

Financial Guide

STATEWIDE HEALTH IMPROVEMENT PARTNERSHIP (SHIP)

Financial Guide

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Executive Summary

This Financial Guide is intended for grantees of the Minnesota Department of Health (MDH) Statewide Health Improvement Partnership (SHIP). It contains selected topics and related financial and procedural requirements that govern the grant process.

The following are highlights from the Financial Guide, including significant changes to financial processes from the previous rounds of SHIP:

- Financial guidance is subject to quarterly review and changes. Updates to the guide will be sent to grantees each quarter via the Making It Better Log. Grantees may be asked to update their budgets and project plans accordingly, and should work with their Community Specialist (CS) to do so.
- All finance-related questions should be sent to your assigned Community Specialist.
- Items requiring MDH prior approval and the process for obtaining approval from your CS are provided starting on page 8.
- A list of unallowable expenditures is available on page 11.
- Administrative costs are to be allocated to applicable strategies. If the administrative cost cannot be applied to any specific setting, allocate across all applicable settings evenly.
- The term “contract” is used to describe any subcontract, or other agreement in which the other person/organization (or “contractor”) is doing work for the grantee and getting paid for that work. In some cases, contract budgets may include funds for mini-grants.
- The term “mini-grant” is used to describe a sub-contract, grant or other agreement in which a partner site has applied for and is receiving SHIP funds to implement strategy work at their site. A mini-grant must include a partner site work plan, timeline and budget for spending. Partner sites should provide at least a 10 percent match of the total mini-grant award. Mini-grants may be implemented with partner sites at any point in the grant cycle as long as they are part of an approved overall SHIP budget.
- Tables providing examples of allowable/unallowable uses of SHIP funding have been updated (Table 1 and Table 2).
- All financial transactions will be on a reimbursement basis only. Grantees shall follow this policy for payment of contracts and mini-grants.

Example: worksite partners receiving funds through a mini-grant shall invoice the SHIP grantee for reimbursement after expenses have been incurred. Grantees may invoice MDH after payment of that expense.

- Monthly invoices shall be completed (on a form provided by MDH) and submitted within 45 days after the end of the month. Failure to submit timely invoices may result in withholding of funds. See page 34 for more information on invoice procedures.

Grantees can expect a response from their CS within three business days for all SHIP requests. However, there may be cases when the CS contacts the grantee to indicate that more time is needed to address the request.

Introduction

This Financial Guide is intended for grantees of the Minnesota Department of Health (MDH) Statewide Health Improvement Partnership (SHIP). It contains selected topics and related financial and procedural requirements that govern the grant process. It does not replace established state policies or regulations governing the administration of grants.

The information is based on established policies and regulations that are current as of the date of publication. Grantees are responsible for being aware of and abiding by all applicable statutes, regulations, principles and policies; for abiding by the grant agreement with MDH; and for staying abreast of changes or issuances relating to the administration of grants.

Allowable and Unallowable Use of SHIP Funds

SHIP grantees are given discretion to use their SHIP funds responsibly. In order to maintain the integrity of the SHIP program, grantees are expected to exercise caution in determining how their funds will be spent to support implementation of the strategies included in their work plans.

With regard to financial guidance, expenditures can be categorized as one of the following:

1. **Allowable uses of SHIP funds** – grantees are given greater discretion and responsibility to determine how SHIP funds are used. To guide this decision-making process, MDH has provided a set of questions to consider when determining if expenditures are allowable uses of SHIP funds or not (see page 7). In addition, MDH has provided **examples** of allowable vs. unallowable uses of SHIP funds in Table 1 and Table 2 (this list is not exhaustive and is subject to quarterly updates).
2. **Items requiring MDH prior approval** - these require MDH prior approval from your CS before the expense can be incurred.
3. **Unallowable uses of SHIP funds** - these are expenditures for which SHIP funds cannot be used to purchase. Doing so may result in punitive action.
4. **Necessary for health equity** – certain expenditures typically determined to be “unallowable” might be considered if the grantee is able to illustrate how they correct a health inequity. Please contact your CS.

Determining if Expenditures are Allowable/Unallowable

With the exception of the expenditures requiring MDH prior approval and expenses noted as unallowable, grantees are expected to use discretion in determining whether or not an expense

is allowable using SHIP funding. To guide this decision-making process, grantees should use the following questions:

1. Is the item or request included in your approved budget?
2. Does the request support or lead to sustainable policy, systems and environmental change? If so, what strategy does it support and how? Links between the expense and the policy, systems or environmental change must be clear and significant.
3. Who is the targeted population that will benefit from this item/expense, and does this expense reach a significant proportion of the targeted populations?
4. Is the item or request reasonable, cost efficient and necessary?
5. Is there a sustainability plan related to this expense? What is the plan, and who will cover the on-going maintenance expenses?
6. Is it a good use of public funds? If unsure, contact your CS.
7. Imagine a story about one of your SHIP strategies was featured on the cover of your local newspaper. In the story, the reporter describes the strategy and items/expenses that have been incurred to support this strategy. Would this story be perceived by the public, potential critics, community leaders, decision makers and stakeholders, in a positive manner?

If the answer is YES to all of the above questions, then grantees may proceed with the expenditure. If the answer is no or unclear to one or more questions above, the grantee should send an email to their assigned CS with the following information:

1. Name and brief description (2-3 sentences max) of the request.
2. Number of items requested, cost per item and total amount of funding request.
3. What strategy/strategies will this request support?
4. Rationale for request: why is this item needed?
5. How this item is directly linked to a PSE strategy or change. Please explain your sustainability plan for this expense.
6. Grantees can expect a response from their CS within three business days. However, there may be cases when the CS contacts the grantee to indicate that more time is needed to address the request.

Tables 1 and 2 (starting on page 15) provide examples of allowable vs. unallowable uses of SHIP funds by category common in previous rounds of SHIP.

Process for Obtaining MDH Prior Approval

To obtain MDH prior approval (see list below), grantees must submit an email to their CS with the following information:

- Name of the item. If a communication piece, include a draft.

- Strategy/strategies this item will support.
- The requested review timeframe. MDH may not be able to accommodate all such requests.
- Brief description of the item and justification (Please limit to 1-3 paragraphs). If a communication piece (\$3,000 or more), include a dissemination strategy, evaluation plan or plan to measure success plus an explanation of how it will support a PSE change.
- Cost of the request. Please include an itemized breakdown of costs and quantity.
- If *out-of-state travel*, please provide a breakdown of relevant costs: number of persons traveling, conference registration fees, transportation expenses, lodging, and per diems.

Grantees can expect a response from their CS within three business days for all financial requests (and should plan accordingly to allow for that response time). However, there may be cases when the CS contacts the grantee to indicate that more time is needed to address the request.

Items Requiring MDH Prior Approval

Some items require MDH prior approval before a contract is signed or an expense is incurred, including:

- **All contractual services or mini-grants with a total of \$3,000 or more annually.**

Note: The term “contract” is used to describe any subcontract or other agreement in which the other person/organization (or “contractor”) is doing work for the grantee and getting paid for that work. The term “mini-grant” is used to describe a sub-contract, grant or other agreement in which a partner site has applied for and is receiving SHIP funds to implement strategy work at their site.

 - *Multiple mini-grants/sub-contracts to the same partner that total up to \$3,000 or more will need approval once the \$3,000 threshold is reached.*
- **Equipment \$3,000 or more per site (please talk to your CS if you are layering strategies at one site)**
- **Contractor-led evaluation of strategies outside of standardized evaluation tools provided by MDH:**
 - May include developing and administering surveys and assessments as well as facilitating focus groups;
 - Grantee initiated evaluations may not exceed 20 percent of the site specific implementation costs; and
 - Incentives for focus group participation and other evaluation and assessment related projects shall not exceed \$50 per person per year and must have prior approval from a Community Specialist.
 - MDH evaluation staff are available to review local evaluation contracts in addition to any required CS reviews.
- **Incentives/Giveaways/Prizes** for program participation and encouragement must be directly related to a SHIP strategy and tied to a specific PSE change. Incentives may not

be provided in the form of cash. Incentives for promotion of a program or to promote implementation of a PSE change:

- Shall not exceed \$3 per person per event;
 - The amount spent on incentives for one project may not exceed 5 percent of project budget;
 - The total amount spent on incentives for the entire grant may not exceed 1 percent of the **annual** SHIP budget; and
 - Additionally, incentives must only be a one-time expense (i.e. SHIP cannot pay for on-going incentive programs or for incentives at on-going/repetitive events)
 - Restrictions above do not apply to incentives for focus group participation. See section above for details regarding incentives for focus group participation and other evaluation and assessment related projects.
 - Stipends must be directly related to the grant project and tied to approved activities or strategies. Stipends are intended for regular, ongoing contribution to the grant project to help defray expenses or compensate for time. Examples include providing a reasonable stipend to youth coalition or advisory committee members, especially for non-paid community members, who provide regular participation in groups or events.
- **Variances** (forms are included with the SHIP application documents and on the [SHIP Grantees section of Basecamp](#)). Grantees should submit a Variance form for any proposed activities not listed on the Menu of Strategies or if they are requesting an exception from the Menu of Strategies or minimum staffing requirements (see Staffing Requirements section below). Grantees may submit more than one Variance form.
 - **Curriculum/educational materials** not listed in the school and child care implementation guides as allowable.
 - **Training materials** not outlined in the implementation guides.
 - **Training with a total cost of \$3,000 or more.** If approved, there will be a 10 percent match required from the partner site.
 - **Changes of more than 10 percent to a line item** in the approved budget.
 - **Charges for work not stated in grantee work plan.**
 - **Out-of-state travel.**
 - **Electronics.**
 - **Heart rate monitors & pedometers** in the school setting to be used in Quality Physical Education:
 - Partner sites must provide a 25 percent cash match or contribution toward purchase of monitors or pedometers;

- A plan must be in place for incorporating use of the monitors or pedometers into curriculum;
 - Grantees shall not exceed \$5,000 of their total annual SHIP budget for acquisition;
 - Replacement and maintenance costs must be covered by the partner site; and
 - The monitors or pedometers must be the property of the partner sites and are not to be given to individuals to own.
- **Sit/Stand workstations:**
- Partner sites must provide a 25 percent cash match or contribution toward purchase of the desks;
 - Total cost of each desk should not exceed \$500 of SHIP funding;
 - Grantees shall not exceed \$5,000 of their total annual SHIP budget for acquisition across sites and strategies (e.g. student standing desks at schools must follow these same guidelines); and
 - Employers are required to commit to maintaining desks and purchasing any additional desks needed for other employees, ensuring all employees in an organization with primarily desk jobs are able to have sit/stand desks. If this is not possible, desks should be placed in a public space so that all employees have access.
 - Gel mats or anti-fatigue mats should accompany the standing desk equipment and be donated by partner sites.
 - See Table 2 for appropriate setting and strategy restrictions.
- **Bike/ped counters:** Bike/ped counters may be purchased using SHIP funds for active living, Safe Routes to School, or evaluation of strategy implementation and its related budget. Use [MnDOT's guidance](#) to determine the most appropriate counter for the project or proposal and any available discounted rate. You can find additional information on counters in the Active Living team on [Basecamp](#) by searching for "Bike/Ped Counts" in "docs & files." The Active Living team is available to assist with selecting a counter or brainstorming the best use of the equipment to achieve future PSE goals.
- **All communication pieces** [please consult the [Communications Guide \(PDF\)](#) [www.health.state.mn.us/communities/ship/support/docs/comms/commsguide.pdf]], including:
- Ads for radio, television, movie theaters, newspapers, billboards
 - Printed and electronic marketing materials (posters, fliers, newsletters, brochures, fact sheets, displays)
 - News/press releases, letters to the editor, public service announcements, news conference materials

- Scripts for radio/TV programming
- PowerPoint presentations
- Letters that are part of a larger outreach effort
- Promotional items
- Sponsorships
- Signs
- Surveys

Examples of Unallowable Uses of SHIP Funds

The following is a list of unallowable uses of SHIP funds. **Please note this is not an exhaustive list.** Community Specialists will review all invoices and reserve the right to question and/or take action for inappropriate uses of funds.

