



CONSERVATION AND RESOURCE DEVELOPMENT DIVISION

Renewable Resource Grant Program - RRG

RRG Project Grant Application Guidelines

2026 Application Cycle	
Application Period:	February 4, 2026 to May 15, 2026 at 5:00pm
Eligible Applicants:	Government entities
Program Focus:	Projects with measurable renewable resource and public benefits
Maximum Grant Request:	\$125,000
Match Requirement:	No match requirement but scoring considers committed local funds.
How to Apply:	Apply online at https://grants.dnrc.mt.gov/ . Do not submit a physical copy of the application to DNRC.

Program Purpose

The Renewable Resource Grant (RRG) Program funds the conservation, management, development, and preservation of Montana's renewable resources. All projects receiving RRG funds must demonstrate direct benefits to both renewable resources and the public.

Eligible Applicants

Only local government entities may apply for project grant funds. Eligible applicants include a state government, tribal government, or other county, city, or local political subdivision ([MCA 85-1-605](#)).

Governmental entities include, but are not limited to:

- Cities
- Towns
- Counties
- Water and/or Sewer Districts
- Conservation Districts
- Irrigation Districts
- School Districts and Universities
- Regional Water Authorities
- State Agencies
- Tribal Government

Ineligible Applicants

Private entities are ineligible for project grant funds, including individuals, associations, partnerships, corporations, and other non-governmental entities that are not eligible for loans and grants under MCA 85-1-605. Such entities may partner with an eligible governmental sponsor, but the governmental entity must be the official applicant, grant recipient, and contracting party (see below).

Sponsoring a Grant for an Ineligible Entity

An eligible governmental entity under [MCA 85-1-605](#) may sponsor a project on behalf of an ineligible entity (sponsored or partner entity). The governmental sponsor must submit the application, enter into the grant agreement, and remain responsible for compliance with all program and statutory requirements. Grant agreements are non-transferrable.

Before and throughout the grant term, a sponsoring entity must:

- Maintain a material connection to the work being performed.
- Act as the primary point of contact for the DNRC grant.
- Ensure it will not “pass” or transfer any grant funds or responsibilities to the ineligible entity.
- Act as the legal party for purposes of project representation, negotiations, and communications.
- Provide DNRC with an executed Memorandum of Understanding that outlines the roles and responsibilities of each party. See the [DNRC Guide for Sponsored or Partner Grants](#) for more information.

Eligible Projects

Eligible Funding Types (as specified in [MCA 85-1-602](#))

- Feasibility, design, research, and resource assessment studies;
- Preparation of construction, rehabilitation, or production plans; and,
- Construction, rehabilitation, production, education, or other implementation effort.

Eligible Project Types

- Water, Wastewater, or Stormwater Infrastructure
- Irrigation Infrastructure
- Dams
- Renewable Energy
- Steam Restoration

Ineligible Projects

1. Projects which better fit the legislative intent of another DNRC grant program, such as the Reclamation Development Grant Program, the Aquatic Invasive Species Grant Program, etc.
2. Any project determined to have adverse environmental impacts that cannot be mitigated or that does not preserve the state's renewable resources per [MCA 85-1-601](#) is ineligible for a grant.

Eligible Expenses

RRG grant funds can reimburse direct costs associated with an eligible project. DNRC grants require compliance with the Montana Procurement Act and/or local procurement local rules and regulations. See the [DNRC Procurement Guide and Procurement Plan](#) for more information.

Example eligible expenses:

- Staff time or professional services associated with administration of the RRG grant award¹
- Contracted technical or engineering services for survey, project management, design, project oversight
- Contracted construction services
- Equipment, materials, or supplies
- Project-related permits or fees

Ineligible Expenses

RRG grant funds cannot reimburse:

- Indirect costs².
- Political lobbying or litigation
- Land or property acquisition
- Food or beverages
- Activities that limit lawful access to property (see [MCA 85-1-602 \(4\)](#))

How to Apply – NEW – Online Applications Only

Applicants must apply online at <https://grants.dnrc.mt.gov/>. DNRC no longer requires a physical copy of the application.

