



# STATE OF MINNESOTA Cost-Share Program Manual



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BWSR is an equal opportunity employer. Information in this manual is available in alternative format upon request.

BWSR web site: [www.bwsr.state.mn.us](http://www.bwsr.state.mn.us)

**THE STATE COST-SHARE PROGRAM**

The State Cost-Share Program was created to provide funds to Soil and Water Conservation Districts (SWCDs) for the implementation of conservation practices that protect and improve water quality by controlling soil erosion and reducing sedimentation.

The 1977, \$3 million was appropriated for the biennium for this program by the legislature. In 1978, BWSR adopted the administrative rules.

Through the State Cost-Share Program, landowners can request financial and technical assistance from their local SWCD for the implementation of BWSR-approved conservation practices. This program provides up to 75 percent of the total eligible costs of a practice (see Part IV, Contract Implementation for more details).

Grant funds are generally available to SWCDs at the beginning of the state's fiscal year. In order for SWCDs to receive funds, they must have on file an approved annual plan of work, annual report (including financial statements), and comprehensive plan or resolution to adopt the county's comprehensive plan.

***About this Manual:***

BWSR updated the program rules and published a new State Cost-Share Program Manual in April 1996. The program has evolved over the years; BWSR felt the time had come to update SWCDs on the current program requirements, procedures, and policies. Although the manual may look different, the section format is consistent with the previous version.

Updates to the manual will be available on the BWSR web site ([www.bwsr.state.mn.us](http://www.bwsr.state.mn.us)) in the Grants section; click on the State Cost-Share Program link. You will also find program interactive forms in Microsoft Word and Excel formats. Program rules and statutes are available in pdf documents on this web site as well. Users are encouraged to check the Revisor of Statutes web site for updates to program rules and statutes ([www.revisor.leg.state.mn.us/revisor.html](http://www.revisor.leg.state.mn.us/revisor.html)).

**BWSR WILL NOT BE PRINTING ANY VERSION OF THIS MANUAL.**

We are requesting that districts print copies and maintain them within their offices. We hope you appreciate the updated manual. If you have any comments and/or questions, please contact your board conservationist.

**Allocation.** "Allocation" means the amount of funds the BWSR grants a conservation district.

**Annual Plan.** "Annual plan" means a plan prepared by the conservation district pursuant to Minnesota Statutes, section 103C.331, subdivision 11F, and according to the most recent version of the Guidelines for Soil and Water Conservation District Comprehensive and Annual Plans published by the state board. That publication is not subject to frequent change, is available at the State Law Library, and is incorporated by reference.

**Approved Practice.** "Approved practice" means a conservation practice that qualifies for state cost-sharing and that has been approved by the state board.

**Annual Report.** "Annual report" means a report prepared by the conservation district each calendar year on the district's previous year's accomplishments. (See the Operational Handbook for specific report guidelines.)

**Biennium.** "Biennium" means a period of two years. The Minnesota legislature appropriates the major portion of the state's budget in the odd-numbered year session and makes adjustments during the even-numbered years. Minnesota has a biennial (two-year) budget period.

**Comprehensive Local Water Management Plan.** "Comprehensive local water management plan" means a local water plan authorized under Minnesota Statutes, section 103B.311, or a watershed overall plan required under section 103D.401, or a watershed management plan required under section 103B.231, or a county groundwater plan authorized under section 103B.255.

**Comprehensive Plan.** "Comprehensive plan" means a long-range plan adopted by the conservation district pursuant to Minnesota Statutes, section 103C.331, subdivision 11 and according to the most recent version of the Guidelines for Soil and Water Conservation District Comprehensive and Annual Plans published by the state board. That publication is not subject to frequent change, is available in the State Law Library, and is incorporated by reference.

**Conservation District.** "Conservation district" means a Soil and Water Conservation District organized under Minnesota Statutes, chapter 103C.

**Conservation District Board.** "Conservation district board" means the board of supervisors of a Soil and Water Conservation District as organized under Minnesota Statutes, chapter 103C.

**Conservation District Technical Representative.** "Conservation district technical representative" means a district employee assigned by the conservation district board or other designee who has expertise in the design and application of conservation practices.

**Conservation Practices.** "Conservation practices" means practices applied to the land for the purpose of controlling or preventing soil erosion, sedimentation, nutrient runoff, or other water pollution to maintain the sustainable use of soil and water and other natural resources.

**Conservation Practice Plans.** "Conservation practice plan(s)" usually consist of drawings and specifications. The drawings are a graphical description and the associated specifications are a narrative description of the tasks involved to install the practice. Specification requirements are usually written in terms of an end result, not in terms of a method. The plan(s) provide descriptive information on the quantity and quality of the work to be completed. The work needs to be clearly described so the land occupier and constructor will understand the requirements and have a mutual understanding of what must be done for the requirements to be met.

**Cultural Practices.** "Cultural practices" refers to tillage and cultivation activities, or constructed features of terrain such as buildings, canals, boundary lines, i.e., people-made structures.

**Effective Life.** "Effective life" means the time span for which a conservation practice effectively fulfills its intended purpose.

**Eligible Costs.** "Eligible costs" means the necessary cost associated with installing an approved conservation practice according to the plans and specifications and costs that meet the cost-share policies of the state board.

