

## **Reimbursement and Grant Management FAQs October 2014**

The following Frequently Asked Questions (FAQs) provide guidance to project sponsors to navigate through the many ins and outs of seeking reimbursement for projects costs to be paid with US Fish and Wildlife federal assistance funds (e.g.; Sportfish Restoration, Wildlife Restoration, Hunter Education, Motorboat Access and State Wildlife Grant programs). Current Colorado Parks and Wildlife (CPW) grant programs that use federal funds include the Fishing Is Fun Program and the Shooting Range Development Grants Program. While the following focuses on financial and grant management of grants funded with federal assistance projects, much of the guidance is also applicable to grants funded with state funds.

According to the grant programs guidelines, local project sponsors are responsible for providing non-federal matching funds for the federal funds that help pay for the project. Projects with greater than \$50,000 in funding provided through the Colorado Parks and Wildlife require a contract between the project sponsor and Colorado Parks and Wildlife. Projects with less than \$50,000 in Colorado Parks and Wildlife funding are commonly, but not always, handled through a purchase order. There are some differences in how reimbursements can be made depending on whether the project uses a contract or a purchase order. Those differences are described below. Procedures that apply to projects that have contracts associated with them are addressed first; if different procedures apply to projects that use purchase orders, those are addressed at the end of the section.

Every project has its unique set of conditions, circumstances and resulting federal and state rules that apply to them. The following are general guidelines which will apply in most cases. However, if you have any questions on how to proceed with your project, it is best to talk to your Colorado Parks and Wildlife contact for the project, or the grant program administrator.

### ***What forms do I need to use and steps to complete to request reimbursement?***

If you signed a *contract* with the state, copies of the forms to request reimbursement (C-2 and C-3) will be found as attachments at the end of the contract.

Form C-2 is a worksheet that will help us track the specific activities of the project for which expenses were incurred, and that are documented with receipts, invoices, timesheets, etc. For example, the budget attached to the contract or part of the federal aid application will often break the project down into major activities – e.g.; fishing pier, trail, benches, and parking lot. This worksheet helps us track and understand which invoices match up with each of the project’s activities. This can be a tremendous help as each reimbursement request is reviewed and verified. A complete and carefully prepared C-2 form will speed the processing of the request.

Also note the statement at the bottom of the form that states that “This itemization reflects only those items eligible for reimbursement as described in the Contract (or

Subgrant Agreement).” This is your certification that all the expenses – both reimbursable and matching funds – were incurred to complete the project as described in the contract and in the application for federal funds.

Form C-3 is the form that Colorado Parks and Wildlife and Department of Natural Resources financial staff view as the formal request for reimbursement. When you are ready to request reimbursement, make sure someone with the proper authority signs the form!

If your project will be reimbursed through a *purchase order*, neither of the two forms described above are needed. Project sponsors can send in invoices, receipts, etc., with the proper documentation of payment (as described later), and a cover memo or letter on organization letterhead requesting payment. Please be sure it is dated, signed and specifically states how the reimbursement amount requested. Match documentation is preferred at the time of the reimbursement request, but in any case must be provided by the end of the project.

***What documentation of expenses and payment do I need?***

Under both a contract and a purchase order, we will need copies of invoices, receipts, timesheets, etc. showing the expenses that were incurred. If a receipt includes expenses beyond those for the project, sponsors should specifically note those costs that are related to the project. For example, if you bought construction items at a lumberyard for a Colorado Parks and Wildlife-funded project, and also items for an unrelated road construction project, those items that were for the wildlife project should be noted on the copy of the receipt sent in as part of the reimbursement request.

We will also need proof of payment for the items or work included in the reimbursement request. This most commonly takes the form of cancelled checks (both front and back!) or warrants.

If volunteer time is used as part of the match for a project, we will need signed timesheets from the volunteers giving their name, time worked and date of the work. Also, each time sheet should be signed by a supervisor of the volunteer work. A sample of a volunteer time sheet is attached to each state contract. Project sponsors can use their own tracking system, as long as it includes the basic information included in the sample sheet.

