



CONSERVATION AND RESOURCE DEVELOPMENT DIVISION

Renewable Resource Grant Program - RRG

Reclamation Development Grant Program - RDG

DNRC REIMBURSEMENT REQUEST GUIDE

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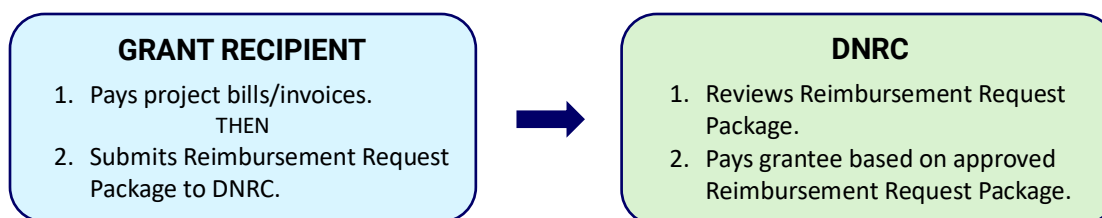
CHAPTER 1: OVERVIEW

Reimbursement Requirement

Most of DNRC's grant programs are reimbursement programs. When a grantee signs its DNRC Grant Agreement, it agrees to submit documentation of eligible grant expenses **it has incurred** to receive reimbursement from DNRC. This includes supporting invoices/bills and proof of payment.

Reimbursement Request Processes

The grant recipient should be billed for and pay all grant expenses directly. The grant recipient generally pays expenses before seeking reimbursement from DNRC. Exceptions are noted in following sections.



1. Grant recipient pays project bills or invoices.
2. Grant recipient submits Reimbursement Request Package to DNRC Grant Manager via Submittable, DNRC's Grant Management Platform (unless otherwise instructed).
3. DNRC Grant Manager reviews Reimbursement Request Package, provides comments.
4. Once approved, DNRC Grant Manager routes package for approval and payment.

Reimbursement Request Package Contents

Most reimbursement requests should include the following:

1. A DNRC Vendor Invoice (Signed and Dated)
2. A Progress Report (Covering Expense Period)
3. Supporting Documentation of Expenses
 - a. Invoices/Receipts (Billed to Grant Recipient)
 - b. Proof of Payment or Relief Letter (see Page 2)
 - c. Most Grants – Updated Uniform Status of Funds and Invoice Tracker Excel Spreadsheet
 - d. If Applicable – Documentation of Procurement
 - e. If Applicable – Other Documentation Required by Grant Manager

Check with your grant manager about requirements specific to your grant.

Unless otherwise authorized, all reimbursement requests and reporting must be submitted through Submittable, DNRC's grant management system: <https://grants.dnrc.mt.gov/>

Reimbursing Expenses NOT Billed to the Grant Recipient

Expenses NOT billed to the grant recipient are generally NOT eligible for reimbursement.

For such expenses to be reimbursable, the grant recipient must complete the following tasks. These steps should be completed before contracting:

1. Define the relationship between the grant recipient and the partner organization. Work with DNRC to ensure the relationship meets program requirements.
2. Provide DNRC with adequate documentation of the parties' relationship (e.g., an executed MOU between the parties).
3. Work with DNRC to determine what additional documentation, if any, the grant recipient must submit with each reimbursement request.

Requesting Relief from DNRC Grant Agreement Requirements

By signing its DNRC Grant Agreement, the grant recipient agrees to submit documentation of eligible grant expenses **it has incurred** to receive reimbursement from DNRC. DNRC may allow a grant recipient relief from this requirement on a case-by-case basis. To request relief from this or any other requirement in the grant agreement, the grant recipient must submit a formal justification letter to DNRC with its Reimbursement Request Package.

Relief Letter Requirements

1. Letter must be on Grant Recipient letterhead, dated, and signed by person(s) authorized to sign the DNRC Vendor Invoice.
2. Letter body must:
 - a. Clearly identify from which Section of the Grant Agreement the Grantee is seeking relief.
 - b. Clearly identify which expenses on the DNRC Vendor Invoice the Grantee has yet to pay.
 - c. Provide justification about why the Grantee is seeking relief from the terms of its DNRC Grant Agreement.
 - *Example Unacceptable Justification: Seeking relief from the Reimbursement Requirement because the Grantee's standard/preferred process is to receive grant funds before paying a vendor.*
 - d. Include a statement about the Grantee's schedule to make payment to applicable vendor(s) upon receipt of the DNRC payment.

