### 2001 Project Abstract For the Period Ending June 30, 2004

Title: Contract Administration Project Manager: William H. Becker Organization: Minnesota Department of Natural Resources Address: 500 Lafayette Road St. Paul, MN 55155 Web Site Address: <u>http://www.dnr.state.mn.us/index.html</u> Fund: Future Resources Fund \$40,000 Minnesota Env. And Nat. Res. Trust Fund \$110,000 Legal Citation: ML 2001 Special Session, Chap. 2, Sec. 14, Subd. 3b Appropriation Amount: \$150,000

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

To administer this program DNR staff redesigned and improved LCMR agreement forms and related. Improvements include addition of an appendix showing required actions to acquire land with LCMR funds, an updated agreement conforming to statutes and revisions of confusing passages. DNR developed and delivered information to recipients ensuring recipients have the knowledge necessary to comply with LCMR and other state regulations. Staff reached sub-recipients, such as the US Fish and Wildlife Service, as well as initial pass through recipients. Staff met personally with each project manager and their fiscal staff, providing them with a draft manual. That manual reached final form in the fall of 2003.

A few recipients failed to comply with requirements. Improper claims for reimbursement were rejected. DNR acted to guarantee a clear hearing of recipient problems. When possible staff resolved the problem. Sometimes staff helped recipients articulate their issues with LCMR staff and cooperatively work out a solution. Examples include cash flow issue resolution, developing supporting materials enabling reimbursement of lumped expenses, and developing rationale to support stipend reimbursement.

DNR implemented a program guaranteeing quick payment of requests for reimbursement that reimburse only allowable expenses. Generally expenses are reimbursed in a day or two.

Finally, DNR reconciled the expenditures in a major appropriation to enable the recipient's efforts to make the state whole regarding a number of LCMR and DNR program allocations to the recipient. In addition the staff reviewed other recipients' claims resolving issues regarding indirect and unsupported expenditures.

## **Project Results Use and Dissemination**

The results of this project are used and disseminated through written materials such as manuals and forms. Staff meets personally with recipients, contacts them frequently by e-mail and phone and provides information at meetings arranged for by LCMR staff.

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gradia Na State Date of Report: October 15, 2004 LCMR Final Work Program Report Date of Work Program Approval: June 13, 2001 Project Completion Date: January 1, 2004

LCMR Work Program 2001

I. Project Title: Contract Administration

Project Manager:	Bill Becker
Affiliation:	Minnesota Department of Natural Resources
	Office of Management and Budget Services
	Department of Natural Resources
Mailing Address:	500 Lafayette Road, St. Paul, MN 55155
Telephone Number:	(651) 296-3093
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Total Biennial Project Budget (LCMR): \$150,000

\$ LCMR Appropriation	-	\$ Amount Spent	=	\$ Balance
\$ 150,000	-	\$ 150,000	=	<b>\$</b> 0

Legal Citation: ML 2001 Special Session, Chap. 2, Sec. 14, Subd. 3b

**Appropriation Language:** (b)\$40,000 of this appropriation is from the future resources again fund and \$55,000 the first year and \$55,000 the second year are from the trust fund to the commissioner of natural resources for contract administration activities assigned to the commissioner in this section and is available until June 30, 2004.

**II. and III. FINAL PROJECT SUMMARY**: To administer this program DNR staff redesigned and improved LCMR agreement forms and related. Improvements include addition of an appendix showing required actions to acquire land with LCMR funds, an updated agreement conforming to statutes and revisions of confusing passages. DNR developed and delivered information to recipients

C:\Documents and Settings\ssmith.LCC.000\Local Settings\Temporary Internet Files\OLK41\Final Report 2001 LCMR pass through .doc Last printed 10/18/04 2:54 PM Last saved by Employee ensuring recipients have the knowledge necessary to comply with LCMR and other state regulations. Staff reached sub-recipients, such as the US Fish and Wildlife Service, as well as initial pass through recipients. Staff met personally with each project manager and their fiscal staff, providing them with a draft manual. That manual reached final form in the fall of 2003. A few recipients failed to comply with requirements. Improper claims for reimbursement were rejected. DNR acted to guarantee a clear hearing of recipient problems. When possible staff resolved the problem. Sometimes staff helped recipients articulate their issues with LCMR staff and cooperatively work out a solution. Examples include cash flow issue resolution, developing supporting materials enabling reimbursement of lumped expenses, and developing rationale to support stipend reimbursement. DNR implemented a program guaranteeing quick payment of requests for reimbursement that reimburse only allowable expenses. Generally expenses are reimbursed in a day or two. Finally, DNR reconciled the expenditures in a major appropriation to enable the recipient's efforts to make the state whole regarding a number of LCMR and DNR program allocations to the recipient. In addition the staff reviewed other recipients' claims resolving issues regarding indirect and unsupported expenditures.