For projects that use a purchase order, contact the grant program coordinator for a copy of the sample tracking form.

Experience has shown that this information should be collected at the time of the volunteer work. Going back later to collect signatures from volunteers is difficult at best, and sometimes impossible.

Many projects involve work by an employee while on “company time”; for example, a public works department employee who helps build a trail as part of an angling improvement project. Documentation of that time is most commonly done in the form of a time sheet listing the dates and hours of the work performed. If more than one public works department employee puts in time on a project, their hours can be compiled into a single tracking sheet if that is easier. In both cases, the employee’s hourly wage rate should be indicated as part of the calculation of the value of the employee’s time, and should be signed by the project supervisor.

It is also not uncommon for a project sponsor to use town-owned equipment as part of a project; for example a bulldozer. The use of that equipment should be based on comparable market rental rates, or the value normally assigned by the town for the use of that equipment. As with employee time, a chart showing the times the equipment was used on the project will be most helpful.

With the employee timesheets and the equipment usage, the project sponsor should also note on the sheets, or attach a separate signed certification to the effect that “the costs described above are accurate and true and were incurred in relation to the project”.

#### ***How often can I request reimbursements?***

Reimbursement requests can be made monthly and should be for at least \$1000. However, smaller and more frequent reimbursement requests increase administrative expenses relating to the review, processing, certification, etc. of the request. A series of small and frequent reimbursement requests should only be done in rare circumstances, and with the pre-approval of the lead CPW contact for the project.

Most project sponsors are able to wait until the end of the project to make a reimbursement request, but we are well aware that in some cases project sponsors need to have their expenses reimbursed more quickly. That is fine, and we can accommodate those situations. But we cannot send numerous checks for every separate expense.

For project sponsors that plan to wait until the end of the project to send in a single reimbursement request, it is important to keep in mind the documentation requirements, particularly when there may be many months, if not years, between when a cost is incurred and when the reimbursement request is made. Keeping files and documentation up to date as the project unfolds can save time and effort down the road, and avoid situations where evidence of an expense or payment is lost, and therefore may not be eligible for reimbursement.

#### ***May I have the contractor or supplier paid directly?***

No. Our contract or purchase order is with the project sponsor and that is who we can make payments to. A request to pay directly a contractor or supplier who is not the project sponsor will not be approved by the financial section.

Also, most grants are provided on a “reimbursement” basis, which means we will need evidence of not only the expense (e.g.; an invoice or bill) but also that it has been paid (e.g. cancelled check).

***To whom do I send the reimbursement requests?***

The name and address of the person to send the reimbursement requests to is in the contract or agreement. If in doubt, contact the main Colorado Parks and Wildlife contact you are working with on the project. Sending the reimbursement request to the wrong person or office will at least slow the reimbursement, and could add lengthy delays as the wrong recipient tries to figure out where it should go.

***How long does it take to get reimbursed?***

Once the request has been reviewed and approved by Colorado Parks and Wildlife, a check will normally be in the mail within 14 business days. However, Colorado Parks and Wildlife review of the request can be slowed by a number of factors, including:

- unsigned forms,
- inadequate documentation of expenses requiring addition information from the project sponsor,
- difficulty in matching expenses with the project budget, and
- other more urgent workload responsibilities of the Colorado Parks and Wildlife contacts.

If reimbursement is needed quickly, be sure to tell the project contact as soon as possible and every effort will be made to expedite payment. Remember -- having the paperwork in order and the expenses documented will ensure the payment process will move quickly.

***How are matching fund requirements tied to reimbursements?***

Suppose a grant calls for a 1:1 match of federal and matching funds. In general, a reimbursement request for \$1000 of expenses to be paid by the grant will require evidence of \$1000 in expenses (e.g.; receipts, documentation of donated materials, volunteer labor) for the request to be fully paid.

