



**POLICY ON SOIL AND WATER
CONSERVATION DISTRICT
ADMINISTRATION AND
OPERATIONS FUNDING
ALLOCATIONS FOR FISCAL YEAR
2016**

**VIRGINIA SOIL AND WATER
CONSERVATION BOARD**

(Approved by Board May 20, 2015)

1. Purpose:

This Policy document specifies the Virginia Soil and Water Conservation Board's (Board) process by which funds are to be allocated by the Department of Conservation and Recreation (Department) to the Commonwealth's 47 local Soil and Water Conservation Districts (Districts) for administrative and operational support in Fiscal Year 2016. A separate Policy shall govern the Fiscal Year 2016 distribution of cost-share and technical assistance funds to Districts.

2. Authority:

This funding distribution Policy is required in accordance with Item 357 A.1. of Chapter 665 of the 2015 Virginia Acts of Assembly (the 2015 Appropriation Act) that specifies that the "funds shall be distributed upon approval by the Virginia Soil and Water Conservation Board to districts in accordance with the Board's established financial allocation policy". Funds subject to this Policy are set out in Sub-program 50320 (Financial Assistance to Soil and Water Conservation Districts) and are guided by the following specific budget provisions within Item 357:

A.1. Out of the amounts appropriated for Financial Assistance to Virginia Soil and Water Conservation Districts, \$6,841,091 the first year and \$6,841,091 the second year from the general fund shall be provided to soil and water conservation districts for administrative and operational support. These funds shall be distributed upon approval by the Virginia Soil and Water Conservation Board to the districts in accordance with the Board's established financial allocation policy. These amounts shall be in addition to any other funding provided to the districts for technical assistance pursuant to subsections B. and D. of this item. Of this amount, \$6,209,091 the first year and \$6,209,091 the second year from the general fund shall be distributed to the districts for core administrative and operational expenses (personnel, training, travel, rent, utilities, office support, and equipment) based on identified budget projections and in accordance with the Board's financial allocation policy; \$312,000 the first year and \$312,000 the second year from the general fund shall be distributed at a rate of \$3,000 per dam for maintenance; \$150,000 the first year and \$150,000 the second year from the general fund for small dam repairs of known or suspected deficiencies; and \$170,000 the first year and \$170,000 the second year to the department to provide district support in accordance with Board policy, including, but not limited to, services related to auditing, bonding, contracts, and training. The amount appropriated for small dam repairs of known or suspected deficiencies the second year is authorized for transfer to the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund. Unspent funds appropriated for small dam repairs in the first year are also authorized to be retained and transferred to the Fund.

In addition to the authorities set out in the 2015 Appropriation Act, the *Code of Virginia* contains the following Board duties applicable to this Policy:

§ 10.1-505. Duties of Board.

In addition to other duties and powers conferred upon the Board, it shall have the following duties and powers:

1. To give or loan appropriate financial and other assistance to district directors in carrying out any of their powers and programs. ...
3. To oversee the programs of the districts.
9. To provide for the conservation of soil and water resources, control and prevention of soil erosion, flood water and sediment damages thereby preserving the natural resources of the Commonwealth. ...
11. To provide, from such funds appropriated for districts, financial assistance for the administrative, operational and technical support of districts.

3. Definitions:

“District” or “local soil and water conservation district” or “SWCD” means a political subdivision of the Commonwealth organized in accordance with the provisions of the Code of Virginia contained in Chapter 5 of Title 10.1 (§ 10.1-500 et seq.) and with the powers and duties set out in Chapters 1, 5, 6, and 21.1 of Title 10.1 of the Code of Virginia.

“FTE” means a full time equivalent position.

“Total Maximum Daily Load” or “TMDL” means a calculation of a maximum amount of a pollutant that a waterbody can receive and still meet water quality standards.

4. Allocation Process:

For Fiscal Year 2016, \$6,841,091 (Item 357 A.1. – see Part 2, Authority) is available for allocations to the Districts for administrative and operational support or to the Department for the administration of contracts in support of the Districts. Those allocations are set out in Attachment A and are developed in accordance with Part 4.

SWCD (Column 1)

For Fiscal Year 2016, the 47 listed Districts will be eligible for administration and operations funding allocations.