Other key information for applicants:

- » The application period is from February 4, 2026 to May 15, 2026 at 5:00pm.
- » Applicants must pay a \$250 Application Fee online before applying: <https://opp.mt.gov/doa/opp/DNRRGGL/cart>.
- » Application materials and resources are on the RRG website: <https://tinyurl.com/RRG-Proj>.
- » The RRG Project Grant Application Companion depicts the online application form and includes helpful hints, a list of application attachments, and detailed scoring information.
- » The local government applying for funds must create, review, and submit the online application.
 - The local government may invite others to edit the application as “Collaborators”.
- » The maximum grant request amount is \$125,000.

¹ DNRC can reimburse grant administration expenses for the RRG grant only. See the [DNRC Reimbursement Request Guide](#).

² Indirect costs or "Program costs" are non-reimbursable costs not directly related to the project. Program costs include but are not limited to: office rent that will be incurred whether the project is implemented; salaries of existing fully funded staff positions unless the work-hours associated with the project are accounted for; or, other costs that pay for ongoing or general services of the applicant. See the [DNRC Reimbursement Request Guide](#).

Application Scoring and Ranking Overview

DNRC scores Infrastructure and Irrigation projects using the same criteria but ranks them separately.

» See the RRG Project Grant Application Companion for scoring information.

Anticipated Timeline for DNRC Project Grant Review and Scoring

Timing	Activity	Description
May 2026 – June 2026	DNRC Eligibility and Internal Review Completed	<ul style="list-style-type: none">DNRC reviews applications for eligibility and begins internal scoring.Applicants should monitor their email inbox for questions from reviewers.
June 2026 – August 2026	Technical and Secondary Reviews Completed	<ul style="list-style-type: none">DNRC coordinates technical and secondary reviews with internal and external reviewers.Applicants should monitor their email inbox for questions from reviewers.
September 2026 – October 2026	DNRC Scoring and Ranking Finalized	<ul style="list-style-type: none">DNRC finalizes scoring and ranking and prepares information for the Governor's Executive Budget.
November 2026	Final Ranking Published in Governor's Executive Budget	<ul style="list-style-type: none">The Governor publishes the Governor's Executive Budget online. Information about Project Grant Applications is linked on the DNRC website.

Grant Award Approval and Notification

RRG Project Grant applications require legislative and Governor approval through House Bill 6 (HB6).

Anticipated Timeline for Legislative Approval and DNRC Announcement of Awards

Timing	Activity	Description
January 2027 – February 2027	Legislature Holds Subcommittee Hearings	<ul style="list-style-type: none">The Legislative Appropriations, Section F Subcommittee hears HB6.Project Grant applicants are encouraged to testify in support of their grant application.
February 2027 – June 2027	Legislature Approves and Governor Signs House Bill 6	<ul style="list-style-type: none">HB6 moves through legislative approval and is signed by the Governor.Grant applicants should monitor HB6.
June 2027 – July 2027	DNRC Sends Award Letters Sent and Holds Recipient Training	<ul style="list-style-type: none">DNRC will distribute award letters and a start-up guide only after the Governor signs HB6.DNRC will hold grant recipient training sessions.
July 1, 2027	Biennium Start – No Grant Agreements or Grant Expenses Before This Date	<ul style="list-style-type: none">DNRC cannot generate any grant agreements or reimburse expenses incurred before this date.Grant recipients must confirm their grant budget period start date with their DNRC grant manager before incurring grant expenses.

Matching Funds – Updated this Cycle

There is no match requirement for RRG grants. However, DNRC reviews and ranks all projects for financial feasibility which considers the total project cost, the viability of the matching funds provided, and the ratio of committed local funds (including cash or capital improvement funds) to the annual operating budget for the system.

Applicants with a higher ratio of committed local funds will be given priority over other applicants.

Committed local funds may include:

- General fund or other discretionary funds (city or county operating budgets).
- Dedicated infrastructure revenues utility fees).
- Special reserves or set aside for capital or infrastructure.
- Cash contributions from the local government.