# IV. OUTLINE OF PROJECT RESULTS

**Result 1.** Redesign and improve the contracts and related materials used to implement the pass through appropriations.

**Result 2.** Develop and deliver a recipient information program that provides recipients with the knowledge necessary to comply with LCMR and other state regulations governing pass through agreements. This program will reach sub-recipients as well as initial pass through recipients.

**Result 3.** Implement a program to ensure that recipient problems are heard and understood immediately and acted upon in a manner to solve problems.

**Result 4.** Develop and implement a program to guarantee quick payment of requests for reimbursement that reimburse only allowable expenses.

**Result 5.** As necessary for carrying out the fiduciary responsibilities of the state, perform audits and other examination of records of recipients.

### Personnel

Community Development Representative: \$58,200 including benefits Transitional Expenses1

Planning Director: Reimbursed to general fund as coded for actual work on LCMR contract administration

Grants Manager: Reimbursed to general fund as coded for actual work on LCMR contract administration

Equipment

None Development None Acquistion None

Other

Travel and operating expenses 15,000

### V. TOTAL PROJECT BUDGET:

Salaries and fringe	\$135,000
Office Expenses	10,000
Travel	5,000
Total	\$150,000

### VI PAST, PRESENT AND FUTURE SPENDING:

**A. Past Spending:** Past costs of administering these pass through appropriations have been paid out of the general fund of each executive branch agency receiving the appropriation. This resulted in uneven administration and improper reimbursement, as noted in previous legislative audits of Environmental Trust Fund pass through grants.

<sup>1</sup> These transitional expenses are paying for DNR OMBS general fund staff to get the project up and running during an initial hiring and training period. These are actual hours spent working on pass through administration as coded by employees assigned. This is not a supplanting of general fund dollars because the general fund salary savings are retained and spent for OMBS management activities. Thus the total biennial OMBS effort equals the fy 2002-03 general fund supported effort plus the LCMR Contract Administration supported effort. This therefore is a supplement as required by M.S. 2001, 116P.03

B. Current and Future Spending: No funds are programmed for this function.

C. Project Partners: None

**D. Time:** Reports will be submitted at six month intervals, at the midpoint ant the end of the fiscal years.

<u>VII. Dissemination</u>: Primary dissemination will be through manuals and other aides developed to improve management of state funds by recipients.

5/21/2003

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ATTACHMENT A (include the attachment in all future update reports.) Use as many results as necessary. Landscaping on legal size paper to fit in all the columns may be helpful.

The commission will not allow office space rental fees or salary payments to officers or directors, this applies to ALL PROJECTS. See page 9 for Eligible and Ineligible expenses. GENERAL OTHER WILL NOT BE ACCEPTED. BE SPECIFIC AND USE AS MANY LINES AS NECESSARY.

Project Title: CONTRACT ADMINISTRATION 2001

Project Number: 3(b)

#### LCMR Recommended Funding: \$150,000

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Attachment A	Lieuveranie	Products	and Related	Rindget
Accountione P	Denverable	1100000	una noiatea	Buuget

2001 LCMR Project Biennial Budget			Objective/ Result										
	Result 1 Budget:	Result 1 Balance:	Result 2 Budget:	Result 2 Balance:	Result 3:	Result 3 Balance:	Result 4:	Result 4 Balance:	Result 5:	Result 5 Balance:	PROJECT TOTAL:		
Budget Item (Title of Result)	Redesign Supporting Papers		Recipient Information Program		Reimburseme nt		Quick Payment Program		Audits and Records Exam		BUDGET TOTAL:	BALANCE TOTAL:	
Wages, salaries & benefits – Be specific on who is paid \$ Gail Fox	10,000		0 15,000	0	0 95,000	)	0 10,000		20,000		0 150,000	р с	
Contracts													
Professional/technical (with whom?)												· · · · · · · · · · · · · · · · · · ·	
Other contracts (with whom?)													
Space rental: NOT ALLOWED						-					x		
Maintenance													
Utilities													
Other direct operating costs (for what? – be specific)													
Printing													
Advertising								,					
Communications, telephone, mail, etc.							· · · · · · · · · · · · · · · · · · ·						
Office Supplies (list specific categories)													
Other Supplies (list specific categories)													
Local automobile mileage paid											1		

				-									
Other travel expenses in Minnesota													
Travel outside Minnesota (where?)													
Tools and equipment (list categories)												1	
Office equipment & computers (be specific)													
Other Capital equipment (list specific items)													
Land acquisition													
Land rights acquisition (less than fee)							5 - 4 20 - 5 - 1						
Buildings (for what?)						i		••••••••••••••••••••••••••••••••••••••		· ·			
Other land improvement (for what?)				and a first the con-						•		· ·	
Legal fees (for what?)													
COLUMN TOTAL	10,000	0	15,000	0	95,000	0	10,000	C	20,000	. 0	150,000	0	
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