**eLINK.** "eLINK" means the tool local governments use to apply for and receive grant funds.

**Established.** "Established" means that a conservation practice has been properly installed and has successfully developed to function properly.

**Encumber.** "Encumber" means to designate funds for a specific practice or purpose. This is accomplished via a motion at an official conservation district board meeting and documented in the approved minutes of the meeting and all applicable forms and ledgers.

**Farm Service Agency.** "Farm Service Agency" means the Farm Service Agency, an agency of the United States Department of Agriculture.

**Field Office Technical Guide.** "Field Office Technical Guide" means the document providing technical standards and specifications for conservation practices as provided by the Natural Resource Conservation Service and adopted by the conservation district board.

**Fiscal Agent.** "Fiscal agent" means the district designated to carry out the financial responsibilities associated with district pooling agreements.

**Fiscal Year.** "Fiscal year" means the 12-month period on which the state budget is based; it runs from July 1 to June 30. County and city fiscal years are the same as the calendar year. The federal fiscal year runs from Oct. 1 to Sept. 30.

**Grant Agreement.** "Grant agreement" means the contract between the state board and the conservation district stating the terms, conditions, and amount of funds allocated.

**Grant Period.** "Grant period" means the span of time a grant agreement is in effect.

**Group Spokesperson.** "Group spokesperson" means a principal land occupier, designated by individuals involved in a group project, who is authorized to speak for the entire group in negotiations with a conservation district for cost-share assistance.

**High Priority Erosion Problems.** “High priority erosion problems” means areas where erosion from wind or water is occurring equal to, or in excess of, 2 X T tons per acre per year or is occurring on any area that exhibits active gully erosion or is identified as high priority in the comprehensive local water management plan or the conservation district’s comprehensive plan.

**High Priority Water Quality Problems.** “High priority water quality problems” means areas where sediment, nutrients, chemicals, or other pollutants discharge to Department of Natural Resources designated protected waters or to any high priority waters as identified in a comprehensive local water management plan or the conservation district’s comprehensive plan, or discharge to a sinkhole or groundwater. The pollutant delivery rate to the water source is in amounts that will impair the quality or usefulness of the water resource.

**Land Occupier.** “Land occupier” means a person, corporation, or legal entity that holds title to or is in possession of land within a conservation district as an owner, lessee, tenant, or otherwise.

**Landowner.** “Landowner” means a person, corporation, or legal entity that hold title to or is in possession of land.

**Natural Resources Conservation Service.** “Natural Resource Conservation Service” means the Natural Resources Conservation Service, an agency of the United States Department of Agriculture.

**Operational Handbook.** “Operational handbook” means the Conservation District Operation Handbook with information relevant to operating a Soil and Water Conservation District. The handbook is compiled by the Board of Water and Soil Resources.

**Other Recognized Technical Practices.** “Other recognized technical practices” means any conservation practice or compilation of such practices not on the approved list of conservation practices that have been approved by the state board for cost-share assistance on a case-by-case basis.

**Plan.** See conservation practice plans(s).

**Practice Standards.** “Practice standards” means the established minimum level of acceptable quality for planning, designing, installing, operating, and maintaining a conservation practice.

**Practice Specifications.** “Practice specifications” describe the technical details and work required to install the practice and the quality and extent of materials used in the practice. Also, see conservation practice plan.

**Protected Waters.** “Protected waters” means waters of the state identified as public waters or wetlands under Minnesota Statutes, section 103G.005, subdivision 15 and inventoried under Minnesota Statutes, section 103G.201, and identified on a protected waters inventory map available in a county auditor’s office.

**Registered Professional Engineer.** “Registered professional engineer” means a person who is duly registered to practice professional engineering in accordance with Minnesota Statutes, sections 326.02 to 326.15.

**RFP, Request for Proposal.** "RFP" or "Request for proposal" means that BWSR is accepting applications from local government units for a grant program. The term is typically associated with eLINK.

**Rollover.** "Rollover" means funds not encumbered at the end of the grant period or that become available after the grant period.

**Sinkhole.** "Sinkhole" means a depression or hold in the earth's surface caused by dissolving of underlying limestone carbonate bedrock and subsequent settling or collapse or surficial soils.

**Slippage.** "Slippage" means the amount of encumbered funds remaining when the actual project cost is less than the estimated project cost. These funds then automatically become unencumbered.

**Special Project.** "Special project" means a conservation project or program, including but not limited to, those projects or programs that accelerate implementation of innovative soil and water conservation activities.

**Specification.** See "Practice specifications."

**Standard.** See "Practice standard."

**State Board.** "State board" means the state Board of Water and Soil Resources created in Minnesota Statutes, section 103B.101.

**T.** "T" means the soil loss tolerance that is the maximum average annual rate of soil loss from sheet and rill erosion or wind erosion, expressed in tons per acre per year, that can occur while the productive capacity of the soil to produce food and fiber over the long term is sustained.

**2 x T.** "2 x T" means soil erosion at the rate of two times T.

**Technical Approval Authority.** "Technical approval authority" means the authorization granted to a district technical representative to provide comprehensive technical assistance for individual conservation practices, including associated technical sign-off as the district technical representative of record. Please refer to the Operation Handbook for additional information on technical approval authority.