Grant Management

The RRG Project Grant webpage has detailed information about grant management. Pertinent information is under the Grantee Information section: <https://tinyurl.com/RRG-Proj>

Grant Agreement: DNRC grant recipients must enter into a grant agreement with DNRC prior to requesting reimbursement for eligible project costs.

- DNRC cannot generate a grant agreement or reimburse costs incurred before July 1, 2027.
- DNRC will inform successful grant recipients of their budget period at the time of award (expected June 2027).

Reimbursement and Reporting: DNRC project grant recipients must submit quarterly progress reports and reimbursement request packages in accordance with their grant agreement.

- See the [DNRC Reimbursement Request Guide](#).
- See the [DNRC Reporting Guide](#).

Grant Closeout: RRG Project Grants require a final report and closeout documents to close the grant. DNRC will withhold up to 10% of the total grant amount on the final reimbursement until the grant recipient has submitted an acceptable final report.

- See the [DNRC Reporting Guide](#).

Program Contact

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Legal Authority

- Montana Code Annotated: MCA, [Title 85, Chapter 1, Part 6](#)
- Administrative Rules of Montana: ARM [36.17.6](#)

APPENDIX A: TERMS

Amendment

An amendment is a formal modification to a grant agreement. It is written, signed by both DNRC and the subrecipient, and legally incorporated into the Grant Agreement.

Applicant

"Applicant" means the following who submit an application under the act, meeting the purposes and policies of the act pursuant to [85-1-601](#), MCA:

- (a) a local governmental or state governmental entity eligible under [85-1-605](#), MCA;
- (b) a tribal government eligible under [85-1-605](#), MCA; or
- (c) a private person that is an individual, association, partnership, corporation, or other governmental entity that is not eligible for loans and grants under [85-1-605](#), MCA.

Application

"Application" means an application for a renewable resource grant or loan submitted by an applicant in accordance with the act and the rules adopted pursuant to the act.

Authorized Person

The Authorized Person is the individual authorized to enter into a grant agreement with the State of Montana on behalf of the applicant entity. DNRC requires that applications be signed by an authorized representative of the applicant entity (for example, a mayor, county commissioner, board chair, district supervisor, etc.). Application forms CANNOT be signed by a different representative (for example the City Manager or Town Clerk), even if that representative has signing authority within the local government. This is because DNRC has no way of knowing who has signing authority within the local government entity. Additionally, DNRC needs to be confident that the authorized signatory can enter into a grant agreement in the future should the application be successful.

Awards

DNRC will issue an award letter to an applicant that contains information on the amount of the award as well as program requirements. DNRC may only authorize reimbursement of eligible project costs once a Grant Agreement has been executed. See Appendix C Award Letter Example. Award letters will detail:

- Total Grant Award
- Eligible Project Costs (Dates)
- Startup Requirements
- Match Requirements
- Procurement Requirements
- Program Specific Requirements/Limitations

Budget Categories

Budget categories for direct costs in a DNRC Grant Agreement may include Personnel Costs, Equipment, Contracted Services.

Personnel Costs

Personnel Costs, also referred to as payroll charges, include compensation paid to employees as wages or salaries and related fringe benefit costs for services provided for the benefit of the grant award project during the term of the grant agreement. As with any cost attributed to the grant agreement, personnel costs must meet the general test of allowability in that the costs must be necessary, reasonable, and allocable to the award.

Personnel costs can be checked for reasonableness by comparing compensation with other organizations' pay for similar work, or if no similar work exists, with market salary standards. The charges must be consistent with other **payroll charges and organizational policies, and they must not be charged elsewhere to another award or function.**

Fringe benefit costs associated with payroll charges (such as the employer's portion of payroll taxes; health insurance premiums; workers' compensation insurance; contributions to retirement programs; and compensated absences such as vacation, holiday, military, and sick leave) are also allowable, provided the benefits are reasonable and required by law, employee agreement, or established policy of the grant recipient.

All salaries, wages, and benefits claimed as direct costs to grant awards must be based on the recipient's documented payroll records. Time and attendance records (including work schedules, calendars, and time sheets) may be used to document payroll charges. See the [DNRC Reimbursement Request Guide](#).

