BOARD OF WATER AND SOIL RESOURCES

Grants Administration Manual
FY2026 Archive

This is an archive of the Grants Administration Manual from FY 2026. Please note that archived versions of Optional and Example Forms are not provided within this archive. Grantees should always use the most recent version of any form, which are provided on the BWSR website at https://bwsr.state.mn.us/gam.

This grant manual establishes the administrative and programmatic requirements for all grants administered through the Board of Water and Soil Resources. The manual includes the following sections:

Administrative requirements & policies are those matters common to all grants, including topics such as: processing and amending grants, technical quality assurances, reporting, noncompliance, and records retention. These requirements are distinguished from programmatic requirements, which are specific to an agreement or to a grant program; or implementing practices, which includes matters common only to those grants that install practices. All provisions for the administration of grants that are less restrictive than these administrative requirements are superseded, except to the extent that they are required by statute or regulation, pertain to existing agreements, or are authorized in writing by the Board or Water and Soil Resources.

Implementing practices details procedures for activities that construct practices and projects, including items such as: processing conservation practice contracts, operation and maintenance guidelines, vegetation guidelines, and pertinent forms. The provisions within this section may be required by a specific grant program.

Optional and example forms include forms and example documents that have been made available for use, but are not required of any grant program.

Contents

Administrative Requirements

- Requesting a Reimbursement or Payment
- Grant Noncompliance Policy
- Assurances (Combining Technical Quality Assurance with Project and Practice Assurances)
- Records, Program and Project Files
- Reporting Requirements for BWSR Grants
- Closing out a BWSR Grant
- Grant Monitoring and Financial Reconciliation
- Time and Effort Documentation
- Determining a Billing Rate
- Prevailing Wage (Now found in FAQs)
- Private and Nonpublic Data (Now found in FAQs)
- Conflict of Interest (Now found in FAQs)
- Local Policies
- Financial Management and Accounting (Now found in Allowable Costs and Records, Program and Project Files)
- Allowable Costs
- Personnel
- Frequently Asked Questions

Implementing Practices

- Providing Financial Assistance to Land Occupiers
- Operation, Maintenance, and Inspection of Practices (Now found in Assurances)
- Native Vegetation Guidelines
- Recording Conservation Practices

GAM summary of updates effective July 1, 2025

Chapter name	Summary of changes
Providing financial assistance to land occupiers	Providing Financial Assistance to Land Occupiers replaces previously named *Implementing Contracts with Land Occupiers* • Revised format clarifying procedure and guidance • Replaces “contract” with “agreement” • Removes requirement for landowner signature if land occupier has all required legal land rights including but not limited to access and authority to both construct and maintain the conservation practice(s) • Removes list of specific items needed in meeting minutes • Removes limits on types of amendments • Removes option to make final payment after the initial year of installation for multi-year contracts for annual practices. Payment can only be made for activities that have been completed. • Tennessen Warning Notice guidance added (previously in Project and Practice Assurances)
Native vegetation guidelines and applicability to BWSR funded projects	• Updated to reflect changes to chapter structure. See grant agreement for more detail. • Previously titled *Vegetation Requirements for BWSR Funded Projects*.
Recording conservation practices	Updated to reflect changes to chapter structure.
About the GAM	• Updated to summarize new GAM formatting and revised definitions for: Procedure, Guidance, and Policy. • Updated definitions for consistency across the GAM and other agencies. • Definition of Grant Budget has been removed and incorporated as “activity budget” in the definition of Work Plan. • Definition of Cost Share Contract has been removed and incorporated within definition of Conservation Practice Agreement. • Definition of Financial Report has been removed since it is no longer required with the updated eLINK system launched in 2023.

	• Definition of Technical Approval Authority has been eliminated and the definitions for Job Approval Authority and Technical Assistance Provider have been updated to align with the new Assurances chapter.
Processing a BWSR grant	Updated to reflect new chapter structure.
Grant agreement amendments and work plan revisions	Updated to reflect new chapter structure, along with significant changes to circumstances requiring a work plan revision or grant agreement amendment. Applies to grants executed on and after July 1, 2025. See archived Grants Administration Manual for grants executed prior to July 1, 2025. See your grant agreement for more detail under the clause: Assignment, Amendments, and Waiver (and Work Plan Revisions).
Requesting a reimbursement or payment	Updated to reflect new chapter structure.
Records, program and project files	• Updated to reflect new chapter structure. • Incorporated sections from Financial Management Chapter.
Reporting requirements for BWSR grants	Updated to reflect new chapter structure.
Closing out a BWSR grant	Updated to reflect new chapter structure.
Grants monitoring and financial reconciliations	Updated to reflect new chapter structure.
Time and effort documentation	• Updated to reflect new chapter structure. • Grant requirements have been moved to grant agreement. • Procedural requirements have been reformatted to provide additional clarity. • PAR examples updated.
Determining a billing rate	• Updated to reflect new chapter structure. • Procedural requirements have been reformatted to provide additional clarity
Prevailing wage	Chapter eliminated and incorporated into FAQs.
Private and nonpublic data	Chapter eliminated and incorporated into FAQs.
Conflict of interest	Chapter eliminated and incorporated into FAQs.
Local policies	• Updated to reflect new chapter structure. • Previously titled *Recommended Local Policies.*
Financial management and accounting	Chapter eliminated. Contents have been incorporated into Allowable Costs and; Records, Program and Project Files GAM Chapters.
Allowable costs	• Updated to reflect new chapter structure. • Incorporated language from *Financial Management and Accounting* chapter.
Personnel	• Updated to reflect new chapter structure.

	• Previously titled *Payroll and Personnel Records.*
Assurances	• *New* Assurances chapter combines elements from *Project and Practice Assurances, Technical Quality Assurance,* and *Operation, Maintenance, and Inspection of Practices* chapters of the previous Grants Administration Manual. • Updates to the development of the practice operation and maintenance (O&M) plan to require that a Technical Assistance Provider(s) prepare the O&M plan. • Updated to reflect new chapter formatting.
Frequently asked questions	• Added FAQ regarding grantees working with partner organizations. • Incorporated *Private and Nonpublic Data* GAM Chapter as an FAQ. • Incorporated *Conflict of Interest* GAM Chapter as an FAQ. • Incorporated *Prevailing Wage* GAM Chapter as an FAQ.
Project and Practice Assurances	Chapter eliminated and incorporated into new Assurances chapter.
Technical Quality Assurance	Chapter eliminated and incorporated into new Assurances chapter.
Operation, Maintenance, and Inspection of Practices	Chapter eliminated and incorporated into new Assurances chapter.

BOARD OF WATER AND SOIL RESOURCES

About the BWSR Grants Administration Manual

Effective Date: 7/1/2025

Purpose Statement

The purpose of the Board of Water and Soil Resources (BWSR) Grants Administration Manual (GAM) is to provide procedures and guidance for all grants administered through the BWSR.

Applicability

The procedures and guidance contained within this manual apply to all grants administered through BWSR, unless a specific grant agreement indicates otherwise.

Procedures are required action to be followed: Procedure is the established way of doing something; a series of actions conducted in a certain order; and/or steps necessary to meet the terms of a grant agreement.

Guidance is supporting information or recommended action: Guidance consists of recommended best practices; helpful context; and/or tools, resources and examples.

Policies are a formal declaration of an organization's guiding principles and expectations. Policies are mandatory, broad and encompassing, and backed by laws, Executive Branch agency policies, regulations, statutes, or other governing authority. Policies in this GAM have been adopted by the BWSR Board and apply to all grants, such as BWSR's Grant Noncompliance Policy.

The manual also contains optional and example forms made available for use but not required of any grant program.

This manual will be maintained on the BWSR website. Past versions of the manual can also be found there. Modifications to any section of the manual will include an effective date.

Terminology

The terminology in this section applies to the entire Grants Administration Manual.

Administration: General administration such as accounting/finance, clerical support, and management. Includes staff time not directly charged to a grant that supports general office activities and operations. See also Grant Administration.

Advance Payment: A type of grant payment in which the grantor pays the grantee for costs associated with a grant before the grantee has incurred the expense.

Allowable Cost: A cost that can be charged to a grant.

Application: An application may be specific to a grant program or request for proposal or it may refer to a document where a land occupier request financial assistance from an organization.

Base Rate: The hourly rate that is reported on an employee's paycheck. It can be obtained by dividing the annual wages by 2088 (the number of workable hours in a year for a full-time equivalent).

Billing Rate: An employee's base rate, plus the costs of benefits, leave, facilities, and administration.

Capital Asset: Capital assets means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with generally accepted accounting principles. Capital assets include: (a) Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and (b) Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).

Capital Expenditure: Expenditure to purchase a capital asset, or make improvements to a capital asset that increases value and extends useful life (2 Code of Federal Regulations §200.13).

Closeout: A procedure initiated by a grantee to finalize a grant agreement that generally includes submitting final progress reports and returning unspent funds to the state. Closeout may also include BWSR review of final project information. See also Reconciliation.

Conflict of Interest: An actual, potential, or perceived conflict of interest occurs when a person has actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in negative impartiality to one or both parties. A conflict of interest may exist even if no unethical, improper or illegal act results.

Conservation Practice Agreement. A legal standing between a grantee and land occupier(s) to ensure practices are completed and maintained according to approved standards and specifications.

Contract: An agreement to provide a good or service that legally binds two or more parties. Consultation with legal counsel prior to entering into a contract is recommended.

Contractor: A person or organization that enters into a contract with a grantee or land occupier to provide goods or services, and that is not an employee of the grantee.

Cost Share: Financial assistance provided to a land occupier to share the cost to install or adopt a conservation practice.

Flat Rate: Financial assistance provided at a predetermined fixed rate to install or adopt a conservation practice.

Percentage Rate: Financial assistance provided at a predetermined percentage of the actual documented costs to install or adopt a conservation practice.

Direct Cost: A cost that can be identified specifically with a particular final objective.

Effective Date: The date an agreement begins, as stated in the agreement.

Equipment: Property that has a useful life expectancy of more than one year and is not expected to be significantly depleted in use. See also the Allowable costs section of this manual.

eLINK: BWSR's conservation tracking system. BWSR uses eLINK to distribute grant agreements, capture applications and funding requests, and to track grant progress from initial grant award through final closeout.

Executed Date: The date of the last signature by all parties on an agreement. Except when provided by the individual grant program requirements, work may not begin under the grant agreement until it is fully executed.

Executed Grant Agreement: A grant agreement that has been signed and dated by all parties.

Expiration Date: The end date stated in the grant agreement or the date that all obligations have been satisfactorily fulfilled, whichever comes first.

Facilities: General operating and maintenance expenses, such as insurance, rent, and utilities.

Financial Reconciliation: Reconciling a grantee's reported expenditures for a given period with supporting documentation, such as purchase orders, receipts, and payroll records. Reconciliation occurs before final payment is made or grant closeout.

Fiscal Agent: The entity that will receive grant funds with a State-issued vendor number through the MN Department of Administration, Materials Management Division (MMD).

Grant Administration: Activities such as local grant tracking, grant agreement management, reporting, and project management or oversight of activities. See also Administration.

Grant Agreement: A written instrument or electronic document defining a legal relationship between a granting agency and a grantee when the principal purpose of the relationship is to transfer cash or something of value to the recipient to support a public purpose authorized by law.

Grant Agreement Amendment: An addition, deletion, or change to a fully executed grant agreement.

Grant Assignment: A grant agreement summarizes the rights, responsibilities, and duties of BWSR and the grantee. When some or all of these rights, duties, and responsibilities are transferred to a different entity, it is known as "grant assignment." Grant assignment is generally not permitted without written approval from BWSR and the grantee. An executed assignment agreement is needed to transfer any rights, responsibilities, or duties under a grant agreement to a different entity.

Grant Period: The time period between the executed date and expiration date of a grant agreement.

Grantee or Grant Recipient: The party responsible for implementing the terms of the grant agreement with BWSR. Also see Fiscal Agent.

Grantee Leadership: Refers to the individual(s) responsible for leading and managing the grantee organization's grant-related activities, including overseeing project implementation, financial management, reporting, and compliance with grant requirements. Depending on the grantee organization, this may be a board or council of elected or appointed officials, an Executive Director or CEO, a Department Chair or Director, or a Project Director. For most grantees, leadership will be represented as the official signatory on the grant agreement.

Grant Manager: Grantee's primary contact at BWSR for day-to-day grant management. Typically, this will be either a Board Conservationist or NGO/Tribal Grants Specialist.

Authorized Representative: The person or position designated by the grantee as the point of contact for a particular grant. It is recommended to be a staff person, not an elected or appointed official.

Incentives: Monetary or other considerations that are in addition to other financial assistance provided to motivate land occupiers to install a conservation practice.

Indirect Cost: A general support cost that cannot reasonably be directly charged to an agency, appropriation, or program.

Job Approval Authority (JAA): delegated by USDA-NRCS based on demonstrated competence to independently plan, design, and/or install a practice at a specific controlling factor.

Land Occupier: A person, corporation, or legal entity that holds title to or is in possession of land as an owner, lessee, tenant, or otherwise.

BWSR recognizes the term "land occupier" may carry unintended, negative connotations. While the term is currently written and defined in statute, BWSR is committed to working with the legislature to provide more inclusive and representative language in the future.

Match: Services, materials, or cash contributed to the accomplishment of grant objectives. Specific programs may have stricter requirements for what may be used as match.

Modified Base Rate: An employee's base pay rate plus additions for benefits and leave.

Monitoring: A procedure of reviewing and documenting progress towards grant agreement implementation and compliance with grant agreement provisions.

Monitoring Visit: A visit involving both state granting agency staff and the grantee that occurs during the grant period. The purpose of grant monitoring visits is to evaluate overall grant management including review of project and program files, match documentation, and to conduct project site visits.

Not Public Data: Any government data classified by statute, federal law or temporary classification as confidential, private, nonpublic or protected nonpublic.

Official Signature: A signature from the person who signs the grant agreement, grant agreement amendment, or other fiscal documents. The person designated as the official signatory must be an elected or appointed official of the grantee, or a person authorized through official action by the grantee board to sign fiscal documents.

Prevailing Wage: The minimum hourly wage employers must pay certain workers who work on construction and public works projects where state dollars are used to fund the construction. The prevailing wage includes the employer's cost of benefits. (MN Department of Labor and Industry).

Professional/Technical Services: Services that are intellectual, in character, including consultation, analysis, evaluation, predication, planning, or programming, or recommendation, and result in the production of a report or the completion of a task. See also Technical and Engineering.

Progress Report: A summary of grant activities and outcomes for a given period. A progress report may have narrative, statistical, and/or financial elements.

Project and Practice Assurances: Guarantees from grantee that installed conservation practices will remain in place for the expected lifespan and provide benefits for which they were designed.

Project Development: Project support activities such as civic engagement; public outreach; initial contacts, actions, and activities with partners and/or landowners; preliminary information gathering; conservation marketing, or other activities which directly support or supplement the goals and outcomes of the application or work plan. See also Technical and Engineering.

Reimbursement Based Grants/Contracts: Reimbursement basis means the costs are incurred to provide the goods and/or services prior to requesting repayment.

Risk: The possibility that an event will occur and adversely affect the achievement of objectives.

Risk Assessment: Evaluating a grant recipient's risk of noncompliance with statutes, rules, grant agreements and policies to determine appropriate monitoring and reconciliation procedures.

Risk Factor: Significant interactions within the entity and with external parties, changes within the entity's internal and external environment, and other internal and external factors to identify risks throughout the entity.

Sub-agreement: A written agreement between a grantee and a local government unit to carry out portion(s) of an approved grant work plan.

Technical and Administration (TA): Activities performed on the Erosion Control and Water Management Program, such as grant administration, staff training to maintain appropriate technical approval authorities or licenses, site investigation and assessments, design and cost estimates, construction supervision, and inspections.

Technical and Engineering: Activities associated with technical site assessment, surveys, preliminary analysis and design, final design, construction supervision, installation, inspection, and completion of projects. See also Professional/Technical Services.

Technical Assistance Provider: The person with appropriate credentials identified by the grantee as responsible for the technical quality assurance for a given project or practice. Credentials can include professional licensure, vendor with applicable expertise and liability coverage, USDA-NRCS Job Approval Authority (JAA), or other applicable credentials, training, and/or experience.

Technical Quality Assurance: Guarantees throughout each phase of implementation and administration from grantees that appropriate levels of technical expertise are utilized.

Use Allowance: A basic or minimum rate established for the use of an item.

Voucher: A document a land occupier(s) uses to request payment once terms of a contract have been met.

Workable Hours: The number of hours that are available to work in a year. The Minnesota Legislative Coordinating Commission calculates full time equivalents based on 2088 hours in a year. See Minnesota Statutes §3.303, subdivision 10.

Work Plan: A written project or program management tool that identifies desired project or program activities, activity budget, timelines, and outcomes. This is generally entered and approved in eLINK after an application for a particular grant fund has been approved. See also Application.

