



Technical Service Area Questions and Answers

September 2014

Purpose: To provide clarification of Policy #11-40, and general Technical Service Area questions

Program Purpose:

Q: What is the key purpose of the Non-Point Engineering Assistance Program (NPEAP) administered by the Board of Water Soil Resources (BWSRs)?

A: To help fund the costs of providing shared engineering and associated technical assistance for the implementation of soil and water conservation, water quality, and wildlife habitat practices and projects on private lands through Soil and Water Conservation Districts (SWCDs) and partners. Policy #11—40 1.0, see reference documents for complete policy. This program was established to help implement non-point pollution reduction practices.

Q: Does the current NPEAP Policy accommodate the changing programs and funding sources of the Technical Service Area (TSA) (i.e. How do CWF grants fit with the policy)?

A: Yes, it does accommodate the changing programs and funding sources. However, before applying for Clean Water Fund (CWF) or other grant programs the TSA should discuss where the required match will come from, whether it is a contribution from each member SWCD, charge for services, partner contribution, and/or landowner contribution. TSAs that utilize a charge for services may want to consider a contingency plan if the charges for services do not satisfy the match required. TSAs are encouraged to provide technical assistance for Clean Water Fund (CWF) projects for which their member SWCDs and/or other TSA partners are the applicant. However, CWF TA funds must not supplant NPEAP funds, see Fees for more detail.

Q: Are there limits to the type or purpose of projects the TSAs can work on?

A: Per Policy #11-40 section 2.0 TSAs can work on projects that are conservation related. TSAs cannot work on projects that are not conservation related. These projects are not limited to BWSR funded or state funded projects. Work on NRCS, Pheasants Forever, Ducks Unlimited, and US Fish and Wildlife Service projects, for example, are eligible depending on the scope of the projects. TSAs may work on city storm water projects to the extent that the project provides a conservation benefit. Even though the NPEAP funding may not cover all expenses, all work by the TSA must be performed for conservation purposes. TSAs are joint powers of SWCDs, for which authorities (powers) are defined in Minnesota Statutes Section 103C.331, which refers to state soil and water conservation policy in Section 103A.206.

Q: When the TSA receives additional funding through the NPEAP Grant that is intended for equipment and training, does this amount need to be spent only on equipment and training, or can it be used for all eligible costs? Can it be carried forward to pool funding for future equipment purchases?

A: The funding received needs to be spent on eligible equipment and training costs (i.e. staff training, hardware, software, survey equipment and associated costs, including work vehicle) as described in Policy #11-40 2.0, and according to the approved work plan. As stated in the Grant Agreement, the grant must be expended in the grant period, and cannot be carried forward beyond the grant agreement time frame.

Match:

Q: Can match be used more than once?

A: When match, whether in-kind or cash, is spent it cannot be used (spent) again.

Q: How can TSAs generate income that equals or exceeds the required 10% cash match for the NPEAP Grant?

A: Per Policy #11-40, "A minimum 10% cash match is required from local, other state and federal funds which the JPO is eligible to receive." TSAs can generate income from dues paid by members of the JPO (TSP agreements), or charging fees for services (technical assistance funding). "Other state" described in policy 11-40 refers to State funds other than NPEAP grant funds.

Q: How should TSA track fund balances? (Origination: State, Federal, Local) (i.e. who's money is it?) What is local funding?

A: Funds retain their state, federal, or local identity until expended. Funds should be tracked until expended by the grantee. Once paid by an LGU to the TSA for services that have been provided, funds are considered expended. TSA Fund balances should be tracked by funding source and grant. Interest money is local money, see the BWSR Grants Administration Manual (GAM) for further details.

Example: If an SWCD pays a TSA for work completed on a Cost Share or CWF Project (State), the monies the TSA receives are no longer state funds. The TSA must have already provided the services. See billing rates below for how to charge time to BWSR grants.

Example: If the SWCD provides a retainer payment of \$5,000 to the TSA for a CWF project at the beginning of the grant period, the money is State funds until earned and billed by the TSA. If the TSA calculates that \$3,894 in services have been provided at the end of the grant period the \$3,894 is billed to the SWCD and used to pay for expenses incurred for employee(s) working on the project. The remaining \$1,106 should be returned to the SWCD as it is State Funding.

Q: If a TSA receives a CWF Shared Services grant, how does the TSA come up with the 10% cash match and 15% cash/in-kind match?

A: TSAs can generate income from dues paid by SWCD members of the JPO (TSP agreements), or charging fees for services. When fees provide income above expenses (not applicable on BWSR funded projects), the income may be used for the Accelerated Implementation Grant (Shared Services Grant) cash match. Refer to CWF policy that applies for allowed sources of match. See billing rates below for how to charge time to BWSR grants.

Example: TSA receives a cash contribution from the County/SWCD general fund for the AIG (Shared Services Grant) that requires 25% non-state match of which 10% must be local cash match. The County/SWCD contribution is considered a local match.