Equipment

Equipment is defined as tangible property having a useful life of more than one year and a per-unit acquisition cost. Not all DNRC grant programs allow for the purchase of equipment. If it is permitted by the grant program, Program Managers will work with the applicant during the application process to determine the eligibility of equipment purchase. If the purchase of equipment is determined to be an allowable cost, it will be clearly noted in the grant agreement's budget table, and the grant recipient will be required to follow all state and local guidance related to the acquisition and disposition of the equipment.

Materials or Supplies

Materials or supplies are defined as purchases necessary to support the grant activities that do not meet the definition of equipment above and are generally less than \$5,000. Materials and supplies are not expected to have a useful life beyond the immediate needs of the project.

Contracted Services

The Contracted Services budget category includes costs incurred for services provided under contract in support of the award-funded project. Contracted services represent actual **procurement**, or purchase, of services.

DNRC can allow reimbursement for local governments to provide their own labor, equipment, or materials under specific circumstances. See the [DNRC Guidance for Construction Projects Not Regulated by DEQ](#).

The State of Montana requires that projects must be designed and inspected during construction by a Montana registered engineer and all land surveying projects must be performed by a Montana registered land surveyor Montana Code Annotated (MCA) 18-2-121.

Local Government Provides Labor and Equipment for Construction. Local governments must request authorization to use their own labor and equipment for construction projects.

Common types of these projects are canal/ditch conversion to pipe and canal lining.

- Procurement of materials must follow federal, state and/or local procurement laws, rules, and regulations.
- The entity must provide DNRC with documentation of similar projects constructed or must provide DNRC with the manpower and machinery available to complete the construction according to plans and specifications.
- Accurate expense records of labor and machinery used for construction must be kept and provided to DNRC for reimbursement.
- A licensed engineer or surveyor registered in Montana must be present for inspection and completion of the project (MCA 18-2-121).
- DNRC requires As-Builts that are certified by a licensed P.E. as part of the Final Reporting Requirements.

Grant Agreement

The Grant Agreement is a legally binding contract between DNRC and the Grant Recipient to allow DNRC to reimburse the Grant Recipient for approved project activities.

Grant Recipient

A Grant Recipient is the entity legally allowed to carry out project activities as part of a DNRC Grant Program.

Eligible Expenses (Allowable Costs)

To be considered allowable under a grant award, a project cost must, at a minimum, be allocable, reasonable, and necessary.

1. **Necessary** to accomplish the project objectives as described in the Grant Agreement and applicable industry or program standards.
2. **Reasonable** for proper and efficient performance and administration of the grant award. A cost is “reasonable” if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
3. **Allocable** to the grant award. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to the cost objective in accordance with the relative benefits received.

Additional general criteria for allowability of costs require that the cost also:

- Be authorized or not prohibited under state or local laws or regulations.
- Conform to any limitations or exclusions set forth in cost principles established by federal or state laws, terms and conditions of the grant agreement, or other governing regulations as to types or amounts of cost items.

- Be consistent with policies, regulations, and procedures that apply uniformly to both state grant awards and other activities of the grant recipient
- be accorded consistent treatment. A cost may not be assigned to the grant agreement as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to another grant agreement or subaward;
- be determined in accordance with the grant recipient's accounting records;
- be adequately documented.

Ineligible Expenses

DNRC cannot reimburse expenses for:

1. Program Costs or Indirect Costs:

These are non-reimbursable costs not directly related to the project. Program costs include, but are not limited to:

- a. Office rent that will be incurred whether or not the project is implemented;
- b. Salaries of existing fully funded staff positions unless the work-hours associated with the project are accounted for; or
- c. Any other costs that pay for ongoing or general services of the applicant. These costs are incurred for a common or joint purpose benefitting the organization and are not readily assignable to the project objectives. These costs tend to be necessary for the operation of an organization as a whole and benefits are shared across all programs. Examples include:
 - Utilities
 - Operations and maintenance
 - Routine compliance monitoring expenses
 - Licenses, memberships, and subscriptions
 - Communications
 - Office equipment
 - Costs of recurring/regular meetings
 - Organizational newsletters,

