

FINANCIAL MANUAL FOR STATE GRANTS

WDNR COMMUNITY FINANCIAL ASSISTANCE



Wisconsin Department of Natural Resources
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Table of Contents

A. Purpose of This Manual.....	2
B. Receiving a Grant Award.....	2
C. During the Project Period.....	3
1. Carry Out Project According to the Agreement	3
2. Track Project Expenditures	3
3. Retain Financial and Administrative Records.....	4
4. Discuss Special Situations with the Grant Specialist	4
• Changes in Project Scope, Timeline, or Costs	4
• Changes in Grantee Contact Information	5
• Project Financial Administration being Handled by Others.....	5
• Income Received Before, During, or After the Project Period.....	5
D. Documenting Project Expenses	5
1. Documenting Materials and Services with Invoices	5
2. Documenting Force Account Expenses	5
3. Donations of Volunteer Labor, Services, Materials, Equipment	7
E. Preparing the Grant Payment Request	9
F. Cancellation or Termination of Funding.....	11
G. Future Post Audit Review.....	11
H. Additional Federal Program Requirements.	11

Purpose of This Manual

Congratulations on your success in obtaining a grant award! Receiving a grant comes with many “strings” related to program requirements, the financial administration of your project, and the documentation of expenditures to obtain reimbursement of your grant award. These “strings” come from state and federal law, specific program administrative rules, the policies and procedures of the DNR’s Community Financial Assistance Bureau, and the financial procedures guided by generally accepted accounting principles (GAAP) and Wisconsin’s Legislative Audit Bureau.

The purpose of this manual is to provide general information needed to document grant expenditures and successfully prepare a reimbursement request. This document does not cover detailed requirements of all the grant assistance programs offered by the department. Grant programs that fund land acquisition or use federal funding sources will have additional requirements than those outlined here. For information on specific grant program requirements, see the program guidance document for the specific [grant program](#) or contact your grant specialist, contact information is located under the “Contact” tab on each grant webpage.

Receiving a Grant Award

The grant agreement is a legally binding document and contains basic information about your project, the grant award, and your obligations to the grant program. A grant contract contains the same information as a grant agreement, but with the additional requirement that the grant contract be recorded in the County Registrar of Deeds Office. If you received a federal grant, pay close attention to the federal requirements enclosed with your grant.

- a. THE PROJECT NUMBER is unique to the project and must be recorded on the reimbursement claim forms. This number should be used on all expenditure documentation for project accounting purposes.
- b. THE PROJECT SCOPE provides a narrative description of the grant activities and deliverables that you are obligated to complete. Any changes require department approval and a formal written amendment.
- c. THE PROJECT TIME PERIOD designates the dates between which project activities that are eligible for reimbursement can occur. Time extensions require department approval and a formal amendment.
- d. GRANT PROGRAM CONDITIONS. The agreement contains specific grant program conditions which you are agreeing to when you sign it. They describe such items as your responsibilities in acceptance of the agreement, state and/or federal bidding requirements, land acquisition requirements, what happens if you fail to comply with the terms of the agreement, your ongoing responsibilities after the project period has closed, and provisions that specifically apply to your project.

- e. GRANT SPECIALIST is the DNR staff member listed that administers the grant project and the point of contact for your grant.
- f. REIMBURSEMENT. Payment of grant funds is made on a **reimbursement** basis. This means you must initially expend local monies, which are then reimbursed, under the terms of the grant. To obtain the total grant amount approved for a project, you must provide documentation showing 100% of eligible expenditures for the project.

Many department grant programs require grantee match. Check specific grant program guidance or contact the grant specialist to ensure eligibility of the match source for the grant program. Eligible sources of grantee match may include the following:

- a. Cash from the grantee
- b. Cash donated by a third party – foundations, organizations, businesses, individuals
- c. In-kind donated value in the form of volunteer labor, donated professional services, donated equipment use, donated supplies and materials, or the value of land. NOTE: donated value is used to bring the reimbursement payment up to, but not exceeding, the actual cash outlay.
- d. For state funded grant programs, funds from the federal government. NOTE: State funds cannot be matched with other state funds.
- e. For federally funded grant programs, funds from state programs

During The Project Period

Carry out the project according to the terms of the grant agreement.