If DNRC approves a Request for Relief from the DNRC Reimbursement Requirement:

1. **Within 7 days of receipt of the funds from DNRC:** The Grant Recipient must pay all applicable expenses.
2. **Within 10 days of receipt of the funds from DNRC:** The Grant Recipient must update its Invoice Tracking spreadsheet with warrant/check numbers and be able to provide DNRC with proof of payment for applicable expenses.

CHAPTER 2: PERSONNEL EXPENSES

DNRC grants may reimburse direct costs for personnel expenses (staff time) for approved projects. Reimbursement for personnel expenses may NOT include indirect costs. Personnel expenses can include staff time for grant administration, project management, or engineering.

- » **Direct costs or actual costs – May be eligible for reimbursement**
Costs that can be identified specifically with a particular award, or project, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.
- » **Indirect costs – Ineligible for reimbursement**
Costs of an organization that are not readily assignable to a particular project but are necessary to the operation of the organization and the performance of the project. Examples of costs usually treated as indirect include those incurred for facility operation and maintenance, depreciation, and staff salaries for administration of a program or organization.
- » **Grant administration – May be eligible for reimbursement (for DNRC grant only)**
Administrative and clerical salaries/wages and other expenses accrued from complying with the terms of the DNRC grant. These tasks may include grant reporting, tracking project expenses, submitting reimbursement requests, payment of legal fees to meet grant compliance, payment of audit or accounting expenses, and completion of start-up documentation.

Calculating Total Cost of Employee

DNRC grants can reimburse the total cost of the employee rendered during the active term of the grant agreement. This may include current pay (take-home pay, insurance, and taxes) and accrued benefits (annual leave, sick leave).

To calculate total cost, the grant recipient must justify the actual hourly rate for staff. Justification must identify an employee's wages¹, salaries², and fringe benefits³.

$$\text{TOTAL COST} = \text{HOURLY RATE} \times \text{TOTAL HOURS}$$

DNRC can reimburse only actual costs, not budget estimates. For example, a grant recipient may estimate a budget of 10% personnel services for grant administration. However, when requesting reimbursement, the grant recipient must provide proof of actual costs (see below).

¹ **WAGES** generally includes all payments made to an employee as remuneration (total amount paid to an employee) for employment.

² **SALARY** means an employee regularly receives a predetermined amount of compensation each pay period on a weekly, or less frequent, basis.

³ **FRINGE BENEFITS** are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. The costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law.

Checklist for Reimbursing Personnel Expenses

| 1. Grant Agreement | |
|---|--|
| | Verify personnel time is approved in the agreement scope and budget. |
| | Verify work occurred within the budget period of the grant agreement. |
| 2. Journals or Timesheets | |
| | Identify how work completed by staff is directly related to the grant agreement. |
| | Submit record of the hours worked per day and activities for each staff. |
| | Ensure records support the total hours being reimbursed. Consider a summary table. |
| 3. Payroll Reports | |
| | Identify how the hourly rate is calculated. If needed – Check with your accountant. |
| | » Hourly Wage + Fringe |
| | » Salary/Total Annual Hours + Fringe |
| | If applicable – Identify what costs are included in Fringe. |
| 4. Proof of Payment | |
| May not be required – Check with your grant manager | |
| | Provide record of the staff being paid during the reporting period (e.g., payable details, pay stubs). |

With Each Reimbursement Request, the Grant Recipient Must Ensure:

1. Reimbursement requests are supported by records that accurately reflect the work performed.
2. Detailed records that verify that the employee activities are reasonable and directly related to the scope of work and budget in the executed grant agreement.
3. Documents are supported by a system that can demonstrate reasonable assurance that charges are accurate, allowable and properly allocated and documented by the grant recipient's records.
4. Documents are supported by generally accepted accounting principles.
5. Documentation of wage, salary, and fringe are supported by account detail and do not include indirect costs.
6. Subrecipients of federal funds are in compliance with 2 CFR 200.430.

CHAPTER 3: GRANT ADMINISTRATION EXPENSES

DNRC grants may reimburse administrative salaries, clerical salaries, and other contracted administrative expenses that comply with the terms of the DNRC grant.

Expenses must be grant-specific and included in the DNRC-approved budget and scope of work.

Example Eligible Expenses:

- Staff time to complete required reporting to the DNRC grant.
- Staff time or accountant expenses required to submit reimbursements to the DNRC grant.
- Staff time to complete startup documentation for the DNRC grant.
- Legal fees required to comply with the terms of the DNRC grant.
- Audit expenses incurred because of the DNRC grant.

Example Ineligible Expenses:

- Other grant or loans administration – DNRC can only reimburse costs specific to the DNRC grant.
- Other grant or loan applications – DNRC can only reimburse costs specific to the DNRC grant.
- Indirect Costs – These are expenses necessary for the overall operation of an organization. DNRC can only reimburse costs directly linked to the grant-funded project.