- Alcohol or any illegal substance
- Any cost not directly related to the SHIP grant
- Bad debts
- Capital improvements
- Cash assistance paid directly to individuals to meet their personal or family needs
- Clothing
- Contingencies
- Contributions or donations
- Costs incurred prior to the grant award
- Direct patient medical services or care including nicotine replacement therapy
- Fines and penalties
- Gifts for staff
- Goods or services for personal use
- Interest
- Lobbying at the federal, state or local level
- Losses on agreements or contracts
- Memberships to clubs, camps, fitness centers and similar groups
- Mischarging of costs
- Political campaigns on behalf of, or in opposition to, any candidate for public office
- Raffles (raising money by selling tickets)
- Research (The distinction between research and program evaluation is complex and dependent on the purpose of the study. However, the difference can be summarized in this way: “Research... is done for the purposes of generating knowledge, whereas program evaluation is done for the purpose of understanding the extent to which the intervention was effective” (Issel, 2009). Grantees are encouraged to contact their evaluation liaison with questions at Health.SHIP.eval@state.mn.us).

- Scholarships (includes camp fees and scholarships for individuals to participate in events, classes or programs not linked to PSE change)
- Staff meals (except during approved travel)
- Supplanting of funds from other sources (See Appendix D for definition)
- Treatment of disease or disability

Process for Obtaining MDH Prior Approval for Contracts, Mini-Grants and Equipment Purchases of \$3,000 or More

Note: The term “contract” is used to describe any subcontract or other agreement in which the other person/organization (or “contractor”) is doing work for the grantee and getting paid for that work. In some cases, contract budgets may include funds for mini-grants. The term “mini-grant” is used to describe a sub-contract, grant or other agreement in which a partner site has applied for and is receiving SHIP funds to implement strategy work at their site. Neither are a requirement in implementing the grant.

Applicants must identify and seek MDH approval for any contracts, mini-grants or equipment purchases with a total of **\$3,000 or more** that will occur as part of carrying out the duties of this grant program on an **annual basis** prior to the contract going into effect. Multiple mini-grants to the same partner that total up to \$3,000 or more will need approval once the \$3,000 threshold is reached. The use of contractual services is subject to MDH review.

Grantees that intend to offer a contract, mini-grant or equipment of \$3,000 or more must obtain prior approval from their CS. Grantees must complete the Contract Cover Sheet (Appendix A) and send it to their CS with the contract and mini-grant documents, as applicable. Please note that contracts and mini-grants may require review by strategy content staff as well as CSs and therefore may take more than three days to process. Please plan accordingly and allow ample time for approval before implementation of contracts. MDH reserves the right to ask questions and to require revisions of mini-grants/contracts for official approval.

Grantees must submit a **list** of ALL mini-grants or contracts (regardless of the monetary amount) to their CS to keep on file at MDH. Specifically, the list should include the name of the contractor/organization, the amount of the contract/mini-grant, the timeframe for the project and the strategy under which the contract falls (Appendix B). Grantees will be asked to submit this list with updates every quarter.

Contract information to be provided must include:

- Description of services (i.e. deliverables) to be contracted for;
- Anticipated contractor/consultant’s name (if known) or selection process to be used;
- Length of time the services will be provided;
- Total amount to be paid to contractor; and
- The setting/strategy under which the contract falls.

When Mini-grants or Subcontracts are awarded, a completed tracker must be provided quarterly.

The following should be available upon request but not sent to MDH as part of routine reporting for mini-grants:

- Partner site work plan or action plan;
- Description of the PSE change the mini-grant will support;
- Timeline for project completion;
- Total amount to be awarded and a line item budget for spending (that includes at least a 10 percent match from the partner site/awardee); and
- The setting/strategy under which the mini-grant falls.

Overview of Grantee Responsibilities for Contracts or Mini-Grants/Subcontracts

- The grantee is responsible for holding any subcontracting entities to the same standards required of the grantee.
- The grantee remains solely responsible for the satisfactory performance of all grant duties and ensures that all costs billed against the grant are allowable costs.
- The grantee must follow its standard procurement practices prior to entering into subcontracts.
- Specific procurement rules must be followed for contracts in excess of \$150,000.
- Contractors may not be selected if listed on the state or federal prohibited vendors list. See the [Minnesota Department of Administration website \(http://www.mmd.admin.state.mn.us/debarredreport.asp\)](http://www.mmd.admin.state.mn.us/debarredreport.asp)
- The grantee is responsible for all required reports, supporting documentation, deliverables or other items as required by the grant contract.
- The grantee is responsible for ensuring that any subcontracting entities comply with the Minnesota Government Data Practices Act (Minnesota Statutes Chapter 13) as it applies to all data created, gathered, generated or acquired under your grant agreement.

Questions about contracts: You are welcome to contact your CS for general questions related to contracting. It is important to remember, however, that a contract is a legal document and MDH does not provide legal advice. Your organization may want to contact an attorney to advise you about your contract agreements.

Equipment

Equipment accounted for the vast majority of requests during the previous funding cycles of SHIP. Equipment purchases less than \$3,000 **do not require MDH prior approval** as long as they meet the following conditions:

- Less than \$3,000 can be spent on equipment PER partner site, per year without prior approval. If you are layering multiple strategies at one partner site, please contact your CS.
- Consistent with Table 2. Examples of Allowable/Unallowable Equipment Expenditures below.

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- Must be clearly tied to the strategy and PSE change.
- Directly promoted to a significant proportion of the targeted populations.
- When necessary, appropriate safety gear (e.g. bike helmets) should accompany the equipment and be donated whenever possible by partner organizations/agencies such as public safety, parks and recreation, or public works. **These items should not be purchased with SHIP funds** unless there is no other way to acquire them.
- Special considerations are required for expenses to any private business. These considerations include a memorandum of understanding regarding the use of the equipment by the business and is required for all single item purchases over \$500. MOUs are recommended for all large equipment purchase but not required (if not a private business). Contact your Community Specialist for details.
- Repair or maintenance costs of the following items purchased with SHIP funds: bicycles, hydration stations, sit/stand work stations, heart rate monitors, etc. are not allowable expenditures.
- Equipment installation is not an allowable expenditure.
- Sites receiving funds for the purchase of appliances are encouraged to contribute their own funds towards the cost of large appliances.
- Funds may not be used to replace functioning equipment.

Table 1: Examples of Allowable/Unallowable Uses of SHIP Funds

Category	Allowable	Unallowable
Advertising / Promotion	<p>Promotion of recreational opportunities and facilities, policy changes, healthy lifestyle, and promotion of other similar items are allowable expenses. Examples:</p> <ul style="list-style-type: none"> ▪ Graphic design ▪ Scheduling print advertisements ▪ Creation and production of promotional materials ▪ Costs for initial printing and distribution of trail maps (on-going costs should be covered by partner sites) ▪ Print, radio, TV and cable media promotions ▪ Websites featuring opportunities for physical activity such as parks and trails or smoking cessation programs, locations, hours, programming, and fees ▪ Signage, posters and display materials announcing new policies such as healthy school lunch, snack requirements, and tobacco-free grounds ▪ Signage to advertise farmer’s market ▪ Way-finding signage for multi-modal transportation 	<ul style="list-style-type: none"> ▪ Advertising and promotion of single/one-time classes or activities such as an aerobics class at a recreation center ▪ Advertising and promotion expenses not tied to PSE change (SHIP should not pay the costs of health fairs)

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Category	Allowable	Unallowable
Construction / Renovation	<ul style="list-style-type: none"> ▪ Advertising the availability of smoking cessation programs ▪ Cost of paint or tape for bike lane or cross walk striping ▪ Basic renovations to a room for breastfeeding in a hospital or worksite (décor, painting) ▪ Portable Sheds that are 8’x12’ or smaller <p>The cost of cement may be allowable if used to support installation of specific equipment/structures including:</p> <ul style="list-style-type: none"> ▪ Bike racks ▪ Permanent signage for a park or bike trail (see “signage” below) ▪ Benches for trails ▪ Fence posts for gardens <p>The following need MDH pre-approval</p> <ul style="list-style-type: none"> ▪ Permanent (non-portable) sheds larger than 8’x12’ ▪ Installed, underground irrigation systems 	<p>SHIP funds may not be used for capital improvements or construction projects. Such as:</p> <ul style="list-style-type: none"> ▪ Building or improving a fitness center ▪ Building or paving a walking or bike path ▪ Sidewalks or curb cuts ▪ Playground equipment and fitness stations ▪ Constructing a permanent sports field, pool, court or similar recreational facility ▪ Building uses: floors, beams, columns, roofing, piles, bricks, mortar, panels, plaster ▪ Installation of equipment
Community Leadership Team	<ul style="list-style-type: none"> ▪ Reasonable in-state travel (mileage) and food reimbursements ▪ Meeting costs such as printing, supplies, etc. 	<ul style="list-style-type: none"> ▪ Stipends for the Community Leadership Team (exceptions may be possible if stipends encourage participation from non-paid community members representing disenfranchised populations – please talk to your CS)
Conferences / Events	<i>Attending conferences and events:</i>	<ul style="list-style-type: none"> ▪ No travel out of the USA