Depending on the type of project, terms of the grant agreement, and the grant program, there may be special conditions on the grant agreement that need to be fulfilled during the project. This may include obtaining permits, fulfilling bidding requirements, getting approvals, or recording the deed from a land transaction with required deed restriction language inserted. **IMPORTANT:** Failure to fulfill grant conditions and the requirements may result in forfeiture of your grant award.

Track Project Expenditures.

Grant Accounting. Grant recipients are responsible for maintaining fiscal controls and fund accounting procedures that are based on generally accepted accounting standards and principles. The following minimum requirements should be met:

- a. Establish separate accounts and supporting documents for each grant. Use the grant project number for coding all related expenditures.
- b. Itemize all supporting records/documents of project expenditures in detail to show the exact nature of each expenditure, including match expenditures for donations.
- c. Maintain payroll vouchers for employee labor salaries and wages. Daily timesheets coded to grant activity or “logbooks” should be completed by all employees, supervisors,

and volunteers working on a grant project. All time associated with the project should be clearly documented on daily time sheets or in logbooks. DNR Form 8700-352 is available to aid in documenting labor provided by grantee staff.

- d. Records for grantee-owned equipment includes only the time the equipment is actually in use for the project and the computation used to arrive at the charged use rate. The time that equipment is at the job site but not in use is not eligible for reimbursement.

Local equipment rates may be used but may not exceed the WI Department of Transportation (WisDOT) equipment rate effective the year of the project activities. *(Note: Rates are formulated under Wis Stat. § 84.07 and can be found in chapter 5 of the State Highway Maintenance Manual published by the WisDOT.)* The WisDOT rates may be used if you do not have a locally established rate. If special equipment is rented from a vendor, the actual rental rate may be used.

- e. Records documenting donations of volunteer labor (timesheets, logbooks), services (invoices), materials (invoices), equipment rental (invoices). DNR forms are available to aid in documenting donated volunteer labor (8700-349A), donated professional services (8700-350), and donated equipment use (8700-362). NOTE: department forms reflect the minimum requirements for documenting donated labor and equipment use. Incomplete or inaccurate information may result in ineligibility of the donated value to be included as match.

Retain Financial and Administrative Records.

Project documentation records, including all project agreements, amendments, application materials, and correspondence should be maintained by the grantee in a project file. See the grant agreement conditions for the retention term after final payment. Note: all financial records must also be retained and made readily available for audit upon request of the department. Records for equipment purchased with a grant award shall be retained for 3 years after final disposition of the property.

Discuss Special Situations Up Front with the Grant Specialist

Changes in the Scope, Timeline, or Costs of your Project

Report and discuss any changes to the project with the grant specialist administering your project. Changes to the project's scope, time period, or cost must be approved by the department **prior to** incurring the change and before grant expiration. Submit a written request to the grant specialist describing the desired change and the reason for the change. If your request is approved, a project amendment approving the change will be issued for mutual record keeping.

Changes in Grantee Contact Information

Grantee staff changes and board turnover occasionally occur during a grant project. Notify your grant specialist of any changes to the authorized representative for the grant to update the contact information and ensure you have an effective authorizing resolution in place. The authorized representative is the person enabled to sign and submit documents to the department, including payment requests.

Also notify your grant specialist if the organization's mailing address changed during the grant. This is the address associated with grant payments. Additional action is required to update the address in our financial system and ensure future payments are received.

If A Partner Organization is Handling All or Some of the Administration of the Project

The official grantee is obligated, expected, and must be legally capable to take responsibility for administering the grant project in compliance with program legal provisions and procedural requirements. However, central to the philosophy of the grant programs is the concept that partnerships in many forms can be beneficial, critical, and necessary to the successful completion of a project. If a project involves partners, please discuss the situation with the grant specialist.