Reimbursement requests must be substantiated by accounting records using generally accepted accounting principles. This guidance does not change or reduce the requirements of the individual grant program or eligible, approved project.

CHAPTER 4: PROJECT EXPENSES

These expenses are costs directly associated with the eligible project. Expenses must be project-specific and included in the grant's DNRC-approved budget and scope of work.

Example eligible project expenses include:

- Planning and Design
 - Surveying
 - Preliminary Engineering
 - Final Design
- Project Authorization
 - Permits
 - Environmental Compliance
 - Easements, Land Acquisition
- Construction
 - Engineering/construction project management
 - Contingency

Eligible Construction and Non-Construction Project Costs

| Example Eligible Project Costs | General Limitations or Conditions |
|--|--|
| Non-Construction Activities | |
| <ul style="list-style-type: none"> • Costs associated with obtaining project authorization and execution of the grant agreement. <ul style="list-style-type: none"> ○ Administrative and legal counsel ○ Preliminary engineering report/feasibility report ○ Obtaining permits • Planning and design costs. <ul style="list-style-type: none"> ○ Project design (plans and specifications) ○ Environmental review documentation • Project start-up costs. <ul style="list-style-type: none"> ○ If included as part of the construction contract or engineering services provided, such as: <ul style="list-style-type: none"> ▪ Software and software training ▪ Training for equipment operation ▪ Warranty for equipment | <ul style="list-style-type: none"> • Costs must be directly associated with the grant-funded project. • Non-construction activities are only eligible if included as part of the grant project budget. <ul style="list-style-type: none"> ○ May be incurred prior to execution of the grant agreement as allowed under program requirements. |
| Construction Costs | |
| <ul style="list-style-type: none"> • Construction costs incurred after the eligible project has received necessary approval, authorization to proceed, or any similar action by the state (e.g., binding commitment). • Engineering/construction project management. • Budgeted construction contingency expenditures. | <ul style="list-style-type: none"> • Pre-payment for work is not allowed. • Reimbursement of incurred costs is subject to all other program requirements. |

CHAPTER 5: PROCUREMENT

Procurement Requirement

DNRC grant recipients are responsible for ensuring any procurement using DNRC grant funds, or payments under procurement contracts using such funds, are no less stringent than the procurement standards set forth in the Montana Procurement Act (Title 18, Chapter 4) and local procurement laws, rules, or policy. Grant recipients are responsible for determining the most appropriate instrument of procurement.

Procurement Documentation

Grant recipients must maintain records sufficient to detail the history of procurement. Records include, but are not necessarily limited to, the following:

- The rationale for the method of procurement;
- Selection of contract type;
- Contractor selection or rejection; and,
- Basis for the contract price.

This documentation may be requested and reviewed by DNRC when monitoring grant activities or by independent auditors during an audit. Documents must be held for eight years after the termination or expiration of the grant agreement.

Procurement Plan Requirement

Each DNRC applicant or grant recipient must create a procurement plan to identify the goods and services for which it will seek reimbursement under its DNRC grant, as well as the procurement process the entity will use or has used in accordance with applicable Federal, State, and local requirements.

Each grant recipient must submit a procurement plan to meet start-up requirements before contracting.

Grant recipients should notify their DNRC grant manager immediately if they anticipate changes to their approved procurement plan.

State of Montana Procurement Limits

Grant recipients are responsible for ensuring any procurement using DNRC grant funds, or payments under procurement contracts using such funds, are no less stringent than the procurement standards set forth in the Montana Procurement Act (Title 18, Chapter 4, Chapter 8) and local procurement laws, rules, or policy. Grant recipients are responsible for determining the most appropriate instrument of procurement.

The information below is guidance only and is static. It does not constitute legal advice.

| GOODS AND SERVICES | CONSTRUCTION | LICENSED PROFESSIONAL SERVICES |
|---|--|---|
| Competitive Invitation for Bid (IFB) or Request for Proposals (RFP) Award to lowest responsive bidder | Competitive Invitation for Bid (IFB) Award to lowest responsive bidder | Request for Qualifications (RFQ) Award to most qualified and negotiate rate |
| Limited Solicitation – Minimum of 3 Quotes Award to lowest responsive bidder | | \$100,000 |
| Direct Negotiation – No Quotes Rotate vendors | | \$50,000 |
| Direct Negotiation – No Quotes Rotate vendors | | \$10,000 |
| MCA, Title 18, Chapter 4 | | |