By way of example, suppose a project budget calls for Colorado Parks and Wildlife to pay for a \$2000 fishing pier and for the project sponsor to provide the project match by constructing \$2000 worth of trail. If the pier is the activity completed first and the sponsor sends in the bill for the pier without evidence that the trail work has been done, Colorado Parks and Wildlife can only reimburse \$1000 of the fishing pier expense – representing \$1000 of grant-reimbursable costs and the \$1000 match. When the trail work is done later, then the remaining \$1000 of fishing pier costs can be reimbursed.

With a *purchase order* reimbursement Colorado Parks and Wildlife will need a full accounting of the match by the end of the project. Our strong recommendation is that matching funds or services be tracked and provided with reimbursement requests as the project moves forward. But we recognize that in some cases the CPW portion of the project funding is for items that have to be acquired at the beginning of a project (e.g.; construction material) and that matching funds or services will be provided later. A reimbursement can be made for the initial expenses but the project sponsor has to fulfill their obligation to provide the promised matching funds by the end of the project.

***What happens if the project comes in under budget?***

If a project comes in under budget, the expenses will be reimbursed at the cost share rate in the agreement or contract. So if a \$1000 project is approved at a 1:1 cost share (\$500 federal funds, \$500 local match) but it only ends up costing \$800, Colorado Parks and Wildlife can reimburse up to \$400 (maintaining the 1:1 ratio). Colorado Parks and Wildlife cannot reimburse the full \$500, with local match totaling \$300.

***What happens if the project comes in over budget?***

The state can only reimburse for costs up to the amount included in the grant agreement, contract or purchase order for a project. If the overall cost of a project exceeds original estimates, the project sponsor must absorb those additional costs.

If a certain part of the project came in over budget, but other parts came in below, the higher costs for one part may be able to be reimbursed, as long as the total cost of the project remains at or below the budgeted amount.

The budget in the initial project description is recognized to be an estimate, so some variation from estimated costs are expected and not unusual. However, if you see significant cost changes, talk to your project contact at Colorado Parks and Wildlife to see if any formal amendments to the project are needed. If an amendment is needed, it is important that this be done prior to the closing of the grant period. Once the grant period has closed, there can be no changes to the eligible project work or budget. So do not wait until the end of a project term to tell Colorado Parks and Wildlife about significant project or budget changes as part of the reimbursement request. If you do, some costs incurred may not be able to be reimbursed.

***How long after a project ends do I have to request a reimbursement?***

Reimbursement request should be in to Colorado Parks and Wildlife no later than 45 days after a project closes. It is our experience, particularly for larger, multi-year projects, that project sponsors should keep an on-going file of expenses associated with a project. It can sometimes be difficult or impossible to track and account for expenses incurred several months or even years earlier.

Particularly for projects in which volunteer labor is used as match, it can be critical to have volunteers sign time sheets the day of the work. Trying to collect those certifications of volunteer work later can be very difficult.

Without proper documentation, Colorado Parks and Wildlife may not be able to reimburse you for your expenses. It will not suffice for the auditors for us to just to point to completed work; financial records are the standard we are held to, and that we must hold you to.

***Do I need to document matching funds when requesting reimbursement for expenses that are to be paid for with Colorado Parks and Wildlife grant funds?***

Yes. Documentation is needed for both the costs you are asking to be reimbursed for, and for the expenses used as match in a project. Both require the same level of documentation.

The only exception, and it is a temporary one, is for projects paid for with *purchase orders*. Matching fund documentation may not be required at the time of reimbursement, but documentation of the matching work is a requirement before the close of the project. So at the end of a project, whether it is paid for through a contract, subgrant agreement or purchase order, both the reimbursed expenses and the matching funds must be fully documented.

***Can I get reimbursed for costs incurred before I signed a contract with the state?***

In most cases no. However, there are some categories of costs incurred before the contract or the federal aid grant approval that can be reimbursed or counted as match. Those “pre-agreement costs” are largely design, engineering and permitting costs. To be eligible for pre-agreement costs, they must be included in the write-up for the federal aid grant, and approved by the US Fish and Wildlife Service. Therefore, we will need to know about these types of costs at the beginning stages of the grant approval process, not at the end of the project. Without the USFWS approval, eligible design, engineering or permitting costs incurred prior to the grant approval and the state contract cannot be reimbursed or used as match.