History

Version	Description	Date
2017	Previous versions of the Grants Administration Manual contained two sections called *Purpose and Scope* and *Terminology* that have been combined into one section for the 2017 version, revises existing terminology for clarity and consistency, removes unused terms, and adds new terms.	7/1/2017
2020	Added definition for Reimbursement Grants/Contracts. Revised definitions for cost share and incentives.	7/1/2020
2021	Replaced the term salary with wages.	7/1/2021
2023	Added the term Sub-agreement. Updated references to reflect processes in the new eLINK system. Removed acronym section and moved to BWSR website.	7/1/2023
2025	Updated to summarize new GAM formatting and revised definitions for: Procedure, Guidance, and Policy. Updated definitions for consistency across the GAM and other agencies. Definition of Grant Budget has been removed and incorporated as “activity budget” in the definition of Work Plan. Definition of Cost Share Contract has been removed and incorporated within definition of Conservation Practice Agreement.	7/1/2025

Version	Description	Date
	Definition of Financial Report has been removed since it is no longer required with the updated eLINK system launched in 2023. Definition of Technical Approval Authority has been eliminated and the definitions for Job Approval Authority and Technical Assistance Provider have been updated to align with the new Assurances chapter. Added definition for Grant Manager. Added definition for Voucher.	

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Processing a BWSR grant

Effective Date: 7/1/2025

Funding decisions are made by the BWSR Board, notifications to grantees occur as soon as possible after BWSR Board action.

I. Procedure

The steps to process a grant agreement are:

1. Notification of a grant award is sent from the eLINK system and/or an email from DocuSign to the Day-to-Day Contact identified by the organization. This notification includes instructions for further processing of the grant agreement and may also contain grant-specific information such as requirements for completing work plans, disbursement terms, or additional required documentation for processing the grant. Read these instructions carefully as requirements can vary by grant and fiscal year. Delay in completing these additional requirements will delay processing of the grant.

2. Grantee completes and signs the grant agreement. The Official Signatory must be an elected or appointed official of the grantee or a person authorized by the board of the grantee to sign fiscal documents. This authorization must be documented in the grantee's records either by board meeting minutes or resolution, or by some other official action. Once the grant agreement has been completed and signed by the grantee, the signed document is returned to BWSR for processing via DocuSign.

   Guidance

   - For purposes of separation of powers, and checks and balances, it is recommended that the Official Signatory of the grant agreement is not the grantee's Authorized Representative. If your organization's Day-to-Day Contact in eLINK is not the Official Signatory, the DocuSign agreement may be forwarded to the appropriate individual for signature.

3. When all grant specific requirements have been completed, BWSR will execute the grant agreement. Grant agreements are considered to be executed when they have been signed by the grantee and BWSR. Electronic copies of executed agreements are uploaded by BWSR and available in eLINK. At this time, the grantee will be notified the agreement has been executed, generally through an auto-generated message from eLINK.

4. Funds are generally released through electronic fund transfer to the grantee's identified fiscal agent. Note that preferences to receive payment by check must be established through the MN Department of Administration, Materials Management Division (www.mmd.admin.state.mn.us/). Also note that the grantee may need to request additional details regarding individual electronic transfers from their own bank. Grant funds may be withheld if the grantee is non-compliant with BWSR requirements.

5. The grantee must not begin work under the grant agreement and no grant or match costs may be incurred or funds expended until the agreement is fully executed. The grantee is liable for any commitments incurred outside the grant period. See also the Allowable Costs section of this Grants Administration Manual.

6. Periodic and final reporting on activities accomplished with grant funds is required per the grant agreement. Grant recipients must be prepared for monitoring and review of grant activities throughout and after the grant period. Contract documents, receipts, and landowner obligation records must be made available upon request per the grant agreement. See also the Reporting Requirements for BWSR Grants and Grant Closeout Process sections of this Grants Administration Manual.

7. Funds unspent at the end of the grant period must be returned to BWSR within the timeframe specified in the executed grant agreement.

Questions regarding processing of grant agreements should be directed to your Grant Manager. Issues of noncompliance with the terms of the grant agreement will be addressed through the Grant Manager in accordance with the Grant Noncompliance Policy.

History

Description of revisions	Date
Previously titled Processing a Grant. Updated format, minor edits, and incorporated information regarding official signatures from other sections of the manual.	7/1/2017
Added language under item #6 to clarify expenditure of funds and delegation of authority.	7/1/2019
Updated to reflect process changes in eLINK and use of DocuSign.	7/1/2023
Updated to reflect new chapter structure.	7/1/2025

BOARD OF WATER AND SOIL RESOURCES

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Grant agreement amendments and work plan revisions

Effective Date: 07/01/2025

I. Procedure

The content of a grant work plan and terms of a grant agreement may be adjusted under certain circumstances. Depending on the scope, adjustments can be made through a work plan revision or grant agreement amendment. Limited adjustments to the work plan budget may be made at grantee discretion, depending upon the amount of change requested.

The scope of the proposed changes will guide the approval process and documentation needed. BWSR reserves the right to require documentation for approval of any work plan changes.

Work plan budget adjustments are cumulative. For some grant programs, such as DRAP, a work plan budget may consist of a BWSR approved project list. Grantees are allowed to adjust their grant work plan budgets by up to 10% of the grant award amount at their own discretion without BWSR Grant Manager approval. Cumulative budget adjustments of greater than 10% of the grant award amount require a work plan revision approved by BWSR. See work plan revision procedure section below for more information on timing of revisions requests. An approved work plan revision creates a new work plan so past budget adjustments are "reset" at that point. The necessary changes to a work plan to facilitate the "linking" of activities from other BWSR grants are not counted as budget adjustments.

A grant agreement amendment is required for any changes in the scope of the grant (ex. change to the resource or water body of concern or significant change in the originally proposed grant outcomes from the grant application and/or approved work plan). The grantee must contact their Grant Manager to discuss all proposed changes to the work plan to determine if a grant agreement amendment is required.

Required information to process requests

Grantees need to consult their Grant Manager to verify whether proposed changes require a work plan revision or grant agreement amendment. Requests must include the following:

- The fiscal year and grant name;
- eLINK activity name(s), if applicable;
- The purpose and extent of the request; i.e., extension to the grant period, change to an approved budget amount, or a modification to the project;
- Explain why the current work plan or grant agreement cannot be completed as approved, in consideration of the "Criteria for requests" section of this chapter;

- Describe how the work plan revision or grant agreement amendment will affect the originally proposed grant activities and/or outcomes which will be achieved; and
- A brief narrative of the new grant activities proposed, if applicable.

Grantee discretion revision procedure

The grantee has discretion to make cumulative work plan budget adjustments by up to 10% of the grant award amount without BWSR approval, as long as the changes do not impact the scope of the grant. Documentation of the changes made must be reflected in the grant reporting within eLINK

Work plan revision procedure

Changes to an approved work plan which require BWSR work plan revision approval include, but are not limited to, the following:

- Cumulative work plan budget adjustments of greater than 10% of the grant award amount.
- A change to the work plan activities that is not considered a change in scope of the grant by the Grant Manager.

When proposing a revision to the work plan, the grantee must ensure that all costs be incurred within the grant period. **Approval of work plan revision requests must be obtained from BWSR prior to the expiration of the grant agreement**. If time sensitivity does not allow for a grantee to seek preapproval of a revision to the work plan, the grantee must retroactively request and receive BWSR approval within 30 days of the grant expiration date**. If approval is not granted by BWSR, the grantee must follow the current work plan and is responsible for unapproved, incurred costs.**

The procedure to revise a work plan is as follows:

1. The grantee should consult the Grant Manager for guidance as early as possible after the need for a potential work plan revision is identified.
2. The grantee must provide a written request to their Grant Manager. See the “Criteria for requests” and “Required information to process requests” sections of this chapter.
3. BWSR staff will review the request and select from the following:
    a. If the request is approved, the Grant Manager will provide approval distributed via eLINK to the grantee. See the paragraph above regarding the necessary timing of approvals.
    b. If the request is denied, the Grant Manager will provide documentation of the denial distributed via eLINK to the grantee.
4. Following approval by the Grant Manager distributed via eLINK, the grantee may begin utilizing the revised work plan.

Insufficient eLINK documentation of spending shifts or deviations from these procedures will delay grant payments, report approvals, and grant closeouts.

Grant agreement amendment procedure

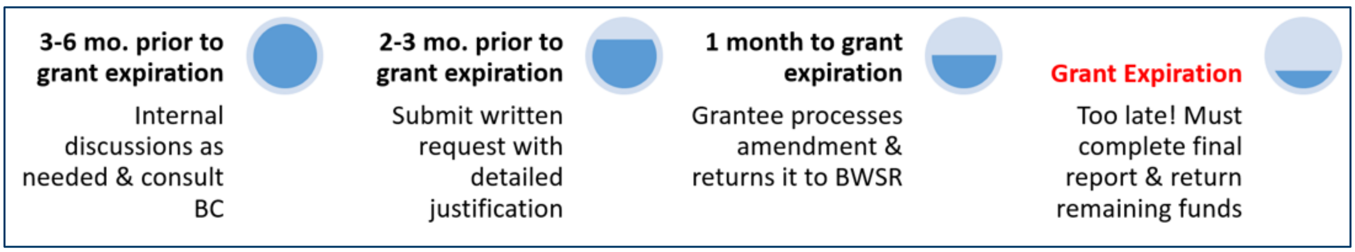
Changes that require an amendment to the grant agreement include, but are not limited to, the following:

- Changes in the scope of the grant or significant changes in the originally proposed grant outcomes from

the grant application and/or approved work plan. BWSR reserves the right to require a grant agreement amendment based on any proposed changes.
- Extension to the grant period.
- Changes to the grant awarded amount or payment schedule.
- Changes to the fiscal agent for the grantee.

All grant agreement amendments must be finalized prior to the expiration of the grant agreement. Be sure to submit requests to BWSR three to six months prior to grant expiration. **Grant agreement amendment requests received after the expiration of the grant agreement must be denied.**

Figure 1: Grantee steps for requesting a grant agreement amendment



The procedure to submit a grant agreement amendment request is as follows:

1. The grantee should consult the Grant Manager as early as possible for guidance and at least 3-6 months prior to the end of the grant agreement.
2. The grantee must provide a written request for a grant agreement amendment to the Grant Manager. See the "Criteria for requests" and "Required information to process requests" sections of this chapter.
3. If submitted with sufficient time for review, BWSR staff will review the grant agreement amendment request and select from the following:
   a) If the request is approved, BWSR staff will generate an official grant agreement amendment document distributed via eLINK and DocuSign for grantee Board review and approval. The document is required to have a grantee Official Signature. **All signatures on the grant agreement amendment must be obtained prior to expiration of the grant agreement**.
   b) If the request is denied, BWSR staff will provide documentation of the denial distributed via eLINK to the grantee.
4. Once the grant agreement amendment has been completed and signed by the grantee, the signed document is returned to BWSR for processing via DocuSign.
5. The fully executed grant agreement amendment will be uploaded by BWSR St. Paul staff into the eLINK "Attachments" section for the grant.

Criteria for requests

The criteria BWSR staff uses to consider requested changes to the work plan and/or grant agreement include, but are not limited to, the following:

- **Project delays** due to inclement weather, contractor pullout, staff vacancies/illness, unanticipated landowner situations or changes, timelines associated with additional project funding sources, or other circumstances beyond the grantee's control.
- **Unanticipated environmental conditions** which require a project modification, such as unexpected soil conditions or circumstances not part of the preliminary design of the project.
- **Whether the requested change continues to fit the original intent of the grant.** For example, adjusted

project meets the eligibility requirements of the funding source, outcomes and activities are similar to the original project, life expectancy of the project is substantially the same or greater, etc.

- **Cost changes from originally approved budgeted amounts** such as shifts in spending from originally approved budget including match. Work plan budget adjustments are cumulative.
- **Resource of concern changes** from the original targeted project work plan resource of concern.
- **Pollutant of concern changes** from the original targeted project work plan pollutant of concern.
- **Match expenditure changes** which will substantially change the activities and outcomes.

History

Description of revisions	Date
Updated to reflect new chapter structure, along with significant changes to circumstances requiring a work plan revision or grant agreement amendment. Applies to grants executed on and after July 1, 2025. See archived Grants Administration Manual for grants executed prior to July 1, 2025. See your grant agreement for more detail under the clause: Assignment, Amendments, and Waiver (and Work Plan Revisions).	7/1/2025

Procedure is required action to be followed: Procedure is the established way of doing something; a series of actions conducted in a certain order; and/or steps necessary to meet the terms of a grant agreement.

Guidance is supporting information or recommended action: Guidance consists of recommended best practices; helpful context; and/or tools, resources and examples.

Requesting a reimbursement or payment

Effective Date: 7/1/2025

I. Procedure

Many BWSR Grants have a reimbursement component, some are 100 percent reimbursable, while others are distributed in multiple installments. The most common hybrid payment grants are processed in three installments; 50 percent after execution of the grant agreement, 40 percent once the grantee has expended the first amount and provided BWSR with documentation of expenditures, and 10 percent after final requirements are met. This document outlines the requirements for requesting reimbursements or payments. See the Terms of Payment section of the grant agreement to determine if a grant has a reimbursable component.

Additional supporting documentation such as purchase orders, receipts and payroll records for financial reconciliation is required. BWSR staff may request more detailed financial and project information if grant compliance is unclear or noncompliance is suspected.

100 percent Reimbursement Grants

The Grantee may request a payment:

1. Once eligible expenses have been incurred and properly documented.
2. According to a quarterly reimbursement schedule, if applicable to the program, or parameters specifically set by the individual grant program, see BWSR Program Manager for further guidance. Completed the following:
   a. Submission of a reimbursement request form, if applicable to the program.
   b. Upon completion of required eLINK reporting, if applicable to the program.
3. The grant may need to be reconciled before the payment can be released.
4. Final reimbursement will only be paid after the grant project is completed, all final reporting requirements are met, and the grantee has provided BWSR with documentation of final expenditures. See the Closing out a Grant section of this manual for details.

Hybrid Advance/Reimbursement Grants

50/40/10 Grants

Initial Advanced Grant Payments (50 percent of grant funds)

BWSR allocates the initial payment of grant funds only after:

1. A work plan has been completed in eLINK and approved by BWSR staff;
2. The grant agreement has been officially executed and the grantee notified to begin work; and
3. Grantees are in compliance with all relevant grants management requirements for previously-awarded BWSR grants.

Second Advanced Grant Payments (40 percent of grant funds)

The grantee may request the second installment when:

1. The grantee has reported in eLINK that 50 percent of the grant funds have been expended in accordance with the work plan and submits an eLINK progress report.
2. If the grant award was $50,000 or greater, the grant may need to be reconciled before the payment can be released.
3. BWSR authorizes the second advanced payment upon approval of the eLINK reporting.

Final Grant Reimbursement Requests

The last 10 percent of reimbursement grants will be paid after the grant project is finished, all final reporting requirements are met, and the grantee has provided BWSR with a documentation of final expenditures. See the Closing Out a Grant section of this manual for details.

Other Hybrid Advance/Reimbursement Grants

Some programs may follow a different payment schedule, as deemed appropriate for achieving programmatic goals and ensuring grantee success. Refer to your grant agreement and/or grant Program Manager for additional guidance in these cases.

History

Description of revisions	Date
Correction to procedural error: struck language that a scanned copy of the financial statement should be "emailed to the Board Conservationist"; replaced with "uploaded into eLINK."	12/9/2020

Description of revisions	Date
Included reference to other grant programs with reimbursement components and requirements for requesting payment.	TBD
Previously titled *Reimbursement Requests.* Updated format, removed out-of-date information, and included information about reconciliation.	7/1/2017
Updated reference to reconciliations.	7/1/2021
Removed references to Financial Report to reflect procedural changes in the updated eLINK system.	7/1/2023
Updated to reflect new chapter structure.	7/1/2025

BOARD OF WATER AND SOIL RESOURCES

Grant Noncompliance Policy

Version: 3.00
Effective Date: 5/28/2025
Approval: Board Decision #25-26

Policy Statement

Grant recipients are responsible for managing State grant funds in compliance with statutes, rules, grant agreements, BWSR requirements, procedures and other applicable laws and requirements. BWSR has developed the following policy to categorize levels of noncompliance and establish procedures for when errors are found. BWSR staff has the discretion to consider factors not covered in this policy.

Often, mistakes in grants management result from simple misunderstandings and the majority of incidences are resolved without requiring a formal corrective action plan. When corrective actions are considered, the first goal is always to bring the grant recipient back into compliance. Noncompliance is generally found through the review procedures of monitoring or financial reconciliation. Noncompliance can be minor (Level 1) or more substantial (Level 2).

Level 1: Failure to follow required administrative procedures

These instances are often addressed with training. Repeated instances of Level 1 noncompliance may be categorized as Level 2 noncompliance. Failure of grantee to follow its own established grant policies or procedures may also be noted as Level 1 noncompliance.

Level 2: Failure to follow statute, rule, or grant agreement

Repeated instances of Level 1 noncompliance may also be categorized as Level 2 noncompliance.

Reason for this Policy

The purpose of this policy is to provide clear direction for grantees and document BWSR compliance with Minnesota Statutes which establish BWSR's obligation to assure program compliance.

Requirements

When noncompliance is found, grant recipients will be notified they are out of compliance in a memo, letter, reconciliation checklist, or other means of communication. If the noncompliance is Level 2, the communication will be addressed to the grantee's leadership, and copied to the grantee's administrator or lead staff and potentially other partners. Communications will document the noncompliance and suggest corrective actions to bring the grantee back into compliance, which may include a requirement to develop a corrective action plan or a requirement for repayment. The grantee must respond to BWSR and explain how each corrective action will be met. If a corrective action plan is required, BWSR must approve the plan and may require implementation of the plan for the grantee to be considered back in compliance.