ADMINISTRATION AND OPERATIONS CORE FUNDING (Column 2):

For the purposes of the Fiscal Year 2016 Policy allocations, it is recognized that no Districts are at levels sufficient to provide baseline core services and that District’s desire the minimization of changes to current District allocations (maintain level support) until re-benchmarking in accordance with the Budget Template Exercise occurs. Accordingly, the Fiscal Year 2016 allocations for core administrative and operational expenses (personnel, training, travel, rent, utilities, office support, and equipment) remain unchanged from those allocated in Fiscal Year 2015. The Board, Department, and Districts will continue to utilize information that will be forthcoming from the continuing Budget Template Exercise to seek additional Administration and Operations funding from the Administration and General Assembly to continue re-benchmarking in Fiscal Year 2017, the Fiscal Year 2016 allocations set out in this Policy. However, please note that Districts shall ensure that funds provided in Fiscal Year 2016 are

utilized to support and deliver the Virginia Agricultural Cost-Share Program and other *Code of Virginia* specified responsibilities.

Of the amounts allocated for core administrative and operational expenses, an annual allowance of \$500 per Director is provided for travel expense reimbursement and training pursuant to § 10.1-531 of the Code of Virginia. Amounts per District range between \$2,500 (5 Directors) to \$6,000 per District (12 Directors). Funding extends to elected Directors, at-large appointed Directors, and Extension Agent appointments but does not include Associate Directors, Honorary Directors, Emeritus Directors or other District personnel or volunteers. No fiscal adjustments (reductions) are made when an Extension Agent serves multiple Districts. The number of District Directors in each District is calculated in accordance with § 10.1-515 of the Code of Virginia. Information on the number of jurisdictions in each District can be found in the last column of Attachment A (Column 9).

DAM MAINTENANCE (\$3000/dam) (Column 3)

For Fiscal Year 2016, \$312,000 is provided for out of the amounts appropriated in Item 357 A.1. of the 2015 Appropriation Act (Sub-program 50320) for the maintenance of the Districts' 104 impounding structures. This represents a total of \$3,000 per dam.

OF DAMS (Column 4)

This column indicates the distribution of the Districts' 104 impounding structures within the 12 Districts that have dams.

SUBTOTAL ADMINISTRATION AND OPERATIONS ALLOCATIONS (Column 5)

This column represents the total amounts the specified District will receive during Fiscal Year 2016 to support the administration and operations within the District (Sum of Columns 2 and 3). The District may also be eligible for additional allocations from the Small Dam Repair funds (Column 6). For Fiscal Year 2016 this total amount (the Sum of Columns 2 and 3) is \$6,521,091.

SMALL DAM REPAIR Item 357 A.1. (Column 6)

For Fiscal Year 2016, \$150,000 for small dam repairs is appropriated in Item 357 A.1. of the 2015 Appropriation Act (Sub-program 50320) for the maintenance and small repairs to the Districts' 104 impounding structures. To be eligible for the funding, Districts shall submit a written request to the Department requesting funding based on known or suspected impounding structure deficiencies. Such request shall include a current repair cost estimate prepared by the Department, NRCS, or local contractor. For consideration, all requests for funding must be received by August 1st unless Districts are otherwise notified by the Department of a later deadline. The Department shall prioritize the requests based on hazard considerations and issue a letter of commitment to the selected project(s). The Department is authorized to provide the District with up to half of the project's authorized funding up front. Subsequent payments shall be released only as reimbursements to paid invoices for work performed. Purchasing procedures consistent with the Virginia Public Procurement Act shall be followed. At the end of the project, should final costs be less than the amount provided to the District, the balance shall be repaid to the Department within 30 days of final invoice receipt by the District. The Department is not responsible for costs that exceed the authorized project funding allocation.

NOTE: To enable the completion of projects that may not be able to be finished by the end of the Fiscal Year, language was added to the 2015 Appropriation Act to allow the amount appropriated for small dam repairs of known or suspected deficiencies in Fiscal

Year 2016 to be transfer to the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund. Unspent funds appropriated for small dam repairs in Fiscal Year 2015 are also authorized to be retained and transferred to the Fund. This will allow for the continuation of projects across Fiscal Years.

DCR MANAGED FUNDS FOR DISTRICT SUPPORT (Column 7)

An amount of \$170,000 is set aside to provide for support of District requirements and responsibilities set out in Chapter 5 of Title 10.1 of the Code of Virginia including, but not limited to, those relating to bonding and audits in § 10.1-535 of the Code as follows:

Audits of Districts (\$95,940): 26 audits will be budgeted for during Fiscal Year 2016 for the Fiscal Year 2014 and 2015 period. Based on historical expenditures (\$3,600 per audit with a 2.5% likely increase), \$95,940 is being set aside to cover the audit expenses.