If it is necessary to have another local government or organization handle part of the administration, additional documentation may be required to define the arrangement prior to starting the project. Fulfilling program requirements is critical to safeguarding the eligibility of project costs for reimbursement.

Income Received from the Project

During the Grant Project Time Period. Discuss with your grant specialist if your project has the potential to receive income during the grant project time period. How income is handled varies from program to program, but it is always recorded and reported.

After the Grant Agreement Time Period Expiration Date. You must use income accrued from a property that received a grant to further the objectives of the project as stated in the grant agreement. Upon department approval you may use the income to further the objectives of another project under the grant program. The exception to this is property entered under the county forest law under Wis. Stat. § 28.11. When this is the case, the provisions of Wis. Stat. § 28.11 related to distribution of income apply.

Documenting Project Expenses

Documenting Materials and Services with Invoices

Whenever materials or a service are purchased by the grantee, an invoice must be obtained from the vendor to provide evidence of the sale. The invoice must be legible and include the following items:

- Name and address of the vendor
- Date of sale or date services performed
- Quantity of item(s) purchased
- Description of item(s) purchased
- Unit price
- Total amount of each line item

If invoices include items unrelated to the grant project, then identify on the invoice(s) only those items that are being charged against the project. Total the items on the invoice charged to the grant project and enter onto the reimbursement form.

Vendor statements may be acceptable (for example price list or quotes) as cost documentation only in those instances when an invoice cannot be obtained from the vendor. In this scenario, identify on the vendor's statement the actual items that are related to the project. Enter the total amount of the project related purchases from each invoice (or statement) on the Grant Payment Request and Worksheet Form 8700-001. Some grant programs use program specific reimbursement forms. Check with your grant specialist for the correct forms to use.

Documenting Force Account Expenses

Following is a description of the documentation required for force account expenses. Department form 8700-352, Local Government Force Account Report Form is available to assist you in preparing the documentation. You may use your own version to document force account as long as the same information as identified in the department form is provided. Force account documentation is to be submitted with the reimbursement request. Grant related expenses incurred through the direct use of grantee staff, materials, and equipment are defined as "force account" (using your own forces). There are three types of eligible force account expenses:

- Employee labor, including fringe benefits
- Grantee equipment use based on the actual time equipment is in use.
- The use of materials from the grantee's inventory

Force Account Labor Summary

Grantees should use timesheets that record the work of their employees daily. These daily time sheets should document the type of work performed on the project and must be kept on file with the grantee.

If employees do not keep daily timesheets, any time spent working on an approved grant project must be recorded in a project labor log. The log should record date, hours worked, work done, employee name and rate of pay.

Once the grantee has compiled all the force account timesheets connected with its project, prepare a labor summary to accurately calculate the project costs. The labor summary sheet must be submitted with the payment reimbursement request.

Fringe benefits may include employee insurance plans, retirement plans, Social Security contributions, unemployment, worker's compensation, authorized absences etc. and should be identified separately from wages or their calculation explained.

Only employee hours which pertain directly to the project development and within the grant time period may be included for reimbursement. Individual employee time sheets indicating the work performed may be subject to State and Federal audits for four years from project closure.

Force Account Equipment Worksheet

The information is needed to support equipment usage costs:

- The name of the operator
- Date(s) of equipment use
- Equipment used, including size and power as listed in that year's WisDOT equipment rate schedule or WisDOT equipment class
- Description of the work performed
- Total hours of use (do **not** include idle time)
- WisDOT hourly equipment rate for the year during which project activities occurred
- The total cost of equipment used (WisDOT rate x number of hours used)

The force account hourly equipment rates cannot exceed the hourly rates approved by the WisDOT. Copies of the WisDOT equipment rate schedule can be obtained from the grant specialist. The "description of work" section must identify the specific facility for which the equipment was used. For instance, if a chain saw was used for trail construction, note "cleared brush for trail."