For findings of noncompliance, BWSR has the authority to withhold payments on any or all grants or hold execution of future grants. This authority is provided under the Minnesota Department of Administration's Office of Grants Management Policy 08-13, Grant Closeout Evaluation, that requires state agencies to evaluate and consider a grant applicant's performance on prior grants before awarding subsequent grants or making a new grant award to them. Holds on grant payments and execution of future grants will be maintained until the grantee is considered back in compliance.

For substantial noncompliance or if work under the grant agreement is found by BWSR to be unsatisfactory or performed in violation of federal, state, or local law, BWSR has the authority to require the repayment of grant funds. If repayment of grant funds is required, the grantee must either repay the grant funds directly or agree to a payment arrangement. When repayment is required, BWSR may hold any or all grant payments and/or hold execution of future grants until repayment is received. BWSR reserves the right to impose a penalty, if circumstances warrant.

Alternatives may also be considered and used at the discretion of BWSR.

Appeal

A grant recipient may appeal a finding of noncompliance. The appeal must be in writing, include all supporting evidence, and be sent to the BWSR Regional Manager within 30 days of receiving the noncompliance communication from BWSR. The Regional Manager and Assistant Director of Regional Operations will review the appeal and supporting evidence and render a decision on the merits of the appeal. The Assistant Director of Regional Operations may stay any required repayment of grant funds and penalties until the appeal is resolved.

If no resolution can be achieved between the grant recipient and the Assistant Director of Regional Operations, the grant recipient may request in writing to the Executive Director and chair of the Board for the appeal to be heard by the appropriate Board Committee. The Committee will make a recommendation to the Board to dismiss, amend, or uphold the appeal.

Definitions

Corrective Action Plan: A formal, organized document that at a minimum describes specifically how noncompliance issues will be addressed, who will be responsible, and when the solutions will be implemented.

Financial Reconciliation: Reconciling a grantee's reported expenditures for a given period with supporting documentation, such as purchase orders, receipts and payroll records.

Monitoring: A procedure of reviewing and documenting progress towards grant agreement implementation and compliance with grant agreement provisions.

Noncompliance: Failure to manage state grants in accordance with statutes, rules, grant agreements, BWSR requirements, procedures, and other applicable laws and requirements.

History

Description of revisions	Date
Minor updates based on changes to GAM and OGM Policy 08-13 (adopted May 28, 2025).	7/1/2025
Revised to replace previous Grant Noncompliance Policy (adopted June 24, 2015) with the newer Grant Noncompliance Policy (adopted June 26, 2019)	7/1/2019
Revised format; minor text changes from 7/1/15 version.	7/1/2017

Procedure is required action to be followed: Procedure is the established way of doing something; a series of actions conducted in a certain order; and/or steps necessary to meet the terms of a grant agreement.

Guidance is supporting information or recommended action: Guidance consists of recommended best practices; helpful context; and/or tools, resources and examples.

Assurances

Effective Date: 07/01/2025

The executed agreement is the legal document between BWSR and the recipient. Requirements are met by using assurances to document that installed practices, and other activities meet the purposes of the program and provide the expected outcomes.

There are three primary types of assurance:

1. Sub-agreements
2. Technical Quality Assurance
3. Project and Practice Assurances

II. Guidance

Factors such as program requirements, partners, landownership, type of practices, and cost influence what type of and when certain assurances are required or used.

Sub-agreements

I. Procedure

Funds may be distributed to partner(s) through the use of sub-agreements. Activities identified in the sub-agreement must fit within the scope of the agreement between BWSR and the recipient and include requirements for fund distribution, implementation, and reporting.

II. Guidance

Legal counsel assistance is encouraged when developing sub-agreements.

Technical Quality Assurance

I. Procedure

Practices and projects must meet the following requirements to ensure long-term public benefit:

- **a) Technical Assistance Provider.** The recipient must designate technical assistance provider(s) that have appropriate credentials for investigation, design, and construction.
- **b) Practice Standards.** Practices and projects must use appropriate standards for design, construction, effective life, operation, and maintenance.
- **c) Practice Certification.** Technical assistance provider(s) must certify that the practice or project was installed or constructed in accordance with the applicable plans and specifications, including approved modifications, prior to authorization for payment.

d) Operation and Maintenance. Technical Assistance Provider(s) must prepare an operation and maintenance (O&M) plan specific to the site and practice(s) implemented. Prior to installation, prepare the O&M plan and review with the responsible party. O&M plans must:

- Detail the O&M activities that are expected for the project;
- Identify O&M needed for the watershed contributing to the project;
- Specify how and when to accomplish all activities;
- Determine the required inspection schedule; and
- Specify contact information should questions or issues arise.

e) Periodic Practice/Project Inspection. Inspections shall confirm that the operation and maintenance plan is being followed and the project has not been altered or removed. Inspections must:

- Be completed by Technical Assistance Provider(s);
- Verify that all components of the practice, including upland protection or contributing watershed treatment, remain in place and are in good repair;
- Identify necessary repairs to maintain effectiveness of the practice and any further assessment or action needed.

II. Guidance

Technical Assistance Provider credentials can include professional licensure, vendor with applicable expertise and liability coverage, USDA-NRCS Job Approval Authority (JAA), or other applicable credentials, training, and/or experience.

USDA-NRCS Field Office Technical Guide (FOTG) practice standards, MN Stormwater Manual, other applicable standards can be used. If published standards are not applicable to site specific conditions, a designed solution that relies on the professional licensure of the designer may be used.

The expected lifespan, specific site conditions of the practice or project, and findings of previous inspections will determine the frequency of inspections. Extreme weather events may necessitate additional inspections.

Project and Practice Assurances

I. Procedure

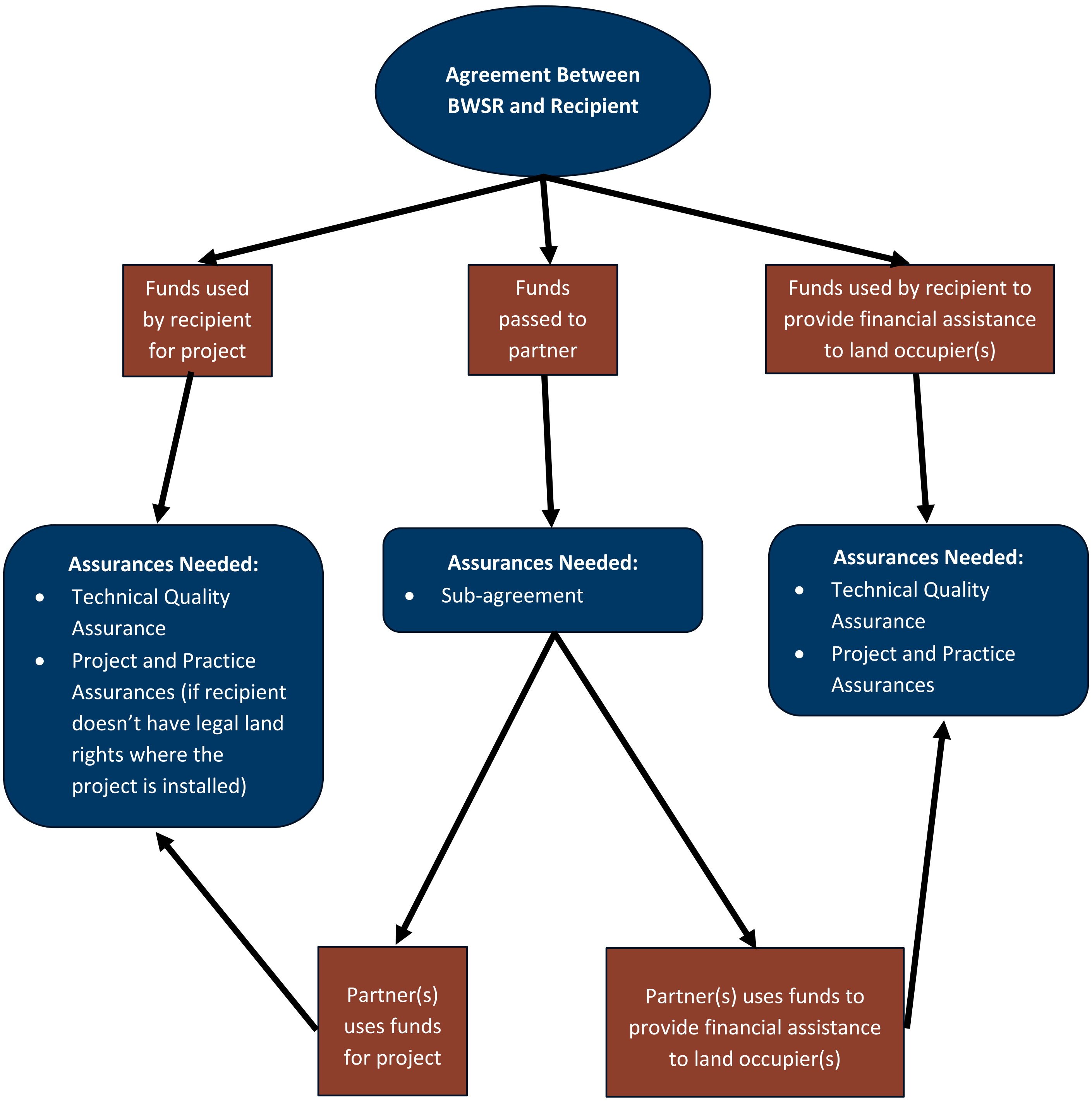
A written agreement is required to ensure program requirements are met when installing projects and practices or providing financial assistance to a land occupier. Project and Practice Assurances must include technical and financial obligations and requirements for the installation, operation, and maintenance of the practice or project, including a plan for failures or noncompliance.

II. Guidance

Examples of Project and Practice Assurances include, but are not limited to, a contract with the participating land occupier, recording the practice(s) with the property title, easements, or other means to ensure program requirements are met.

All Project and Practice Assurances documentation is recommended to be reviewed by the recipient’s legal counsel.

The diagram below outlines assurances needed in different scenarios. The assurances required of primary recipients are also required of partners.



History

Description of revisions	Date
No significant changes from prior year; updated format and language and incorporated diagram.	7/1/2017
Information on Tennessen warning notices was added under the Contracts section.	7/1/2022
New *Assurances* chapter combines elements from *Project and Practice Assurances*, *Technical Quality Assurance*, and *Operation, Maintenance, and Inspection of Practices* chapters of the previous Grants Administration Manual. Updates to the development of the practice operation and maintenance(O&M) plan to require that a Technical Assistance Provider(s) prepare the O&M plan. Updated to reflect new chapter formatting.	7/1/2025

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Records, program and project files

Effective Date: 07/01/2025

Records retention

I. Procedure

Grantees are required to keep records and documents pertinent to each grant agreement available for review by BWSR. BWSR may request this documentation via email, over the phone, in person, or as part of grant monitoring, review or reconciliation. Additionally, the receipt of grant funds as revenue and the associated expenditure of grant and match funds need a verifiable paper-trail to support them.

The responsibilities for records management activities in state and local government are broadly defined in Minnesota Statutes §138.17, the State's records management statute, and Minnesota Statutes §15.17, the State's official records law. In addition, under Minnesota Statutes §16B.98, the State has the authority to examine records and documents relevant to the grant or transaction for a minimum of six years from the end of a grant agreement, receipt and approval of all final reports, or the required period of time to satisfy all State and program retention requirements, whichever is later.

Program and project files, including financial records, must be kept for a minimum of six years beyond the life expectancy of the installed practice(s). For example, the file for a project with a life expectancy of ten years should be kept for a total of 16 years.

II. Guidance

Recipients of BWSR grants are encouraged to have comprehensive records retention policies and procedures in place. Guidance for comprehensive records management is available through the Minnesota Department of Administration, Information and Policy Analysis Division and the Minnesota Historical Society, Minnesota State Archives.

Record keeping

I. Procedure

All grant agreements contain what is called an audit clause, which indicates grantees are responsible for maintaining records relating to the receipt and expenditure of grant funds, and documentation of those receipts and expenditures may be examined by BWSR at any time. To responsibly manage a BWSR grant, grantees must be able to document the receipt of revenue and expenditures on staff time, contractors, and other costs.

Grantees are responsible for reviewing their internal structure to ensure it meets the financial management standards found in the Code of Federal Regulations CFR 97.20.

Two accounting methods for recording financial operations are acceptable: cash basis or accrual basis. Cash basis accounting recognizes income when actually received and expenses when actually paid. Accrual basis accounting recognizes income when measurable and expenses when the obligations are incurred, although not yet paid. Grantees must be consistent and cannot switch between cash and accrual during the grant agreement period.

In addition to maintaining an adequate accounting/financial management system, grantees are responsible for promptly reporting any circumstances surrounding any financial irregularities discovered or suspected. Failure to report known irregularities may result in termination of the grant agreement and/or other action on the part of BWSR.

Revenue

To document the receipt of revenue from BWSR, the records that need to be kept are:

- The line item from the financial system showing the electronic transfer of grant funds from the state and a bank statement showing the deposit of grant funds. The amount documented can be a total (all block grant funds listed together on a grant agreement) or divided according to grant.
- The Treasurer's Report to the grantee's Board that shows the grant funds received from BWSR being recorded in the financial system, or some other evidence the Board or governing body has overseen and verifies the grantee has received the funds.
- Records documenting the grantee's local match contribution for each grant received.
- For grants with a match requirement, that match must come from an eligible source.
  If a line item in the financial system does not identify the required match, other evidence may suffice, such as a financial statement or balance sheet. Often the most conclusive evidence a government is meeting its match requirement is a Board action that commits the funds.
- Records of the transfer of funds between grantees, such as receipts of Natural Resources Block Grant Wetland Conservation Act payments from a county to an SWCD.

Expenditures on programs

Staff time

To document the costs of employees or staff time, grantees must keep records that include:

- Employee's name
- Rate of pay per hour
- Billing rate calculation for all employees of the grantee. (see "Determining a Billing Rate")

- Time worked on the grant, identified by grant title and activity category.
- Documentation connecting the time contributed (or hours worked) to the grant (see "Time and Effort Documentation (insert link)". This may be:
  - A record from the financial system showing the employee being paid out of the grant.
  - A summary of timesheets with the grant identified.
  - A payroll report, itemized by fund, from the internal accounting system, Integrated Financial System, QuickBooks, etc. (The report may include other items charged to the grant besides staff time).
  - If a system exists to track the time employees charge to the grant, include a summary of the time contributed by each employee, itemized by grant.

Direct Costs

To document the costs of contractors, other direct costs, and administrative costs, receipts need to be kept. Receipts must be itemized so the reasonableness of the expense, as compared with the amount paid for similar government work in other programs, can be evaluated. Receipts or invoices to include the following information:

1. The name of the vendor;
2. The materials, labor, or equipment provided;
3. The component unit costs (e.g., hours, feet, cubic yards, etc.); and
4. Invoice date, including the date(s) the work was performed.

If receipts or invoices do not include the above information, other supporting documentation may be requested and reviewed.

II. Guidance

When a grantee is working with a partnering organization, the following information should be obtained and reviewed by the Grantee, to provide reasonable assurance of the costs prior to issuing payment:

- Fully executed conservation practice assistance contracts, amendments, vouchers and supporting documentation (invoices/receipts).
- Charges for services may include a breakdown by employee of hours worked, date(s) of service, applicable billing rate(s), and total cost. Grantees or fiscal agents may request time tracking data to support charges for services.
- Reimbursement requests for pass-through costs should include a copy of the invoice(s) from the third party source(s).

Grant program files guidance

The particulars of grant program file organization are a local decision; however, the primary content of the program file should include or reference the following, consistent with State Records Management requirements:

- Executed grant agreement, approved work plan if applicable, and any amendments or revisions to either;
- Communications with BWSR relative to the grant and any grant amendments;
- Local program policies, such as locally established rates for in-kind services, rates for incentive payments, or criteria for project selection;
- Records such as minutes or resolutions of any local decisions regarding actions, approvals, delegation of approval authorities, etc. within the grant;
- Assignment agreements or subcontracts;
- Procedures or criteria for selecting contractors;
- For programs with a training component, documentation of the course name, description, facilitator/instructor, date, and location;
- Reports or studies completed using grant funds;
- Reporting information included in the Reporting Requirements for BWSR Grants section of this manual;
- Conflict of interest disclosure forms;
- Any other documentation that provides clarification of how the grant was implemented; and
- Staff costs and time and effort documentation.

Grant project files guidance

Project files are a critical piece of the overall program file that documents the actual practices installed. The organization of the project file will vary locally; however, the content of the project file should include or reference the following, as applicable consistent with State Records Management requirements:

- Notes and information from the technical assessment and cost estimate determination;
- Map or aerial photograph showing the location of the project;
- Contracts with land occupiers for implementing conservation practices and amendments to these contracts, as applicable;
- Cancelled contracts, including documentation of the reason for cancelation, as applicable;
- Documentation of any additional project assurances, such as easements or recording of practices;
- Construction design standards and specifications;
- Construction monitoring diary, survey notes, or other notes during construction;
- Certification of practice completion and associated “as built” information;
- Project bills, invoices, or receipts and a voucher requesting payment that demonstrates what the land occupier or project holder actually paid for the practice, if applicable to the grant program;

- Copies or records of correspondence and contacts with the land occupier;
- If the project is to repair damage to previously installed conservation practices; the file should document original project was installed using approved standards and specifications, and the damage or failure was caused by reasons beyond the control of the land occupier and not due to improper maintenance or removal of the practice within the effective life;
- Operation and maintenance plan in accordance with the effective life of the practice and documentation the plans were provided to the land occupier (see the Assurances chapter of the manual);
- Project/practice inspection records (see the Providing Financial Assistance/Assurances chapters of this manual);
- Necessary permits or permit approvals;
- Documentation of technical quality assurance for the project (see Assurances chapter of this manual); and
- Any other pertinent project- or program-specific information.