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Category	Allowable	Unallowable
	<p>Travel and conference fees are allowable expenses for conferences and trainings where the attendee will be giving a presentation and/or the training will lead to related skill development and and/or policy changes related to SHIP strategies.</p> <p><i>Hosting conference and events:</i></p> <p>Allowable use of funds if the conference or event is directly tied to your SHIP work and will result in long-term PSE changes and the persons/groups invited to the conference or event are current or potential SHIP stakeholders or partners.</p> <p>All out-of-state travel must be pre-approved by MDH.</p>	<ul style="list-style-type: none"> ▪ Out-of-state conferences/events not preapproved by MDH ▪ Conferences or events not directly SHIP related or that will not result in skill development and/or long-term PSE changes
<p>Clothing</p>		<ul style="list-style-type: none"> ▪ Clothing, even if within the \$3 incentive limit
<p>Curriculum / Materials</p>	<ul style="list-style-type: none"> ▪ Evidence-based curricula (inquire if unsure) ▪ Tobacco prevention curricula or classroom materials with prior approval from a Community Specialist. ▪ Training materials may be purchased with SHIP funds if they promote long-term PSE change (subject to MDH approval) 	<ul style="list-style-type: none"> ▪ Developing new curricula ▪ Purchasing non evidence-based curricula ▪ Non-approved training materials

Category	Allowable	Unallowable
<p>Evaluation</p>	<ul style="list-style-type: none"> ▪ Evaluation materials/supplies, including photocopying, printing, postage, signage, and transcription and/or translation services. ▪ Incentives for participation in a focus group, interview, or survey under \$50 per person per year, with prior approval from a Community Specialist. ▪ Payment to contractors for evaluation planning, design, implementation and synthesis, with prior approval from a Community Specialist. 	<ul style="list-style-type: none"> ▪ Grantee initiated evaluations exceeding 20 percent of the site specific implementation costs
<p>Facilities</p>	<p>Office/administrative space for the SHIP project is an allowable direct expense unless the cost of facility space is included as an administrative cost. Examples:</p> <ul style="list-style-type: none"> ▪ Costs to rent facilities for a SHIP event or meeting ▪ In-kind donations of facility space for SHIP work ▪ Facility costs for train-the-trainer sessions 	<ul style="list-style-type: none"> ▪ Rental or purchase of a facility for ongoing physical activity programming ▪ Facility costs for smoking cessation or weight loss groups ▪ Land rental for gardens
<p>Food / Meals</p>	<p>Food Purchasing Guidelines:</p> <p>In support of SHIP’s mission to expand access to and selection of healthy food, MDH encourages serving nutritious foods. A good standard is the USDA My Plate guidelines.</p> <ul style="list-style-type: none"> ▪ Food for SHIP partner and/or community meetings (including HEDA engagement) 	

Category	Allowable	Unallowable
	<ul style="list-style-type: none"> ▪ Food for SHIP strategic events ▪ Food demonstration projects (cost for demonstrator and the food) to show how to prepare healthy meals to food service staff or others responsible for implementing PSE changes ▪ Taste testing of foods for inclusion in new school or worksite menus, or for school stores and snack cart programs – this may be subject to CS approval ▪ Healthy food alternatives to test in a vending machine or concession stand ▪ Displays of healthy food alternatives ▪ Meals while traveling for SHIP within the state (refer to travel expenses on page 34) ▪ Small group meeting costs (\$10 per person, for up to six people – including community members and SHIP staff – on food/drink. These meetings should be included in work plan--see Community Engagement Guide for further direction). 	
<p>GIS Mapping</p>	<ul style="list-style-type: none"> ▪ GIS mapping software and/or staff training if clearly tied to a plan that demonstrates need and leads to a policy, system or environmental change. ▪ Wiki-mapping software and/or staff training if clearly tied to a plan that demonstrates need and leads to a policy, system or environmental change. 	<ul style="list-style-type: none"> ▪ GIS mapping not clearly tied to PSE or without skills implementation plan

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Category	Allowable	Unallowable
Grant Writing	<ul style="list-style-type: none"> ▪ Grant writing is allowed to help leverage funds, but may not exceed 5 percent of a grantee’s overall annual SHIP budget 	
Insurance	<ul style="list-style-type: none"> ▪ LPH liability and other standard insurance coverage should be included in the administrative portion of the grant budget ▪ Worker’s compensation insurance should be included in the taxes / benefits section of the personnel budget 	<ul style="list-style-type: none"> ▪ Liability insurance to maintain a community garden, park or other similar project ▪ Liability insurance for partner sites
Memberships	<ul style="list-style-type: none"> ▪ One-time membership fees to become part of the Minnesota Farmers Market Association for start-up farmers markets ▪ Annual membership fees to chambers of commerce for SHIP grantees (CHBs) 	<ul style="list-style-type: none"> ▪ Magazine subscriptions ▪ Fitness club memberships <ul style="list-style-type: none"> ▪ On-going membership fees for any organization or program (including CSAs)
Per Diems	<ul style="list-style-type: none"> ▪ Allowable per diem expenses for travel include transportation, meals and hotel accommodations while traveling in the state (refer to travel expenses on page 34 – rates are subject to changes) 	<ul style="list-style-type: none"> ▪ Out-of-country travel ▪ Out-of-state travel that was not preapproved by MDH
Planning	<ul style="list-style-type: none"> ▪ Funding master plans and local plans (contracting out and/or staff time) Examples: Bicycle Master Plan, Active Living Plan, Safe Routes to School Plan, Pedestrian Master Plan, Multi-modal Transportation Plan, Active Transportation Plan, Comprehensive Plan, Complete Streets Plan, etc. 	
Printing	<ul style="list-style-type: none"> ▪ Printing of approved SHIP materials, promotions and advertisements 	<ul style="list-style-type: none"> ▪ On-going printing costs associated with a program or partner project

Category	Allowable	Unallowable
Programs	<ul style="list-style-type: none"> ▪ Start-up costs (see Appendix E for definition) of cost-effective, evidence-based programs <ul style="list-style-type: none"> ○ The program must directly contribute to the implementation of a selected strategy ○ Sustainable funding source/s must be pre-identified for the program’s on-going costs ○ Grantees must indicate how the program contributes to the implementation of the selected strategy and the program must be listed as an action step in the grantee’s application 	<ul style="list-style-type: none"> ▪ Programmatic efforts that do not directly contribute to the implementation of a selected strategy ▪ Funds cannot be used for the start-up of a non-profit or private business venture
School Health Councils	<ul style="list-style-type: none"> ▪ Grantees may spend up to \$1,500 once per school, (see limitations for these funds at right) for the start up or reconvening of a school health council or a school health team. A council that is currently meeting regularly is not eligible for these funds. The funds support the work of the school health council in convening meetings, assessment and planning. ▪ Cost of meeting supplies 	<ul style="list-style-type: none"> ▪ May not exceed \$500 per person (typically for the “wellness champion”) ▪ May not exceed \$50/per hour wage for School Health Council participants
Signage	<ul style="list-style-type: none"> ▪ Way-finding signage (including the metal pole) for bike trails, parks, etc. ▪ Indoor signage to direct people to walk the stairs, find recreational facilities and other similar signage ▪ Signage displaying rules for a particular establishment or activity related to SHIP strategies 	<ul style="list-style-type: none"> ▪ Any costs associated with lighted, flashing or solar powered signage (e.g., maintenance, light bulbs), other than the cost of the sign ▪ Designated smoking area sign

Category	Allowable	Unallowable
	<ul style="list-style-type: none"> ▪ Lighted, flashing, solar-powered signs (partnerships for cost-sharing are strongly encouraged) <p>The SHIP logo does not have to be included on permanent road signage if using SHIP funds. Standard signs are acceptable.</p>	
<p>Speakers / Trainers/ Facilitators</p>	<ul style="list-style-type: none"> ▪ Speaker/facilitator fees ▪ Trainer fees for trainers who are contracted to “train-the-trainer” (with MDH prior approval if \$3,000 or more) ▪ Out of state travel costs for trainers must be preapproved by MDH 	<ul style="list-style-type: none"> ▪ Instructors for one-on-one or group fitness classes ▪ Training for a specific class or program that will not result in PSE change ▪ Contracts for speakers, trainers and facilitators that are \$3,000 or more without MDH prior approval
<p>Sponsorships</p>	<p>Sponsorships of projects, events, trainings, advertisements, etc. as long as the sponsorship is directly related to the grantee’s SHIP activities. For example, if a SHIP grantee has selected to implement community-based tobacco strategies, it may sponsor an anti-tobacco ad at a community event. Other examples:</p> <ul style="list-style-type: none"> ▪ Anti-tobacco signage in a school gymnasium ▪ Subsidizing a portion of an event focused on making environmental changes to the worksite <p>All sponsorships require pre-approval from MDH.</p>	<ul style="list-style-type: none"> ▪ Sponsorships of events, trainings, advertisements that are not directly related to the grantee’s type of SHIP funding ▪ Sponsorship (subsidy) of ongoing programmatic efforts such as a walking club

Category	Allowable	Unallowable
<p>Staff and Benefits</p>	<ul style="list-style-type: none"> ▪ Staffing costs that are allowable include SHIP staff time (e.g. LPH staff, contractors and consultants) dedicated to implementing the approved SHIP work plan ▪ Contracted school SHIP staff, please see contracting requirements on pages 12-13. ▪ SHIP staff time for conducting community engagement ▪ SHIP Staff time to attend trainings that will help increase capacity to conduct SHIP work (e.g. Traffic Safety 101) ▪ SHIP staff time (not to exceed 5 percent of individual staff time) to conduct trainings/classes (e.g. LCI trainings, Traffic Skills, Child Care trainings, etc.) ▪ SHIP grantees may spend up to \$1,500 per site for partner staff time to develop and implement PSE strategies, but may not exceed \$500 per person. ▪ Staff time to organize and plan HEDA along with dissemination. 	<ul style="list-style-type: none"> ▪ Teaching/facilitating fitness or activity classes ▪ Installation and/or construction ▪ On-going staff time for implementation work/projects at partner sites (e.g. worksite wellness coordinator, school garden coordinator, etc.) ▪ Staff time beyond 5 percent of individual time to lead trainings (SHIP staff are encouraged to conduct train the trainer courses with partners/sites to ensure sustainability of training programs in their communities) <p>Please work with your CS if you need a variance for SHIP staffing structure.</p>
<p>Stress Management (Workplace)</p>	<ul style="list-style-type: none"> ▪ Ergonomic training (If a train the trainer model is used and trained staff conducts assessments for employees.) ▪ Manager training (If managers are required by the organization to attend management training. Prior approval needed by MDH. Check with organization’s EAP provider for possible free training.) 	<ul style="list-style-type: none"> ▪ Team building activities ▪ Stress management presentation to employees ▪ Aroma therapy ▪ Yoga classes ▪ Massage therapy ▪ Books or DVDs