**A. LOCAL RESOURCE PLANNING**

Local resource planning is a combined effort of local units of government, natural resource agencies, private organizations, and concerned citizens all working together to:

- identify the resource program;
- target and prioritize resource problems; and
- identify strategies to address the priority problems.

The State Cost-Share Program is an implementation program. The program offers cost-share funds to land occupiers to establish conservation practices to treat high priority problems identified in local resource management plans.

**A. 1: Comprehensive Plan**

Each district applying for cost-sharing funds under 103C.501 must submit to the state board a comprehensive plan.

Refer to the Operation Handbook for instructions on how to develop a comprehensive plan pursuant to Minnesota Statutes, section 103C.331, subdivision 11.

An alternative to compiling and amending a conservation district comprehensive plan is to adopt the county's local comprehensive water management plan as the conservation district's official comprehensive plan. To accommodate the requirements of the State Cost-Share Program, the comprehensive local water management plan must contain detailed maps indicating the areas of the county with high priority erosion problems, and the areas with high priority water quality problems—including sedimentation. If the comprehensive local water management plan does not contain maps identifying these problem areas, they must be included in an addendum to the conservation district's annual plan. This addendum should be titled "Annual Plan Addendum—Cost-Share Program."

An example of a resolution adopting the county's comprehensive local water management plan as the conservation district's comprehensive plan can be found on Page 16.

**A. 2: Comprehensive Local Water Management Plan**

Counties, watershed districts, and watershed management organizations (WMOs) have authority to prepare and implement comprehensive local water management plans (pursuant to M.S. 103B.201, 103B.301). The purpose of these plans is for local government to plan for the management and protection of the water and related land resources of their area.

Through the water planning process, local governments are generally required to:

- collect data and information on flooding problems, water quality and quantity, wildlife, and water-based recreation;
- assess the condition of natural resources in the area;
- identify and prioritize local resource issues, problems, and opportunities;
- develop a set of goals, objectives, and actions; and

- develop an implementation program for the period of the plan, which is generally every five years.

Identifying and prioritizing local resource problems in a local water management plan helps make programs such as the State Cost-Share Program more effective by allowing conservation districts to target priority watersheds or areas of the county. Local water management plans create a framework for stronger partnerships between the various local, state, and federal resource agencies. These partnerships are particularly effective to identify local priority problems and agree on a treatment strategy that the members can rally around with political, technical, and financial assistance. In many instances this scenario results in the most efficient use of limited cost-share resources and may even leverage additional state and federal resources.

### A. 3: Annual Plan

The conservation district's annual plan serves to guide the district's actions during the year and to measure performance. Each year, each district applying for cost-sharing funds under section 103C.501 must submit to the state board an annual plan of work. The plan will:

- Set objectives for the year from the objectives identified in the comprehensive plan;
- Describe the actions planned for the coming year designed to achieve the annual objectives;
- Discuss the staff time needed to do the actions;
- Discuss the amount of state cost-share funds the conservation district needs for the upcoming year and justify the need for funds;
- Include a description of high priority erosion, sedimentation, and water quality problem areas as identified in the comprehensive plan or comprehensive local water management plan.

The annual plan must be prepared as required by the rules of the state board. In preparing the annual work plan, the conservation district will actively identify and seek out land occupiers with high priority problems who have not participated in cost-sharing contracts and encourage their participation in programs to control their high priority problems. Refer to the Operational Handbook for instructions on developing annual plans.

### A. 4: Land occupier contacts

Minnesota statutes require that conservation districts document their efforts to identify and contact land occupiers with priority erosion problems. This requirement stems from legislative concerns in the early 1980s that conservation districts were not doing enough to promote conservation projects. Acting on those concerns, the state board entered into an agreement with several conservation districts to conduct a pilot project involving the identification of land occupiers with erosion problems, contacting them, and documenting the results of those efforts. The "door knocking" was successful in terms of sparking interest to address high priority problems, but unfortunately the program did not have the funds to meet the requests for dollars. The demand for dollars exceeding the funds supplied from the state for the program is a scenario that continues today. However, there is still a need to keep track of the types of program promotion that a conservation district uses.

Vertical dotted line and horizontal lines for notes.

The conservation district should include a discussion of the effectiveness of efforts to contact landowners in their annual plans. Discuss the methods used to contact land occupiers with high priority problems and what sort of response resulted. Include general efforts, such as distributing newsletters or sponsoring workshops, along with more focused efforts such as personally contacting land occupiers with high priority problems in a targeted watershed.

**B. DISTRIBUTION OF FUNDS**

**B. 1: State Board Grants to Conservation Districts**

**Eligibility**

To be eligible to receive cost-share funds, a conservation district must submit the following to the state board:

- 1. A state board approved district comprehensive management plan. The comprehensive plan must identify high priority erosion, sedimentation, and water quality problems within the conservation district. A resolution from the district adopting the up-to-date comprehensive local water management plan can be submitted in lieu of a comprehensive plan.
- 2. A state board approved annual plan addressing the high priority erosion, sedimentation, and water quality problems in the conservation district.

The **Annual Plan** is due to the board conservationist by March 15 each year. *All state base grants (State Cost-Share, Easement Services, and General Services) for which funding is requested may be reduced by five percent if satisfactory plans are not received by March 15, with an additional five percent reduction for each month late.* No base grant funds will be allocated until a satisfactory plan is received.