History

Description of revisions	Date
Merges two previous chapters, *Records Management and Retention* and *Program and Project Files.* Revised format; minor text changes for clarity and to removed dated information.	7/1/2017
Added language related to NRCS documentation utilized to support NRCS Technical Assistance and Financial assistance as part of a Grantee's case file.	7/1/2018
Minor text changes for clarity.	7/1/2021
Removed reference to Local Water Management program match.	7/1/2023
Clarified language when grantees are working in partnership.	7/1/2024
Revised to fit new chapter format. Incorporated sections from Financial Management Chapter.	7/1/2025

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Reporting requirements for BWSR grants

Effective Date: 07/01/2025

I. Procedure

Grant Reporting

Grant reporting is a means to illustrate achievements and progress made towards program goals and to ensure accountability and transparency in the use of State funds. In general, reports are to contain updates on activities and expenditures that occurred since the previous report and are to be completed by February 1 of each year and within 30 days of the completion of a grant. Grants over $500,000 may include an additional report to be completed by June 30 of each year.

Content and frequency of reports varies by grant program and fiscal year; therefore, grant recipients should carefully read all grant agreements, reporting announcements and guidance.

- Reporting reminders and announcements are generally sent via email to grant recipients. See the BWSR Grant Reporting webpage for a list of active grant expiration dates, program specific requirements, and current reporting deadlines. Be sure to check this page prior to each reporting deadline for the most updated guidance.
- For grants with a reimbursable component, see the Requesting a Reimbursement or Payment section of the manual for the processes and expectations.
- Posting of additional website information may also be required by individual grant programs.

Some grants may have requirements in addition to those noted here that may influence grant eligibility. For example, BWSR may act as the fiscal agent on behalf of other State agencies, such as MPCA SSTS Program and DNR Shoreland Program. These agencies may have requirements beyond information BWSR has requested.

Minnesota Statute §103B.3369, Subdivision 9 allows BWSR to consider additional performance-based criteria for grant programs and the Office of Grants Management's Policy on Evaluating Grantee Performance (08-13) requires BWSR to consider a grant applicant's past performance when awarding grants. BWSR may consider withholding grant payments if the grantee is not in compliance with all Board reporting requirements.

If you have questions or are unable to complete a required report by a given deadline, contact your Grant Manager.

Website Grant Reporting

See your grant agreement to determine if website reporting is required.

For website reporting of Clean Water Land and Legacy funded projects, the grantee is required to display the legacy logo on their website's home page accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the website must direct the person to a page that includes both the contact information that a person may use to obtain additional information, as well as a link to the Legacy website: http://www.legacy.leg.mn/.

When additional website reporting is required, the content of the website reports for a grant should reflect the activities, expenditures, and achievements associated with the grant funds. If a grant recipient does not have a website, a partner organization website may be used. Posting of eLINK progress reports is often sufficient to meet these requirements; however, grantees are encouraged to develop or use more public-friendly alternatives or information pages with pictures and maps.

Technical Service Area (TSA). TSAs must post their annual financial statement on the host SWCD website, unless the joint powers board has its own website.

Soil and Water Conservation Districts (SWCDs) SWCD websites must include the information:

- Annual report *While a Conservation Delivery Grant Progress Report (pdf) from eLINK will fulfill the requirement, grantees are encouraged to post a more public-friendly summary of expenditures and outcomes instead.*
- Most recent audit
- Annual budget
- Meeting notices

History

Description of revisions	Date
Previously titled *Reporting Requirements.* No significant changes, updated format and language, addition of links to the Legacy site.	7/1/2017
Updated to reflect process changes in eLINK. Clarified TSA annual financial statement requirement.	7/1/2023
Updated to reflect new chapter structure.	7/1/2025

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Closing out a BWSR Grant

Effective Date: 07/01/2025

I. Procedure

Within thirty (30) calendar days of the end of the grant agreement period, or expenditure of all grant and match funds, whichever occurs first, the Grantee must:

1. **Complete all eLINK reporting**, according to the eLINK Reporting Guidance. Create and submit the final Progress Report in eLINK, including changing the status to "Submitted" in eLINK; an eLINK notification will automatically be sent to the Grant Manager when the report is submitted. After the report is submitted, the Grant Manager will review the eLINK Progress Report and cross reference the work plan and the eLINK reporting guidance to determine if reporting is satisfactory. Grants of $50,000 or more may be subject to reconciliation prior to closeout. See the Grant Monitoring and Financial Reconciliations section of this manual for additional details.

2. **Return unspent funds**. If the full grant award has not been spent, the unspent funds must be returned to BWSR. The process for returning funds will vary depending upon whether the grantee has already received 100 percent of the award or if a portion of the funds has not yet been requested or received.

   For competitive grants, or grants structured to have a final payment due to the grantee at closeout:

   a. If the final project costs are more than 90 percent but less than 100 percent of the grant award, the grantee can only submit a reimbursement request for the actual project expenditures above the 90 percent of funds already received.
   b. If the final project costs are less than 90 percent of the grant award that was previously paid by BWSR, the grantee must return to BWSR any unspent funds using the Returned Funds form generated in eLINK.
      1) Indicate that this is a final report, and that there are unspent funds to return to BWSR, then enter the amount of returned funds and a check number (or placeholder "0000") to generate the form.
      2) Print a copy of the form and send it to BWSR (the address on the form) with the check.

For formula grants, or grants in which the grantee received a 100 percent advance payment at the time of the grant agreement execution:

a. Return to BWSR any unspent funds using the Returned Funds form generated in eLINK.
   1) Indicate that this is a final report, and that there are unspent funds to return to BWSR, then enter the amount of returned funds and a check number (or placeholder "0000") to generate the form.
   2) Print a copy of the Form and send it to BWSR (the address on the form) with the check.

History

Description of revisions	Date
Revised format; minor text changes for clarity and to removed dated information.	7/1/2017
Updated to reflect process changes in eLINK. Struck redundant information.	7/1/2023
Updated to reflect changes to chapter structure.	7/1/2025

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Grants monitoring and financial reconciliations

Effective Date: 7/1/2025

I. Procedure

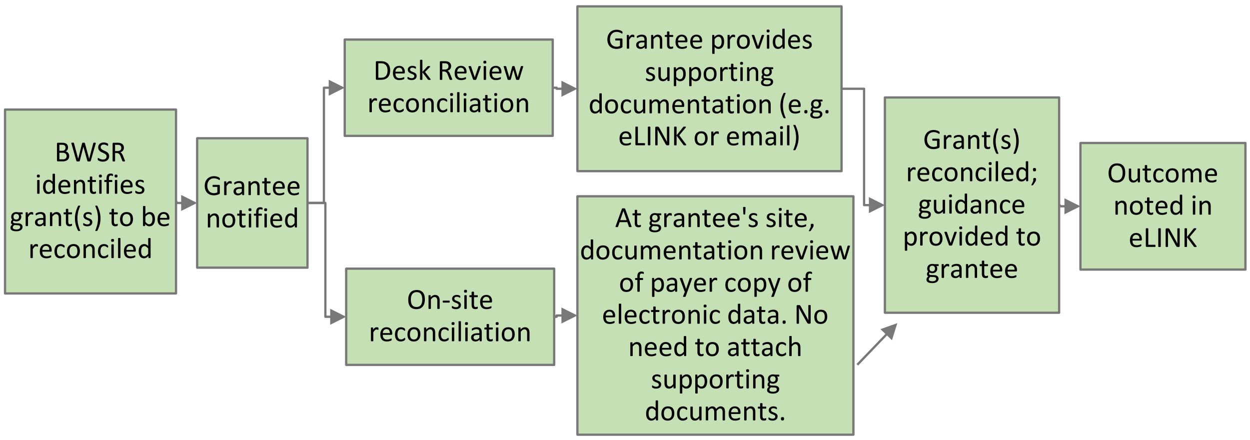
BWSR is responsible for oversight of the state grant funds that are issued to grantees and following the policies for grants oversight prescribed by the state's Office of Grants Management (OGM). Monitoring and financial reconciliations are a way to provide guidance to the grantee; increase transparency within the grants process; and help to ensure public funds are spent for the purposes that they were given and are in compliance with the terms and conditions of the grant agreement.

Monitoring

BWSR monitors grants annually. Monitoring is a procedure of reviewing and documenting progress towards grant agreement implementation and compliance with grant agreement provisions. It happens at the beginning, when staff work with projects for application and approve work plans. It happens with the annual reporting. And it happens at the end, during grant close out, when staff assess progress on planned versus actual results. Additional monitoring occurs through technical assistance, desk review, on-site review, or ongoing communications with the grantee. Monitoring may include a sampling of documentation provided.

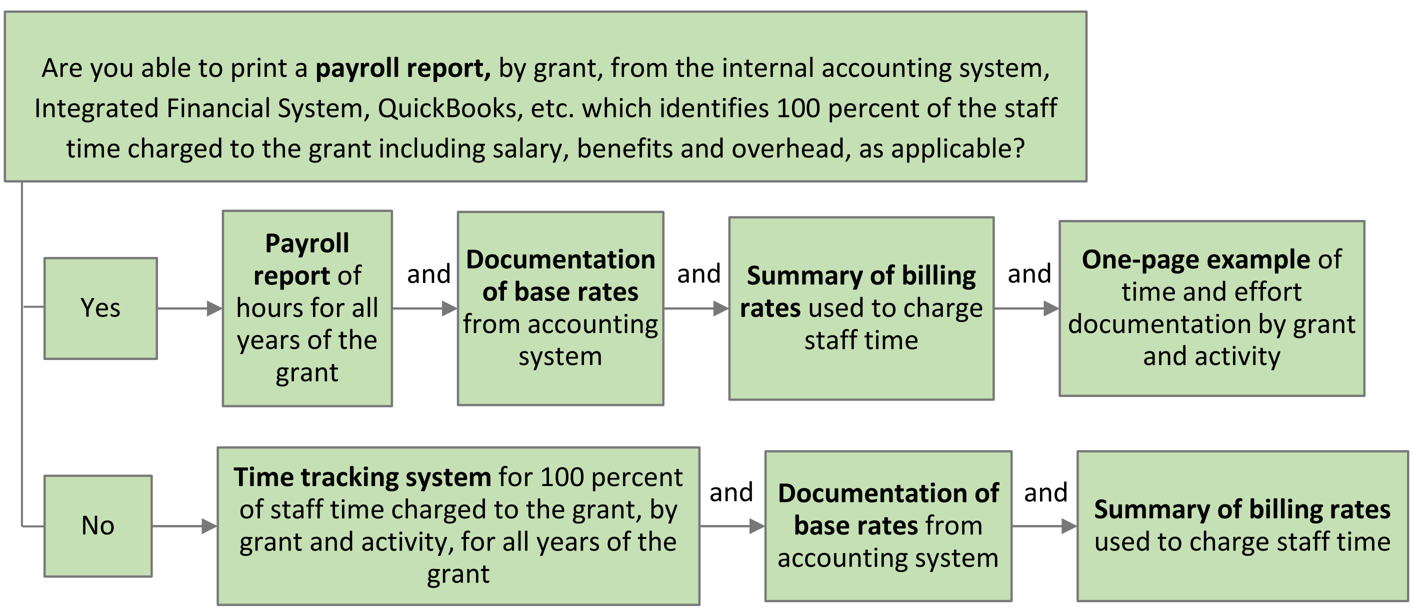
Financial reconciliations

BWSR typically reconciles payments on grants $50,000 and over either when a request for a payment is made and/or before the grant is closed out. It is a procedure of reconciling a grantee's reported expenditures for a given period with supporting documentation, such as purchase orders, receipts, and payroll records. Reconciliations can occur either on-site in your office or through a desk review of documents submitted and are initiated based on the grant spending reported. The process is as follows:



Documentation is required to support claimed expenses and the following flow chart provides an outline of documents needed for the reconciliation process. When submitting information, no “not public data” should be included. There are two broad expenditure categories for reconciliation: staff time, and direct costs.

Staff time



Direct costs

Direct costs are program costs which can be identified specifically with a particular final objective.

Report of costs, by grant, from the internal accounting system, Integrated Financial System, QuickBooks, etc. (BWSR staff to choose invoices, receipts, or vouchers to review).

or →

Grant tracker supported by a report from the internal accounting system, Integrated Financial System, QuickBooks, etc., with grant costs identified (BWSR staff to choose invoices, receipts, or vouchers to review).

or →

100 percent of invoices, receipts and/or vouchers

History

Description of revisions	Date
Replaced the rescinded BWSR Grants Monitoring, Reconciliation and Verification Policy archived in FY24.	7/1/2024
Updated to reflect changes to chapter structure.	7/1/2025

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Time and effort documentation

Effective date: 07/01/2025

I. Procedure

Accounting for staff time is important for budgeting, planning, and reporting. Recipients of BWSR grants have two options for tracking staff time charged to grants:

1. Direct time tracking - recording hours spent on a daily basis.
2. Personnel activity reports (PARs), summary of time at some greater interval. Activity reports must be prepared and signed at least semiannually by the employee.

BWSR reserves the right to request additional documentation that accounts for all of the employee's time during the period that staff time is actually charged to the grant. Staff time not charged to the grant does not need to be itemized by activity and can be summarized in an all-inclusive "other" category of internal accounting systems.

BWSR will not accept position descriptions to account for staff time charged to BWSR grants.

Required time tracking procedures

Staff time charged to BWSR grants must be tracked or accounted for as it is reported in eLINK, at two levels:

1. Grant - Grants must be identified by a grant title in order to distinguish the grant from others administered by the organization (for example, 2025-Local Water Management-NRBG, 2025-Conservation Delivery, or 2025 Watershed Based Implementation). BWSR recommends a naming configuration consistent with the grant title in eLINK.
2. Activity category – Grantee must identify the eligible eLINK activity category based on grant workplan and/or grant agreement, such as:
    a. Administration/coordination
    b. Education/information
    c. Inventory/mapping
    d. Monitoring/data collection
    e. Planning and assessment
    f. Project development
    g. Regulations/ordinances/enforcement
    h. Technical/engineering assistance

Charges for staff time must be based on records that accurately reflect the work performed. These records must:

1. Be supported by a system of internal control that provides reasonable assurance charges are accurate, allowable, and properly allocated.
2. Be incorporated into the official records of the grantee.
3. Be maintained for all employees whose time is being charged to the grant.

Staff time contributed as match must be documented, quantifiable, and able to be distinguished from staff time charged or used as match elsewhere. BWSR monitors the accuracy and allowability of staff time contributed as match.

II. Guidance for time and effort documentation

BWSR provides two direct time tracking system templates and two personnel activity reports (PAR) templates to assist grantees in documenting the time and effort they charge and report to BWSR grants. The templates are provided as examples and grantees are not required to use the templates. Grantees may develop their own time tracking systems or PARs in accord with BWSR policy, procedure, and guidance. Staff time used as match should be tracked by grant and activity category.

Example 1: Direct time tracking

Direct time tracking is recording hours spent on a BWSR grant on a daily basis, as shown in Figures 1 and 2 below.

This spreadsheet template shown in Figure 1 below (or download .xlsx file from BWSR's website) records the hours per day an employee (identified at the top of the sheet) dedicates to each of several BWSR grants during a bi-monthly pay period. Individual BWSR grants are identified and time is tracked to the activity category within those grants. Grants and activities are listed in rows, and hours tracked in columns. The template links each employee's sheet to a summary sheet within the workbook that automatically calculates the amounts charged to grants for all employees.

The bi-weekly spreadsheet template shown in Figure 2 below (or download .zip file from BWSR's website) arranges the grants and activities where daily hours are assigned to in columns (across the top of the spreadsheet) rather than in rows. This template differs from the previous template in tracking the time of individual employees in separate workbooks rather than in separate tabs in the same workbook. Hours are summarized per employee, and multiplied against the billing rates of those employees, to calculate amounts charged to grants.

A database can also be used to track time. The advantage of a database is it can be configured to track time at several levels beyond grant and activity. Depending on the program or project, a database can also be configured to automatically assign an employee's activities to the grant funding them.

Figure 1: Bi-monthly time tracking system, grants and activities in rows

Stormy County/SWCD Bi-Monthly Time Record

Calendar Year 20XX Employee Signature: ______________________ Date: __________

Employee:

		1-Jan	2-Jan	3-Jan	4-Jan	5-Jan	6-Jan	7-Jan	8-Jan	9-Jan	10-Jan	11-Jan	12-Jan	13-Jan	14-Jan	15-Jan
Other...																
Other...																
Other...																
Other...																
FY XX Grant	Activity Category 1															
	Activity Category 2															
	Activity Category 3															
	Activity Category 4															
FY XX Grant	Activity Category 1															
	Activity Category 2															
	Activity Category 3															
	Activity Category 4															
FY XX Grant	Activity Category 1															
	Activity Category 2															
	Activity Category 3															
	Activity Category 4															
FY XX Grant	Activity Category 1															
	Activity Category 2															
	Activity Category 3															
	Activity Category 4															
FY XX Grant	Activity Category 1															
	Activity Category 2															
	Activity Category 3															
	Activity Category 4															
Other...																
Other...																
Other...																