Example: TSA received AIG (Shared Services Grant) that requires 25% non-state match of which 10% must be local cash match. Previously the TSA performed work on a Ducks Unlimited project. The TSA charged a set hourly rate. The revenue received over and above the actual expenses incurred by the TSA may be used as local cash match for the AIG grant.

Q: When costs for materials and construction are not covered by state grant funds, or federal funds, but paid directly by the landowner, may the material and construction costs be counted as NPEAP 10% cash match if the TSA performed engineering services on the project?

A: No, because materials and construction costs in this case would be "in-kind" costs that are not eligible costs for NPEAP grant match. Materials and construction may be eligible costs for certain types of CWF grants; see CWF Policy that applies.

Billing Rates:

Q: How should the TSA determine their billing rates on non-BWSR funded programs or projects?

A: The TSA may charge set rates as determined by each JPO and agreed to by the funding organization (e.g. Ducks Unlimited, Pheasants Forever).

Q: How should the TSA determine their billing rates on BWSR funded programs or projects?

A: Rates must be based on actual costs and calculated according to the requirements in the GAM and program policy.

Example: An SWCD is a CWF grant recipient for a \$100,000 feedlot project. TSA NPEAP grant is \$120,000 annually. The TSA works on the SWCD CWF project for 400 hours and charges \$74.79 per hour for services (\$29,916), based on salaries, benefits, and all other overhead costs prorated. NPEAP funding may be used to pay for the time devoted to the CWF project; however, if NPEAP grant funding is used to cover the \$29,916 TA costs, the TSA may not bill the SWCD for work performed on the CWF Project. Or if the TSA bills the SWCD for the work performed on the CWF project, NPEAP funding cannot be used to cover the 400 hours paid for from the CWF project. One expense may only be paid for from one BWSR grant program.

Q: Does the NPEAP funding need to be used prior to billing other grants for services?

A: No

Q: If NPEAP funding is remaining at the end of the applicable grant period, does it need to be returned to BWSR?

A: Yes

Time Tracking:

Q: What documentation is required for time tracking?

A: Time tracking is required on BWSR Grants as defined in the GAM.

Fees:

Q: What is supplanting in reference to CWF programs/projects?

A: Statute 114D.50 Sub.3 (b) "Funds from the clean water fund must supplement traditional sources of funding for these purposes and may not be used as a substitute."

Q: Can the TSA charge fees on CWF projects?

A: TSAs may charge CWF Grants for services to the extent the services are not funded by the NPEAP State Grant. There are no general (%) limits on charging CWF Grants for technical services. Fees must be charged based on actual costs and the billing rates guidance described previously, and in accordance with CWF Policy.

Q: When a TSA provides technical assistance on a State Cost Share Contract, does it fall under the TA umbrella or construction umbrella?

A: The NPEAP program places the TA done by the TSA for State cost share under the TA umbrella as described in the State Cost Share Policy, in order to receive review of this policy TSAs should provide reasons why the TSA engineering costs should be considered construction costs on State Cost Share projects.

Q: If State Cost Share technical work done by the TSA costs \$5,000 and the State Cost Share 20% TA cap is \$2,000, the remaining \$3,000 may be provided by the NPEAP Grant. However, if the NPEAP Grant funds are already expended how does the TSA get paid for the remaining expenses?

A: The TSA / SWCD may charge the landowner the remaining expenses above the Cost Share TA allowed, however the landowner cannot claim this as part of the landowner cost in the cost share calculation, the amount is not cost sharable. Or the TSA may use uncommitted funds generated from other projects and contribute their time in-kind toward the projects.

Q: Can the TSA charge fees on a private conservation project when they are partially funded by the NPEAP Grant?

A: Yes, up to the project expenses incurred by the TSA

Example: The TSA is doing a project for Pheasants Forever. The total TA costs incurred by the TSA are \$10,500. The TSA used NPEAP grant funds of \$4,000 to pay for part of the TA costs for working on the project. PF contributed \$6,500 towards the TA costs of the project. (\$4,000+\$6,500=\$10,500)

TSA's work on many programs. The most restrictive grant program policy applies for the applicable BWSR programs.

Reference Documents	
Grants Administration Manual	http://www.bwsr.state.mn.us/grants/manual/
Cost Share Policy	http://www.bwsr.state.mn.us/cs/rulemaking/FINAL_Erosion_Control_Water_Management_Program_Policy_082913.pdf or http://www.bwsr.state.mn.us/cs/index.html
Non-Point Engineering Assistance Program Grant Administration Policy #11-40	http://www.bwsr.state.mn.us/engineering/Final%20NPEAP%20Grant%20Admin%20Policy%20091911.pdf
Clean Water Fund Policy	http://www.bwsr.state.mn.us/cleanwaterfund/index.html
Office of Grants Management	http://www.grants.state.mn.us/public/
MN Statutes	https://www.revisor.mn.gov/statutes/

8/26/2014