Category	Allowable	Unallowable
	<ul style="list-style-type: none"> ▪ Organizational development consultant to work with leadership about workload, analyze sources of organizational stress, and offer solutions and policies around reducing stress. (SHIP will fund up to \$1,500) ▪ Quiet Room – see page 32 under “Equipment” ▪ Walking routes or labyrinth – allowable as an environmental change with policy or guidelines for use. 	
<p>Subsidies</p>	<p>Subsidies that enhance accessibility to recreational activities or other healthy behaviors are acceptable if they are targeted to an entire population group, are not ongoing, and are used in the context of promoting the availability of a resource. Examples:</p> <ul style="list-style-type: none"> ▪ Subsidizing a free equipment rental day ▪ Subsidizing Farmer’s Market vouchers (one-time expense per Farmer’s Market) ▪ Subsidizing the cost of healthy food in a vending machine or workplace cafeteria for a trial period -Please discuss amounts ahead of time with your CS. 	<ul style="list-style-type: none"> ▪ Entrance fees to parks or recreational facilities for individuals or small groups ▪ Ongoing subsidies of rental fees for equipment use at a recreational center or park ▪ Subsidizing the purchase of smoking cessation medications, including nicotine replacement therapy (NRT), or non-evidence based cessation programs (e.g. hypnosis) ▪ Subsidizing the ongoing cost of a weight loss program or group ▪ Ongoing subsidies of healthy food alternatives in vending machines, school lunches or workplaces
<p>Supplies and Materials</p>	<p>Supplies must be directly related to a sustainable active living, healthy eating or tobacco prevention or cessation effort. Supplies and small equipment</p>	<p>Supplies not directly tied to policy, systems and environmental change or office operations. If you have a question about whether or not</p>

Category	Allowable	Unallowable
	<p>should be purchased according to the respective grantee purchasing guidelines. Examples:</p> <ul style="list-style-type: none"> ▪ Start-up gardening supplies such as shovels, rakes, hoses, seeds, starter plants and dirt. This also includes supplies for Traditional Tobacco Gardens. ▪ Paint for a bike lane, cross walk, community room ▪ Office supplies necessary to conduct the work of the SHIP project ▪ Reasonable costs for photocopying, printing, postage and office supplies 	<p>something is allowable, please follow the procedures for approval on page 8.</p>
<p>Community Health Assessment Survey</p>	<ul style="list-style-type: none"> ▪ Grantees may use funds to cover costs associated with local surveillance that includes 12 core behavioral risk factor questions with prior approval from a community specialist ▪ Payment to contractors for survey planning, design, implementation and synthesis ▪ Incentives must be directly tied to PSE change (this may include HEDA work); may not exceed \$50 per person per year; may not be provided in the form of cash and must have prior approval. 	
<p>Training / Certifications</p>	<p><i>Please see the “staff and benefits” section to review allowable SHIP staff training expenses.</i></p> <ul style="list-style-type: none"> ▪ Trainings for start-up activities such as the <i>I Can Prevent Diabetes</i> program and other evidence-based programs 	<ul style="list-style-type: none"> ▪ Teaching/facilitating fitness or activity classes ▪ Implementation costs for an on-going training or course ▪ Staff time beyond 5 percent of individual time to lead trainings (SHIP staff are

Category	Allowable	Unallowable
	<ul style="list-style-type: none"> ▪ Trainings/certifications for SHIP staff that would directly impact skills/abilities to coordinate SHIP work ▪ SHIP staff time (not to exceed 5 percent of individual staff time) to conduct trainings/classes (e.g. LCI trainings, Traffic Skills, Child Care trainings, etc.) ▪ Trainings/certifications for non-SHIP staff that would provide information, skills, and opportunities to implement SHIP work/inform PSE change (training costs should be limited to a total of \$3,000 per site per year unless preapproved by your CS) ▪ Stipends and substitute pay to make it possible for teachers/school staff to attend trainings ▪ Train the Trainer fees for community partners ▪ Funding community partners to become League Cycling Instructors ▪ Funding community partners to become Walk! Bike! Fun! instructors ▪ Funding Law Enforcement for police bike fleets including IPMBA training, bicycles, and other necessary equipment. ▪ Training for community members to become Community Health Workers 	<p>encouraged to conduct train the trainer courses with partners/sites to ensure sustainability of training programs in their communities)</p>
<p>Translation / Interpretation Service</p>	<ul style="list-style-type: none"> ▪ Translation or interpretation services related to HEDA, evaluation, planning or implementation of PSE change. 	

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Category	Allowable	Unallowable
<p>Travel</p>	<ul style="list-style-type: none"> ▪ Travel costs for SHIP required or related trainings, workshops and conferences ▪ Travel expenses include costs for hotel accommodations, mileage or airfare and meals ▪ Per diem and/or travel policies of each grantee should be followed 	<ul style="list-style-type: none"> ▪ Travel out of the country ▪ Out-of-state travel not pre-approved by MDH ▪ Field trips
<p>Web Site</p>	<p>Develop and maintain a SHIP-related website (maintenance not to exceed \$2,500 annually)</p>	<p>Expenses to maintain a website not directly related to SHIP work</p>

Table 2: Examples of Allowable/Unallowable Equipment Expenditures

Category	Allowable	Unallowable
Breastfeeding Room	<ul style="list-style-type: none"> ▪ Chairs/rockers for a designated breastfeeding room or space ▪ Tables, bulletin boards, lamps, for a designated room or space ▪ Small refrigerator for breastmilk ▪ Breast pumps ▪ Signage 	<ul style="list-style-type: none"> ▪ Magazine and newspaper subscriptions ▪ Art work ▪ Books and DVDs
Child Care	<ul style="list-style-type: none"> ▪ Portable physical activity/play equipment to accompany staff training to implement strategies (e.g. balls, parachutes, hula hoops, beanbags, tumbling mats) ▪ Tricycles ▪ Storage tubs for equipment 	<ul style="list-style-type: none"> ▪ Fixed or permanent equipment (e.g. playground equipment)
Electronics (high-tech)	<p>MDH prior approval is required for high-technology electronics expenditures.</p> <ul style="list-style-type: none"> ▪ Computer for each FTE staff person directly assigned to the SHIP grant ▪ Other electronic equipment deemed necessary for each FTE staff person should be discussed with your CS ▪ Software to track health behavior changes, print nutrition labels, etc. ▪ EBT/credit card readers for farmers market (\$500 or less) ▪ Cell phone service plans for SHIP staff 	<ul style="list-style-type: none"> ▪ Printers and fax machines, photocopiers, postage meters (office equipment that should be available for the grantee for other purposes) ▪ Electronic hardware for partner sites ▪ Video gaming systems, equipment, and related accessories (Wii Fit) ▪ Smartboards ▪ All other service plans ▪ iPad, iTouch and similar items ▪ Electronic Pedometers in worksite or community setting (e.g. Fitbits)

Category	Allowable	Unallowable
Food Preparation and Storage	<ul style="list-style-type: none"> ▪ Small appliances - steamers, dehydrators, display carts, healthy vending, small refrigerators, canning equipment, pressure cooker and toaster ovens ▪ Large appliances - ovens and stove tops, refrigerator/freezer ▪ Snack carts and bins for school healthy eating activities (SHI required) ▪ Hydration Stations or Water Bottle Filling Stations (SHI required for schools) 	<ul style="list-style-type: none"> ▪ Water filtration systems (e.g., Brita) ▪ Vending machines ▪ Ice machines/makers ▪ Costs of installation or maintenance for hydration stations or water bottle filling stations
Active Schools	<p>After completion of SHI, the following are allowable:</p> <ul style="list-style-type: none"> ▪ Bicycles for use by low-income youth ▪ Fat Tire Bikes ▪ Mountain Bikes ▪ Bicycle accessories, racks and safety equipment, such as helmets (if other funding is not available), helmet lights, air pumps and wrenches ▪ Storage units for equipment ▪ Stability balls to use in lieu of desk chairs in the school setting ▪ Small portable exercise equipment that is clearly tied to a sustainable active school day activities ▪ Heart rate monitors or pedometers for use in Quality PE within the school setting 	<ul style="list-style-type: none"> ▪ Stationary exercise equipment such as treadmills ▪ Playground equipment, climbing wall ▪ Fitness stations, such as stepping posts, chin-up and climbing bars, along a path or course ▪ Gaga pits ▪ Game equipment where students are the target (e.g., dodge ball) ▪ Trampolines

Category	Allowable	Unallowable
	<ul style="list-style-type: none"> ▪ Disc Golf Course materials at the school setting for use in Quality PE (should be preapproved) 	
<p>Active Living</p>	<ul style="list-style-type: none"> ▪ Benches with community promotion to support physical activity for seniors or persons with disabilities to take breaks ▪ Bicycles for bike libraries, bike fleets or bike education ▪ Bike racks, event bike racks, and covered bike parking or bike shelters ▪ Storage units for equipment ▪ Wiki-maps ▪ Funding master plans and local plans Examples: Bicycle Master Plan, Active Living Plan, Safe Routes to School Plan, Pedestrian Master Plan, Multi-modal Transportation Plan, Active Transportation Plan, Comprehensive Plan, Complete Streets Plan, etc. ▪ Demonstration project supplies and equipment Examples: cones, greenery/beautification, spray chalk, paint, signage, etc. ▪ Funding paint for one time demonstrations projects. Examples: traffic calming, road reconfiguration, street murals, creative crosswalks, etc. ▪ Wayfinding signage for pedestrians and bicyclists to find key destinations ▪ Walking and bicycling maps ▪ Bike maintenance tools, stand and spare parts for bike fleets 	<ul style="list-style-type: none"> ▪ Trail lighting ▪ City Welcome signs ▪ Ongoing event expenses ▪ Fat tire bicycles or mountain bicycles ▪ Permanent driver feedback signs (portable are allowed) ▪ Sporting equipment or passes that do not support equitable, every day physical activity. Examples: snowshoes, cross country skis, ice skates, log rolling, canoes, kayaks, swimming, basketball, baseball, soccer, etc. ▪ Programmatic expenses for walking clubs, yoga, Zumba, etc. ▪ Fitness equipment ▪ Including equipment along trails or in parks ▪ Share the Road signs

Category	Allowable	Unallowable
	<ul style="list-style-type: none"> ▪ E-Bikes, Adaptive Bicycles or Trikes for persons with disabilities or seniors ▪ Portable driver feedback signs (permanent not allowed) Example: Radar Speed signs “Your Speed...” ▪ Equipment to expand snow removal on sidewalks and protected bikeways ▪ Portable bicycle/pedestrian counters ▪ Rentals available through MnDOT, permanent counters upon MDH approval ▪ Bike Fix-it stations ▪ Paint for crosswalks, road reconfigurations, bike lanes, etc. ▪ Signage for pedestrian and bicycle safety Examples: “Bikes May Use Full Lane,” lighted crosswalk signage ▪ Materials for events (signage, printing, paint, tape, cones, etc. to create a temporary street closure or demonstration project) that encourage walking and bicycling for transportation Examples: Open Streets, Walk to School Day, Bike to School Day, Bike Month, Bike to Work Day/Week, etc. 	
<p>Carbon Monoxide Screening Monitors</p>	<ul style="list-style-type: none"> ▪ Prior approval required. Provide an outline of purpose and intent including; identified partner organization, training for CO monitor use and implementation within partner 	