Figure 2: Bi-weekly time tracking system, grants, and activities in columns

XXXXXX 20XX

Name: XX **Title:** XXX **Hourly Billing Rate:** $0.00

Bi-Week Beginning:	Non Grant					FY XX Local Water Management				FY XX Wetland Conservation Act			
12/28/2026	Sick Hours	Vacation-PTO Hours	Board	Admin	Other	Activity Category 1	Activity Category 2	Activity Category 3	Activity Category 4	Activity Category 1	Activity Category 2	Activity Category 3	Activity Category 4
Sunday													
Monday													
Tuesday													
Wednesday													
Thursday													
Friday													
Saturday													
Sunday													
Monday													
Tuesday													
Wednesday													
Thursday													
Friday													
Saturday													
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Employee Signature: ______________________ **Date:** __________

Example 2: Personnel activity repot (PAR)

The second option for accounting of staff time charged to BWSR grants is a personnel activity report or PAR. The difference between the two options is that, while a direct time tracking system records time on a daily basis, a personnel activity report is a summary that records time at some greater interval after the fact. BWSR requires PARs be filled out at least semiannually, but it is recommended to be done on a monthly basis, per the following examples.

Figure 3: Personnel activity report (PAR), activity only

Personnel Activity Report

LGU: Stormy County/SWCD
Employee: June Smith
Reporting Period: October 1-31, 2025
Title: Clean Water Specialist

Program/Grant	Activity Category	Number of Hours
FY2026 WCA	Administration/Coordination	56.00
FY2026 WCA	Technical/Engineering Assistance	75.00
FY2026 WCA	Project Development	10.00
FY2026 Conservation Delivery	Administration/Coordination	12.00
Other Activities		15.00
Leave		8.00
General Administration		8.00
	Total:	184.00

I hereby certify this report is an after-the-fact determination of total activities and actual time expended for time period indicated.

Employee Signature: June Smith
Date: 11/5/2025

In this first example of a PAR Figure 3. above (or download .xlsx document from BWSR's website), the employee records the time he/she is charging to BWSR grants on a monthly basis, and assigns it as required to both the name of the grant (for example, FY 26 WCA, FY 26 Conservation Delivery, etc.) and the activity category (i.e., administration/coordination, technical/engineering assistance, etc.). The PAR has a signature block for the employee to certify to the time reported. The PAR also includes rows for the hours not being charged to BWSR grants but may be included in a billing rate calculation: leave hours (vacation, holidays, or sick) and general administration hours (general administrative hours are not the hours directly charged to the "administration/coordination" of the grant itself). It accounts for all of the employee's time during the month by documenting time dedicated to "other activities" not related to BWSR grants.

This second example of a PAR Figure 4. below records all of the information in the first example in a slightly different format (or download .xlsx document from BWSR's website). It adds space for a description of the activity performed information that can be useful for submitting narratives of grant activities for the annual report required on the grant.

Both examples of PARs report time not only in number of hours, but also as percentages of the whole. Number of hours are necessary for calculating the cost of staff time, but percentages can be useful for budgeting or planning purposes. Budget estimates do not qualify as support for staff time charged to BWSR grants.

Figure 4: Personnel activity report, activity, and description

Personnel Activity Report

LGU: Stormy County/SWCD — Employee: June Smith

Reporting Period: October 1-31, 2025 — Title: Clean Water Specialist

Grant	Percent of Time	Description of Activities	Hours
FY 2026 LWM	40%	Education/Information:	30.00
		Held water quality seminar	
		Monitoring/Data Collection:	34.00
		Sampled surface water	
		Administration/Coordination;	10.00
		Wrote budget	
		Total:	*74.00*
FY 2026 SSTS	29%	Education/Information;	20.00
		Provided article for newsletter on septic systems	
		Regulations/Ordinances/Enforcement;	20.00
		Gathered landowner regulatory requirements	
		Administration/Coordination;	14.00
		Issued permits for new septic systems	
		Total:	*54.00*
Other Activities	11%		20.00
Leave	9%		16.00
General Administration	11%		20.00
Total Hours			**184.00**

I have performed the above duties as described and the hours recorded are an accurate reflection of time expended during above time period.

Employee Signature: June Smith — Date: 11/5/2025

History

Description of revisions	Dates
Revised format; minor text changes for clarity.	7/1/2017
Reformatted chapter structure. Grant requirements have been moved to grant agreement, procedural requirements have been reformatted to provide additional clarity. PAR examples updated.	7/1/2025

BOARD OF WATER AND SOIL RESOURCES

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Guidance is supporting information or recommended action: Guidance consists of recommended best practices; helpful context; and/or tools, resources and examples.

Determining a billing rate

Updated Date: 07/01/2025

I. Procedure

Recipients of BWSR grants must follow these procedures when charging staff time to grants. Grant recipients may include allowances or additions consistent with this procedure in the billing rates they use to charge staff time to BWSR grants. Allowances or additions to billing rates inconsistent with the procedure will be disallowed from BWSR grants.

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, and
- facilities and administration (costs necessary to keep a person employed and an office running).

Billing rates should be evaluated annually but may be recalculated more often to reflect changes in costs or employees. Billing rates must be calculated for each employee. Averaging billing rates are not allowed.

Staff Time

Staff time expenses include wages, benefits, and leave, which is referred to as the modified base rate.

- Wage is factored as an hourly base rate.
- Benefits include only those paid by the employer and are specific to each employee.
- Hours documented for sick leave, holidays, and vacation must be based on actual, whether used (and documented in time sheets) or accrued. See the FAQ on accrued leave for more information.

Facilities and Administration

Facilities and administration costs must be allowable, reasonable, allocable, necessary and consistently applied regardless of the funding source. Longstanding federal grant guidance classifies overhead costs into two broad categories: facilities and administration. As defined in the Code of Federal Regulations (2 Code of Federal Regulations, §200.414), facilities include operations and maintenance costs such as insurance, rent, and utilities. Administration includes general administrative costs such as accounting/finance, clerical support, human resources, and management. Facilities and administration are shared expenses that support general operations not specific to a grant.

Facilities and administration costs can be captured the following ways:

- **Option 1.** Add 15 percent for facilities and administration costs to the modified base rate for each employee. The modified base rate includes wages, benefits, and leave. Costs in excess of normal facilities costs specific to achieving grant funded outcomes can be charged directly to grants.

- **Option 2.** Allocate facilities across the organization by dividing the actual costs by the hours worked by all employees and add up to 10 percent of the total workable hours for the organization in a year as general administrative time to the billing rate calculations.
    a. Facilities costs must be based on actual costs, as reported in the previous 12 months financial reports.
    b. A proportionate share of direct and necessary administrative costs may be charged to BWSR grants. Hours documented as general administrative time must be based on actual (and documented in time sheets). For time tracking methods, see Time and Effort Documentation Guidance and Examples in this manual.
    c. Administrative hours included in the billing rate cannot also be charged directly to grants.
    d. The definition of administrative staff must be consistent with the organization of the grantee. For example, in some smaller organizations, technical staff may also perform administrative functions. In organizations such as larger cities or counties, the general administrative hours can only come from administrative staff within the department where work on the grant is being done.

- **Option 3.** Apply the organization's federally negotiated indirect cost rate to the staff costs of the program or project funded by BWSR grants. Federal indirect costs rates may be obtained from the cognizant federal agency responsible for reviewing, negotiating, and approving indirect cost proposals.

It is not required that recipients of BWSR grants charge facilities and administration costs to BWSR grants through a billing rate. For facilities and administration costs, calculated the salary, benefits, and leave per employee and develop an indirect cost allocation consistent with these procedures.

Direct vs Indirect

Costs that are necessary to produce the grant outcomes can be charged to a grant in the following ways:

- If you can associate a cost with a specific grant, you should directly charge it to that grant. If a cost supports more than one grant, you should include it in your billing rate calculations or allocate it consistently across two or more applicable grants. If costs are needed, reasonable, consistently applied, and rationally allocated, grant recipients may still charge all allowable costs to BWSR grants directly.

- If a cost supports many grants or programs, you should use an allocation method which is a systematic approach to distribute resources/costs. Billing rates can be an efficient method for charging costs to BWSR grants. When staff time is directly charged to a grant, the billing rate allocates indirect costs to grants that should bear them.

Costs direct charged cannot also be included in any billing rate calculation. Whatever you directly charge to the grant must be itemized and documented. If you are unsure of how to charge a cost to a BWSR grant or whether a cost is allowable at all, consult with your Grants Compliance Specialist.

II. Guidance

Two optional spreadsheet templates are provided in this manual to assist grantees in calculating billing rates using Options 1 and 2. . The templates include:

- Option 1: How to Calculate Billing Rates Using MBR + 15 percent
- Option 2: How to Calculate Billing Rates Including Overhead Costs of Facilities and Administration

Correct formulas are built into the templates. A grantee need only input the figures highlighted, and billing rates that recover all allowable costs will result. BWSR may use this template to verify a grantee's own calculations. The formulas are also described and illustrated with examples below.

Example 1: Option 1

Option 1 adds 15 percent of an employee's modified base rate to the modified base rate to factor the costs of facilities and administration.

If an employee's modified base rate is $25.00/hour, for example, a grantee is allowed to charge a rate of $28.75/hour ($25.00 + $3.75) to BWSR grants. The additional $3.75 per hour accounts for some of the employee's share of facilities and administration costs.

- The formula for calculating a modified base rate is: (Wages + Benefits / Workable Hours) + (Cost of Leave / Hours Actually Worked)
- The formula for calculating a billing rate using Option 1 is: Billing Rate (allowing for facilities and administration) = Modified Base Rate + (.15 *Modified Base Rate)

Example 2: Option 2

Option 2: 1-9 employees or **Option 2: 1-25 employees** factors the costs of facilities and administration in the billing rate. This example illustrates a staff of three employees (Table 1): district manager, conservation technician, and administrative assistant.

Table 1: Sample Employee Wages for Current Year

EMPLOYEE	WAGES
DISTRICT MANAGER	$54,579.00
CONSERVATION TECHNICIAN	$40,501.00
ADMINISTRATIVE ASSISTANT	$35,105.00
TOTAL:	*$130,185.00*

Table 2: Sample Benefits for Current Year

BENEFITS	EXPENDITURE
FICA	$8,071.47
MEDICARE	$1,887.68
PERA	$9,763.88
INSURANCE	$48,384.00
TOTAL:	*$68,107.03*

Table 3: Sample Expenses for Previous 12 Months Financial Reports

EXPENSES	AMOUNT
EDUCATION/TRAINING	$948.93
NEWSLETTERS	$327.27
OFFICE MAINTENANCE	$288.82
OFFICE SUPPLIES	$1,273.97
POSTAGE	$947.84
PROFESSIONAL ASSOCIATIONS	$1,600.00
PROFESSIONAL SERVICES EX:AUDIT FEES	$863.33
RENT	6,326.49
TELEPHONE/INTERNET/FAX	$724.33
UNEMP / WORKERS COMP INS	$2,143.29
UTILITIES	$3,435.14
VEHICLE GAS/MAINTENANCE	$1,757.10
SOFTWARE LICENSES	$2,000.00
FIELD SUPPLIES	$400.00
TOTAL:	*$23,036.51*

The software licenses and field supplies in this example valued at $2,400.00 (Table 3) are specific to a program project and therefore directly charged to the program or project grant they are applicable to and are not included in the billing rate calculation. The total facilities costs included in the calculation are $20,636.51.

Wage is factored as an hourly base rate. To calculate an hourly base rate (Table 4), divide an employee's annual wages by the workable hours in a year. For each full-time equivalent employee (FTE), workable hours = 2088.

Benefits (Table 2) are specific to each employee. To factor the cost of benefits (Table 5), divide the employer's portion of the employee's benefits by the workable hours in a year.

Note that the Legislative Coordinating Commission calculates FTEs based on a denominator of 2,088 workable hours in a year. See Minnesota Statutes 2015, section 3.303, subdivision 10.

Table 4: Calculation of Base Rates

EMPLOYEE	CALCULATION OF BASE RATE	BASE RATE
DISTRICT MANAGER	$54,579.00 ÷ 2088	$26.14
CONSERVATION TECHNICIAN	$40,501.00 ÷ 2088	$19.40
ADMINISTRATIVE ASSISTANT	$35,105.00 ÷ 2088	$16.81

Table 5: Calculation of the Cost of Benefits

EMPLOYEE	AMOUNT OF FICA, MEDICARE, PERA	CALCULATION OF INSURANCE	ADDITION TO BASE RATE FOR BENEFITS
DISTRICT MANAGER	$8,268.72 ÷2088	$16,128.00 ÷ 2088	$11.68
CONSERVATION TECHNICIAN	$6,135.90 ÷2088	$16,128.00 ÷ 2088	$10.66
ADMINISTRATIVE ASSISTANT	$5,318.41 ÷2088	$16,128.00 ÷ 2088	$10.27

To factor the costs of leave, facilities, and administration, a different denominator of "hours actually worked" is used (Table 6). Hours actually worked = workable hours minus paid sick leave, holidays, and vacation or PTO.

Table 6: Calculation of the Workable Hours and Hours Actually Worked

EMPLOYEE	WORKABLE HOURS	LEAVE HOURS	HOURS ACTUALLY WORKED (WORKABLE HOURS-LEAVE HOURS)
DISTRICT MANAGER	2088	253	1,835
CONSERVATION TECHNICIAN	2088	221	1,867
ADMINISTRATIVE ASSISTANT	2088	200	1,888
TOTAL:	*6,264*	*674*	*5,590*

Leave for each employee. To factor the cost of leave (Table 7), multiply the actual number of paid leave hours by the employee's base rate plus benefits, then divide the total by the hours actually worked by that employee.

Table 7: Calculation of the Cost of Leave

EMPLOYEE	CALCULATION OF LEAVE	ADDITION TO BASE RATE FOR LEAVE
DISTRICT MANAGER	253 × ($26.14 + $11.68) ÷ 1,835	$5.21
CONSERVATION TECHNICIAN	221 × ($19.40 + $10.66) ÷ 1,867	$3.56
ADMINISTRATIVE ASSISTANT	200 × ($16.81 + $10.27) ÷ 1,888	$2.87

Facilities and administration are shared expenses. Each employee bears an equal share of the facilities and administration costs. To factor the cost of facilities (Table 3), divide the total cost of facilities for the grantee by the total hours actually worked by all employees of the grantee (Table 8).

Table 8: Calculation of the Cost of Facilities

EMPLOYEE	CALCULATION OF FACILITIES	ADDITION TO BASE RATE FOR FACILITIES
DISTRICT MANAGER	$20,636.51 ÷ 5590	$3.69
CONSERVATION TECHNICIAN	$20,636.51 ÷ 5590	$3.69
ADMINISTRATIVE ASSISTANT	$20,636.51 ÷ 5590	$3.69

To factor the cost of administration, up to 10 percent of the total workable hours for the grantee may be added to the billing rate calculation. In the example of three full-time employees, the total workable hours = 6,264, so the administrative hours allowed = 626. These hours are distributed to the administrative staff of the grantee—the district manager and the administrative assistant (Table 9)—and valued at a rate that includes wages, benefits, leave, and the cost for facilities.

To factor the cost of administration, divide the total cost of allowed administration by the total hours actually worked, *minus* the hours allowed for administration (Table 10).

Table 9: Documented Administration Hours

EMPLOYEE	DOCUMENTED ADMINISTRATION HOURS
DISTRICT MANAGER	500
CONSERVATION TECHNICIAN	200
ADMINISTRATIVE ASSISTANT	200
TOTAL:	*900*

Table 10: Calculation of the Cost of Administration

EMPLOYEE	BASE RATE + BENEFITS + LEAVE + FACILITIES	COST OF ADMINISTRATION	CALCULATION OF ADMINISTRATION	ADDITION TO BASE RATE FOR ADMINISTRATION
DISTRICT MANAGER	$46.72	500 × $46.72 = $23,360.00	$27,612.10 ÷ (5,590 – 626.4)	$5.56
CONSERVATION TECHNICIAN	$37.31	$0	$27,612.10 ÷ (5,590 – 626.4)	$5.56
ADMINISTRATIVE ASSISTANT	$33.64	126.4 × $33.64 = $4,252.10	$27,612.10 ÷ (5,590– 626.4)	$5.56
TOTAL:		*$27,612.10*		

These calculations result in the following billing rates (Table 11):

Table 11: Billing Rate Calculations Summarized

Employee	District Manager	Conservation Technician	Administrative Assistant
Base Rate	$26.14	$19.40	$16.81
Benefits	$11.68	$10.66	$10.27
Leave	$5.21	$3.56	$2.87
Facilities	$3.69	$3.69	$3.69
Administration	$5.56	$5.56	$5.56
Total:	*$52.28*	*$42.87*	*$39.20*

History

Description of revisions	Date
Revised format; minor edits and text changes for clarity.	7/1/2017
Revised for clarity. Updated billing rate calculator and added an *Option 2* calculator for smaller organizations.	7/1/2018
Revised chapter and calculator for clarity. Updated tables to meet accessibility standards.	7/1/2021
Removed outdated references.	7/1/2023

Description of revisions	Date
Option #1 billing rate calculation of facilities and administration increased to 15%.	7/1/2024
Procedural requirements have been reformatted to provide additional clarity and also revised to fit new chapter format.	7/1/2025

Prevailing wage

Effective Date: 07/01/2025

This chapter has been eliminated and incorporated into the FAQ chapter of this GAM under the Billable Rates section.

History

Description of revisions	Date
Updated language.	7/1/2018
Chapter eliminated and incorporated into FAQs.	7/1/2025

BOARD OF WATER AND SOIL RESOURCES

Private and nonpublic data

Effective Date: 07/01/2025

This chapter has been eliminated and incorporated into the FAQ chapter of this GAM under the General section (pertaining to data practices).

