

Lessard-Sams Outdoor Heritage Council

Agenda Item Memo

DATE: September 11, 2014

SUBJECT: Request by The Nature Conservancy for an Advance of Funds

PRESENTER: Neal Feeken, The Nature Conservancy

Background:

The Nature Conservancy (TNC) is requesting an advance of funds as provided under Payment Conditions and Capital Equipment Expenditures (ML 2010, Ch. 361, Art. 1, Sec. 2, Subd. 10; ML 2011, First Special Session, Ch. 6, Art. 1, Sec. 2, Subd. 10; ML 2012, Ch. 264, Art. 1, Sec. 2, Subd. 8; ML 2013, Ch. 137, Art. 1, Sec. 2, Subd. 8; ML 2014, Ch. 256, Art. 1, Sec. 2, Subd. 8) that “reasonable amounts may be advanced to projects to accommodate cash flow needs, support future management of acquired lands, or match federal share. The advances must be approved as part of the accomplishment plan.” TNC’s request is due to the manner in which their fringe benefits are calculated. The fringe benefits are estimated annually and are based on the previous year’s actual rates and are part of the Negotiated Indirect Cost Rate Agreement. For the last two years, the actual rates have been lower than expected and the difference has been returned to the fund. DNR contract management and DNR internal auditors have determined that this constitutes an advance of funds and is seeking Council approval to continue the practice.

Suggested Motion:

Move to approve the amendment as requested by the program manager.

Suggested Procedure:

Project manager discusses amendment request and then stands for questions.

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