

Records, Program and Project Files

Effective Date: 07/01/2017

Records Retention

The responsibilities for records management activities in state and local government are broadly defined in Minnesota Statutes §138.17, the State's records management statute, and Minnesota Statutes §15.17, the State's official records law. In addition, under Minnesota Statutes §16B.98, the State has the authority to examine records and documents relevant to the grant or transaction for a minimum of six years from the end of a grant agreement, receipt and approval of all final reports, or the required period of time to satisfy all State and program retention requirements, whichever is later. Program and project files, including financial records, should be kept for a minimum of six years beyond the life expectancy of the installed practice(s). For example, the file for a project with a life expectancy of ten years should be kept for a total of 16 years.

Recipients of BWSR grants are encouraged to have comprehensive records retention policies and procedures in place. Guidance for comprehensive records management is available through the Minnesota Department of Administration, Information and Policy Analysis Division and the Minnesota Historical Society, Minnesota State Archives.

Grantees are required to keep records and documents pertinent to each grant agreement available for review by BWSR. BWSR may request this documentation via email, over the phone, in person, or as part of grant monitoring, review or reconciliation. Additionally, the receipt of grant funds as revenue and the associated expenditure of grant and match funds need a verifiable paper-trail to support them.

Record Keeping for Grant Revenue

All grant agreements contain what is called an audit clause, which indicates grantees are responsible for maintaining records relating to the receipt and expenditure of grant funds, and documentation of those receipts and expenditures may be examined by BWSR at any time. To responsibly manage a BWSR grant, grantees must be able to document the receipt of revenue and expenditures on staff time, contractors, and other costs.

To document the receipt of revenue from BWSR, the records that need to be kept are:

- The line item from the financial system showing the electronic transfer of grant funds from the state and a bank statement showing the deposit of grant funds. The amount documented can be a total (all block grant funds listed together on a grant agreement) or divided according to grant.
- The Treasurer's Report to the grantee's Board that shows the grant funds received from BWSR being recorded in the financial system, or some other evidence the Board or governing body has overseen and verifies the grantee has received the funds.
- Records documenting the grantee's local match contribution for each grant received.
 - For most grants, match can be an in-kind contribution of employee time.

- The required local match for the Natural Resources Block Grant (NRBG) - Local Water Management program must be a dedicated levy, cash, or cash equivalent, and must be documented in financial records as such.
- If a line item in the financial system does not identify the required match, other evidence may suffice, such as a financial statement or balance sheet. Often the most conclusive evidence a government is meeting its match requirement is a Board action that commits the funds.
- Records of the transfer of funds between grantees, such as receipts of NRBG Wetland Conservation Act payments from a County to an SWCD.

Record Keeping for Expenditures on Programs

To document the costs of employees or staff time, the records that need to be kept are:

- Employee's name
- Rate of pay per hour (see "Determining a Billing Rate").
- Billing rate calculation for all employees of the grantee
- Time worked on the grant, identified by grant title and activity category
- Documentation connecting the time contributed (or hours worked) to the grant. This may be:
 - A record from the financial system showing the employee being paid out of the grant.
 - A summary of timesheets with the grant identified.
 - A payroll report, itemized by fund, from the internal accounting system, Integrated Financial System, QuickBooks, etc. (The report may include other items charged to the grant besides staff time).
 - If a system exists to track the time employees charge to the grant, include a summary of the time contributed by each employee, itemized by grant.

To document the costs of contractors, other direct costs, and administrative costs, receipts need to be kept. Receipts must be itemized so the reasonableness of the expense, as compared with the amount paid for similar government work in other programs, can be evaluated.

For administrative costs, an itemized "budget to actuals" annual financial report is to be maintained. Administrative costs not allocable to the grant, or based upon a percentage times the total budget amount, are not allowable and will be excluded from the reconciliation process.

Grant Program Files

The particulars of grant program file organization are a local decision; however, the primary content of the program file should include or reference the following, consistent with State Records Management requirements:

- Executed grant agreement, approved work plan if applicable, and any amendments or revisions to either;
- Communications with BWSR relative to the grant and any grant amendments;

- Local program policies, such as locally established rates for in-kind services, rates for incentive payments, or criteria for project selection;
- Records such as minutes or resolutions of any local decisions regarding actions, approvals, delegation of approval authorities, etc. within the grant;
- Contracts with land occupiers for implementing conservation practices and amendments to these contracts, as applicable;
- Cancelled contracts, including documentation of the reason for cancelation, as applicable;
- Documentation of any additional project assurances, such as easements or recording of practices;
- Assignment agreements or subcontracts;
- Procedures or criteria for selecting contractors ;
- For programs with a training component, documentation of the course name, description, facilitator/instructor, date, and location;
- Reports or studies completed using grant funds;
- Reporting information included in the Reporting Requirements for BWSR Grants section of this manual, including documentation of website compliance;
- Conflict of interest disclosure forms;
- Any other documentation that provides clarification of how the grant was implemented; and
- Staff costs and time and effort documentation.

Grant Project Files

Project files are a critical piece of the overall program file that documents the actual practices installed. The organization of the project file will vary locally; however, the content of the project file should include or reference the following, as applicable consistent with State Records Management requirements:

- Notes and information from the technical assessment and cost estimate determination;
- Map or aerial photograph showing the location of the project;
- Construction design standards and specifications;
- Construction monitoring diary, survey notes, or other notes during construction;
- Certification of practice completion and associated “as built” information;
- Project bills, invoices, or receipts and a voucher requesting payment, if applicable to the grant program;
- Copies or records of correspondence and contacts with the land occupier;
- If the project is to repair damage to previously installed conservation practices; the file should document original project was installed using approved standards and specifications, and the damage or failure was caused by reasons beyond the control of the land occupier and not due to improper maintenance or removal of the practice within the effective life;
- Operation and maintenance plan in accordance with the effective life of the practice and documentation the plans were provided to the land occupier (see the Implementing Practices/Operation & Maintenance section of the manual);

- Project/practice inspection records (see the Implementing Contracts with Land Occupiers/Operation, Maintenance, and Inspection of Practices sections of this manual);
- Necessary permits or permit approvals;
- Documentation of technical quality assurance for the project; and
- Any other pertinent project- or program-specific information.

Note: for Erosion Control and Water Management (State Cost Share) projects, the file must also contain documentation of the existing problem, whether or not the problem meets the high priority definition, and whether the solution meets Erosion Control and Water Management program criteria.

Invoices in Project Files

When a grantee receives an advance payment on a grant, meaning the grantee will receive funds to implement practices based on a work plan, before contracts with individual land occupiers are signed, the grant file may include an invoice from the contractor--passed on from the land occupier—rather than a receipt. This is sufficient for reconciliation purposes, provided the invoices are supplemented by a voucher that documents what the land occupier or project holder actually paid for the practice.

History

Description of revisions	Date
Merges two previous chapters, <i>Records Management and Retention</i> and <i>Program and Project Files</i> . Revised format; minor text changes for clarity and to removed dated information.	7/1/2017