History

Description of revisions	Date
Revised format; minor text changes for clarity.	7/1/2017
Chapter eliminated and incorporated into FAQs.	7/1/2025

Conflict of interest

Effective Date: 07/01/2025

This chapter has been eliminated and incorporated into the FAQ chapter of this GAM under the General section.

History

Description of revisions	Date
Revised format; minor text changes for clarity.	7/1/2017
Chapter eliminated and incorporated into FAQs.	7/1/2025

BOARD OF WATER AND SOIL RESOURCES

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Local polices

Effective Date: 07/01/2025

I. Guidance

The following items are recommended to be identified in local program policies and/or are considered best practices in local management of a grants program. Depending on the item, program, and/or local needs, policies can be identified on a project-by-project or annual basis.

1. Policy to identify staff skills, training, credentials, or other means to ensure technical quality assurance is achieved and projects are installed and maintained according to standards and specifications. This may include:
   a. Identification of a technical assistance provider for each practice
   b. Establishment of practices standards for design, construction, operation, and maintenance
   c. Procedures for practice certification
   d. Procedures for periodic practice or project inspection
2. Policy that sets criteria for practice or project selection. This may include:
   a. Location of the project or practice in a priority watershed and/or proximity to a priority resource identified in the local water plan;
   b. Ability of the project or practice to address one or more priority issues identified in the local water plan;
   c. Consideration of other land uses and activities in the area, such as the amount of upland treatment/control of the contributing watershed;
   d. Ability of the landowner to meet project and practice assurances, such as operation and maintenance and recording of practices; and/or
   e. Other criteria as appropriate.
3. Policy that sets local financial assistance rates to be less than or equal to rates set by grant program requirements. This may include:
   a. Percentage-based rates
   b. Incentives rates and/or durations
   c. Maximum flat rates for specific practices, in-kind services and/or materials provided by land occupiers

4. Local requirements for implementing non-structural land management practices, such as requirements for erosion control and water quality improvement.
5. Local policy and procedures for addressing conservation practice assistance contract noncompliance.
6. Policy for delegation of authority to sign contracts and supporting program documents from the grantee’s elected or appointed board to grantee’s staff.
7. Policy setting threshold costs for equipment and for fixed assets (see Allowable Costs chapter)
8. Policy setting fee for service rates and equipment rental rates.

Other policies as necessary and applicable to the program.

History

Description of revisions	Date
New section of manual	7/1/2017
Updated to reflect changes to chapter structure. Renamed from *Recommended Local Policies* to *Local Policies*.	7/1/2025

Financial management and accounting

Effective Date: 07/01/2025

This chapter has been eliminated. Contents have been incorporated into Allowable Costs and; Records, Program and Project Files GAM Chapters.

History

Description of revisions	Date
Revised format; no text changes.	7/1/2017
Removed grant program income language.	7/1/2020
Updated to reflect new chapter structure	7/1/2024
Chapter eliminated. Contents have been incorporated into Allowable Costs and; Records, Program and Project Files GAM Chapters	7/1/2025

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Allowable costs

Effective Date: 07/01/2025

I. Procedure

Grantees are to review allowability of costs prior to charging to a BWSR grant. Allowable costs vary by grant program and funding source; specifics are identified within grant program requirements and/or guidance in addition to costs outlined below.

Allowable costs are costs that can be charged to the grant or used as match. Generally, a cost is allowable if it is incurred through work activities that are:

- Necessary for producing the outcomes described in the grant agreement and associated work plan;
- Occur during the grant period; and
- Based on actual costs incurred or less, if a grantee chooses to round down costs reported.

Grantees that use cash basis accounting are able to claim expenses incurred prior to the end of the contract period, but not yet paid until after the end date in a manner similar to agencies which use accrual basis accounting. The grantee must be able to prove that the expense(s) was incurred and obligation(s) created prior to the end of the contract. Acceptable documentation would be written invoices, work orders, etc. which show the actual date that the expense was incurred.

Expenses incurred before the grant is executed, or after expiration, are not allowed (exceptions exist for the Disaster Recovery Assistance Program and may occur in other instances; check the individual grant program requirements for details).Allowable costs include, but are not limited to, the items described below.

1) **Staff time.** The wages, benefits, and leave for staff of the grantee are allowable if necessary to activities funded by the grant and supported by time and effort documentation. Examples of staff activities (consistent with the Activity Categories in eLINK):

    - Administration/coordination (of the grant; see also Facilities and Administration below)
    - Education/information
    - Inventory/mapping
    - Monitoring/data collection
    - Planning and assessment
    - Project development

- Regulations/ordinances/enforcement
- Technical/engineering assistance

Not all categories are allowable activities for all grants. For how to document staff time worked on grants, see the Time and Effort Documentation section of this manual. For how to charge staff time through a billing rate, see Determining a Billing Rate section of this manual. See also #5 Contractors / Services/ Project Costs below.

2) **Facilities and administration.** Facilities are operations and maintenance expenses. Administration is a term for general expenses, shared across an enterprise, such as accounting, human resources, and management. The costs of facilities and administration are commonly grouped together as overhead costs. Facilities and administration should be included in the billing rate or indirect cost allocation.

    Examples of facilities:

    - Insurance
    - Office Maintenance
    - Rent
    - Severance packages*
    - Supervisor expenses
    - Unemployment / Workers Compensation insurance
    - Utilities

    *Severance costs are only eligible when calculating leave costs with actual hours used.

    Administration costs include the staff time of support personnel (including the cost of grant oversight) that is not charged directly to the grant, provided it is directly related to and necessary for grant activities.

3) **Donated services or property.** Non-state donated services or property that can be quantified may be used to meet cost share or match requirements. The cost or estimated costs of services or property donated to the grant recipient may not be charged to the grant or included in a billing rate or indirect cost allocation.

    To the extent feasible, donated services or property contributed as match should be supported by the same standards of documentation as costs charged to the grant.

4) **Supplies**. Supplies are defined as all property that costs less than the threshold amount for equipment (as it is defined in section 7). Supplies also have a shorter useful life than equipment. Supplies may be charged directly to the grant program(s) that benefit from their use. If necessary for all grant programs, supplies may be included in the billing rate or indirect cost allocation. Examples of supplies:

    - Office supplies
    - Software
    - Tools
    - Fuel

- Repairs

5) **Contractors / services / project costs.** The actual costs of construction, professional and technical services, and other goods and services provided by contractors hired by grant recipients or land occupiers are allowable. Grantees may not inflate contractor costs. Contractors / Project Costs must be charged directly to the grant program(s) that benefit from their use. Examples of contractors / project costs:

    - Construction services
    - Materials and supplies and incoming freight charges for them
    - Signage
    - Professional services specified in the approved work plan that are rendered by individuals or organizations
    - Equipment rental or lease costs
    - Publication and printing expenses (including the process of composition, plate-making, press work, binding, and the end products produced) necessary for work products production and reports relating to work plan accomplishments, if specifically identified in the approved work plan for the grant
    - Reasonable food costs if included in the cost of meetings or conferences, as part of a standard per diem, or as part of a public participation event or training

    When a local government unit is providing services that will be paid for with BWSR grant funds or used to match BWSR grant funds, compensation or contributions in money, services, materials, or otherwise must be consistent with the actual cost or reasonable value of the services. See the BWSR Determining a Billing Rate Chapter of the GAM to determine reasonableness of hourly rates for staff time. All invoices for services associated with state funded initiatives are subject to BWSR review.

6) **Incentive payments**. If BWSR grant programs allow incentive payments, such payments must be reasonable, justifiable, and supported by grant recipient policy.

7) **Purchase of equipment and other capital assets.** Equipment is defined as property having a useful life of more than one year and costs more than a certain threshold amount. A grantee may establish a threshold amount defining equipment in its own policies or, if not defined, equipment is property with an acquisition cost of $5,000 or more. Examples of equipment include:

    - Vehicles (e.g. pickup, SUV, or car)
    - All-terrain vehicle
    - Survey equipment

    If equipment or other capital assets are purchased within the current fiscal year of the organization, this is considered a capital expenditure. If grant funds are used for the purchase, the capital expenditure must be allocated to the program(s) which benefit from its use as a direct cost and cannot be included in the billing rate or indirect cost allocation. If a capital expenditure charged to any one grant will exceed

$10,000, the grantee must receive prior approval from BWSR by specifically including the item to be purchased in the grant work plan. If there is no work plan, BWSR Grant Manager approval must be requested and received in writing prior to the purchase. BWSR may authorize exceptions to this requirement in writing prior to grant closeout.

If approval is requested, the request must explain why the equipment purchase is necessary for the program or project and demonstrate the cost is reasonable (compared to similar purchases for other organizations). The Grant Manager will document the request and related decision in the eLINK Grant Journal.

If a capital asset purchased with BWSR grant funds is no longer needed for the original purpose, it may be used to support other comprehensive plan activities, unless the grant appropriation language has specific requirements.

8) **Charging grants for equipment or capital assets already owned**. If equipment is already owned by the grant recipient, it is a capital asset. Capital assets are defined as tangible and intangible assets having a useful life of more than one year, the cost of which is spread out over a period of time. Charges for capital assets already owned by the grant recipient which are necessary to support program(s) or project(s) funded by the grant are allowable costs to BWSR grants and the costs must be properly allocated to reflect the asset's actual use.

Examples of capital assets:

- Buildings
- Vehicles (pickup, SUV, car)
- Additions or improvements to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance)

Capital assets should be depreciated using straight-line depreciation unless justification can be provided that usage will vary from the early to later portions of the asset's life. The depreciation method should reflect the pattern of use. Depreciation amounts are allowable as indirect costs within the billing rate (as a facilities cost) or indirect cost allocation.

When the depreciation method is administratively burdensome, a use allowance for the capital asset may be established. Use allowances should be calculated by evaluating actual costs over a period of time. When direct charging grant program/project miles driven, the basis for an allowance can be previously established rates such as the IRS established business standard mileage rate. If a combination of local and state funds were used to purchase the item, the use allowance must deduct the acquisition cost previously charged to the state.

Examples of use allowances:

- IRS established business standard mileage rate
- IRS established business standard mileage rate less the portion of the business standard rate treated as depreciation if the asset was acquired with state funds

- Custom farming rates survey / Machinery cost estimates
- Actual expenses sampled over time and divided by miles, hours, square feet, etc. during the sampled timeframe
- For buildings owned and/or occupied by the grant recipient, a market rate for an equivalent rental space in the area the building is located may be used as a use allowance and included (like rent) as a facilities cost in a billing rate or indirect cost allocation

a) **Vehicle purchase and usage.** When a vehicle is purchased and its use is necessary to support grant program(s) or project(s), be consistent from year to year in applying one of the following methods to charge grant program(s) or project(s) for vehicle use:

- Direct charge: If grant miles driven are charged directly to the grant and documented in a vehicle log:
  - Vehicle purchased 100 percent with grant funds – use the IRS rate less the amount allotted for depreciation (e.g. 2025 IRS rate is $.70/mile less $.33/mile depreciation = $.37/mile rate for grant miles driven in 2025)
  - Vehicle purchased with some grant funds (e.g. 75 percent state funds & 25 percent non-state funds) - use the IRS rate less the prorated amount allotted for depreciation (e.g. 2025 IRS rate is $.70/mile less $.2475/mile depreciation [$.33/mile times 75% purchased with state funds] = $.4525/mile rate for grant miles driven in 2025)
  - Vehicle purchased with non-state funds - use the IRS rate (e.g. 2025 IRS rate is $.70/mile for grant miles driven in 2025)

OR

- Indirect charge: Include the cost of vehicle maintenance, repairs and fuel as an indirect cost in the billing rate or indirect cost allocation and do not charge the grant directly for miles driven. During the useful life of the vehicle when depreciation applies:
  - Vehicle purchased 100 percent with grant funds – no depreciation allowed
  - Vehicle purchased with some grant funds (e.g. 75 percent state funds & 25 percent non-state funds) - may include 25 percent of annual vehicle depreciation as an indirect cost in the billing rate or indirect cost allocation
  - Vehicle purchased with non-state funds - may include the annual vehicle depreciation as an indirect cost in the billing rate or indirect cost allocation

Use the applicable IRS standard business mileage rate in effect for the year/timeframe the vehicle is driven. Mileage and depreciation rates can be found in IRS Publication 463 (Rate of Depreciation Allowed in Standard Mileage Rate). For example:

- 2023 Rate: $.655/mile less $.28/mile depreciation = $.375/mile maintenance/repairs/fuel
- 2024 Rate: $.67/mile less $.30/mile depreciation = $.37/mile maintenance/repairs/fuel
- 2025 Rate: $.70/mile less $.33/mile depreciation = $.37/mile maintenance/repairs/fuel

b) **Building purchase and usage.** When a building is purchased/built and its use is necessary to support grant program(s) or project(s), include the cost of maintenance and repairs as an indirect cost in the billing rate or indirect cost allocation during the useful life of the building (i.e. useful life for a building is 40 years; useful life for a pole shed is 20 years; land does not depreciate thus break out the cost of land if attached to the building/shed at the time of purchase).

During the depreciable life of a building owned and/or occupied by the grantee and its use it necessary to support grant program(s) or project(s), depreciation or a use allowance can be calculated to include (like rent) as a facilities cost in the billing rate or indirect cost allocation as follows:

i) Building purchased 100% with grant funds – no depreciation or use allowance allowed during the depreciable life of the building.
ii) Building purchased with some grant funds (e.g. 20% state funds and 80% non-state funds) – during the depreciable life of the building, grantee can use the net non-state funded portion towards calculation of depreciation or a use allowance (i.e. determine the annual market rate for an equivalent rental space in the area then subtract the annual 20% state funded portion of depreciation to calculate the net cost of the use allowance for the space).
iii) Building purchased with non-state funds when owned and/or occupied by the grantee – use depreciation or the market rate for an equivalent rental space in the area as a use allowance.

Resources

Government Finance Officers Association: Determining the Estimated Useful Lives of Capital Assets	https://www.gfoa.org/materials/estimated-useful-lives-capital-assets
State of Minnesota Guide to Local Government Capital Assets	Minnesota Guide to Local Government Capital Assets (state.mn.us)
IRS Standard Mileage Rates	www.irs.gov/Tax-Professionals/Standard-Mileage-Rates/
University of Minnesota Extension Machinery Cost Estimates	http://extension.umn.edu/business/farm-finance (Follow link to “Machinery Cost Estimates”)
Custom Rate Survey	www.extension.iastate.edu/agdm/crops/html/a3-10.html
Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Part 200 of Title 2 of the Code of Federal Regulations	www.ecfr.gov

History

Description of revisions	Date
Revised format; minor edits and text changes from 7/1/15 version.	7/1/2017
Paragraph added to item 5, Contractors / Services / Project Costs, clarifying that billing rate requirements apply when one local government provides services to another when using state funds.	7/1/2018
Clarified how vehicle and building usage necessary to support grant program(s) or project(s) can be charged to grant(s).	7/1/2019
Clarified billing rate requirements apply when a local government is providing services that will be paid for with BWSR funds. Minor updates for clarity and consistency.	7/1/2021
Clarified eligibility of loans using BWSR grant funds.	7/1/2022
Updated mileage rates.	7/1/2023
Updated language for equipment disposal and updated mileage rates.	7/1/2024
Updated to reflect new chapter structure. Incorporated language from Financial Management chapter.	7/1/2025

Procedure is required action to be followed: Procedure is the established way of doing something; a series of actions conducted in a certain order; and/or steps necessary to meet the terms of a grant agreement.

Guidance is supporting information or recommended action: Guidance consists of recommended best practices; helpful context; and/or tools, resources and examples.

Personnel

Effective Date: 07/01/2025

I. Guidance

Records and policies

Recipients of BWSR grants are responsible for maintaining records relating to personnel and are encouraged to have comprehensive personnel policies and policies which govern payroll functions. Personnel policies should address the following: hiring procedures, new employee orientation, work schedules, compensation, timekeeping, benefits, worker's compensation, performance appraisal, data privacy, leave, separation from employment, and complaint & grievance procedures. Consult your legal advisor or an employment law specialist for specific personnel or payroll questions.

Independent contractors

Grantees may use independent contractors; however, keep in mind that a strictly contractual relationship must be distinguished from an employment relationship under the Fair Labor Standards Act (FLSA). Typically, independent contractors do not acquire tenure rights or any rights or benefits by way of worker's compensation, unemployment compensation, medical and hospital insurance, sick and vacation leave, severance pay, pensions or any other right or benefit normally provided to your employees. In addition, independent contractors do not have taxes withheld from their compensation. An employer can be held liable for employment taxes, plus interest and penalties, if a worker is incorrectly classified as an independent contractor. Consult IRS Publication #15a, MN Department of Revenue withholding fact sheet 8, or an employment law specialist for additional information.

Stipends

Grantees should not use stipends to hire individuals for scheduled duties, whether payment is by cash or check. Stipends are generally small allowances or living expense reimbursements paid to program volunteers for the purpose of compensating them for their "out-of-pocket" expenses. Remember, the concept of a "paid volunteer" sounds very much like an employee.

History

Description of revisions	Date
Revised format; no text changes.	7/1/2017
Updated to reflect changes to chapter structure. Previously titled *Payroll and Personnel Records.*	7/1/2025

BOARD OF WATER AND SOIL RESOURCES

Frequently asked questions - GAM

Effective Date: 07/01/2025

General

Can I use state funds to repair previously installed conservation practices that have been damaged or removed?

