



## Status Report and Project Documentation Requirements for all grants administered by the Nonpoint Source Program

This document is intended to help grantees produce status reports that can be reviewed and approved easily and allow the grantee to be reimbursed quickly for expenses. The Nonpoint Source (NPS) Program encourages all grantees to read these requirements at the beginning of a project and refer to them as needed during the contract period.

The U.S. Environmental Protection Agency (U.S. EPA) requires status reports to be submitted to show progress in implementing federally funded grants. In addition, administrative rules developed pursuant to Part 88, Water Pollution and Environmental Protection Act, Public Act 451 of 1994, as amended (NREPA), being both the Clean Michigan Initiative (CMI) NPS Pollution Control Grants and the CMI Clean Water Fund, require the submittal of status reports. The CMI rules also allow the Department of Environmental Quality (DEQ) to conduct post-project audits of CMI files. In lieu of auditing each project after the project is completed, the DEQ instead is reviewing documentation from each status report to ensure grantee expenditures are appropriate. Therefore, all grantees, regardless of funding source, must submit documentation to verify grantee expenditures. This requirement applies to all grants awarded from September 2009 on.

Status reports are due 30 days after the end of the quarter. Note: The end of the DEQ fiscal year is Sept 30<sup>th</sup> and requires special reporting requirements. Grantees will be informed prior to the end of the July-September quarter what the year-end requirements will be. Failure to submit reports to both the DEQ PA and FA simultaneously will delay review and reimbursement.

- Submit the original to the Financial Analyst (FA) in Lansing.
- Submit a copy to the Project Administrator (PA).

### **Complete Status Reports quick check:**

Status reports must consist of:

- A cover letter, as described below.
- A detailed narrative status report, as described below.
- A financial status report, as described below.
- Invoices/receipts: Attached and corresponding with the budget and narrative.
- Proof of payment.
- Products, as defined in the work plan. Grantees must refer to the NPS Grants Administration Summary to determine the number and type of products to be submitted; however, approval from the PA is needed if the grant contract requires more copies than what is on the Grants Administration Summary.
- Best Management Practice (BMP) form if applicable, as described below.
- Any other additional information requested by the DEQ PA.

**Cover Letter:** From the grantee to the DEQ PA and FA requesting reimbursement.

The cover letter must be:

- Dated.
- Signed by grantee's representative or project manager.
- Include the quarter or month being reported.
- Include the amount requested for reimbursement/payment.

- Include the DEQ tracking code.
- If zero grant or match funds are incurred, grantees must submit an e-mail or cover letter stating so.

**Narrative Status Report:** A narrative report is a written summary that helps the DEQ determine whether the grant is proceeding according to the project contract. Narrative information also helps the DEQ share project successes and products.

Basic narrative information must include:

- Project name, grantee name, reporting period, and DEQ tracking code.
- A description of all accomplishments and products, by task, achieved during the reporting period whether grant or match-funded.
- Enough information to verify what all staff, partnering agencies, and contractors accomplished.
- Any other successes or spin-offs.
- Significant activities planned for the next quarter.
- Barriers and an explanation of any deviations to the work plan.

**Financial Status Report (FSR):** A tool used to track the contract budget.

**Completing the FSR Form.**

- Enter the date submitted and period covered. For a revision of a previous submittal, write "Revision dated \_\_\_\_" and include the date in the "date submitted" blank.
- Enter the Staffing and Fringe hours and rates in the appropriate location.
- Enter contractual line-item costs. Rates for volunteers and partner organizations must be determined consistent with the DEQ Policy 10-001, Acceptable Rates for Volunteers.
- Enter any supply/equipment costs.
- Enter miles traveled, current rate as appropriate (up to the IRS rate), and calculate grant and match on the FSR form. Travel logs must be readily available if requested by the DEQ. Travel logs are to include miles traveled, destination, date, and the purpose of travel.
- Confirm that the "year-to-date" column increased since last report.
- Confirm that the financial form adds correctly.
- For detailed information, see the Financial Status Report Form Instructions.