- 3. A state board approved annual report summarizing work accomplished in a format specified by the state board.

The comprehensive plan and the annual plan will serve as part of the conservation district's request to the state board for cost-share funds. Please refer to the Operational Handbook for further instructions regarding the preparation of the comprehensive and annual plans.

**Allocations to conservation districts**

The state board annually allocates cost-share funds to conservation district boards that have *fully* complied with all program rules, guidelines, and policies. To receive the funds, the conservation district and the state board enter into a grant agreement for a period of two years.

The state board will review all conservation district requests for cost-share funds based on the following minimum criteria:

- 1. The extent of high priority erosion or water quality problems in the conservation district, as indicated in the conservation district comprehensive and annual plans.
- 2. The priorities for the control of soil erosion or water quality problems as established by the state board and identified in the Program Overview part of these guidelines.
- 3. The historical success of the conservation district in applying soil and water conservation practices.
- 4. The ability of the conservation district to expend the funds in a timely manner.

Additional or special purpose criteria may be established by the state board and distributed to conservation districts.

Notes

**Regular statewide cost-share allocations**

The Legislature requires at least 70 percent of each year's statewide legislative cost-share appropriation be expended to establish conservation practices that address a high priority erosion or water quality problem. Not more than 20 percent of the legislative appropriation may be granted to conservation districts to cover the technical and administrative expenses associated with implementing the program, or to establish practices to address problems that do not meet the high priority erosion or water quality definition. These allocations will be determined according to state board policy and distributed to conservation districts.

**Special projects**

After the regular statewide cost-share allocations are granted, the state board may allocate any remaining funds to conservation districts for competitive cost-share projects. These funds will be allocated according to criteria established by the state board.

**Other program allocations**

The state board may allocate other appropriations or grants through the state cost-share program. These grants may have special criteria and target specific areas or conservation issues.

**B. 2: Conservation District Administration of Grants**

The conservation district board of supervisors is responsible for the administration and decisions concerning the local use of these state cost-share program funds in accordance with:

- 1) Minnesota Statutes, chapter 103C.501;
- 2) Minnesota Administrative Rules, chapter 8400;
- 3) these administrative guidelines;
- 4) the terms of the grant agreement;
- 5) state/district board policy; and
- 6) all other applicable laws.

**High priority problems**

The grant agreement will specify the minimum percent of the allocation that must be expended by the district to cover the eligible costs associated with establishing a practice to address high priority erosion or high priority water quality problems (e.g., 80 percent).

**Technical and administrative costs and lower priority problems**

The conservation district board may use a portion of the regular statewide allocation to cover the technical and administrative costs associated with cost-share program activity, or to apply practices to solve problems not meeting the high-priority erosion or water quality problem definitions. The grant agreement will specify the maximum amount the conservation district may expend for such services or problems. (This amount cannot exceed 20 percent of the funds appropriated to establish practices to address high priority problems.)

Actual technical administrative costs include, but are not limited to, those activities

associated with processing a contract, participating in training to enhance technical skills, doing technical assessments and preparing costs estimates, designing the practices, monitoring the construction of a practice, processing the payment of the contract, and completing the associated record keeping and monitoring requirements.

**Conservation districts' cost-share maximum rate**

Under the current state board guidelines, conservation districts may cost share with land occupiers at the maximum rate of 75 percent of the eligible costs of a project. An SWCD board may set the rate less than this percentage. The conservation district board will establish local maximum cost-share rates for all conservation practices installed with cost-share program funds. These rates may be less than, but not exceed the 75 percent limit. These rates must be identified in the conservation district's annual plan and other documents containing conservation district policy.

The conservation district board will establish maximum cost-share rates based on:

- A. The extent to high priority erosion or water quality problems as outlined in the conservation district's comprehensive and annual plans.
- B. The advice of technical experts familiar with the conservation practice.
- C. Cost-share rates currently used by the Farm Services Agency and other compatible assistance programs.
- D. The priorities of the conservation district as established in the conservation district's comprehensive and annual plans.
- E. Funds available from all sources. Remember: the **total cost-share provided to a land occupier from all state and federal funds must not exceed 75 percent of the total project cost.**

These rates set general conservation district policy for the maximum cost-share percentage of eligible costs to install practices. The conservation district may choose to tailor the maximum rate based on specifics of a particular site or problem. See Part IV—Contract Implementation part of these guidelines for information.

**B. 3: Pooling cost-share allocations with other conservation districts**

A conservation district may enter into an agreement to pool all or part of their allocation with funds from other conservation districts to collectively address erosion or water quality problems. This agreement can facilitate the accomplishment of watershed-based resource management goals or goals of mutual benefit, as identified in comprehensive local water management plans. Conservation districts may request that BWSR allocate their regular statewide allocation to the fiscal agent identified in the pooling agreement **prior** to BWSR's development of the annual grant agreement. Conservation districts involved in a pooling agreement may also apply for competitive cost-share project funds, if available, from the state board.

Conservation districts must enter into a Memorandum of Agreement (MOA) or Joint Powers Agreement (JPA) prior to pooling funds. At a minimum, the MOA or JPA must specify the following items:

- Purpose of the agreement. Is it for a single practice or an ongoing project?
- All of the participants, including who will serve as the fiscal agency and who will

provide technical assistance. The grantee will be responsible for fulfilling conditions of the BWSR grant agreement.