If you might want to include these early “pre-agreement” costs in a project, be sure to discuss it with the grant program administrator at Colorado Parks and Wildlife. Waiting until late in the process may result in an unpleasant surprise.

***What if the portion of the project that was used as matching funds comes in under budget?***

Projects are reimbursed based on the overall cost share ratio. If the portion used as match comes in under budget, that will reduce the amount Colorado Parks and Wildlife can reimburse the project sponsor.

For example, suppose a project was approved on a 1:1 matching basis, with the project sponsor providing \$20,000 in matching funds and Colorado Parks and Wildlife providing \$20,000 in funding. Further suppose that the project sponsor planned on providing the match by paying for a fishing pier, and the Colorado Parks and Wildlife would pay for expenses related to an access trail and parking lot.

If the project sponsor found it could get a fishing pier for \$10,000 and that was all the funding it put into the project, it would not be eligible for the full \$20,000 in reimbursement, even if the parking lot and trail ended up costing the projected amount. We could not reimburse greater than the 1:1 cost share split identified in the federal aid grant and state contract, or in the purchase order.

***The project is taking longer than I thought to complete. Can I get an extension?***

In most cases, yes. But the request has to be approved by the US Fish and Wildlife Service prior to the close of the grant. A grant cannot be reopened or extended once it has passed its closing date.

For example, if the closing date on a construction project is December 31, 20XX, and midway through the preceding fall you know additional time will be needed to complete the work. Talk to your project contact as soon as possible about an extension of the closing date. If you think you should complete the work by December 31, but are not positive that will turn out to be the case, talk to your project contact anyway. An extension is comparatively easy to do, and it is much better to have completed the required project amendment rather than lose access to the funding to complete the work.

If you wait until shortly before the grant closing date to notify Colorado Parks and Wildlife of the need for an extension, it may not be approved in time and costs incurred after the grant closing date may not be reimbursed or counted as match.

***As we got into the project, we made some changes in parts of it. Is that OK?***

If you make changes in a project compared to how it was described in the federal aid application, it may require an amendment to the federal aid grant and the contract. In general, we would look at whether the changed portion of the project could be viewed as significantly changing the value or outcome of the project.

For example, if part of an angling improvement project called for five shade shelters, but the project sponsor decided to switch those to three picnic tables and several trees, that may not significantly change the benefits of the overall project. An amendment would not likely be needed in this case.

However, if the project called for a 20 car parking lot and ½ mile of trail to a pond, and the project sponsor decided to enlarge the parking lot and eliminate the trail, an amendment would likely be needed in this case because of the significant change in the project scope. Another factor considered in this example is whether the angling benefits

anticipated under the original proposal were significantly reduced under the revised project. While significant changes could reduce grant funding, in most cases, experience has shown that proposed changes don't require a funding reduction.

Under any circumstances, it is best to check with the program administrator to determine whether a proposed change could alter the overall value of the project. Waiting until the end of the project and submitting expenses for work that is not included in the federal aid description or in the contract could make it ineligible for reimbursement.

### **Checklist for reimbursement requests for projects with contracts:**

\_\_\_ **C-3 form:**

- **formal request for reimbursement**
- **must be signed**

\_\_\_ **Expense spreadsheet based on C-2 form**

- **be sure all expenses listed are properly documented**

\_\_\_ **Signed certification that all costs are accurate and were incurred in the project.**

\_\_\_ **Copies of invoices, receipts, timesheets, etc. related to the project.**

\_\_\_ **Copies of cancelled checks (front and back) related to the project.**

### **Checklist for reimbursement requests for projects with purchase orders:**

\_\_\_ **Request for invoice on organization letterhead, dated, signed and specific reimbursement request amount noted.**

\_\_\_ **Copies of invoices, receipts, etc. as appropriate**