Force Account Material Use Summary:

Occasionally, a grantee will utilize construction material from inventory in the development of a facility included within the scope of their project. Examples of commonly used materials include lumber, nursery stock, and gravel.

Please note that the "cost" of goods taken from inventory should be documented by showing an old invoice of what the value of the inventory was when purchased. If the items weren't purchased, i.e., a community owned gravel pit, the "cost" should be equivalent to the prevailing cost of similar goods purchased from vendors in the community and should be a calculated unit price based on the actual cost of mining the materials.

Documenting Donations of Volunteer Labor, Services, Materials, Equipment

Donated in kind contributions may account for up to the amount of the local match required for the grantee's share of total eligible project costs. Items being donated must be in accordance with the project scope and approved by the department prior to being incurred

and applied to the grant as an eligible expense. Donated value is required to be identified in the application budget. Contact the grant specialist if there are questions about opportunities for donated value during the project and before the donated value is incurred.

The department provides forms to assist you in tracking all expenses you need to report. Using the DNR's forms will ensure that you are capturing all the required information needed. Talk to your grant specialist to make sure you have all the correct forms you will need. You may use your own version of the form if the required information is provided.

Donated Labor Worksheets:

The documentation required to be recorded on the worksheet for donated labor is as follows:

- Name of the laborer
- Dates person worked
- Hours worked each day
- Brief daily description of the work completed
- Wage rate for donated labor
- Signed by the donor and bearing evidence of management review/approval

The value of donated unskilled labor, also referred to as 'volunteer labor', is set by the grant program. Contact the grant specialist or consult specific program guidance for information on approved rates. Volunteer Labor Worksheet Form 8700-349A and 8700-349B are available to assist in documenting donated volunteer labor. NOTE: Federally funded grants require a volunteer sign documentation for each time worked. Failure to have signatures for each time worked will render the volunteer labor ineligible as a match source.

If the person is professionally skilled in the work being performed on the project (for example, plumber or bricklayer) then the wage rate that this individual is normally paid may be charged to the project. The person's professional title is also required to be documented. Donated Professional Services Form 8700-350 is available to assist in documenting donated professional labor.

Note: The description of the work must contain a reference to a facility or function already identified in the project scope of the project agreement. For instance, if the grantee has been awarded a grant for trail development, make sure the term "trail" is in the work description section, e.g., "cutting brush for the walking trail."

Donated Equipment Worksheets:

Document the use of donated equipment on the worksheet by providing the following:

- Name of the operator
- Type of equipment used (refer to approved WisDOT equipment descriptions)
- Dates the equipment was used

- Number of hours used each day
- Brief description of the completed work
- WisDOT rate or donor's rental rate, whichever is less,
- Value for the equipment use

Note: Values for donated equipment use cannot exceed those rates approved by WisDOT. Also, the description of the work must contain a reference to a facility that has been identified in the project scope of the project agreement. For instance, if the grantee has been awarded a grant for trail development, make sure the term “trail” is in the work description section, i.e., “spreading Class 5 stone for walking trails.”

Cost of donated construction and equipment must be established based on competitive procurement either through the formal bidding process or through competitive quotations. Contractors’ certifications are not a true measurement of the value of donations and will not be accepted. To categorically measure the value of a donation, competitive bids or quotations must be obtained.

For example, three contractors bid on a park shelter. Contractor A bids \$4,000; contractor B bids \$3,500; and contractor C bids \$3,000. Municipality awards the contract to contractor C for \$3,000. Contractor C completes the work with no project modifications. The contractor issues an invoice for \$2,000 and indicates a donation of \$1,000. This \$1,000 donation is measurable & verifiable and would be allowed as grantee’s match.

Donated Materials/Services Invoices:

Private sector donations of goods or services must correlate with a particular function identified in the project scope of the project agreement and be noted as such on the vendor’s invoice. For instance, if the grantee was awarded a grant for trail development, make sure that either you or the vendor links the goods/service with the facility, i.e., “I wish to donate 25 tons of class 5 stone for trail surface material.” The value of must be based on the normal selling price or the actual costs of producing the product or material.