- Financial obligations of all participants.
- The procedures that will be used to process cost-share contract(s).
- How the records will be managed and supporting documentation obtained.
- Procedure for monitoring the practice to ensure operation and maintenance obligations are being met.
- Reference to any locally adopted cost-share policies, other than state rules, that are to be followed.
- Attach a list of these policies to the agreement.
- Other items deemed necessary by participants or BWSR.

The MOA or JPA must be approved by the BWSR board conservationist prior to adoption and implementation by the conservation districts. A sample MOA is located on Page 17.

**B. 4: Encumbering cost-share funds**

Conservation districts may encumber grant agreement funds once the agreement has been executed or, if the district is comfortable assuming temporary liability for the funds, it may enter into a contract with a land occupier (i.e., encumber funds) before receiving official encumbrance authorization from the state board, provided it is after July 1 of the upcoming grant agreement period *and* the state board has approved entering into the grant agreement with the district. Conservation districts may continue to encumber funds, including funds from previous encumbrances that have canceled or slippage funds, until the grant agreement period expires. Any funds that are released from encumbrance due to cancellations or slippage after the grant agreement period has expired must be returned to the state (see B. 6, Return of unspent grant funds). It may be wise to encumber all the funds associated with the grant agreement early in the grant period to take advantage of the ability to re-encumber funds.

**B. 5 Encumbering cost-share funds from more than two allocations**

Funds from two consecutive fiscal year grant agreements can be pooled and applied to *one* contract, provided *both grant agreements are finalized* or in the process of being finalized.

An example follows of how a conservation district would combine funds from two grant agreements:

**FY 01 Grant agreement period is July 1, 2000 to June 30, 2002**

**FY 02 Grant agreement period is July 1, 2001 to June 30, 2003**

In the summer of 2001, a land occupier has requested cost-share assistance to install a riparian buffer strip practice on her land. The conservation district technical representative has estimated the cost of the practice at \$1,267. The practice falls within a high priority water quality area and the district has set a maximum cost-share rate of 75 percent for practices installed within this area. To cost share the practice at 75 percent the conservation district needs \$950, but only has a balance

of \$450 remaining from the FY 01 grant agreement. However, the district's FY 02 grant agreement is finalized and provided \$9,000 for high priority practices.

The conservation district approved a contract to cost share the riparian buffer strip practice at its monthly board meeting on 8/21/01. The district assigns a contract number of FY01-09 that corresponds to the earlier fiscal year encumbrance, and it applies all FY 01 grant agreement requirements. Contract FY01-09 is entered in the FY01 program log for \$450 and in the FY02 program log for \$500 and noted in both logs that this contract uses FY01 and FY02 grant agreement funds (see examples later in this part).

**Remember: To pool funds from consecutive grant agreements, both must be finalized or in the process of being finalized.**

**B. 6: Return of unspent grant funds**

Any funds allocated to conservation districts for the State Cost-Share Program that are not encumbered at the end of the grant agreement period must be returned to the state board within 30 days. In addition, all cost-share funds that become unencumbered after the grant period has expired must be returned to the state board within 30 days from the date they were released from encumbrance, e.g., the land occupier notified the conservation district that (s)he wished to cancel the cost-share contract.

**C. CONSERVATION DISTRICT RECORDS**

**C. 1: Program records**

The Program Log, Disbursement Journal, Record of Payment to Land Occupiers, and Final Financial Report Form are used to document receipts and expenditures of cost-share funds. These forms are available on BWSR's web site in Microsoft Word and an Excel spreadsheet format. A separate form is required for each grant program (i.e. base grant, Feedlot Water Quality Management Grant, competitive grant).

**Cost-share program logs (see Page 19)**

This form records transactions that affect the balance of available cost-share funds. Encumbrances or obligations against available funds are recorded as well as those actions that make funds available (e.g., cancellations or practices costing below the estimated cost). A completed example can be found on Page 19.

CONTRACT NUMBER – Refers to the number of the contract.

DATE – The conservation district board meeting date when the contract was approved.

NAME – “Land occupier” from the contract.

CONSERVATION PRACTICE CATEGORY – From the conservation practice’s section of the contract, Code corresponds to the FOTG.

PRIMARY CODE – From the conservation practice(s) section of the contract. D1-D13

AMENDMENT – Denotes the district board approved amendment to the original contract.

T & A AMOUNT – Amount transferred to another account for technical and administrative services.

*Notes*

TOTAL PROJECT FUNDS ENCUMBERED – The cumulative total for the contract amounts column for this program log.

TOTAL T & A ENCUMBERED – The cumulative total for the T & A amounts column for this program log.

BALANCE REMAINING TO ENCUMBER – Cumulative balance of the total funds available for encumbering. When a program period has expired and all projects are completed the unencumbered fund balance must be “zeroed” out.

The program log should be balanced regularly so that the total encumbered funds plus the total unencumbered funds equal the total receipt of funds. This insures that funds from slippage and cancellations are reencumbered during the program period.

***Cost-Share program disbursement journals (see Page 20)***

CONTRACT NUMBER – Refers to the number on the contract.

NAME – “Land occupier” as it appears on the disbursement check and from the contract.