Surety Bond Coverage of District Employees and Officers (\$15,000): The policy period for the existing Commercial Crime Policy will end on July 15, 2015. A new two-year contract will need to be established, to take effect on July 16, 2015. Based on historical expenditures, \$15,000 has been set aside for this function. However, should it be found that inclusion under the Department's Commonwealth's fidelity bond adequately covers this need, these funds may be utilized to reimburse the Department for its commensurate increase in bond premium and the balance may be transferred to address **Other Support Expenses**.

§ 10.1-535. Bonds of officers and employees; records and accounts.

The district directors shall (i) provide for the execution of surety bonds for all employees and officers who shall be entrusted with funds or property; (ii) provide for the keeping of a full and accurate record of all proceedings and of all resolutions, regulations, and orders issued or adopted; and (iii) provide for an annual audit of the accounts of receipts and disbursements by the Auditor of Public Accounts or a certified public accountant approved by him.

Virginia Association of Soil and Water Conservation District (Association) Contract (\$46,700): For Fiscal Year 2016, \$46,700 has been set aside to contract with the Association to perform duties that generally include, but are not limited to, the following:

- a. Administrative - (\$7,550)
 - Communications (Estimated Cost \$4,550)
This item supports maintaining and updating an Association website; maintaining a District e-mail list serve; producing a quarterly a newsletter to Districts and partners; conducting conference calls relating to board meetings, committee meetings, and other partner meetings; and conducting appropriate mailings.
 - Audit Services (Estimated at no more than \$3,000)
This item supports the reimbursement of costs associated with performance of audit services and fiscal management related to Association financial records and accounts.
- b. Statewide Training Initiatives that Enhance Skills & Capabilities of District Directors & Staff - (\$30,250)
 - Minimum of four statewide partner meetings during the grant period (Estimated \$3,700)

This item supports forums for discussion of issues relevant to Districts and the Department and their partners.

- Joint Employee Development Training Programs (Estimated \$750)
This item supports Association representation on the Joint Employee Development Committee and support expenses associated with coordinating and delivering training program initiated by that group.
- SWCD Director Trainings (Estimated \$5,800)
This item supports the Association conducting statewide director trainings periodically throughout the year in varying locations across the state. As schedules permit, staff will also provide training to individual districts on topics at their request.
- Annual Training Meeting of Soil & Water Conservation Districts (Estimated \$20,000)
This item supports the expenses associated with planning, promoting, and implementing a statewide annual meeting event for Virginia's 47 districts.

c. District Development & Outreach – (\$8,900)

- Provide marketing, agricultural, urban, forestry and other topical assistance and support to SWCDs (Estimated \$3,900)
This item supports the Association in providing needed information, education, and development on the above topics to district directors, associate directors and staff.
- Area Meetings (Estimated \$1,200)
This item supports the Association in their support and assistance in work related to hosting six Area meetings.
- Compile, revise, post on the Association web site, print (limited quantity) the SWCD Directory, assist with printed copy distribution and maintain an online directory (Estimated Cost \$3,800)
This item supports Directory production and online updates throughout the year.

Use of any funds made available by the Department through this Agreement, are prohibited from being utilized to support any lobbying activities by Association members or others.

The Department shall release funding to the Association on a cost reimbursement basis upon receipt and approval of the Association's quarterly and final reports. Any cost overruns incurred by the Association during the time of performance shall be the responsibility of the Association.

Other Support Expenses Include (\$12,360):

- Completion of additional District audits (beyond the 26 budgeted for) OR should any District require a single audit if they exceed \$500,000 in expenditures of federal funds in a one-year period.
- Revisions/limited printing and posting of the SWCD Desktop Guide for Fiscal Operations.
- Revision/limited printing of the SWCD Director Handbook and Director orientation materials.
- Training provided by District auditors or other subject experts (QuickBooks Training, Preparing for Audits, etc).
- To cover identified shortages in other estimated categories.
- Agriculture BMP Cost-share Manual printing.

In the last two months of the fiscal year, the Department shall make an assessment of any unused balance in the DCR Managed Funds for District Support category and determine where adjustments should be made to optimize expenditure of category funding.