**Documenting Charges: Grant and Match:**

- Submit copies of all invoices and receipts over \$500 used for grant or match.
- Invoices** from contractors must include the dollar amount, date covered, a one-line sentence explaining the services provided, and site name or number, if applicable. The DEQ reserves the right to ask for a breakdown of invoices.
- Attach **invoices, receipts, and proofs of payment, where required**, in the order in which they appear on the financial status report.
- Attach a list of all purchases under \$500.
- Indirect costs do not need verification in any form, as these are based on salaries and fringes of staff whose time is being documented, above.
- When submitting proof of payment and invoices, please make sure that if the proofs of payment/invoices include other non-grant related payments/purchases, you provide us with a summary of the proofs of payment/invoices paid and highlight the amounts that relate to the grant.
- When using credit cards for purchasing items, submit a copy of the order showing what items were ordered, the cost and that it was paid with a credit card.
- Submit information to validate the number and rates of pay for people in attendance at steering committee, technical committee, or related committee meetings. Also submit either the meeting agenda or minutes.
- Documenting match from partner organizations or partner agencies (other than the grantee, a contractor, or volunteers): Submit letters verifying the work they did (related to a specific task) and the value of that work. This does not apply to meeting attendance.

- Volunteer match: The grantee must use the DEQ-approved volunteer rates and keep documentation verifying the number of volunteers, amount of time each volunteer “donated” and the value (based on the volunteer rates) of each volunteer’s time, related to a specific task.

**Proof of Payment** is something that verifies payments for bills and invoices. It describes how much was paid, when it was paid, and to whom it was paid. Examples of proof of payment are cancelled checks, electronic transfer receipt, or project-specific information from the organization’s ledger. This must verify the expenses paid by the grantee.

Note: The DEQ has the authority to not pay reimbursement requests if the cancelled check or electronic transfer receipt is not included.

Note: To reduce the risk of identity theft, the DEQ recommends that grantees black out (with a black marker or equivalent) items such as bank routing numbers, account numbers, and social security numbers on all relevant portions of the status report.

Note: Each Request for Proposals (RFP) document specifies eligible expenses. Contact your PA with questions.

**BMP Documentation/Cost-Share Form (Implementation Projects Only).** This information documents for the state, the U.S. EPA, the Michigan Legislature, and Congress what practices are being installed in the NPS Program using state and/or federal grant funds. It includes both the BMPs implemented and pollutants reduced. Follow the Instructions for BMPs Cost-Share Form, and the example of the BMP Form EQP-5846.

- Submit a BMP form per the instructions.
- Submit before and after photographs of all sites at which BMPs were installed
- Grantees must maintain in their offices, contracts and maintenance agreements with landowners and other documentation to substantiate costs.
- Any other Additional Information Requested by the DEQ PA.**  
Projects may be subject to a random audit, and repayment of any overpayment of the state share will be required if the audit determines that any project costs were not incurred as billed. Random audits may include but are not limited to a review of travel logs, meeting sign-in sheets, timesheets, and verification of actual salary.

**Other Odds and Ends:**

- Contractor’s Qualifications Forms.** For each contractual line item—whether listed under grant funds or matching funds—grantees must submit a Contractor’s Qualifications Form . This form describes the qualifications of the person or agency doing the contract work; it also ensures the grantee checks the debarment/suspension list and that contractor’s rates are within the federal consultant cap. If contractors are known at the beginning of the project, the form should be submitted with the grant application. If contractors are hired after the project starts, grantees must submit a Contractor’s Qualifications Form(s) to the PA for their approval. Note: This form does not need to be submitted for volunteer labor, NRCS engineering support, or printing/copying.
- Changes to a contract:** If the PA agrees with a proposed change, the grantee must submit either a Notice of Change Letter or an amendment whichever your PA deems necessary, depending on the change requested. Changes must be documented and approved before the quarterly report is submitted.