

Virginia Soil & Water Conservation Board (Board) Policy

Title: Financial Assistance for Soil & Water Conservation Districts (SWCD/districts)

Purpose:

To make funding available to support the essential operating costs of every soil and water conservation district (district) as authorized by Title 10.1 of the Code of Virginia.

To provide additional funding to districts that support the Commonwealth's conservation and water quality improvement initiatives.

To encourage districts to speak in a unified voice on SWCD funding requests.

I "Essential" Financial Assistance Available to Districts:

- 1) Definition of Essential Operating Support: The Commonwealth's financial support to districts provides for the essential needs of every district in order to maintain district existence for delivery of state mandates. The components of essential support needs of every district are:
 - a) The business expenses of the district board of directors.
 - b) The existence of an office and support equipment that are necessary to perform the essential functions of the district.
 - c) Administrative and technical capabilities to perform state mandates.
- 2) Every district approved by the Board is eligible to receive an annual grant to support essential operating expenses. Based upon the above components that comprise essential support needs of every district, the Board shall establish a list of reasonable cost estimates for all essential components and incorporate the list as Attachment A to this policy. Authorized funding will normally be rounded to the nearest thousand dollars (excluding the additional district director travel and training allowance). Prior to June 1st each year, the Board shall review the attachment and determine if modifications are necessary.

II Financial Support to Address Water Quality Priorities of the Commonwealth:

- 1) Districts are eligible to receive additional financial assistance to support water quality improvement goals of the Commonwealth. The Board shall utilize a system for estimating nonpoint (NPS) source pollution contributions to state waters on a district by district basis. Funds that remain after essential support needs of districts have been fulfilled, will be made available to address NPS pollution problems on a proportional basis.

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III Additional Funding Provisions:

- 1) The Board may annually dedicate a portion of funding under its control to provide additional funding to all, or specific districts, to ensure equitable and fair distribution of funds and treatment of districts.
- 2) Districts may apply for loans to purchase conservation equipment. Funds may be made available from the revolving fund to purchase machinery and equipment for engineering and other operations. The Board will determine the interest rate and term of repayment which unless otherwise stated, will be 6% with an annual repayment schedule for a loan duration of two years.

IV Grant Agreements and Accountability:

- 1) A grant agreement will be established between DCR and each district receiving financial assistance through this policy, prior to the beginning of a fiscal year, for operational support funds. DCR staff will define the expected outcomes or “deliverables” for district funding for review and approval by the Board annually, and prior to June 1st.
- 2) Deliverables will be based on the Commonwealth’s conservation and water quality priorities and resolved between DCR staff and affected districts.

V Unexpended State Funds Maintained by Districts:

- 1) Operational support funds issued to districts that remain unexpended at the close of the grant period will remain in the district account (s).
- 2) Targeted funds will normally be issued through a reimbursement basis. Unexpended funds will revert to DCR and may be applied to a future targeted grant agreement.
- 3) It is unadvisable for any public entity 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 for performance of conservation. DCR will monitor the growth of unexpended funds through 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 DCR staff. Decisions and Board actions will be addressed on a case-by-case basis.

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VI DCR Support of Districts on behalf of the Board:

- 1) DCR staff are responsible for developing procedures to include submission and reporting deadlines, and supporting materials that are necessary for implementation of this policy.
- 2) DCR support of districts as authorized by section 10.1-502 through 505., and 10.1-506. through 559. of the Code of Virginia, will include provisions for: 1) liability coverage; 2) audits; 3) bonding for employees and officers that are entrusted with funds; 4) statewide training initiatives that enhance skills and capabilities of district directors and staff ; and, 5) performance of tasks by the Virginia Association of Soil and Water Conservation Districts (VASWCD) that support provisions of this policy. DCR will apprise the Board of costs associated with these services for the Board's consideration with the overall financial resources available to districts.