CONSERVATION PRACTICE CATEGORY – From the conservation practice’s section of the contract.

UNITS COMPLETED – The units, in NRCS units, of applied practices.

DATE OF PAYMENT – The board meeting date that the contract is approved for payment.

CHECK NUMBER – Number on the check.

WHOLE OR PARTIAL PAYMENT – Indicate whether this payment is whole or partial.

PAYMENT AMOUNT – The amount of payment. This amount must not exceed the amount authorized for payment on the contract, unless an amendment has been approved. In addition, it must not exceed the amount specified on the Voucher and Practice Certification Summary.

TOTAL PROJECT DISBURSEMENTS – Cumulative total of disbursement and transfers.

T & A AMOUNT – Amount transferred to another account for technical and administrative services.

TOTAL T & A DISBURSEMENT – The cumulative total for the T & A amounts column for this program log.

BALANCE REMAINING – Funds remaining in the account. The balance must be “zeroed” out to close out the cost-share grant. The conservation district requests a BWSR program close out upon closing out the grant.

**C. 2: Record of payment to the land occupier and final financial report**

When all the encumbered funds from a fiscal year grant agreement have been paid, or

cannot be re-encumbered, the conservation district must complete the Record of Payment to Land Occupiers and the Final Financial Report. Use a separate Final Financial Report, Program Log, Record of Payment to Land Occupiers, and Disbursement Journal for each grant program. Two copies of the completed forms must be mailed to the BWSR board conservationist **within 30 days of the date the last check was issued for that grant period or from the date the funds were released from encumbrance**. Upon receiving these forms the board conservationist will contact the conservation district to set up an office visit to conduct a program closeout for that grant agreement. Contact a board conservationist if you need assistance filling out these forms.

**C.3: Reporting requirements for the State Cost-Share Program**

To ensure the continued success of the State Cost-Share Program, it is important for conservation districts and the state board to show the accomplishments and benefits of the program. Funding requests to the state legislature and other sources are substantiated by documented accomplishments and benefits.

All conservation districts receiving State Cost-Share Program funds are required to submit an annual report to the state board as stated in the grant agreement between the state and the conservation district. This documentation is also needed to fulfill state and local audit requirements directing districts to maintain records documenting how the state cost-share program funds are used.

The method for reporting the local expenditure of program funds is provided to conservation districts by the state board. This report will record where these funds are spent, what kinds of conservation practices were installed, the cost to install the practice, and the environmental benefits including soil loss reduction and phosphorus and sediment reductions.

**C.4: Record retention**

The Operational Handbook discusses record retention. The handbook says to retain cost-share program records 10 years past the effective life of the practice. Conservation districts must also retain canceled contracts for 10 years past the date of cancellation. Attach a note, from the land occupier or from the conservation district, indicating why the contract was cancelled.

Records include the items contained in the project file. A list of these items can be found in Part V–Technical Information.

**D. LAND OCCUPIER APPEALS**

The administrative rules for the State Cost-Share Program permit land occupiers to appeal conservation district board decisions. The land occupier may request the conservation district reconsider their decision by submitted an appeal, in writing, within 60 days of receiving notification of the district board’s decision. For example, a land occupier may appeal what the conservation district determined to be “eligible costs” associated with establishing the practice. Other decisions that may be appealed include, but are not limited to, those relating to approving or denying partial payments or amendments to the contract.

The conservation district board must review all information pertinent to the decision being appealed, and establish a record documenting how it reached its original decision. After reviewing this record it must reconsider its original decision. The state

board encourages the conservation district to make every effort to resolve appeals at the local level. It is important to record all pertinent discussions and testimony. If the land occupier and conservation district reach an agreement regarding the decision being appealed, the terms of the agreement must be documented and both parties must acknowledge their agreement to the terms.

If the conservation district board decides not to reverse or amend its original action, the land occupier may appeal that decision to the state board, in writing, within 60 days of receiving notification of the district's action on the appeal. The Cost-Share Committee of the state board will consider the appeal and decide whether to grant an informal hearing. If the appeal is determined not to have merit, the Cost-Share Committee will notify the land occupier of this decision within 60 days. If the appeal is determined to have merit, an informal hearing will be granted. The Cost-Share Committee will hear all testimony offered and accept written testimony for 10 days after the hearing. The Cost-Share Committee will report the findings and recommendations to the state board. The state board will make its decision on the appeal within 60 days of the hearing date or 60 days after receiving the Cost-Share Committee's report, upholding, reversing or amending the decision of the conservation district board.

*Notes*

Vertical line of dots on the right side of the page, serving as a separator for the notes section.



**RESOLUTION 55**  
**ADOPTING THE Caribou COUNTY COMPREHENSIVE LOCAL WATER**  
**MANAGEMENT PLAN**  
**AS THE COMPREHENSIVE PLAN FOR THE Caribou SWCD**

Supervisor **SMITH** offered the following resolution, No. **55** and **JONES** moved its adoption.

