SWCDs find myriad uses for billing formula

One formula with many applications is helping to make accounting easier for soil and water conservation district staff throughout Minnesota.

Jeannette Austin, a Brainerd-based grants compliance specialist for the Minnesota Board of Water and Soils Resources (BWSR), explains billing rates and how they’re used.

A billing rate is an hourly rate used to charge staff time to BWSR grants. It consists of the employee’s base hourly rate plus the costs of benefits, leave, facilities and administration — all of the costs necessary to keep a person employed and an office running. Billing rates can be an efficient method for charging costs to BWSR grants.

But that’s not their only use. Soil and water conservation district managers weighed in on how they’ve used billing rates.

**MANAGERIAL DECISIONS:** Having a billing rate based on actual costs can help make managerial decisions. West Polk Soil & Water Conservation District (SWCD) Manager Nicole Bernd uses the billing rate to help complete government and non-government grant applications. (So do many SWCD managers.) Bernd also uses the rate to help keep wages in perspective and competitive.

**COST CALCULATIONS:** North St. Louis SWCD Administrator Anita Provinzino finds that applying the rate helps to determine whether the grant or contract for which the SWCD is applying will cover the cost of doing the work. Koochiching SWCD Administrator Pam Tomevi believes that an actual billing rate is also a defendable “audit-ready” method for charging for services.

**BUDGETING:** Having a billing rate helps with budgeting, too. Tomevi said using the rate eliminates guesswork. Calculating full-time employee hours at the billing rate provides clarity in balancing current

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Grants' anticipated revenue with required staff hours. Knowing the billing rate makes it easy to determine if it will be necessary to pursue other grants or contracts for charges for services to supplement the budget, and how many staff hours are available to work with.

**Tracking:** Lake SWCD Manager Karen Tucker said the billing rate forces a look back at all employee-related costs, such as training, mileage and travel expenses. Aitkin SWCD Manager Steve Hughes uses a billing rate to avoid underestimating the actual costs of SWCD activities.

**Dollar-Based Decisions:** Crow Wing SWCD Manager Melissa Barrick uses the billing rate to determine the actual employee cost to put on events such as the annual tree sale. Some grants only allow employees' wages in the calculations; in those cases the tool can help determine if it's worth the SWCD's time to apply for those grants.

With evolution in BWSR's grant monitoring and financial verification/reconciliation process came the need for a tool that provided actual and consistent rates. BWSR responded by developing the Optional Billing Rate Calculator Spreadsheet.

The calculator was designed to help grantees calculate complete and accurate billing rates. Templates with built-in formulas work out billing rates charged against BWSR grants. The grantee inputs actual costs from previous financial statements; the calculator produces billing rates that recover allowable costs.

The spreadsheet can be easily updated as needed throughout the year.