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Category	Allowable	Unallowable
	<p>organization, as well as long-term agreements with partner organization to obtain outcome data for CO monitor usage.</p>	
<p>Community and School Based Agriculture</p>	<ul style="list-style-type: none"> ▪ Hoop houses and greenhouses, including grow lights and heaters for plants ▪ Portable sheds – 8’ x 12’ or smaller ▪ Fencing ▪ Materials to construct garden beds ▪ Watering equipment, such as water hose, meters, pumps, troughs ▪ Rototiller or similar equipment ▪ Composter ▪ Picnic table ▪ Worm composting 	<ul style="list-style-type: none"> ▪ Labor to install greenhouses, sheds and fences ▪ Water utility bills ▪ Leasing or renting space for a garden
<p>Health Screening</p>	<ul style="list-style-type: none"> ▪ BMI/weight scales under \$100 per scale ▪ Stethoscope/blood pressure cuff 	<ul style="list-style-type: none"> ▪ Recliners, bariatric chairs ▪ Individual-based biometric screenings (cholesterol, BP, BMI check) ▪ Drawing blood/blood testing at a worksite ▪ Nicotine replacement therapy
<p>Tobacco Products for Educational Purposes</p>	<ul style="list-style-type: none"> ▪ Grant funds may be used to purchase commercial tobacco products for educational purposes only. For the first purchase, grantees may purchase up to \$150 of commercial tobacco products without prior approval. Please seek approval for any further purchases. 	
<p>Workplace Wellness</p>	<ul style="list-style-type: none"> ▪ Small portable exercise equipment that is clearly tied to a sustainable workplace wellness initiative. Include education to use equipment effectively (apps, posters, demonstrates, 	<ul style="list-style-type: none"> ▪ Shower facilities ▪ Tools like stress balls, massage chairs, hand held massage tools like bump balls ▪ Skill building resources for quiet room

Category	Allowable	Unallowable
	<p>handouts, etc. and track usage through sign in sheets)</p> <ul style="list-style-type: none"> ▪ Sit/Stand workstations that are preapproved for the workplace setting ▪ Quiet room items like a comfortable chair, soft lighting, yoga or relaxation mats ▪ Bicycles for use for transportation to meetings or break time riding. Limit of 5 bicycles or 1 bike for every 200 employees based on the size of employer and demonstrated need from the worksite. ▪ Bicycle accessories, racks and safety equipment, such as helmets (if other funding is not available), helmet lights, air pumps and wrenches ▪ Application fee for Bike Friendly Business designation ▪ Fee for training employee to become a League cycling Instructor to support the worksite's bicycling efforts ▪ Materials for Bike to Work Week/Day or Bike Month. ▪ Dero Zap bicycle counter equipment – contribute toward initial purchase with employer match, and employer handles ongoing fees for service. 	<ul style="list-style-type: none"> ▪ Stability balls to use in lieu of desk chairs ▪ Books and DVDs

Overview of Fiscal Responsibilities

Grantees must be good stewards of the grant funds they are awarded. Being a good steward means grantees need to act in a fiscally responsible manner. It is MDH's expectation that grantees will do the following:

- Follow standard accounting procedures.
- Charge the grant for only the activities that were stated in the grant agreement and approved budgets.
- Spend grant funds responsibly and only on allowable items.
- Ensure that a local match equaling at least 10 percent of the total funding award is provided and documented.
- Properly account for how the funds were spent.
- Maintain financial records to support expenditures billed to the grant.
- Meet audit requirements.
- Obtain prior approval from Community Specialists when appropriate.

Staffing Requirements

Grantees must designate SHIP staff to perform activities approved in the work plan. Each grantee must have a minimum of a full-time equivalent (FTE) staff person or persons and identify at least one of those staff persons as SHIP Coordinator or main contact. The cost of this position may be paid by the SHIP grant, as part of the local match, or by a combination of SHIP grant and match funding. Any SHIP-funded person must work a minimum of .5 FTE on SHIP responsibilities. Exceptions to this requirement are possible, but must be approved by your CS in advance using a variance request. Forms can be found on the [SHIP Grantees section of Basecamp](#).

In addition, grantees are required to designate a point person for evaluation. The evaluation point of contact is required to work on SHIP initiatives at least .25 FTE and designate a minimum of .1 FTE for evaluation work. It is acceptable for grantees to contract out the evaluation duties; the point person should be someone who can work closely with grantee staff, sites implementing strategies, MDH evaluation staff and MDH evaluation contractors.

Travel Expenses

Grantees may be reimbursed for travel expenses while traveling in the state, including mileage, meals and hotel accommodations, in the amounts actually incurred not to exceed any

maximum amounts listed below. Reimbursement requests should be no greater than the amount provided under the Commissioner’s Plan promulgated by the Commissioner of Minnesota Management and Budget, or the actual expense, whichever is less. See the [Minnesota Management and Budget website \(http://www.mn.gov/mmb/employee-relations/labor-relations/Labor/commissioners-plan.jsp\)](http://www.mn.gov/mmb/employee-relations/labor-relations/Labor/commissioners-plan.jsp).

Mileage

Grantees may be reimbursed for the use of personal automobile mileage at the Federal IRS mileage reimbursement rate (\$0.575/mile).

Meals

Grantees may be reimbursed for meals including tax and a reasonable gratuity. Grantees shall be reimbursed for meals under the following conditions:

1. **Breakfast.** Breakfast reimbursements may be claimed if the grantee leaves home before 6:00 a.m. or is away from home overnight.
2. **Lunch.** Lunch reimbursements may be claimed if the grantee is in travel status more than 35 miles away from normal office location or is away from home overnight.
3. **Dinner.** Dinner reimbursements may be claimed if the grantee cannot return home until after 7:00 p.m. or is away from home overnight.
4. **Reimbursement Amount.** The maximum reimbursement for meals including tax and gratuity, shall be:

Breakfast	\$ 9.00
Lunch	\$11.00
Dinner	\$16.00

Grantees who are traveling for two or more consecutive meals shall be reimbursed for the actual costs of the meals including tax and a reasonable gratuity, up to the combined maximum amount for the reimbursable meals.

Hotel Accommodations

Grantees may be reimbursed for hotel and motel accommodations provided that grantees exercise good judgment in incurring lodging costs and that charges are reasonable and consistent with the facilities available.

Conflicts of Interest

No official or employee of a SHIP grantee shall participate personally through decisions, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise in any proceeding, application, request for a ruling or other determination, contract, award, cooperative agreement, claim, controversy, or other particular matter in which SHIP funds are used, where to his/her knowledge, he/she or his/her immediate family, partners, organization other than a public agency in which he/she is serving as an officer, director, trustee, partner, or employee, or any person or organization with whom he/she is negotiating or has any arrangement concerning prospective employment, has a financial interest, or has less than an arms-length transaction.

In the use of SHIP funds, officials and employees of SHIP grantees shall avoid any action, which might result in, or create the appearance of:

- Using his or her official position for private gain;
- Giving preferential treatment to any person or organization;
- Losing complete independence or impartiality;
- Making an official decision outside official channels; or
- Affecting adversely the confidence of the public in the integrity of the government or the program.

Also, it is a conflict of interest for a SHIP Community Leadership Team members to receive consulting fees or contracts from SHIP grants unless approved in advance by MDH.

Lobbying

Grantees must ensure funds are not used for lobbying, which is defined as advocating for a specific public policy after it has been formally introduced to a legislative body. Educating people about the importance of policies as a public health strategy is encouraged with SHIP funds. Education includes providing facts, assessment data, reports, program descriptions, and information about budget issues and population impacts, but stopping short of making a recommendation on a specific piece of legislation. Education may be provided to public policymakers, other decision-makers, specific stakeholders and the general community. Lobbying restrictions do not apply to informal or private policies. Grantees may not use SHIP funds to participate or intervene in any political campaign on behalf of, or in opposition to, any candidate for public office.

Grantees may make educational materials available to the public and governmental bodies, officials, and employees. These materials may not advocate the adoption or rejection of an official action, but may contain facts, analysis, studies, and research.

Grantees may use other funding sources to influence an official action of a local governmental unit or tribal government, in accordance with federal and state law, grantee policy, and funding restrictions, but they must clearly document which activities are covered by which funding source.

Grantees may not use grant funds to influence state legislation or administrative rules.

Budget Revisions

Grantees are expected to expend funds in accordance with the negotiated line item budgets and budget narrative approved by MDH. Financial guidance is subject to quarterly updates. Grantees are asked to make changes to their budgets as necessary based on updated guidance. **If the grantee anticipates changes that are 10 percent or greater in the approved budget line items**, the grantee must request approval for the change and upon approval provide a revised budget to their CS. Budget changes that do not have prior approval may result in non-payment of invoices. Community Specialists may also request budget revisions to be submitted in writing for funds being moved between setting budgets. MDH may or may not approve requested budget revisions.

Appendix A: Approval Cover Sheet

Grantees must submit this coversheet (in WORD format which can be found on Basecamp) for any contract, mini-grant, or equipment with an amount of \$3,000 or more annually for review by their Community Specialist. This includes those that were described in grant applications or included in the budget. Community Specialists will strive to review this request within 3 business days.

Grantee Name: [Click here to enter text.](#)

Type of Request: **Equipment** **Mini-Grant** **Contract**

Funds will be used to purchase: [Click here to enter text.](#)

Mini-Grant Recipient: [Click here to enter text.](#)

Contractor Name: [Click here to enter text. \(organization, person, title\)](#)

Contract start date: [Click here to enter text.](#) **Contract end date:** [Click here to enter text.](#)

Amount: [Click here to enter text.](#)

Hourly Rate: [Click here to enter text.](#)

[\(Required for communications contracts\)](#) and recommended for other partner contracts).

Amount and description of any prior contracts, mini-grants, and/or equipment awards given to this partner/contractor during this fiscal year (if applicable): [Click here to enter text.](#)

Date submitted to Community Specialist for review: [Click here to enter text.](#)

Please answer the following questions:

1. Which strategy/strategies will this support? What are the intended PSE outcomes?

[Click here to enter text.](#)

2. What is the rationale? Why is the mini-grant/contract/equipment necessary? Please limit your answer to 3-5 sentences.

[Click here to enter text.](#)

3. What other funds have been leveraged (e.g. in-kind, other grants) to support this work?

[Click here to enter text.](#)

Please answer the following for contracts only:

4. What duties will the contractor perform? What measures of success have been established?

[Click here to enter text.](#)

5. How will the contract be monitored and managed? How frequently will you be in contact with the contractor?

[Click here to enter text.](#)

6. Please attach documents (i.e. contracts or mini-grant applications) with the following information included:

Contract information to be provided must include:

- Description of services (i.e. deliverables) to be contracted for;
- Anticipated contractor/consultant's name (if known) or selection process to be used;
- Length of time the services will be provided;
- Total amount to be paid to contractor; and
- The setting/strategy under which the contract falls.

When Mini-grants or Subcontracts are awarded, a completed tracker must be provided quarterly.