**WHEREAS**, the **Caribou** SWCD has been an active participant in the development and all updates of the **Caribou** County Comprehensive Local Water Management Plan (CLWMP); and

**WHEREAS**, the **Caribou** County CLWMP included a map and description of the soil classifications within the conservation district; and

**WHEREAS**, the **Caribou** County CLWMP identifies the areas within the conservation district where erosion, sedimentation, and related water quality problems are the most severe; and

**WHEREAS**, the **Caribou** County CLWMP has been approved by the BWSR and has been determined to be in compliance with all laws and rules governing water in the State of Minnesota, and

**WHEREAS**, the **Caribou** County CLWMP identifies high priority erosion, sedimentation, and water quality problems in accordance with BWSR rules and guidelines.

**NOW THEREFORE IT IS RESOLVED:**

**THAT THE Caribou** SWCD adopts the **Caribou** County CLWMP as its Comprehensive Plan for calendar years **2002–2005**.

Supervisor **Jones** seconds the adoption of the resolution, and it was declared adopted upon the following votes:

Ayes: **5**  
List Names:

Nays: **0**  
List Names:



# COST-SHARE POOLING MEMORANDUM OF AGREEMENT

## PURPOSE

This Memorandum of Agreement (MOA) encompasses the terms and conditions whereby participating conservation districts enter into an agreement to accomplish projects to mutual benefit. The purpose of this agreement is to accelerate conservation practice implementation in the Loon Lake Watershed. Comprehensive plans and diagnostic studies have indicated that excessive sedimentation is occurring in this watershed and conservation practices will provide a major portion of the solution.

## MEMBERSHIP

### Fiscal Agent:

**Dickerson** SWCD will act as the fiscal agent for the purposes of this agreement and agrees to:

- Accept all responsibilities associated with implementation of BWSR grant agreement and MN Statute 103C.501 and Chapter 8400.
- Approve cost-share applications and retain original documentation on file.
- Perform financial transactions as part of contract implementation.

### Participant SWCDs:

**Carson, Riverbend, and Timms** SWCDs will cooperate with **Dickerson** SWCD to pool cost-share funds on projects of mutual benefit to all.

### Home SWCD:

The home SWCD is the county in which the conservation practice is being installed.

## FINANCIAL

All members of this MOA agree to contribute the listed amount of their regular cost-share allocation to the fiscal agent to be used for the purpose of this MOA.

Members	Amount	Comment
Dickerson SWCD	\$10,000.00	(already included in their regular allocation)
Carson SWCD	\$7,000.00	To be added to Dickerson SWCD regular allocation
Riverbend SWCD	\$4,000.00	To be added to Dickerson SWCD regular allocation
Timms SWCD	\$8,000.00	To be added to Dickerson SWCD regular allocation

## TECHNICAL

The **Dickerson** SWCD is permitted to use up to 20% of their cost-share funds received under this MOA for technical and administrative services. The home SWCD is responsible for the technical requirements of practices installed. They may request assistance from other technical sources, including the member SWCDs.

**ADMINISTRATION**

1. Applications for these cost-share dollars must be acknowledged by the home SWCD board and forwarded to the prioritization committee with recommendations and comments about the project.
2. A committee consisting of one technician from each member SWCD will prioritize applications for funding prior to the fiscal agents regularly scheduled board meeting.
3. The **Dickerson** SWCD must act upon applications before funds are encumbered and the application becomes a contract.
4. **Dickerson** SWCD, acting as the fiscal agent, will be responsible to process all cost-share contracts and maintain appropriate financial records and contract files.
5. The fiscal agent will route cost-share payment checks through the home SWCD for delivery to the landowner.
6. The SWCD will maintain work files containing design documentation and copies of cost-share paperwork.
7. The home SWCD is responsible to assure operation and maintenance is accomplished for the life of the practice.
8. The home SWCD is liable for any financial consequences incurred and will reimburse the fiscal agent for such.

**POLICIES**

Cost-share policies more restrictive than state rules must be agreed to by all participants and adopted by the fiscal agent. Policies shall be found in Appendix A.

**BWSR APPROVAL:**

I, **I. N. Stein**, BWSR Board Conservationist, have reviewed the MOA and agree with its contents. I agree to forward the MOA to the BWSR Grants Coordinator if the undersigned fully agree and sign the MOA.

\_\_\_\_\_ Board Conservationist \_\_\_\_\_  
 Date:

**SIGNATURES OF AGREEMENT:**

_____	_____
SWCD	Date
_____	_____
SWCD	Date
_____	_____
SWCD	Date
_____	_____
SWCD	Date



**BOARD OF WATER & SOIL RESOURCES  
COST-SHARE PROGRAM CLOSEOUT FORM**

SWCD Name \_\_\_\_\_

FY \_\_\_\_\_

The State Cost-Share Program rules and procedures were established to assure that the expenditures of the Cost-Share funds follow state legal requirements and set uniform methods of administration across the state.

The process of review conducted by BWSR staff is referred to as a Cost-Share Closeout. A Cost-Share Closeout is conducted for each Cost-Share program period, for which funds were received, and all contracts have been completed and all funds have been expended or returned to the state.