2. Other ineligible project costs include:

- a. Costs incurred outside the eligible term in the grant agreement
- b. Political lobbying or litigation
- c. Land or property acquisition
- d. Food or beverages
- e. Travel expenses that exceed the State of Montana Travel Policy
- f. Activities that limit lawful access to property (see [MCA 85-1-602 \(4\)](#))
- g. Repayment of loans
- h. Prepayment of anticipated costs of future activities

Match

Match is the portion of project costs not paid with grant funds. It is usually the recipient's contribution or a third party's donated services or supplies. For grant awards that require match, the recipient must document, according to the terms of the Grant Agreement, that the match requirement has been met. Costs used to meet a match requirement must be allowable under the applicable cost principles and must meet program guidance and documentation requirements. Failure to properly record match

expenses may result in the termination of the Grant Agreement or the withholding of grant reimbursements by DNRC until appropriate documentation is provided.

Match Requirements

Matching contributions may be in the form of in-kind or cash from local, state or federal sources. However, all contributions must be targeted for expenditure on the project specifically identified in the application.

Costs claimed as match must meet all the following criteria:

- Matching funds must be substantiated by accounting records;
- Be necessary and reasonable for the accomplishment of project objectives;
- Be considered eligible as meeting program requirements.

Cash Match (Hard Match)

Cash Match, also referred to as hard match, is the actual cash outlay contributed to the project by the subrecipient or third parties, such as project partners and beneficiaries.

In-kind Match (Soft Match)

Eligible in-kind contributions are those project-specific contributions associated directly with project implementation. In-kind Match, also referred to as soft match, is the value of non-cash contributions provided by grant recipients or third parties. In-kind contributions may be in the form of goods, labor, services, facilities, space, personnel, materials, or equipment calculated at fair market value. Note that third-party in-kind match contributions count toward satisfying a match requirement only when, if the party receiving the non-cash contributions were to pay for them, the payments would be allowable costs.

Donated Services - Volunteers

Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as match if the service is an integral and necessary part of an approved subaward-funded project or program.

Values claimed for volunteer services must be consistent with costs of similar work performed in the subrecipient's organization or in the local labor market. If an entity does not have volunteer service rates readily available, an acceptable Montana-specific average cost per hour for unskilled volunteer services can be found at http://www.independentsector.org/volunteer_time.

Budgets including in-kind labor, always reference the source for your labor value estimate. It may be helpful to use the U.S. Bureau of Labor Statistics website to estimate labor values for Montana: https://www.bls.gov/oes/current/oes_mt.htm.

If volunteer services are approved to be claimed as match, the recipient should maintain documentation on:

- Name of volunteers (who)
- Dates of volunteer work (when)
- Tasks completed by volunteers (what)
- Total hours worked by volunteers (how many), and
- Source of the labor or volunteer rate.

Donated Services

Other examples of donated services may include use of equipment, printing, website maintenance or server space, telephone services, transportation costs, or administrative or accounting services provided in support of the program. These donated services should be valued at the fair market value for the services or what the entity would have to pay for the services if they were not donated.

Donated Goods

A recipient may receive donations of supplies necessary to accomplish project goals, the reasonable value of which may be used for match requirements of the program. The value assessed must not exceed fair market value at the time of the donation. DNRC will require recipients to provide supporting documentation on basis for determining the value of donated goods claimed as match.

Memorandum of Understanding (MOU)

This is an agreement between the eligible entity or grant recipient and a non-eligible entity that must clearly spell out the roles and responsibilities of each party to ensure the success of the project activities as specified in the grant award. It must also clearly define the financial arrangement to ensure that DNRC grant funds are not disbursed to the non-eligible entity. Non-eligible entities may not be a beneficiary of DNRC grant funds. See [DNRC Guidance for Partner or Sponsored Grants](#).