The following should be available upon request but not sent to MDH as part of routine reporting for mini-grants:

- Partner site work plan or action plan;
- Description of the PSE change the mini-grant will support;
- Timeline for project completion;
- Total amount to be awarded and a line item budget for spending (that includes at least a 10 percent match from the partner site/awardee).

FOR OFFICE USE ONLY

- Reviewed by Community Specialist
- Approved
- Denied
- Needs Follow-up: [Click here to enter text.](#)

Appendix B: Mini-Grant/Subcontract Spreadsheet

You can find the template on the [SHIP Grantees section of Basecamp](#).

Appendix C: Local Health Assessment Data Collection through Surveys

OSHII provided each SHIP grantee with \$7,000, per county to collect baseline local health assessment data during 2014- 2016 biennium. In the 2015-2017 biennium OSHII provided each SHIP grantee with an additional \$7,000, per county to conduct a follow-up assessment.

The purpose of this funding was to enable grantees to collect a set of standardized measures related to obesity, physical activity, nutrition and tobacco use to inform program planning and implementation. All grantees are required to collect these data via a probability sample survey of adults.

Grantees are required to include 12 core questions on their follow-up local health assessment surveys. These include the 11 core questions included in the baseline survey, plus one additional multi-part question regarding sugar-sweetened beverage consumption. For additional information about the required questions please review the [SHIP Local Health Assessment Data Collection Requirements](#) (<https://www.health.state.mn.us/communities/ship/support/docs/eval/localdata.pdf>).

Follow up data must be collected no earlier than January 1, 2017 and no later than October 31, 2020. Grantees that did not conduct their follow-up survey prior to October 31, 2017 (end of the 2015-2017) will have applied the \$7,000 per county to other approved SHIP work in their work plans, per discussion with their Community Specialists. OSHII/MDH does not expect to have additional funds to award to grantees in the 2017-2019 biennium for the follow-up survey.

Appendix D: Grantee Financial Requirements and Restrictions

SHIP is a state-funded, public program and as such it is subject to specific oversight by the State and must follow certain requirements and laws. This section of the Financial Guide includes overall financial requirements and details about staffing and administrative costs, conflicts of interest and lobbying. All finance-related questions should be sent to your assigned Community Specialist (CS). Grantees can expect communication from their CS regarding all inquiries within three business days.

Financial Management Systems Requirements

A grantee should account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds; and be able to:

- Prepare required reports; and trace funds to a level of expenditures adequate to establish that funds have not been used in violation of program restrictions.
- Provide for accurate, current and complete disclosure of financial results of grant activities in accordance with applicable requirements.
- Maintain accounting records that identify the source and use of grant funds to include awards, obligations, unobligated balances, assets, liabilities, expenditures and income.
- Maintain internal controls that account for and safeguard grant cash, property, and assets, and assure that they are used solely for authorized purposes.
- Compare actual expenditures with budgeted amounts and relate financial information to performance.
- Determine whether costs are reasonable and permitted in accordance with cost principles presented in this document, SHIP program requirements and the terms of the grant agreement.
- Support accounting records with source documentation.
- Manage cash balances to minimize the time elapsing between the transfer of funds and disbursement.
- Prepare and monitor sub-contractor expectations and deliverables.

Accounting for Multiple Funding Sources

SHIP grantees who receive funds from other sources to work on SHIP activities must have accounting systems in place to track associated expenses separately from other funding sources. Grantees are expected to follow proper accounting procedures and may be required to submit this documentation to MDH.

Financial Documentation and Record Retention

Grantees are responsible for keeping documentation to support all grant expenditures, including payroll records; receipts for all grant related expenses; contracts and invoices with subcontractors, consultants and mini-grants; travel logs; and cancelled checks. The grantee shall maintain the payroll books, payroll records, documents, accounting procedures and practices of the grant and make them available to the State for six years from the end of the grant. Grantees may receive a request for this information and must submit this documentation to MDH upon request.

Local Match

A local match of 10 percent of the total funding award is required. The local match may include cash contributions and in-kind match, and may include assistance from community partners.

- Cash match is money spent for SHIP-related costs. Cash match may come from county or city levies and/or funds contributed by partners or other third-party sources.
- In-kind match is a non-cash contribution of the fair market value of goods or services that support SHIP activities, contributed by the grantee, partners or other third parties. Examples of in-kind contributions are time contributed by the SHIP staff supervisor and the Community Leadership Team (CLT) members, donated meeting space, donated printing, etc.

Grantees are expected to report local match by strategy on monthly invoices. More information on monthly invoices can be found on page 35. If the required match cannot be met, grantees must contact MDH immediately to determine its effect on the award.

Composition of Matching Costs

Matching or cost sharing may be provided in the form of direct or indirect (or administrative) costs. As a result, if a category of cost, such as rent or executive salaries, is treated as an indirect cost for purposes of the organization's indirect cost rate, then contributions to a grant in these categories cannot be treated as a direct cost contribution.

The use of facilities or equipment already owned by a recipient may not be counted as a direct cost contribution where the cost or value of such use is reflected in the applicable indirect cost rate as depreciation or use charges.

Some third-party in-kind contributions that are goods or services should be considered indirect costs. Matching or cost-sharing credit for such contributions may be given only when payment for them would be an allowable cost if the grantee receiving the contributions were to pay for them and the grantee has established a special rate (in addition to its regular indirect cost rate) for allocating to individual projects or programs the value of such contributions.

Volunteer services may be furnished by professional or technical personnel, consultants, or other skilled or unskilled labor. Volunteer services may be counted as matching if they provide an integral and necessary part of an approved strategy.

Valuation of In-kind Contributions

Labor

Rates for volunteers must be consistent with established rates paid for similar work by the grantee. If the grantee does not have established rates for the work, please rely upon rates provided by [the Independent Sector website \(https://independentsector.org/resource/the-value-of-volunteer-time/\)](https://independentsector.org/resource/the-value-of-volunteer-time/).

Supplies

If a third party donates supplies, the contribution shall be valued at the market value of the supplies at the time of donation.

Equipment or Building Space

If a third party donates the use of equipment or space in a building, the contribution shall be valued at the fair rental rate of the equipment or space.

If a third party donates equipment or donates building space, the market value at the time of donation of the equipment and the fair rental rate of the space may count as matching.

Other

Other in-kind contributions made by third parties for the specific benefit of SHIP activities may be accepted as matching provided that they are adequately documented. Charges for such contributions must be fair, reasonable and properly justified.

Supplantation

Community Health Boards must use funds received to develop new programs, expand current programs that work to reduce the percentage of Minnesotans who are obese or overweight or who use tobacco, or replace discontinued state or federal funds previously used to reduce the percentage of Minnesotans who are obese or overweight or who use tobacco. Funds must not be used to supplant (replace) current state or local funding to Community Health Boards used to reduce the percentage of Minnesotans who are obese or overweight or to reduce tobacco use.

Staffing and Administrative Costs

Grantees must designate SHIP staff to perform activities approved in the work plan. Each grantee must have a full-time SHIP coordinator or full-time equivalent (FTE). The cost of this position may be paid by the SHIP grant, as part of the local match, or by a combination of SHIP grant and match funding. Any SHIP-funded person must work a minimum of .5 FTE on SHIP responsibilities. Exceptions to this requirement are possible, but must be approved by your CS in advance using a variance request.

In addition, grantees are required to designate a point person for evaluation. The evaluation point of contact is required to work on SHIP initiatives at least .25 FTE and designate a minimum of .1 FTE for evaluation work. It is acceptable for grantees to contract out the

evaluation duties; the point person should be someone who can work closely with grantee staff, sites implementing strategies, MDH evaluation staff and MDH evaluation contractors.

Administrative costs are the expenses of doing business that are necessary for the overall operation of the organization and the conduct of the activities it performs. Examples of such expenses include accounting, human resources, general administration, rent and costs to operate and maintain facilities. Grantees are expected to allocate administrative costs to applicable settings. If the administrative cost cannot be applied to any specific setting, allocate evenly across all settings. More information on monthly invoices can be found starting on page 34.

Lobbying

Grantees must ensure funds are not used for lobbying, which is defined as advocating for a specific public policy after it has been formally introduced to a legislative body. Educating people about the importance of policies as a public health strategy is encouraged with SHIP funds. Education includes providing facts, assessment data, reports, program descriptions, and information about budget issues and population impacts, but stopping short of making a recommendation on a specific piece of legislation. Education may be provided to public policymakers, other decision-makers, specific stakeholders and the general community. Lobbying restrictions do not apply to informal or private policies. Grantees may not use SHIP funds to participate or intervene in any political campaign on behalf of, or in opposition to, any candidate for public office.

Grantees may make educational materials available to the public and governmental bodies, officials, and employees. These materials may not advocate the adoption or rejection of an official action, but may contain facts, analysis, studies, and research.

Grantees may use other funding sources to influence an official action of a local governmental unit or tribal government, in accordance with federal and state law, grantee policy, and funding restrictions, but they must clearly document which activities are covered by which funding source.

Grantees may not use grant funds to influence state legislation or administrative rules.

Budget Revisions

Grantees are expected to expend funds in accordance with the negotiated line item budgets and budget narrative approved by MDH. Financial guidance is subject to quarterly updates. Grantees are asked to make changes to their budgets as necessary based on updated guidance. **If the grantee anticipates changes that are 10 percent or greater in the approved budget line items**, the grantee must request approval for the change and upon approval provide a revised budget to their CS. Budget changes that do not have prior approval may result in non-payment of invoices. Community Specialists may also request budget revisions to be submitted in writing for funds being moved between setting budgets. MDH may or may not approve requested budget revisions.

Invoice Procedures

All grantees are required to submit monthly invoices within 45 days of the end of the month using the standard SHIP invoicing forms. Failure to submit timely invoices may result in the withholding of funds. Grantees will receive customized invoice forms from their CS. These forms should be completed and signed by the grantee's fiscal agent. Invoices should be submitted electronically to your assigned CS. Per the grant agreement with MDH: If grant deliverables are not completed satisfactorily, the State has the authority to withhold and/or recover SHIP funds as well as to terminate the project agreement. Please see your grant agreement for more details and information.

All financial transactions will be on a reimbursement basis only. From Office of Grants Management Policy 08-08, a "cost reimbursement payment" is a type of grant payment in which the grantee incurs the expenses before requesting repayment from the grantor. This means the cost must be paid by the grantee before it can be reimbursed. Expenditures on the invoice submitted to MDH should agree with expenditure accounting records. See the [Office of Grants Management Policy 08-08 \(PDF\) \(https://mn.gov/bms-stat/assets/grants_policy_08-08.pdf\)](https://mn.gov/bms-stat/assets/grants_policy_08-08.pdf).

- Grantees shall follow this policy for payment of contracts and mini-grants.
- Example: worksite partners receiving funds through a mini-grant shall invoice the SHIP grantee for reimbursement after expenses have been incurred. Grantees may invoice MDH after payment of that expense. Please contact your CS with questions.