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Cost-Share Program	Base Grant	FWQMG	Special Projects	Other
Total Grant Funds Received	\$	\$	\$	\$

On behalf of the Board of Water and Soil Resources, I have reviewed the Cost-Share Program and find the information reported:

- CORRECT AS REPORTED**
- CORRECT AS AMENDED**
- IN NEED OF FURTHER REVIEW (EXPLAINATION)**

**OTHER COMMENTS**

Board Conservationist \_\_\_\_\_

Date: \_\_\_\_\_

**Attachments:**  **Final Financial Report**    **Record of Payment to Land Occupier**

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**BWSR Use Only**

**Copy:**  **SWCD**    **Central Office**    **Board Conservationist File**







**FINAL FINANCIAL REPORT  
STATE COST-SHARE PROGRAM**

Soil and Water Conservation District

**PLEASE USE ONE FORM PER COST-SHARE GRANT PROGRAM**

**Receipts**

- |  |       |       |
|--|-------|-------|
| 1. Regular Statewide Cost-Share Base Grant | _____ |       |
| 2. Feedlot Water Quality Management Grant  | _____ |       |
| 3. Special Project                         | _____ |       |
| 4. Other Allocation (Local Contributions)  | _____ |       |
| <b>TOTAL RECEIPTS</b>                      |       | _____ |

**Disbursements**

- |  |       |  |
|--|-------|--|
| D1. Critical Area Planting   | _____ |  |
| D2. Diversion  | _____ |  |
| D3. Field Windbreaks   | _____ |  |
| D4. Shelterbelt  | _____ |  |
| D5. Grassed Waterway   | _____ |  |
| D6. Wastewater and Livestock Management  | _____ |  |
| D7. Filter Strips  | _____ |  |
| D8. Sediment Basins  | _____ |  |
| D9. Streambank and Shoreland Protection  | _____ |  |
| D10. Stripcropping   | _____ |  |
| D11. Terraces  | _____ |  |
| D12. Unused Well Sealing   | _____ |  |
| Other Recognized Technical Practices   | _____ |  |
| Please provide practice detail: _____  |       |  |
| Total Disbursements on Practices   | _____ |  |
| Technical & Administrative Funds Used on Practices   | _____ |  |
| Percentage of Cost-Share Funds Used for T&A  | _____ |  |
| <i>Technical &amp; Administrative Funds for Cost-Share Grant Divided by</i>                |       |  |
| <i>Total Cost-Share Program Disbursements Less Local Contributions (not to exceed 20%)</i> |       |  |

**TOTAL COST-SHARE PROGRAM DISBURSEMENTS** \_\_\_\_\_  
*(Total Disbursements on Practices + T&A Funds Used on Practices)*

**\* AMOUNT DUE BWSR** \_\_\_\_\_  
*(Total Receipts Less Total Cost-Share Program Disbursements)*

**Please check the box if all Land and Water projects have been entered and are complete in eLINK.**

This is to certify that the information is a true and accurate representation of the Cost-Share Program accounts for the fiscal year noted above. We believe our records are complete and subject to audit.

\_\_\_\_\_  
Signature of Conservation District Treasurer

\_\_\_\_\_  
Date

**When returning program funds, please use the Returned Check form.**

**Make checks payable and mail to:**  
 Board of Water and Soil Resources  
 520 Lafayette Road North  
 St. Paul, MN 55155

**Please forward completed form to your Board Conservationist.**

**Board of Water and Soil Resources  
520 Lafayette Road  
St. Paul, MN 55115**

**Returned Check Form**

**Please attach this form to your check for funds being returned to the State.**

LGU: \_\_\_\_\_ Date: \_\_\_\_\_  
Contact Name: \_\_\_\_\_ Phone #: \_\_\_\_\_

**WE ARE RETURNING FUNDS FOR THE FOLLOWING:**

**STATE COST SHARE**

Base C/S Grant	Fiscal Year	Amount
\$	\$	\$
C/S Special Projects	Fiscal Year	Amount
\$	\$	\$
Special MN River Basin	Fiscal Year	Amount
\$	\$	\$
FWQMG	Fiscal Year	Amount
\$	\$	\$

**CHALLENGE GRANTS**

Local Water Management	Fiscal Year	Amount
\$	\$	\$
Feedlot Challenge Grant	Fiscal Year	Amount
\$	\$	\$
Other	Fiscal Year	Amount
\$	\$	\$

**SWCD SERVICE GRANT**

General Services	Fiscal Year	Amount
\$	\$	\$
Easement Services	Fiscal Year	Amount
\$	\$	\$

**Non-Point Engineering Assistance**

NPEA Base Grant	Fiscal Year	Amount
\$	\$	\$
NPEA Challenge Grant	Fiscal Year	Amount
\$	\$	\$

**NATURAL RESOURCES BLOCK GRANT**

Local Water Management	Fiscal Year	Amount
\$	\$	\$
Wetland Conservation Act	Fiscal Year	Amount
\$	\$	\$
Shoreland	Fiscal Year	Amount
\$	\$	\$
ISTS	Fiscal Year	Amount
\$	\$	\$
County Feedlot Program	Fiscal Year	Amount
\$	\$	\$

**MISCELLANEOUS GRANT PROGRAM**

Program	Fiscal Year	Amount
\$	\$	\$
Program	Fiscal Year	Amount
\$	\$	\$
Program	Fiscal Year	Amount
\$	\$	\$
Program	Fiscal Year	Amount
\$	\$	\$
Program	Fiscal Year	Amount
\$	\$	\$

All checks should be made payable and mailed to:

**Board of Water and Soil Resources  
c/o Accounting Coordinator  
520 Lafayette Road  
St. Paul, MN 55115**