In accordance with this Policy, the Department is authorized to enter agreements or contracts for the activities specified above.

5. Disbursement Schedule:

Disbursements to Districts shall be conducted on a quarterly basis in accordance with the DEPARTMENT OF CONSERVATION AND RECREATION AND VIRGINIA SOIL AND WATER CONSERVATION DISTRICT (Department/ District) GRANT AGREEMENT: Administrative and Operational Support from the Commonwealth of Virginia. Except due to extenuating circumstances or as otherwise set out in the Grant Agreement, disbursements to Districts will be executed within 45 calendar days following the beginning of a quarter contingent upon the satisfactory completion of database updates and the receipt of complete and accurate reports.

Quarters	Period
First Quarter	07/01/15 thru 09/30/15
Second Quarter	10/01/15 thru 12/31/15
Third Quarter	01/01/16 thru 03/31/16
Fourth Quarter	04/01/16 thru 06/30/16

6. Grant Agreements and Accountability:

On behalf of the Board and in accordance with this Policy and a Grant Agreement entered between the Department and each District, such District shall receive administrative and operational support funding only after the Fourth Quarter Fiscal Year 2015 report has been submitted (including the District’s Cash Balance Report, Carry Over Report, and SL-6 Pending Reports) and upon the complete execution of the Grant Agreement and the return of an original signed Agreement to the District’s assigned Department Conservation District Coordinator (CDC). The Grant Agreement shall include the Board’s expected outcomes or “deliverables” for each District as a result of the funding provided. The Fiscal Year 2016 Grant Agreement template shall be approved by the Board.

The Department is directed by the Board to assess at the end of Fiscal Year 2016 each District’s success in meeting the deliverables utilizing an A (fully satisfied), B (partially fulfilled), and C (did not fulfill) evaluation scale and to provide the results to the Board for review and appropriate action which may include, but not be limited to, funding adjustments to future fiscal year’s funding allocations and/or other fiscal corrective actions in accordance with Part 7.

7. Noncompliance with this Policy:

In the event any District fails to comply with the provisions of this Policy, the Board reserves the right to require repayment of previously issued funds and/or direct further appropriate actions based upon noncompliance circumstances. Should an issue arise that impacts funding, the affected District(s) will be apprised of the issue(s) and provided an opportunity to address the concerns of the Board prior to Board action.

8. Unexpended State Funds Maintained by Districts:

Administration and operational support funds issued to Districts that remain unexpended at the close of the grant period will remain in the District's account(s).

It is unadvisable for any District to accumulate more than about six months of undedicated reserve funds. Public funds from local, state, and federal sources are provided to Districts not for savings, but strictly for performance of conservation. The Department will monitor the growth of unexpended funds through Grant Agreement required audit reports, and report situations of concern to the Board. The Board may reduce future funding to Districts that fail to act upon guidance and recommendations from auditors and the Department. Decisions and Board actions will be addressed on a case-by-case basis.

9. Criteria for Financial Assistance:

Funding granted to Districts is contingent upon appropriations by the General Assembly. Should a reduction of funds occur during the course of Fiscal Year 2016, after the Department has utilized all unallocated and unobligated balances it may have available, every District will receive an equal percent reduction which will be calculated and deducted from each District's total approved administrative and operational funding specified within the Department/District Grant Agreement (excluding dam maintenance funding). If additional direction is necessary, the Department shall consult with the Board.

In the event a new District is formed or an existing District alters its boundaries, the Board will examine the total financial resources under its control and its priorities for use of these funds and adhere to its Policy titled Financial Commitments For Establishment of a New Soil & Water Conservation District (SWCD/district), or Realignment of an Existing District on all funding decisions in this Policy. The newly created or altered District may be funded at a reduced level, or may be required to share funding in an arrangement determined by the Board until sufficient funding is made available to fulfill provisions of this Policy and priorities of the Board.

Expenditure of District funds, regardless of source, will be made without regard to any person's race, color, religion, sex, age, national origin, handicap, or political affiliation.

All funds received by Districts are public funds and provision of the Freedom of Information Act shall apply to financial records, unless otherwise specified within the Act or elsewhere in the *Code of Virginia*. Each District shall safeguard, provide accountability, and expend funds only for approved purposes.