Grantee requests for reimbursement must correspond to the line items in the approved grant budget (i.e. personnel costs, indirect costs, equipment costs). The Community Specialist shall review each invoice for reimbursement against the approved grant budget, grant expenditures to-date and the latest grant progress report before approving payment. MDH reserves the right not to honor invoices that are submitted more than 30 days after the submission date specified below.

Overview of Invoicing

Monthly invoices shall be submitted within 45 days after the end of the month according to the following schedule:

Month	Invoice Submission Date
November 1, 2018 – November 30, 2018	January 15, 2019
December 1, 2018 – December 31, 2018	February 15, 2019
January 1, 2019– January 31, 2019	March 15, 2019
February 1, 2019 – February 28, 2019	April 15, 2019
March 1, 2019 – March 31, 2019	May 15, 2019
April 1, 2019 – April 30, 2019	June 15, 2019
May 1, 2019 – May 31, 2019	July 15, 2019
June 1, 2019 – June 30, 2019	August 15, 2019

July 1, 2019 – July 31, 2019	September 15, 2019
August 1, 2019 – August 31, 2019	October 15, 2019
September 1, 2019 – September 30, 2019	November 15, 2019
October 1, 2019 – October 31, 2019	December 15, 2019
November 1, 2019 – November 30, 2019	January 15, 2020
December 1, 2019 – December 31, 2019	February 15, 2020
January 1, 2020– January 31, 2020	March 15, 2020
February 1, 2020 – February 29, 2020	April 15, 2020
March 1, 2020 – March 31, 2020	May 15, 2020
April 1, 2020 – April 30, 2020	June 15, 2020
May 1, 2020 – May 31, 2020	July 15, 2020
June 1, 2020 – June 30, 2020	August 15, 2020
July 1, 2020 – July 31, 2020	September 15, 2020
August 1, 2020 – August 31, 2020	October 15, 2020

Grantees will list monthly expenditures incurred by setting. Settings will be further broken down by whether or not they are tobacco related. Grantee budgets represent the amount *anticipated* to be spent on a given setting, whereas the SHIP invoice will collect the *actual* amount spent on a setting based on the amount paid. Although some expenditures may be allocated across settings (i.e., administration), it is an expectation that actual expenditures are reported by setting. This level of detailed information will be used by MDH to ensure appropriate use of SHIP funds, determine the true cost of implementation by setting, evaluate the cost effectiveness of strategies and report to the legislature.

Grantees will use the same document every month throughout the grant period. Every month, grantees will update the invoice with monthly expenditures and details and **save the document as “Grantee Name_Monthly Invoice_MonthYear”**.

For more information about Monthly Invoicing, see Appendix G: Questions and Answers.

Instructions for Completing and Submitting Monthly Invoice

1. Please complete all fields highlighted in yellow for each tab included in the document. Every invoice has the following spreadsheets (tabs):
 - a. Tab for every setting selected
 - b. Summary – **this is where you will include signature and date**
2. Under “Invoice Information” section on each tab:
 - Time Period of Invoice - Beginning the first of the month, grantees may begin completing the invoice for the month before (e.g., on Jan. 1, 2016, grantees may begin completing the invoice for Dec. 1-Dec. 31, 2015).

- Salary and Fringe
- Contractual Services
- Travel (In-state or Out-of-state)
- Equipment and Supplies
- Other
- Indirect Costs



Enter the amount of grant funds spent for each of these categories.

Enter a brief description of the expense. If in-kind match was provided, indicate the actual cost.

Salary and Fringe

For each staff person paid with SHIP funds, indicate the position/title, hours worked for the respective month, the actual expense paid and any in-kind match.

Contractual Services

For each contract, indicate the name of the contractor, a brief description of the service, the actual expense paid and any in-kind match. Mini-grants/subcontracts should be invoiced under this category.

Travel

Indicate the name of the person traveling, event name, purpose and destination, the actual expense paid and any in-kind match. Reimbursement requested should be no greater than the amount provided under the Commissioner’s Plan promulgated by the Commissioner of Minnesota Management and Budget, or the actual expense, whichever is less.

Equipment and Supplies

Provide details of the item and description as well as the actual expense paid and any in-kind match.

Other

Provide details of the item and description as well as the actual expense paid and any in-kind match.

Indirect Costs

MDH will accept up to the grantee’s current federally approved indirect cost rate for federal and state funded grant programs. Grantees must submit proof of their federally approved rate to MDH grant programs and proof shall be retained in the grant file.

If a grantee does not have a federally approved indirect cost rate, MDH will allow up to 10 percent of the total grant award for indirect costs on federal and state funded grant programs. Organizations without a federally approved indirect cost rate must submit a list of expenses that will be covered by indirect in their budget narrative to ensure expenses such as rent, administrative salaries, etc. are not already listed in other directly billed budget line item categories.

Administrative costs are the expenses of doing business that are necessary for the overall operation of the organization and the conduct of the activities it performs. Administrative costs incurred as part of the grant program should be reasonable to provide necessary program support and directly billed to the appropriate budget line item (i.e. salaries and fringe for accounting support, human resources or administrative staff and general office supplies and expenses) and not included as part of an organization’s indirect costs.

Changes to Indirect Information from Community Health Boards

The MDH has been asked by community health boards (CHBs) to increase consistency in how we implement and manage our multiple grants. One initial request is that we only require CHBs to submit an Indirect Cost Plan (or proof of federal indirect cost rate) **once for all MDH grants instead of with every grant.**

In 2017, the MDH updated our policy on indirect and administrative costs. Guidance for CHB on this policy can be found here

(<https://www.health.state.mn.us/communities/practice/lphact/lphgrant/invoice.html>). The policy recognizes that grantees incur certain “costs of doing business” that are not easily identified with a particular grant or activity. With this policy, MDH is encouraging grantees (CHBs) to attribute as many costs as appropriate directly to the grant program by including these costs in a budget or invoice line item and not as part of an organization’s indirect costs. As part of this policy, MDH allows grantees to use federally negotiated indirect cost rates for their budgeting and invoicing of indirect costs or, if they do not have one, an indirect cost rate of up to 10% of the grant’s total direct costs.

Changes to Financial Review of CHB

In 2014 MDH implemented alternate plan for [financial review of CHBs](https://www.health.state.mn.us/communities/practice/lphact/lphgrant/invoice.html) (<https://www.health.state.mn.us/communities/practice/lphact/lphgrant/invoice.html>) that involved a general ledger review of one invoice per grant cycle for every grant over \$50,000. As part of that plan we indicated we would revisit that plan every three years. As a result, we have recently modified that plan to reflect a change in state policy that allows for the MDH to monitor a **sample** of grants when a granting agency (MDH) has multiple grants with the same grantee (CHB).

What is changing?

In the past, a general ledger review was done for every MDH grant every grant cycle. With this new sampling plan, each CHB will now receive a general ledger review on **one invoice, every other year, on one grant** from the MDH. The results of these general ledger reviews will be made available to all MDH grant staff.

Grantees are responsible for maintaining records (including, but not limited to time certifications or time studies, payroll and purchase records) verifying the portion of administrative costs that are attributable to a specific grant program. These expenses are considered direct expenses of the grant, not indirect costs, and should be reflected on the appropriate budget line items (salaries and fringe, travel, office expense and supplies, etc.).

3. The last tab will be the summary, where automatic calculations are done to total the invoice. Confirm the total SHIP expenditures, sign, date and email the invoice to Health.SHIP-Invoices@state.mn.us by the submission date noted above. **The subject line of the email should read (grantee name)-(month)-Invoice.**

4. Your Community Specialist will review invoice. If approved, the CS will print and sign the invoice and send to Financial Management (FM) at MDH for processing. If the CS has questions about invoice expenditures, he/she will follow-up to clarify and revise as needed.

FM will process the invoice and submit reimbursement to the fiscal agent within 30 days from the date they receive it. Note: by statute, the State has 30 days from the receipt of the invoice at MDH to issue payment to the vendor.

Appendix E: Terminology

Frequently Used Acronyms and Abbreviations

CHB – Community Health Board

CS – Community Specialist

FM – Financial Management

FTE – Full-time equivalent

GAAP – Generally Accepted Accounting Principles

MDH – Minnesota Department of Health

RFP – Request for Proposals

PSE – Policy, systems and environmental change

SHIP - Statewide Health Improvement Partnership of the Minnesota Department of Health

Definitions

Administrative Costs: the expenses of doing business that are necessary for the overall operation of the organization and the conduct of the activities it performs. Administrative costs incurred as part of the grant program should be reasonable to provide necessary program support and directly billed to the appropriate budget line item (i.e. salaries and fringe for accounting support, human resources or administrative staff and general office supplies and expenses) and not included as part of an organization’s indirect costs.

Allowable Cost: a cost incurred by a grantee that is reasonable for the performance of the approved activities; in conformance with any limitations or exclusions set forth in this guidance; consistent with grantee policies and procedures; accorded consistent treatment; and determined in accordance with GAAP.

Application: request for SHIP funding submitted by a grantee to MDH.

Appropriated Funds: funds authorized by the Minnesota Legislature and signed by the Governor that provides authority to permit MDH to incur obligations or to make payments for specified purposes.

Approved Budget: financial expenditure plan, including any revisions approved by MDH for the grant-supported project. The approved budget consists of SHIP grant funds and non-SHIP matching funds.

Award: funds provided to a grantee to carry out SHIP activities.

Budget Period: the interval of time into which the project period is divided for budgetary and funding purposes. SHIP budget periods for this funding cycle are: Nov. 1, 2015-Oct. 31, 2016 (Year 1) and Nov. 1, 2016-Oct. 31, 2017 (Year 2).

Cash Match: money spent for grant-related costs not borne by SHIP. Cash match for SHIP may come from county or city levy, tribal funds or funds contributed by partners or other third-party sources. Grantees cannot use state or federal funds as cash match for SHIP.

Contractual Services: includes subcontracts and mini-grants to other organizations and governmental units to perform work associated with SHIP activities and strategies.

Closeout: the process by which MDH determines if all applicable administrative actions and all work required by the grant have been completed by the recipient and the awarding agency for a project.

Direct Cost: a cost that can be identified specifically with a particular SHIP activity (e.g., grant, contract, project, or function).

Equipment: tangible nonexpendable property (other than land or buildings) that is of a more or less durable nature. Non-expendable means that the item is not consumed by use (used-up). Equipment is generally higher in monetary value than supplies. Examples of equipment include laptops, GPS units, bicycles and composter.

Environmental Changes: environmental change is a physical or material change to the economic, social or physical environment. Examples are incorporating sidewalks, walking paths and recreation areas into community development design; and an elementary school making healthy snacks and beverages available in all of its vending machines.

Fiscal Agent: the organization responsible for providing and maintaining fiscal oversight of grant expenditures and meeting all the requirements related to such oversight. Also refers to the individual assigned by grantee to perform the required financial reporting and monitoring.