If it is within the designed project life expectancy and the damage was done due to an unavoidable act of nature, then the practice is eligible and you should consult with your Grant Manager. If the project is past its designed life expectancy, the practice is eligible for cost share if brought to current design standards. Consult the grant program requirements and your Grant Manager for more information.

Do I need to issue a 1099 to a landowner who has received financial assistance under a grant?

There are instances where a 1099 is required. Consult IRS Publication 225 or your accountant for additional information.

How long must conservation practice project files for cancelled projects be retained?

Under Minnesota Statutes §16B.98, the State has the authority to examine records and documents relevant to the grant or transaction for a minimum of six years from the end of a grant agreement, receipt and approval of all final reports, or the required period of time to satisfy all State and program retention requirements, whichever is later.

Can a Soil and Water Conservation District accept a donation?

According to MN Statute §103C.331 Subd. 12(b), a district may accept donations, gifts, grants, or contributions in money, services, materials, or otherwise from the United States, a public agency, or other source to accomplish statutory responsibilities. A district may enter into a contract or agreement necessary or appropriate to accomplish the transfer. A district may use or expend money, services, materials, or other things to accomplish an authorized purpose.

Is an SWCD authorized to take out a loan?

SWCDs may obtain loans when the district determines it is prudent to accomplish its statutory duties. If your SWCD plans to or has obtained a loan or incurred debt, please consult with your county attorney or designated legal counsel, your insurance provider, and your auditor to determine your legal and fiscal authorities and insurance coverage options.

Can BWSR grant funds be used as a loan to land occupiers?

No. When installing conservation assistance practices, a contract is required between the grant recipient and the landowner. There may be programs available through other agencies which are designed to loan funds for conservation projects.

Are grantees required to follow Municipal Contracting Law?

Per Minn. Stat. §471.345, grantees that are municipalities as defined in Subd. 1 of this statute must follow the Uniform Municipal Contracting Law. For additional information review the executed Grant Agreement.

What are some things to be aware of when a grantee is working with a partnering organization?

From the Assurances chapter of the GAM: When passing funds to partner(s), an agreement and work plan regarding fund distribution, reporting, and project approval between partners is required. In general, the assurances required of primary grantees are also required of project partners, including those that receive portions of the original grant for use in project activities.

From the Allowable Costs chapter of the GAM: When a local government unit is providing services that will be paid for with BWSR grant funds or used to match BWSR grant funds, compensation or contributions in money, services, materials, or otherwise must be consistent with the actual cost or reasonable value of the services. See the BWSR Determining a Billing Rate chapter of the GAM to determine reasonableness of hourly rates for staff time. All invoices for services associated with state funded initiatives are subject to BWSR review.

From the Records Program and Project Files chapter of the GAM: When a grantee is working with a partnering organization, the following information should be obtained and reviewed by the Grantee, to provide reasonable assurance of the costs prior to issuing payment:

- Fully executed conservation practice assistance contracts, amendments, vouchers and supporting documentation (invoices/receipts).
- Charges for services may include a breakdown by employee of hours worked, date(s) of service, applicable billing rate(s), and total cost. Grantees or fiscal agents may request time tracking data to support charges for services.
- Reimbursement requests for pass-through costs should include a copy of the invoice(s) from the third party source(s).

How do I learn more about data practices?

Financial records and other grant files kept may contain private or nonpublic data. Private data are data identifying an individual that are only available to the individual or with the individual’s consent. Nonpublic data are data on a business or other entity that are only available to the subject of the data or with the subject’s consent.

For more information and requirements on all data classification types, refer to the Minnesota Data Practices Act.

What is conflict of interest?

A conflict of interest, whether actual, potential, or perceived occurs “when a person has actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A conflict of interest exists even if no unethical, improper or illegal act results from it.” Current state grantees are expected to follow their own documented conflict of interest policy and procedures. (Office of Grants Management Policy 08-01 January 1, 2022.)

How do I learn more about prevailing wage?

The Minnesota Board of Water and Soil Resources provides state funds to local governments through a grant agreement. Within these grant agreements, there is a section on prevailing wage which states:

> **Prevailing Wage**
> It is the responsibility of the Grantee or contractor to pay prevailing wage for projects that include construction work of $25,000 or more, prevailing wage rules apply per Minn. Stat. §§ 177.41 through 177.44. All laborers and mechanics employed by grant recipients and subcontractors funded in whole or in part with these State funds shall be paid wages at a rate not less than those prevailing on projects of a character similar in the locality. Bid requests must state the project is subject to prevailing wage.

For any questions regarding Prevailing Wage laws and more information, please visit the DLI Prevailing Wage website at: http://www.dli.mn.gov/LS/PrevWage.asp or contact:

Minnesota Department of Labor and Industry
Prevailing Wage
443 Lafayette Road N.
St. Paul, MN 55155
Phone: (651) 284-5091
Email: dli.prevwage@state.mn.us

Grantees may also want to request assistance from their legal counsel.

Match

How can a grantee value the time National Resources Conservation Service (NRCS) staff contribute as match to a grant?

NRCS staff should value their time using an intergovernmental rate or published NRCS rates.

How can a grantee value the time volunteers contribute as match to a grant?

Rates for volunteer services should be established through local policy. Rates for volunteer time used on projects should correspond to published or established rates applicable to the area. Applicable rates for volunteer time depend on the activity; not the volunteer's profession. For example, an organization may have a lawyer or engineer helping install plants as part of a raingarden and could only charge a rate for the volunteer work performed as a landscaping and grounds keeping worker, not the customary hourly rate associated with their professions as a lawyer or engineer. For help valuing the time volunteers contribute as match to a grant, see the rates published for Minnesota at the US Bureau of Labor Statistics, http://www.bls.gov/oes/current/oes_mn.htm. For a generic value of volunteer time in Minnesota, see Independent Sector, at http://independentsector.org/volunteer_time.

Allowable Costs (see Allowable Costs chapter)

How can the value of donated property be quantified? For example, if a county donates space to a grantee to house its offices, how can the space be quantified?

Calculate the square footage of the donated space. If the county pays rent on the entire property, use the portion of the total rent ([grantee's square footage / total square footage] * rent) to calculate an annual value for the donation. If the county owns the building and does not pay rent, you may consider the donation as a portion of a capital asset and value the donation as a portion of the building's depreciation or calculate a use allowance for the space using an equivalent market rate.

Are unemployment payments allowable costs to a BWSR grant?

Funds reserved for unemployment and not actually paid out are not allowable. Paid unemployment insurance may be classified as a facilities cost; depending on work assignment, the unemployment payment can be a direct or indirect cost.

How can a grantee account for the payout of severance, vacation and sick leave when an employee leaves employment?

If accrued leave costs are included in the billing rate, severance pay cannot be included in facilities costs (not applicable to accrued leave). If actual leave costs were used in the billing rate, then pay-out of severance can be handled in one of two ways:

1. If the employee's work was concentrated on a few grants and grant programs, the payout should be allocated across those grants.
2. If the employee was employed for a long period of time and worked on many grants and grant programs, the payout for vacation and sick leave may be included as a facilities cost and included in the billing rate or indirect cost allocation.

Can staff time costs be split between more than one program and, if so, how can grantees meet the time and effort documentation requirements when splitting the cost of the same hour of staff time among more than one program? For example, charging the salary, benefits, and leave costs to one program and facilities and administration costs to another program.

It may be allowable depending on the approved grant workplan. Contact your Grants Compliance Specialist or Grant Manager for further guidance.

What type of documentation should a fiscal agent obtain from a grant recipient when managing a BWSR grant?

At a minimum, the fiscal agent would need the timeframe of services rendered (must fall within the BWSR grant period), number of hours worked, services provided, and hourly rate and/or amount charged. As fiscal agent, you would want documentation sufficient to provide reasonable assurance the invoice is accurate and appropriate for the services rendered. Services provided, as listed on the invoices, should align with reporting in the various categories within eLINK. If there are variances, please work with your Grant Manager to make adjustments to the workplan/grant reporting. A fiscal agent could request detailed time tracking information in support of invoices submitted for services rendered but is not obligated to do so when BWSR funds are involved.

When reimbursing other local governments for equipment/materials purchased and charged to BWSR grants, obtaining copies of the supporting invoices is appropriate and a good accounting practice. See the Allowable and Unallowable Costs chapter of the Grants Administration Manual.

How can an SWCD support a local organization to further conservation efforts with BWSR grant funds?

The SWCD could enter into a contract and/or agreement with the local organization to provide a specific quantifiable deliverable which advances soil and water conservation in the county. The SWCD would pay based on deliverables provided supported by an invoice from the local organization. The amount of money paid must be related to the value of the services provided.

Is advertising during an event or sponsorship of an event an allowable grant expense?

Advertising involves any message or materials broadcast, published, displayed, or distributed which promotes/markets the organization’s services or products. Advertising may be an allowable grant expense, depending upon the specific grant policy and guidelines.

Sponsorship (acknowledgement) involves no arrangement or expectation for receipt of any substantial return benefit other than use or acknowledgement of the organization’s name, logo, or products and, as such, is not an allowable grant expense.

Billing Rates (see Determining a Billing Rate chapter)

If a grantee has an hourly rate included in a workplan that is approved by the Grant Manager, is the hourly rate subject to review by a Grants Compliance Specialist?

Yes, a workplan is a budgeted amount. Rates and hours included in workplans are for budgeting purposes only. BCs are approving the budgeted amounts for each activity category along with the general types of projects planned in alignment with the approved grant application. GCSs review actual costs associated with the grant.

How can a grantee charge a grant for the cost of administrative time spent on things like training, board meetings, staff meetings, planning, or time tracking (general operations)? These activities are essential to run an office and administer grants but are not practical to assign to any one grant.

Staff time spent working on administrative tasks such as training, board meetings, staff meetings, planning, time tracking, or general operations are essential to run an office and administer grants. However, it is not practical to charge this time to any one grant. BWSR does allow a proportionate amount of general administrative time to be included as an administration cost added to the billing rate calculations. Nearly all BWSR grants are program or project specific and while they do pay for work that is direct and necessary for administering the grant, they are not intended to pay for the entire operations of a grantee.

Why are only administrative employees allowed to include a portion of their general administrative time not charged to grants in the billing rate or indirect cost allocation?

In contrast to administrative staff, the work time of technical employees (including the time they spend administering the grant) are assumed to be documented and assigned directly to the grant. Staff time administering the office (general administrative time) is assumed to be contributed by administrative staff and is assigned to the indirect cost pool. The definition of administrative staff must be consistent with the organization of the grantee. For example, in some smaller organizations, technical staff may also perform administrative functions. In organizations such as larger cities or counties, the general administration hours can only come from administrative staff within the department where work on the grant is being done.

What costs could be direct charged to grants when using Option 1: How to Calculate Billing Rates Using Modified Base Rate + 15%?

The 15 percent for facilities and administration added to the modified base rate under Option 1 is intended to cover facilities and administration costs. The exceptions are costs in excess of normal facilities costs specific to achieving grant funded outcomes. Normal facility costs are general operating and maintenance expenses, such as insurance, rent and utilities. Some examples of exceptions are vehicle maintenance, cell phone monthly expenses, or computers where the purchase price is below the organization’s capita asset threshold.

Does Option 1: How to Calculate Billing Rates Using Modified Base Rate + 15% allow for employer contributions to a health savings account?

Yes, employer contributions to employee benefit packages should be included within the costs for the benefits insurance line.

Is the amount of an employee's benefits private data under the Minnesota Government Data Practices Act (MGDPA)? Can a grantee include the amount in a billing rate or indirect cost allocation?

The amount of an employee's benefits is public information. The Data Practices Act classifies "the value and nature of employer paid fringe benefits" as public data (Minnesota Statutes, section 13.43, subdivision 2). Information regarding the use of health or medical benefits, including sick time (13.43, subdivision 2 (a)(8)) and "data pertaining to an employee's dependents" (13.43, subdivision 4), is private information and should be secured. BWSR's billing rate template includes a field for "Yearly Hours" but does not specify a reason for working or not working the number of hours.

For calculating the cost of benefits in a billing rate using Option 2 of the BWSR billing rate template, can health, dental, disability and other benefits be averaged across all employees enrolled?

No. Benefits are specific to each employee (See Determining a Billing Rate chapter).

How can organizations account for part time employees when determining a billing rate?

For part-time permanent employees, enter the hours to be worked by the employee, in terms of a part of a full-time equivalent (FTE), in the Yearly Hours Worked box on the billing rate template (i.e. if the employee is employed at ½ FTE, enter 1044 in the Yearly Hours Worked box). For short-term seasonal/intern employees, you have the option to include them on the billing rate template or use the modified base rate (wages, benefits, and leave) to charge their time worked to grants.

Why is the number of workable hours for a full-time equivalent employee (FTE) set at 2,088?

The Legislative Coordinating Commission calculates FTEs based on a denominator of 2,088 workable hours in a year. See Minnesota Statutes, section 3.303, subdivision 10.

Should you choose, how can you use the billing rate template to account for overtime?

If the employee is paid overtime, enter the total hours worked by the employee (2088 + overtime hours) in Yearly Hours Based on FTEs and enter the effective hourly rate ([annual wages + overtime pay] / [2088 + overtime hours]) in the Base Rate field. If the employee is not paid overtime, enter the total hours worked by the employee (2088 + overtime hours) in the Yearly Hours field and enter the effective hourly rate (annual wages / [2088 + extra hours]) in the Base Rate field. This is also applicable to salaried or hourly employees.

Should you choose, how can you use the billing rate template to account for compensatory (comp) time?

1. For employees who earn one hour of comp time for every extra hour worked, there is no gain in recording the time off for this calculation. Calculate the billing rates as normal.
2. For employees who earn greater than one hour of comp time for every extra hour worked, the billing rate calculation could be adjusted.

- Enter 2088 + extra hours actually worked in the Yearly Hours Based on FTEs field (B on the template).
- Recalculate the Base Rate (C on the template) by dividing Annual Wages by Yearly Hours Based on FTEs (B). Enter the amount in C, Base Rate.
- Enter leave hours actually taken (regular + sick + holiday + extra comp time hours taken) in "Leave Hours Taken" (E on the template).

How can a grantee use the billing rate template to account for the cost of MN Paid Leave premiums?

Employer paid premiums may be incorporated into the billing rate template one of two ways:

1. Enter the paid leave premium rate as a percent under benefits. If applicable enter benefit payments that meet the paid leave wage definition under *other benefits. The template will calculate the premium per hour based on a percentage of the base rate plus *other benefits.
2. Enter the paid leave premium as an expense under facilities. This is a look back based on expenses paid as reported in the previous 12 months financial reports.

How do you calculate the number of leave hours for a billing rate when using actual or accrued leave?

Actual leave can be calculated per employee or averaged across all current employees based on the past year. Accrued leave is calculated per employee based upon accrual rates; however, once this method is selected, the organization cannot revert back to actual hours nor can they claim severance in the facilities costs portion of the billing rate. Consult your Grants Compliance Specialist to discuss the best option for your organization. Be sure to retain your calculations each time billing rates are updated.

Is it allowable to include known holiday hours in the actual cost of leave calculation before they have actually been taken?

Yes, holiday hours can be included because they are contractual and/or Board approved.

How often can the billing rates change given staffing changes or wage increases?

Billing rates should be evaluated annually, but may be recalculated more often to reflect changes in costs or employees (See Determining a Billing Rate chapter).

When calculating billing rates for the next year and there is a rent increase, can the known rent increase amount be included as a facilities cost?

Yes, known actual costs for the current year can be included in the current year's billing rate calculations. For example, if rent is increasing per a signed lease agreement, the expense can be included in the current year's billing rate calculations.

Does BWSR's billing rate policy and guidance apply to Clean Water Fund grants or to all grants including NRBG, State Cost Share, etc.?

The BWSR Grants Administration Manual applies to all grants unless specifically exempted through program policy.

Grantees may receive dividends related to previous payments for health insurance, MCIT insurance premiums, etc. Must these dividends be applied to reduce costs included as facilities cost in the billing rate calculations?

Dividends received are typically an immaterial amount; therefore, there's no need to reduce the insurance costs included in the billing rate calculations.

History

Version	Description	Date
1.00	**Previous versions of the Grants Administration Manual contained two sections called *Purpose and Scope* and *Terminology* that have been combined into one section for the 2017 version, revises existing terminology for clarity and consistency, removes unused terms, and adds new terms.**	**07/01/2017**
2.00	Added additional FAQs based on grantee feedback and internal review.	07/01/2019
3.00	Added a FAQ regarding Municipal Contracting Law and clarified the answer to the SWCD loan question based on internal review.	07/01/2020
4.00	Added a FAQ regarding splitting staff time between more than one program and a FAQ regarding using grant funds as loans.	07/01/2022

Version	Description	Date
1.00	**Previous versions of the Grants Administration Manual contained two sections called *Purpose and Scope* and *Terminology* that have been combined into one section for the 2017 version, revises existing terminology for clarity and consistency, removes unused terms, and adds new terms.**	**07/01/2017**
5.00	Added FAQ regarding advertising/sponsorship costs and clarified FAQ on what is covered by 15% when using option #1 billing rate calculation. Updated 10% to 15% when using option #1 billing rate calculation.	07/01/2024
6.00	Added FAQ regarding grantees working with partner organizations Incorporated Private and Nonpublic Data GAM Chapter as an FAQ Incorporated Conflict of Interest GAM Chapter as an FAQ Incorporated Prevailing Wage GAM Chapter as an FAQ	7/1/2025
7.00	Added FAQ regarding using the billing rate template to account for the cost of MN Paid Leave premiums	01/29/2026

Procedure is required action to be followed: Procedure is the established way of doing something; a series of actions conducted in a certain order; and/or steps necessary to meet the terms of a grant agreement.

