimated to be funded through contracts with this ENRTF appropriation: 1.0 FTE**

**B. Other Funds:**

Source of Funds	\$ Amount Proposed	\$ Amount Spent	Use of Other Funds
State			
	\$	\$ 0	
<b>TOTAL OTHER FUNDS:</b>	<b>\$</b>	<b>\$ 0</b>	

The DNR will continue to review the professional services rate to ensure there is no under/over-recovery of funds for Contract Management Services.

**VII. PROJECT STRATEGY:**

**A. Project Partners:** Grantees, LCCMR staff, Office of Grants Management Staff, DNR staff, other agency and legislative staff.

**B. Project Impact and Long-term Strategy:** Centralized administration of Trust Fund pass-through appropriations to the commissioner of natural resources will result in more efficient and consistent management of these grants and better communication among the recipients, LCCMR staff and DNR contract administrators and financial management staff.

**C. Spending History:**

Funding Source	M.L. 2005 or FY 2006-07	M.L. 2007 or FY 2008	M.L. 2008 or FY 2009	M.L. 2009 or FY 2010	M.L. 2010 or FY 2011
Environment and Natural Resources Trust Fund	\$150,000 Sec. 11, Subd. 3b	\$40,000 Subd. 3b		\$158,000 Subd. 8a	

This appropriation includes \$175,000 in Minnesota Laws 2011 funding for the additional 29 projects that will require contract administration services.

**VIII. ACQUISITION/RESTORATION LIST: N/A****IX. MAP(S): N/A****X. RESEARCH ADDENDUM: N/A****XI. REPORTING REQUIREMENTS:**

Periodic work plan status update reports will be submitted not later than December 31, 2011, June 30, 2012, December 31, 2012, June 30, 2013, and December 31, 2013. A final report and associated products will be submitted between June 30 and August 15, 2014 as requested by the LCCMR.

Final Attachment A: Budget Detail for M.L. 2011 Environment and Natural Resources Trust Fund Projects					
Project Title: Contract Management Services					
Legal Citation: M.L. 2011, 1st Special Session, Chp. 2, Art. 3, Sec. 2, Subd. 10(b)					
Project Manager: Amanda Graeber, Grants Manager					
M.L. 2011 ENRTF Appropriation: \$175,000					
Project Length and Completion Date: June 30, 2014					
Date of Update: January 30, 2014					
ENVIRONMENT AND NATURAL RESOURCES TRUST FUND BUDGET	Activity 1 Budget	Amount Spent	Balance	TOTAL BUDGET	TOTAL BALANCE
<b>BUDGET ITEM</b>	<b><i>Contract Management Services</i></b>				
Other : DNR provides ENTRF pass-through appropriation administration as a professional service; services are billed at rate of \$60/hr up to the level this appropriation supports.	175,000	175,000	0	175,000	0
<b>COLUMN TOTAL</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$0</b>	<b>\$175,000</b>	<b>\$0</b>