Funding Restrictions: items for which SHIP funds cannot be used.

Grant: a financial assistance mechanism whereby funding is provided to carry out approved activities.

Grantee: the CHB or Tribal Government to which a SHIP grant is awarded, and which is responsible and accountable for the use of the funds provided and for the performance of grant-supported activities.

Indirect Cost: Expenses of doing business that cannot be directly attributed to a specific grant program or budget line item. These costs are often allocated across an entire agency and may include: executive and/or supervisory salaries and fringe, rent, facilities maintenance, etc.

If a grantee does not have a federally approved indirect cost rate, MDH will allow up to 10 percent of the total grant award for indirect costs on federal and state funded grant programs. Organizations without a federally approved indirect cost rate must submit a list of expenses that will be covered by indirect in their budget narrative to ensure expenses such as rent, administrative salaries, etc., are not already listed in other directly billed budget line item categories.

In-Kind Match: a non-cash contribution of the fair market value of goods or services provided to support grant activities by the grantee, partners or other third parties. Examples of in-kind match for SHIP include the time contributed by a SHIP staff supervisor and the Community Leadership Team, donated meeting space and donated printing. More details are listed in Appendix B.

Leveraged funds: grant awards or cash that come from outside partners or funding agencies, and support SHIP grant activities. More details are listed in Appendix F.

Matching: the value of allowable third party in-kind contributions to the allowable costs of a SHIP project not borne by the SHIP grant.

Monitoring: a process whereby the programmatic and business management performance of a grant are continuously reviewed through the collection and assessment of information gathered from audit, financial, and interim and annual reports; continuation applications; correspondence; and grantee corrective action, as needed.

Outlays or Expenditures: charges made to the SHIP grant, which may be reported on a cash or accrual basis.

Per Diem: a specific amount of money that an organization allows an individual to spend per day, to cover living (meals and lodging) and traveling expenses in connection with work.

Pre-/Prior Approval: the written permission provided by MDH before the grantee may deviate from the approved budget and/or program plans for certain expenditures.

Policy Changes: may be laws, resolutions, mandates, regulations or rules. Examples are laws and regulations that restrict smoking in public buildings and organizational rules that promote healthy food choices in a worksite. Policy change refers not only to the enactment of new policies, but also to a change in or enforcement of existing policies.

Programs: services targeted to individuals that teach behavioral skills to reduce tobacco use and exposure, increase physical activity and/or improve nutrition. Include activities, individual or group instruction, curricula, counseling and training.

Project Period: the total time for which support of a project has been approved. The SHIP project period is Nov. 1, 2015, through Oct. 31, 2020.

Reimbursement Basis Only (or Cost Reimbursement Payment): a type of grant payment in which the grantee incurs the expenses before requesting repayment from the grantor. This means the cost must be paid by the grantee before it can be reimbursed. Expenditures on the invoice submitted to MDH should agree with expenditure accounting records.

Reports (Interim and Final): a grantee report which contains information on the comparison of actual accomplishments to objectives established for the period.

Start-up Costs: Equipment, supplies, and space needed to implement a new-to-the-community evidence based program or class. This should not be an ongoing expense.

Supplies: tangible, expendable property items. Expendable means that the item is consumed by use (used-up). Supplies are generally lower in monetary value than equipment. Examples of supplies include: office products, pens/pencils and paint.

Suspension: a temporary withdrawal of the grantee's authority to obligate grant funds pending corrective action by the grantee as specified by MDH or a decision by MDH to terminate the grant.

Systems Changes: changes that impact all elements of an organization, institution or system; they may include a policy or environmental change strategy. Two examples include a school district implementing healthy lunch menu options in all school cafeterias in the district and a

local public health department implementing a healthy meeting policy that allows only healthy snacks and beverages at all meetings that take place at the health department.

Termination: permanent withdrawal of a grantee's authority to obligate previously awarded grant funds before that authority would otherwise expire, including the voluntary relinquishment of that authority by the grantee.

Terms of Award: all legal requirements imposed on a grantee by MDH, whether by statute, regulation or terms in the grant agreement. The grant agreement includes both standard and SHIP specific provisions that are necessary to attain the objectives of the grant, facilitate post-award administration of the grant, conserve grant funds or otherwise protect MDH's interests.

Unallowable Cost: a proposed cost that may not be purchased nor reimbursable with SHIP funds.

Unobligated Balance: portion of the SHIP grant funds that have not been obligated by the recipient at the close of the budget period.

Appendix F: In-Kind and Leveraged Funds

What is the difference?

In-kind amount is the dollar equivalent of resource contributions provided by the grantee or outside partners toward costs of the grant activities. These contributions are in the form of:

- volunteer time
- staff time not paid for by SHIP
- donated materials
- donated rent, office or meeting space
- donated food

Leveraged funds are grant awards or cash that come from outside partners or funding agencies, and support SHIP grant activities. Examples may include:

- Blue Cross Blue Shield Active Living for All funds
- MnDOT Safe Routes to School funds
- USDA Farm to School Funds
- UCARE
- Other foundations

Your 10 percent match requirement for SHIP 4 may come from in-kind or leveraged funds.

Why does MDH ask for this – why is it important to document?

In-kind and leveraging important to our stakeholders because:

- It shows that others support the work.
- It addresses the issue of sustainability, because those who sign on as partners at the start have an incentive to continue supporting the project after the grant ends.
- Collaboration adds partners/stakeholders to the project.

Reporting more than a 10 percent match is a good thing and encouraged. Stakeholders appreciate knowing how much support and how many partnerships are cultivated as a result of SHIP funds.

All in-kind and leveraged funds, must be documented. This means that:

- Volunteers must sign in or otherwise account for donated time. For example: Sign-in sheets at CLT meetings.
- Goods and supplies are valued at fair market rates.

- Goods and services must directly support the grant work plan. For example: Fencing provided by the local hardware store for the Farm to School effort may be counted as in-kind funds.
- Meeting space may be counted at the rate rent would be charged per square foot in a particular location.
- Meals and coffee should be recorded and valued at fair market rates.
- Grants received as a result of your SHIP work should be itemized and counted as leveraged funds. Those include: Blue Cross Blue Shield Active Living for All funds, MnDOT Safe Routes to School funds, USDA Farm to School Funds, etc.
- Professional fees may be counted for a person's time when working in their field. That is, the hours a physician spends in a Motivational Interviewing training are credited at the rate a physician could expect to be paid for that amount of time; if that same physician volunteers to work in the local food hub, those hours are credited at the federal volunteer rate.

Other things to note:

- Any resources or time that are donated to complete a project must directly support the SHIP work plan.
- If you have questions about these guidelines, please talk with your Community Specialist. A tracker is available to help you log your leveraged funds. If you have questions regarding how to use the tracker, please contact your Community Specialist. Get a copy of the tracker at the [Resources for Local SHIP Staff webpage](https://www.health.state.mn.us/communities/ship/support/implement.html) (<https://www.health.state.mn.us/communities/ship/support/implement.html>) or download the [tracker file \(XLSX\)](https://www.health.state.mn.us/communities/ship/support/docs/implementation/lftracker.xlsx) (<https://www.health.state.mn.us/communities/ship/support/docs/implementation/lftracker.xlsx>).

Appendix G: Questions and Answers

The following is a list of commonly asked questions.

Q: Can you provide rationale for why we are being asked to invoice by setting?

A: As stewards of the State’s SHIP funds, we are accountable for use of these funds in a manner that meets auditing requirements as well as to assure good program and fiscal management. In the past, the Legislature asked OSHII for information on how much was spent by SHIP grantees on one or more specific strategies/settings. Based upon past expenditure reporting practices, we have been unable to produce that information with any degree of accuracy. Assuming that the Legislature will continue to appropriate funds for SHIP, MDH needs to be able to refine the way it awards future SHIP grants so that funds are targeted to those strategies/settings which are yielding the most impact. We cannot do that without having a better information about and understanding of the investments that are needed to yield specific health improvement outcomes.

Q: Can you provide rationale for why we are being asked to invoice monthly?

A: The State requires all financial transactions to be on a reimbursement basis only. Since we are not permitted to distribute advance payments to cover start-up costs, grantees will be reimbursed as often as they submit invoices. We opted for monthly invoicing (vs. quarterly) to ensure that grantees receive reimbursements on a regular basis.

Q: Can you share examples of the kinds of questions you’re asked to respond to from the Legislature or other interested parties?

A: While we cannot anticipate the kinds of questions we will be asked in the future, here are a few examples of questions we’ve received in the past:

- Estimate how much SHIP spent on a specific strategy (across all grantees);
- Provide budget information for a single county’s SHIP expenditures that was part of a multi-county collaboration
- Estimate how much SHIP spent on administrative costs/staffing across all grantees.

Q: What does “reimbursement basis only” mean?

A: From Office of Grants Management Policy 08-08, a “Cost Reimbursement Payment” is a type of grant payment in which the grantee incurs the expenses before requesting repayment from the grantor. Expenditures on the invoice submitted to MDH should agree with expenditure accounting records. Cost Reimbursement Payment also applies to partners receiving mini-grants and for contractors. See the [Office of Grants Management Policy 08-08 \(PDF\) \(https://mn.gov/bms-stat/assets/grants_policy_08-08.pdf\)](https://mn.gov/bms-stat/assets/grants_policy_08-08.pdf).

Q: Completing monthly invoicing by setting will require more time from SHIP Coordinators as well as accounting in which case we may need to revise our budget to reflect these changes. Is there any other alternative to this method?

A: No, unfortunately there are no alternatives. MDH is being held to greater accountability by the Legislature and State administration for SHIP funding. Setting-specific budgets were required for SHIP applications. We ask that grantees account for these funds in the same manner in which you budgeted, by setting up internal processes to track your sub-

contracts and other variable expenses. Fixed expenses can be built into your monthly expenditure reports; however, you will need to assure that your methodology meets public accounting and auditing standards. We recognize that adjusting to this new system will take time and resources and we appreciate your cooperation.

Q: Is it necessary to track in-kind matches after minimum requirement is met either for reporting or to illustrate partner buy-in?

A: Yes, continue to track after the minimum is met. It is important for SHIP to have accurate in-kind matches and funds leveraged to communicate to the Legislature. Grantees have also found it helpful for communications, securing additional resources and forging new partnerships.

Q: It can be burdensome for partners to track their in-kind match for time spent. Do we have to ask them to do this?

A: Yes, if a partner's in-kind match was included in the budget they will need to track their in-kind match.

Q: Some of our contractors invoice quarterly which means monthly invoices will not be representative of the actual costs we've incurred that month.

A: This shouldn't be a problem (see definition of "reimbursement basis only"). For example, if a grantee invoices MDH for January expenses, but receives a contractor's invoice for January, February and March and pays it in April, they can submit that invoice for reimbursement in April. They will not have spent anything in January, February or March.

Q: What do I do if there are issues with my invoice template?

A: Contact your Community Specialist.