

Lessard-Sams Outdoor Heritage Council

Agenda Item Memo

DATE September 20, 2011

SUBJECT: Approval of Accomplishment Plan for Contract Management, MN Laws 2011, First Special Session, Ch. 6, Art. 1, Sec. 2, Subd. 6(a)

Background

The Accomplishment Plan for Contract Management, MN Laws 2011, First Special Session, Ch. 6, Art. 1, Sec. 2, Subd. 6(a) requires council review and approval. The DNR has responded with substantive revisions to its draft Accomplishment Plan which effectively addresses issues raised by council staff.

Motion

“Motion to approve Accomplishment Plan for Contract Management, MN Laws 2011, First Special Session, Ch. 6, Art. 1, Sec. 2, Subd. 6(a).”

Suggested Procedure

Once motion is before the Council, it is up for questioning any witnesses, discussion, amendments and final passage.

Attachments

Accomplishment Plan for Contract Management

Lessard-Sams Outdoor Heritage Council

2012 Accomplishment Plan

Date: September 15, 2011

Program Title: Contract Management

Manager's Name: Marcia Honold
Title: Acting Business Community Development Director
Organization: DNR
Telephone: 651-259-5527
Email: marcia.honold@state.mn.us
Fax: 651-296-6047

Funds Recommended: \$175,000

Legislative Citation: ML 2011, Ch. 6, Art. 1, Sec. 2, Subd. 6 (a)

Abstract: This appropriation will be used to provide continued contract management services to pass-through recipients of Outdoor Heritage Fund (OHF) 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.

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

Ensuring timely access to the funds through streamlined grant agreements and prompt processing of reimbursement requests is an overarching goal of this service. DNR has been looking for ways to improve contract management services and has found that more in-depth and on-going training around financial requirements for grants is needed. Improved communications, an updated reimbursement manual, revised grant agreement, and training around grants reimbursement are priorities for contract management services.

Program Narrative:

This appropriation will fund continued contract management services for existing and new OHF pass-through grant recipients. In addition DNR has \$114,680 remaining from the FY11 appropriation dedicated to contract management services. DNR will fully expend the FY11 funding before drawing on the FY12 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.
 - Communicate regularly with LSOHC 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, LSOHC approved accomplishment 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 and Close-out Services
 - Financial reconciliation
 - Financial reporting
 - Contract management reporting (fund balance/expenditures)
 - Examine records of recipients.
 - Work with recipients to successfully close out grants.
 - Work closely with and respond to requests from the Office of the Legislative Auditor.

Relationship to Other Constitutional Funds

The DNR also administers pass-through appropriations from the Environment and Natural Resources Trust Fund.

Relationship to Current Organization Budget

DNR is the pass-through agent for this program. There is \$114,680 remaining from the FY11 appropriation from the OHF to DNR for contract management services. There are no other funds available for this program activity.

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 based on the grants unit as a whole 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 OHF contract management services which is charged to this appropriation at \$60.00/hour. Cost coding will be used to record time spent specifically on the OHF pass-through management activities. Services not received or provided will not be billed.

DNR's professional services rates are approved by the Commissioner and 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 to include these costs.

A position was created specifically to work on this program and would not exist without the requested funding. All staff time spent on this activity is time coded, so there is no supplanting of existing funds.

Sustainability and Maintenance

Since there are no other funds available for this program activity, after the period of funding has ended the program outcomes will not be sustained without additional program funding.

Accomplishment Timeline

Activity	Milestone	Date Completed
Review of by-laws, resolutions, or similar documents to ensure proper signature authority	Documents for all of the recipients reviewed	Fall 2011
Execute agreements	Agreements for all recipients executed	Fall 2011
First biannual status report	Submitted to LSOHC	August 1, 2012
Second Biannual status report	Submitted to LSOHC	February 2013
Administer restoration and enhancement project agreements	Restoration and enhancement agreements end	June 30, 2013
Third biannual status report	Submitted to LSOHC	August 1, 2013
Fourth biannual status report	Submitted to LSOHC	February 2014
Administer acquisition agreements	Acquisition agreements end	June 30, 2014
Final program report	Submitted to LSOHC	Feb. 15, 2015

Attachment A. Budget Spreadsheet

[Link Here to definitions of the budget items below.](#)

Total Amount of Request \$ 175,000 *From page 1 on the funding form.*

Personnel

Position breakdown here	FTE	Over # of years	LSOHC Request	Anticipated Cash Leverage	Cash Leverage Source	Total
	0				\$	-
					\$	-
					\$	-
					\$	-
					\$	-
					\$	-
					\$	-
Total	0		\$ -	\$ -	\$ -	\$ -

Budget and Cash Leverage *(All your LSOHC Request Funds must be direct to and necessary for program outcomes.)*
Please describe how you intend to spend the requested funds.

Budget Item	LSOHC Request	Anticipated Cash Leverage	Cash Leverage Source	Total
Personnel - auto entered from above	\$ -	\$ -	\$ -	\$ -
Contracts			\$	-
Fee Acquisition w/ PILT <i>(breakout in table 6 & 7)</i>			\$	-
Fee Acquisition w/o PILT <i>(breakout in table 6 & 7)</i>			\$	-
Easement Acquisition			\$	-
Easement Stewardship			\$	-
Travel (in-state)			\$	-
Professional Services	\$ 175,000		\$	175,000
DNR Land Acquisition Costs			\$	-
Other			\$	-
Capital Equipment			\$	-
Other Equipment/Tools			\$	-
Supplies/Materials			\$	-
	\$ 175,000	\$ -	\$ -	\$ 175,000