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Providing financial assistance to land occupiers*

***BWSR recognizes the term "land occupier" may carry unintended, negative connotations. While the term is currently written and defined in statute, BWSR is committed to working with the legislature to provide more inclusive and representative language in the future.*

Effective Date: 07/01/2025

Providing financial assistance to land occupiers responsibility

All BWSR funds used by a recipient to provide financial assistance to a landowner or land occupier requires adequate project assurances.

Project Technical Assessment

I. Procedure

Once an issue or location for a potential conservation project is identified, a technical assistance provider will gather information necessary to provide an initial recommendation to address the resource concern, including appropriate best management practices.

II. Guidance

The optional BWSR technical assessment form can be utilized to assist with completing the assessment. It is recommended that the organization doing the technical assessment get written approval from the land occupier or landowner for access to the parcel.

Project Application and Agreements

I. Procedure

After the technical assessment is completed, an application must be submitted by the land occupier when requesting financial assistance. The organization will then review the completed application and technical assessment information to determine whether or not to fund the proposed conservation practice(s). The minimum requirements for evaluating applications are:

- Proposed conservation practice(s) meet intent of funding source and align with organization priorities.
- Technical assessment was completed by a technical assistance provider.
- Work completed prior to the signing of the agreement is not eligible.

If the organization and land occupier want to proceed with financial assistance, an agreement must be completed between the organization and land occupier. If the land occupier does not have all required legal land rights including but not limited to access and authority to both construct and maintain the conservation practice(s), then the landowner's signature is also required. Where the cooperation of several land occupiers is required, a group project addendum may be used in lieu of individual agreements with land occupiers. Agreement procedures must follow the organization's policies or must be documented in the organization meeting minutes as the legal record of the organization's action and intent.

A completed approved agreement provides the legal standing to ensure practices are completed and maintained according to approved standards and specifications.

II. Guidance

The organization's decision should be clearly communicated to the land occupier.

Where a project involves land within more than one organizational boundary, the organizations should consider identifying a lead organization for the project and land occupier(s) to be working with and may want to consider an agreement to pool or share resources to implement a joint project.

Tennessen Warning Notice:

The purpose of Minnesota Statutes, section 13.04, subdivision 2 ("Tennessen Warning") is to enable people to make informed decisions about whether to give information about themselves to the government. Local Governments must give individuals notice when collecting private or confidential information from them. If Private Data is collected and disseminated as part of a BWSR Grant, BWSR will take the position that a Tennessen warning notice was provided by the LGU to all necessary individuals.

- Local Governments and grant recipients should ask the individual(s) to sign and date a Tennessen warning notice and give the individual(s) a copy as a best practice. However, notices do not need to be in writing.
- Local Governments and grant recipients should limit the private data collected or disseminated to only the data that is necessary to administer a program.
- Local Governments may also want to request assistance from their legal counsel and/or the Department of Administration.

Implementation

I. Procedure

Once the agreement has been approved, the land occupier proceeds with implementation activities. The minimum requirements for the organization include the following:

- Monitor implementation and certify completion according to the plans and specifications.
- Review and certify any proposed changes or amendments to the project(s).

- Review documentation submitted by the land occupier to ensure expenses are consistent with the established project(s). ie; invoices and receipts if applicable.

Amendments to Conservation Practice Agreements

I. Procedure

Changes to an executed agreement are considered an amendment to the agreement and subject to review and approval by the organization. Amendments may be needed when uncontrollable events outside the land occupiers control occur and should be approved with discretion. The procedure to amend an agreement is as follows:

1. Information is provided justifying the need for an amendment and an amendment form is completed that references the original agreement terms and identifies amended terms.
2. If the amendment is related to a technical aspect of the project, the technical assistance provider reviews the proposed amendment and certifies on the form that the change is necessary. Technical assistance provider signature is not required for non-technical amendments.
3. The organization reviews the amendment request and either approves or denies the request. If approved, the amendment form must be signed and dated by all parties to the agreement.
4. Amendments involving changes to financial assistance terms must be filed in advance of and approved prior to final payment.

II. Guidance

The organization's decision should be clearly communicated to the land occupier.

Certification and Payment

I. Procedure

Payments must be made according to the terms of the agreement and can only be made for activities that have been completed and certified by the technical assistance provider. Partial payments may be made. The land occupier is required to repay a partial payment if the practice is not satisfactorily completed.

The procedures for issuing payment for a percent-based agreement or flat rate agreement are as follows:

1. The land occupier requests payment by signing a voucher form that summarizes the work completed.
    a. For percent-based agreements, the land occupier incurs all expenses for project implementation and submits receipts or invoices to the organization. The land occupier certifies, by signing a voucher form, that the submitted materials are accurate and a true summation of actual costs of practice construction. Receipts or invoices to include the following information:
        i. the name of the vendor;
        ii. the materials, labor, or equipment used to establish the practice;
        iii. the component unit costs (e.g., hours, feet, cubic yards, etc.); and
        iv. invoice date, including the date(s) the work was performed.

   b. For flat rate agreements, receipts or invoices of the actual costs are not required, but the completed date must be verifiable. Payment is based on rates set by local policy.
2. The technical assistance provider certifies the practice was completed according to standards and specifications by signing a voucher. Practice certification may also be accomplished through detailed written communication or other documentation from the technical assistance provider attached to the voucher.
   a. For percent-based agreements, the technical assistance provider also certifies the receipts or invoices submitted reflect the actual cost of the practice.
3. The organization signs the voucher to certify they have reviewed the voucher and all supporting information, including invoices/receipts, and that the quantities and billed cost or disbursements are accurate and are in accordance with terms of the agreement.
4. Payment of the voucher can be processed as any other bill or invoice the organization receives, according to the organization's policies and procedures. Payment must not exceed the amount authorized for financial assistance from the agreement.

The procedures for issuing payment for an incentive agreement are as follows:

1. The land occupier requests payment by signing an incentive voucher, certifying that the activity(s) was completed according to the terms specified in the incentive agreement.

2. The organization signs the voucher, certifying that they have reviewed the voucher and all supporting information and that it is accurate and in accordance with the terms of the agreement.

3. Payment of the voucher can be processed as any other bill or invoice the organization receives, according to the organization's policies and procedures. Payment must not exceed the amount authorized for financial assistance from the agreement.

II. Guidance

At the recommendation of legal counsel, a joint payment may be made to the land occupier and contractor. It is highly recommended to consult with BWSR staff before implementing other legal counsel recommended payment procedures to ensure compliance.

Requests for partial payment should be considered and approved for payment only when the practice(s) will still be completed within the terms of the agreement and according to the specifications and standards as planned.

Any expenses to correct damages caused by extended delays within the control of the land occupier and could have been avoided should be the responsibility of the land occupier.

Services and materials provided by the land occupier may be credited toward the total eligible cost of the practice. Organization rates for land occupier services should be established through local policy and provided to the land occupier prior to project initiation.

A letter or notice of payment approval, a copy of the voucher or communication from the technical assistance provider, and certificate of completion and/or as-builts should be sent to the land occupier along with the payment.

Conservation Practice Agreement Noncompliance

I. Procedure

Failure to complete, maintain, or repair a conservation practice or unauthorized alteration is considered noncompliance with an executed conservation practice agreement. If the organization discovers noncompliance, they must take action to resolve and notify BWSR. The land occupier is liable to the organization per the terms of the agreement, unless the failure was caused by reasons beyond the land occupier's control. Funds re-paid to an organization from a land occupier who has failed to maintain a practice for its effective life, must be reallocated for eligible activities as allowed in the original program, less the administrative cost of the organization, or returned to BWSR.

II. Guidance

A recommended process for addressing noncompliance issues is listed below:

1. After learning of potential noncompliance issue, begin with review of the agreement language, project file contents, and operation and maintenance plan and discuss the noncompliance with the land occupier (and landowner if different than land occupier).

2. Complete an on-site investigation, take photographs, and collect information as needed to document the condition of the practice. Consult with a Technical Assistance Provider as needed.

3. Consult the BWSR Grant Manager and/or BWSR program manager.

4. Keep a log of dates, times, communications, and facts surrounding the investigation. Keep this log in the project file as documentation of the facts.

5. If the initial investigation identifies a noncompliance situation and the land occupier agrees to take immediate corrective action, document this decision and follow-up in a reasonable amount of time to see that corrective actions were taken.

6. If the land occupier and/or landowner is not cooperative, will not allow access, or corrective actions are not implemented within the requested timeframe, a formal Corrective Action Plan is required. A Corrective Action Plan should:

    a. solicit land occupier and/or landowner input to determine if there was knowledge of conditions or has suggestions of actions that are different from what the technical assistance provider has identified but may achieve the same desired end result;
    b. reference the items in the agreement or operation and maintenance plan that are not in compliance;
    c. specify action(s) that must be completed to be brought back into compliance;
    d. give reasonable deadlines for performance; and
    e. request a response from the land occupier within a reasonable time.

7. If the land occupier fails to respond, refuses to sign and/or does not implement the Corrective Action Plan, the organization should request the assistance of the organization's attorney and notify BWSR.

History

Description of revisions	Date
Revised format; minor text changes for clarity.	7/1/2017
• EDITED language specifying that these are requirements. • ADDED content to reflect new flat-rate policy and differentiate between flat-rate versus percent of installation cost-based payments • ADDED language under Group Contract section permitting separate payments to each group member • ADDED language under Design and Implementation to include management as well as construction	2017
Added language in payment procedures for legal counsel recommended payment procedures. Clarified payment and amendment procedures for flat rate contracts.	7/1/2020
Added procedure for incentive payments.	7/1/2021
Applicant's name was removed as a meeting minute requirement to better comply with Tennessen warning notice requirements.	7/1/2022
Updated language on receipts/invoices to align with Records, Program and Project Files chapter. Updated language on amendments to align with Contract Amendment Form	7/1/2024
Providing Financial Assistance to Land Occupiers replaces previously named *Implementing Contracts with Land Occupiers* • Revised format clarifying procedure and guidance • Replaces "contract" with "agreement" • Removes requirement for landowner signature if land occupier has all required legal land rights including but not limited to access and authority to both construct and maintain the conservation practice(s) • Removes list of specific items needed in meeting minutes • Removes limits on types of amendments • Removes option to make final payment after the initial year of installation for multi-year contracts for annual practices. Payment can only be made for activities that have been completed. • Tennessen Warning Notice guidance added (previously in Project and Practice Assurances)	7/1/2025

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Native vegetation guidelines and applicability to BWSR funded projects

Effective Date: 07/01/2025

I. Guidance

BWSR's Native Vegetation Establishment and Enhancement Guidelines have been developed to support the use of environmentally suitable native annual, biennial and perennial plant species that can help ensure the success of restoration and other conservation projects.

The Guidelines cover the topics of seed and plant sources, native variety/cultivar use, insecticides and chemical carryover, seed mixes, yellow tag seed, project bidding and specifications, climate change considerations, and project site preparation, planting and maintenance. The Guidelines also include best practices for providing pollinator habitat and incorporating high diversity levels when appropriate for policy goals and site conditions.

Some BWSR grants and programs must follow the seed and plant source sequence listed in Section 2 of the Guidelines. These requirements, along with specific exceptions, are listed in Exhibit A of each grant agreement.

The Guidelines were adopted effective June 27, 2012 as policy under BWSR Board Resolution #12-56, with an effective date of July 1, 2012 (FY 2013). They replaced BWSR's Invasive Non-Native Species Policy (Sept. 8, 2004). The Guidelines were updated for FY17, FY19 and FY23.

History

Description of revisions	Date
Updated to reflect changes to chapter structure. See grant agreement for more detail.	7/1/2025

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Recording conservation practices

Effective Date: 07/01/2025

I. Guidance

The recording of conservation practices on the property title at the county recorder's office notifies subsequent buyers of the existence of the practice or practices on the property and their obligation to maintain these practice(s) during the effective life. Recording is a way to provide additional assurances that the project will meet its expected life. It may be required by statute, rule, program requirements , grant agreement, or through local decision. Additional assurances may include easements, enforceable contracts, or termination or performance penalties—be sure to review specific grant program information for requirements. Local decision makers may also want to consider requiring recording where local, state, and federal contributions together equal or exceed specific program requirements, as means to achieve long-term maintenance, or if the practice is located on lands likely to change ownership frequently.

Process for Recording Conservation Practices

Land occupier means a person, corporation, or legal entity that holds title to or is in possession of land as an owner, lessee, tenant, or otherwise, including contract for deed.

1. The land occupier(s) should be notified, prior to signing a conservation practice contract, that recording will be required. Examples of the required recording forms should be provided.
2. After the conservation practice contract is approved, local staff should contact the county recorder's office to document the ownership of the land where the practice will be constructed and begin to complete the recording form(s). See the below for guidance on which recording forms are to be used when. If a practice is located in two or more counties, it must be recorded in each county.
3. Once the conservation practice(s) is installed and certified as complete, the land occupier(s) must sign all required recording form(s). Signatures must be notarized. If a land occupier(s) refuses to record a practice, any payments made must be refunded.
4. When complete, the recording form(s), consent form(s) and other attachments are brought to the county recorder's office and recorded.
    - Copies of all documents are sent to the land occupier(s) at their place of residence and filed at the local office.
5. Recording must be completed prior to final payment and may be considered a part of the project expense.

All recording forms must comply with Minnesota Statutes 507.093 Standards for Documents to Be Recorded or Filed (in part). The following standards are imposed on documents to be recorded with the County Recorder or Registrar of Titles:

a) The document shall consist of one or more individual sheets measuring no larger than 8.5 inches by 14 inches.
b) The form of the document shall be printed, typewritten, or computer generated in black ink and the form of the document shall not be smaller than 8-point type.
c) The document shall be on white paper of not less than 20-pound weight with no background color, images or writing and shall have a clear border of approximately one-half inch on the top, bottom and each side.
d) The first page of the document shall contain a blank space at the top measuring three inches, as measured from the top of the page. The right half is to be used by the County Recorder or Registrar of Titles for recording information and the left half is to be used by the County Auditor or Treasurer for certification.
e) The title of the document shall be prominently displayed at the top of the first page below the blank space referred to in clause (4).
f) No additional sheet shall be attached or affixed to a page that covers up any information or printed part of the form.
g) A document presented for recording or filing must be sufficiently legible to reproduce a readable copy using the County Recorder's or Registrar of Title's current method.

Table 1: Examples of what form to use and when

Situation	Form	Who signs
Individual landowner owns property; no mortgage	Recording of State Conservation Practices, Individual	Landowner and spouse
Contract for Deed	Recording of State Conservation Practices, Individual	Landowner and spouse (buyer) and seller and spouse
Individual landowner has a mortgage (with a mortgage company) on property	Recording of State Conservation Practices, Individual and Mortgagee's Consent form, Corporation	Landowner and spouse Mortgage Company
Corporation or partnership owns property, no mortgage	Recording of State Conservation Practices, Corporation	Corporation officials or Partners
Corporate landowner has a mortgage (with a mortgage company) on property	Recording of State Conservation Practices, Corporation; and Mortgagee's Consent form, Corporation	Corporation officials; Mortgage Company

Instructions for Recording Conservation Practices Forms

All entries must be typed, with the exception of the sketch and signatures.

Name and address of land occupier(s) or corporation.

1. Indicate the conservation practice contract number and attach a copy of the contract and any amendments to the form. If there are multiple contracts for the same site, contracts may be grouped for a single recording with the county recorder.
- If the land occupier(s) are married, note that after the name. Even if only one spouse is listed on the deed of record, both names must be listed.
2. If there are additional land occupiers other than the spouse, attach additional sheet(s) with the name and address, signature block, and area for the notary and county recorder. Note the attachment at the top of the primary form.
3. If there is a Contract for Deed, include both the seller and the buyer's name and address. Both must sign the form.
4. If land is owned by a corporation or partnership, use the corporate recording form. You will need to see a copy of the articles of incorporation or by-laws for the corporation or partnership and possibly current meeting minutes to accurately determine who is empowered to sign on behalf of the corporation or partnership.

Description of practice: Describe the conservation practice including type, quantity and, if possible, dimensions of the practice.

State financial assistance amount: Indicate the total dollar amount of state funds provided in cost share payments, including amendments to cost share amounts in the total when appropriate.

Duration of practice: Indicate the duration of the conservation practice, generally beginning with the final payment was authorized and ending with that date plus the required years of effective life of the practice.

Location of practice:

1. The locale of the permanent conservation practice by appropriate ¼, ¼ description; example: SE ¼ of the SE ¼ of Section 16, T112N, R30W.
2. Sketch practice on the section diagram.
3. Attach a copy of the aerial photo identifying the location of the practice and/or sketch the permanent conservation practice including the scale and location identification.

Signatures and acknowledgement: Use black ink pens for all signatures. All signatures must be the same as they appear on the land title.

- If the land occupier(s) are married and even if only one spouse is listed on the deed of record, both must sign the form.

For corporations and partnerships, only those empowered to sign as listed in the articles of incorporation should sign the form. Make sure to list their title in the corporation or partnership after their signature.

History

Description of revisions	Date
Revised format; no text changes.	7/1/2017
Updated to reflect changes to chapter structure.	7/1/2025