VII Noncompliance with this policy:

In the event any district fails to comply with provisions of this policy, the Board reserves the right to instruct DCR staff to delay, or permanently withhold funding that otherwise would be made available to the affected district(s). The Board further reserves the right to require repayment of previously issued funds and/or direct further appropriate actions based upon noncompliance circumstances. Should an issue arise which 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.

VIII Criteria for Financial Assistance:

- 1) Funding granted to districts is contingent upon appropriations by the General Assembly. In the event districts experience a statewide reduction in funding from the Commonwealth, the Board will generally address the shortfall as follows (but reserves the right to deviate from these options):
 - a) When a reduction of funds occurs during the course of a fiscal year, every district will receive an equal percent reduction which will be calculated and deducted from each district's total approved operational funding specified within the DCR/SWCD grant agreement for the applicable fiscal year.

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- b) When a reduction of funds is necessary prior to the start of a fiscal year, the Board will strive to fulfill the Essential Operating Support (see item *I* of this Policy) to the maximum extent possible. The first priority for use of available funds is SWCD director travel and training, remaining funds shall be applied to fulfill the funding amount established by the Board and referenced as “Total Costs Approved” (see Attachment A of this Policy). Should funds remain once these items have been fully satisfied, the Board will follow item *II Financial Support to Address Water Quality Priorities of the Commonwealth* (of this Policy) to distribute a proportional share of the remaining balance of district funding to every SWCD.
- 2) In the event a new district is formed or an existing district expands 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 entitled 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 expanded 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.
- 3) 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.
- 4) All funds received by districts are public funds and provision of the Freedom of Information Act apply to financial records. Each district shall safeguard, provide accountability and expend funds only for approved purposes.

ATTACHMENT A (VSWCB Policy for SWCD Financial Assistance)

Essential SWCD Components and Annual Cost Estimates

| Essential Components | Approach | Est. Cost/year |
|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Tech. FTE Salary | Use Commonwealth of Va Pay Scale This amount is within Pay Band 3 (V43) of the Commonwealth of Virginia's Salary Structure system | \$37,300 |
| Tech. FTE Fringe | .32 times salary | \$11,936 |
| Tech. FTE Training, Travel, Support | Training allowance@ estimated at \$950/year Travel est. by 8,500 miles times .50 cents/mile \$4,250 Support (field equipment, etc....) \$750/year | \$5,950 |
| Admin. FTE Salary | Use Commonwealth of Va Pay Scale This amount is within Pay Band 2 (V42) of the Commonwealth of Virginia's Salary Structure system | \$33,800 |
| Admin. FTE Fringe | .32 times salary | \$10,816 |
| Admin. FTE Training Travel | Training allowance estimated at \$500/year Travel est. by 2,500 miles times .50_cents/mile \$1,250 | \$1,750 |
| Office Rent | Justifiable space for 2 employees & conf. room --750 square feet. Average estimated cost per square foot per year: \$16 square ft. (includes utilities) | \$12,000 |
| Office Support expenses | Includes information systems (phones/ Internet \$2,300/year), an additional computer beyond the single unit provided by NRCS to be linked to the USDA NRCS network for use by SWCD staff (\$3,200/year), postage (\$1,200/year), office supplies (\$700/year), misc. expenses (\$500/year) | \$7,900 |
| Office Equipment replacement | Annual allowance for computers, fax, copier, furniture, etc. | \$2,400 |
| Total Costs | Amounts represent budgeted calculations for core expenses | \$123,852 |
| | <i>TOTAL COSTS APPROVED:</i> | <u>\$124,000*</u> |
| <u>PLUS</u> District Director Travel/Training | Average annual allowance of <u>\$500 per director</u> for travel expense reimbursement and training allowance. | \$2,500 to \$6,000 per SWCD |

*Virginia Soil and Water Conservation Board originally adopted 5/20/99
Amended by Board Action May 24, 2011*

* [In FY12 the amount of funding made available through this Policy averages \$88,800/SWCD including District Director Travel/Training]