10. Electronic Copy:

An electronic copy of this policy guidance in PDF format is available on the Regulatory Town Hall under the Virginia Soil and Water Conservation Board at <http://townhall.virginia.gov/L/GDocs.cfm>.

11. Contact Information:

Please contact the Department of Conservation and Recreation's Policy Office at regcord@dcr.virginia.gov or by calling 804-786-6124 with any questions regarding the application of this Policy.

12. Fiscal Year 2017 Policy Development:

The Department shall work towards the development of a budget-based needs assessment of Districts to enable the development of an improved Policy that will govern the distribution of

funding to Districts during Fiscal Years 2017 and 2018 thus allowing District allocations to be more predictable, balanced, transparent, and consistent.

13. Authorization

Upon the approval of this Policy, the Department shall, in accordance with its fiduciary powers and responsibilities, make and enter into any and all Grant Agreements and contracts, and take all actions necessary, to fully implement and administer this Policy.

14. Adoption, Amendments, and Repeal:

This document supersedes the Board's Policy titled Policy on Soil and Water Conservation District Administration and Operations Funding Allocations for Fiscal Year 2015 adopted May 21, 2014 and revised June 27, 2014 will remain in effect until rescinded or superseded.



Herbert L. Dunford
Chair



Clyde E. Cristman
DCR Director

May 20, 2015
Date

Attachment A: Fiscal Year 2016 Virginia Soil and Water Conservation District Administration and Operations Funding Allocations (Sub-program 50320)

1	2	3	4	5	6	7	8
SWCD	FY16 ADMINISTRATION AND OPERATIONS CORE FUNDING	DAM MAINTENANCE (\$3,000/ dam)	# OF DAMS	SUBTOTAL ADMINISTRATION AND OPERATIONS ALLOCATIONS	SMALL DAM REPAIR	DCR MANAGED FUNDS FOR DISTRICT SUPPORT	TOTAL
APPOMATTOX RIVER	104,073			104,073			
BIG SANDY	102,428			102,428			
BIG WALKER	118,850			118,850			
BLUE RIDGE	150,260	30,000	10	180,260			
CHOWAN BASIN	148,500			148,500			
CLINCH VALLEY	116,951			116,951			
COLONIAL	146,733			146,733			
CULPEPER	178,025	33,000	11	211,025			
DANIEL BOONE	116,358			116,358			
EASTERN SHORE	196,040			196,040			
EVERGREEN	116,922			116,922			
HALIFAX	118,040			118,040			
HANOVER-CAROLINE	145,915	3,000	1	148,915			
HEADWATERS	198,992	33,000	11	231,992			
HENRICOPOLIS	104,228			104,228			
HOLSTON RIVER	118,310			118,310			
JAMES RIVER	105,652			105,652			
JOHN MARSHALL	145,088			145,088			
LAKE COUNTRY	109,384			109,384			
LONESOME PINE	103,914			103,914			
LORD FAIRFAX	153,201	6,000	2	159,201			
LOUDOUN	119,590			119,590			
MONACAN	105,802			105,802			
MOUNTAIN	119,502			119,502			
MOUNTAIN CASTLES	118,382	12,000	4	130,382			
NATURAL BRIDGE	120,035			120,035			
NEW RIVER	121,556			121,556			
NORTHERN NECK	199,058			199,058			
NORTHERN VA	105,183			105,183			
PATRICK	116,235			116,235			
PEAKS OF OTTER	106,566			106,566			
PEANUT	148,098			148,098			
PETER FRANCISCO	104,463	51,000	17	155,463			
PIEDMONT	169,880	42,000	14	211,880			
PITTSYLVANIA	120,108			120,108			
PRINCE WILLIAM	104,559			104,559			
ROBERT E. LEE	197,675	18,000	6	215,675			
SCOTT COUNTY	118,230			118,230			
SHENANDOAH VALLEY	173,132	24,000	8	197,132			
SKYLINE	148,939			148,939			
SOUTHSIDE	104,510	36,000	12	140,510			
TAZEWELL	104,185			104,185			
THOMAS JEFFERSON	150,635	24,000	8	174,635			
THREE RIVERS	145,789			145,789			
TIDEWATER	144,625			144,625			
TRI-COUNTY/CITY	121,533			121,533			
VIRGINIA DARE	122,957			122,957			
TOTALS	6,209,091	312,000	104	6,521,091	150,000	170,000	6,841,091