Pass-Through Entity

When a grant recipient transfers or subawards funds to another entity to incur project costs and execute the project activities, this is considered a pass-through or subrecipient agreement. DNRC grants generally do not allow Grant Recipients to pass through or subaward grant funds to a third party.

Procurement

Grant recipients are responsible for ensuring any procurement using DNRC grant funds, or payments under procurement contracts using such funds are consistent with 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. See [DNRC Procurement Guidance and Procurement Plan](#).

Procurement Plan

A procurement plan provides free and open competition, transparency in transactions, comparability, and documentation of all procurement activities to demonstrate compliance with the Montana Procurement Act and local procurement laws, regulations and policies. The procurement plan should cite the steps a grant recipient will undergo to ensure that prior to requesting reimbursement, all project expenditures are eligible.

Procurement Documentation

Grant recipients must maintain records sufficient to detail the history of procurement. Records include, but are not necessarily limited to, 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 in the course of grant monitoring activities or by independent auditors during an audit. Documents must be held for five years after the termination or expiration of the Grant Agreement.

Reimbursement

DNRC reimburses eligible project costs on a **reimbursement basis**. To be eligible for reimbursement, costs must be incurred within the dates specified in the grant agreement. DNRC will only reimburse costs if they are included in the approved scope and budget in the executed grant agreement. Grant recipients must document eligible costs to receive reimbursement, which includes a progress report, copies of vendor invoices, completed budgets, documentation of match (if required) and DNRC may request proof of payment prior to authorizing reimbursement. See [DNRC Reimbursement Request Guide](#).

Sponsor

Eligible entities may “sponsor” a grant on behalf of an entity that is not eligible to receive grant funds from DNRC. Eligible entities, or applicants, must have a material connection to the work being performed and are the legal party for purposes of project representation, negotiations, and communications. DNRC will require that a grant applicant sponsoring a grant for ineligible entity provide an executed Memorandum of Understanding (MOU). See [DNRC Guidance for Partner or Sponsored Grants](#).

Appendix B: Eligibility

The criteria for eligibility and ranking RRG Grant and Loan applications are established in ARM [36.17.610](#).

Applicant Eligibility

- Local Governments only ([MCA 85-1-605](#))

Eligible Activities [MCA 85-1-602](#)

- Feasibility, design, research, and resource assessment studies.
- Preparation of construction, rehabilitation, or production plans.
- Construction, rehabilitation, production, education, or other implementation efforts.

Eligible Projects [MCA 85-1-602](#)

- Development of natural resource-based recreation;
- Development of natural, off-stream, and tributary storage;
- Improvement of water use efficiency, including development of new, efficient water systems, rehabilitation of older, less efficient water systems, and acquisition and installation of measuring devices required under [85-2-113](#), MCA; monitoring; and development of state, tribal, and federal water projects;
- Water-related projects that improve water quality, including livestock containment facility projects, soil and range health projects, and the maintenance and repair of source watersheds;
- Water-related projects that improve water quantity, including stream flows and water storage in existing natural systems, such as riparian areas, flood plains, and wetlands;
- Advancement of farming practices that reduce agricultural chemical use; and
- Projects that facilitate the use of alternative renewable energy sources, as defined in [15-6-225](#), MCA.

RRG Eligibility [ARM 36.17.610](#)

- Project must have renewable resource benefits – see Renewable Resource Benefits Ranking below.
- Project must result in public benefits – see Public Benefits Ranking below.
- Project is technically feasible:
 - Adequate cost estimate for the preferred alternative. **Eligibility evaluates applicant's total project budget including committed cash match. Projects that fail to provide an adequate budget narrative to justify project costs may receive a reduced award or be ineligible for grant funds.**
 - Thoroughness and feasibility of the project's implementation plan and schedules.
 - Quality of supporting technical data.
- Project Management Plan is adequate and can support the project:
 - Past management problems
 - Other concerns
- Project may NOT reduce, restrict, or prohibit any lawful access to the property that existed prior to the project's implementation.
- Project may NOT result in a long-term adverse impact to public benefits: land, air, water, fish, wildlife or recreation opportunities. [MCA 85-1-601](#)