Prices assessed to donated materials included in the matching share should be reasonable and should not exceed the current market prices at the time they are charged to the project. Records of in-kind contributions of material shall indicate the fair market value by listing the comparable prices and vendors.

Preparing the Grant Payment Request

Complete the grant payment request form and submit with supporting documentation. Supporting documentation generally includes proof of purchase and proof of payment. If applicable, also submit documentation for donated volunteer hours, equipment and/or in kind contributions to the project. NOTE: The grant payment request form is specific to the grant program. Check the grant program website or contact your grant specialist to ensure you have the correct payment request form.

Required documents for reimbursement:

- a. Completed grant payment request form.
- b. Proof of purchase. Examples: detailed invoices & vouchers associated with all project costs; itemized receipts.
- c. Proof of payment. Examples: copy of both sides of anceled checks documenting payment of the invoices; front side of check with bank statement with check numbers highlighted; credit card receipt; document showing electronic transfer of funds to vendor; etc.
- d. Records documenting details of force account labor, materials, or equipment used
- e. Records documenting details of donated services, volunteer labor, donated materials, or equipment used.
- f. Copies of all necessary state agency permits and required approvals should be kept in your project file.
- g. Evidence of completed project deliverables. This may include narrative and photographic reports, design plans and specifications, recorded deed restrictions, etc. Consult program guidance for the grant program funding source or contact the grant specialist for information on the required deliverable documentation. NOTE: Submitted photos may be used in promotional materials for the grant program.
- h. Other documentation may be required depending on the nature of the project (acquisition vs. development, state vs. federal funding source) and the specific grant program funding the project. Consult program guidance for the grant program funding source or the grant specialist to learn more about specific program requirements for your project.

Once a reimbursement is submitted, the grant specialist will review the reimbursement documentation and project deliverables of the project as scoped. Staff will reach out if additional information is needed prior to processing reimbursement and/or closing the grant.

NOTE TO GRANTEES – PROTECT CONFIDENTIAL DATA

The Wisconsin DNR takes seriously its responsibility to protect all confidential data that are collected as the DNR administers its programs. For DNR grant programs, “confidential data” typically includes:

- Personal -- Social Security number, date of birth, driver’s license number
- Financial -- Bank account numbers on cancelled checks and statements. Credit card numbers on submitted receipts. Account and credit balances or limits. Federal or Wisconsin tax returns.

Please protect confidential data by blackening out – also called “redacting” – bank account numbers, credit card account numbers, and other confidential data **before** proofs of payment are sent to the DNR. Please do not redact check numbers from bank statements.

Cancellation or Termination of Funding

If the department finds that a project has not been satisfactorily completed by the expiration date of the grant agreement, the grantee has violated a term of the grant agreement, or the grantee makes changes to the project without receiving a formal project scope or budget amendment, the department may terminate the grant. The department will notify the grantee of noncompliance, in writing, and allow the grantee to pursue corrective action within a specified timeframe. If corrective action does not address department concerns, the department will issue a final termination letter to the grantee and include the reason for termination. The department may require the grantee to reimburse the department for any grant funds the department deems appropriate.

Future Post Audit Review

Post audit review

Department financial audit staff periodically review in detail samples of projects within a grant program for compliance with the program's reimbursement requirements and procedures. Additionally, the state Legislative Audit Bureau and the federal Office of Interior will periodically review an entire grant program. These reviews may include contacting project grantees for additional details about the administration of the grant project or requesting that the grantee's project documentation files are organized and made available for a detailed financial audit.

A Caution about Multiple Government Grant Sources – No Profits Allowed

If it is found that a grantee has received more than 100% of project costs from a combination of government sources, the department will seek a remedy (i.e., refund of grant funds).

Additional Federal Program Requirements

If you were awarded a federal grant, additional general provisions were attached to your grant agreement. While lengthy, they are important to read and abide by in addition to the state grant program requirements to protect the eligibility of your project for the funds awarded.

