



Purchase and Reimbursement Guide

Urban Farm Conservation Mini-Grant

Use this guide to help you understand the rules for purchasing and requesting reimbursement through this grant.

If you have any questions, contact Emily Toner (emily.toner@state.mn.us).

In accordance with the Americans with Disabilities Act, this information is available in alternative forms of communication upon request by calling 651-201-6000. TTY users can call the Minnesota Relay Service at 711. The MDA is an equal opportunity employer and provider.

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Before You Purchase

Review your approved budget

Before you buy anything, review your approved grant budget. This is Exhibit B in your grant contract. You can only be reimbursed for items listed in your approved budget.

Ineligible purchases for this program

As stated in the program's [Request for Proposals](#), you may not request reimbursement for:

- High tunnels or hoop houses
- Land or property purchases
- Urban farm staff time
- Expenses incurred before the grant agreement is signed by all parties or after the agreement's expiration date.
- Expenses paid for with cash unless specifically approved by an MDA grant administrator in advance.
- Donations and in-kind services or contributions, including property and services, made by the applicant (regardless of the recipient).
- Fines, penalties, and other settlement expenses resulting from failure of the applicant to follow federal, state, local, or tribal nation laws and regulations.
- Entertainment, amusement, diversion, social activities, gifts, or any costs directly associated with such purchases (such as tickets to shows or sports events, meals, lodging, rentals, transportation, alcohol, and gratuities).
- Fundraising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions, regardless of purpose for which funds will be used.
- Taxes, except sales tax on goods and services.
- Bad debts, late payment fees, finance charges, legal costs, or contingency funds.
- Parking or traffic violations.
- Out of state transportation and travel expenses. Minnesota will be considered the home state for deciding whether travel is out of state.

Paying an individual or private party

Note: You may not buy items or services from direct family members. Direct family is defined by Internal Revenue Code, section 267(c)(4), to include: spouse, siblings, step-siblings, parents, grandparents, children, and grandchildren.

If you are planning to purchase a service or item from a private party, contact us to ensure you do it properly.

How to Collect Reimbursement

Step 1: Make your purchases and collect the required documentation

As you start paying for items and services approved in your grant contract, the Minnesota Department of Agriculture (MDA) requires **two types of proof** for each expense:

1. **Proof of purchase** is used to identify what was bought and when. Acceptable documents include:
 - Detailed invoices
 - Itemized receipts
 - Bill of sale
2. **Proof of payment** is used to identify how and when payment for items was made. Acceptable documents include:
 - For a check, images of the front **and** back of a cleared check (you can often get this online from your bank account)
 - Credit or debit card statements (unless your receipt or invoice shows the full payment – then you don't need this)
 - Bank or credit union statements, where applicable
 - Cash payments to private parties will not be reimbursed. However, you may use a cashier's check.

Some documents are considered **both** proof of purchase and proof of payment, including:

- Zero-balance receipts that include payment date and payment method
- Zero-balance invoices or statements that include payment date and payment method (Hand written notations are not acceptable)

Bill of sale requirements (as applicable)

If purchasing from an individual or entity that does not regularly provide proof of purchase (such as a private party sale involving personal property), you still need to provide proof of purchase and payment.

For your proof of purchase, provide a bill of sale that includes:

- ✓ Date of purchase
- ✓ Name and address of seller
- ✓ Name and address of buyer
- ✓ Description of equipment or items purchased (including the year, make, model, and serial number where applicable)
- ✓ Price charged for each item

If needed, use this [template bill of sale \(PDF\)](#) and adapt it to fit your purchase.

Proof of Purchase guidelines

- Invoices and receipts must have an itemized list or a description of the items or services provided to you.
- Purchase descriptions must show what was bought (both quantity and amount). A statement with listed invoice numbers is not enough.
- Purchases must occur within the dates listed on your executed grant agreement. (Note that the start date of the grant contract agreement is the date stated in the grant contract agreement or the last signature date – whichever is later.)
- Purchases that are not related to the grant project should be circled or somehow identified on the invoice or receipt. Keep ineligible expenditures off submitted receipts if possible. (See [Example #3](#).)

Proof of Payment guidelines

- If paying with a check, checks must be cleared by your bank or credit union (carbon copies of checks are not enough). You must provide images of **both sides** of the cleared check.
- Cover or remove any sensitive information before making copies of your documents (we don't need to know your account or routing numbers).
- Hand-written receipts or invoices must be accompanied by proof of cleared check(s), bank or credit union statement(s), or card statement(s).

Step 2: Fill out the “reimbursement worksheet”

The [reimbursement worksheet](#) is a spreadsheet where you enter the following information for each expense for which you are requesting reimbursement from the grant program:

- Column A: Description of expense as listed on receipt, invoice, etc.
- Column B: Explain which item this matches on your approved budget (included in your contract)
- Column C: Business/vendor whom you paid for this expense
- Column D: Date of purchase
- Column E: Dollar amount of expense
- Column F: Type of proof of purchase included in reimbursement submission for this item
- Column G: Type of proof of payment included in reimbursement submission for this item

Example of how to fill out the worksheet

A	B	C	D	E	F	G
Expense (as listed on receipt, invoice, etc.)	Which item does this match on your approved budget?	Business/Vendor	Date of Purchase	Amount	What type of proof of purchase is included in your submission? (include file name as attached submitted)	What type of proof of payment is included in your submission? (include file name as attached submitted)
Treated fence posts	6 X 8 Treated Post, 5 X 8 Treated Post, 5 X 10 Treated Post	Acme Fencing LLC	5/15/2025	\$ 1,091.00	Invoice (file name: AcmeFencingInvoice.pdf) showing itemized list of purchase	Invoice (file name: AcmeFencingInvoice.pdf) stating paid in full by credit card on 5/15/2025

The worksheet template included with this reimbursement guide is an .xlsx file and also available on the MDA website, linked above. If you need the worksheet in a different format, contact Emily Toner.

Step 3: Submit your reimbursement request by email

Once you have collected the necessary documentation (proofs of purchase and payment) and filled out the worksheet, it’s time to submit your reimbursement request.

If you have any hard copy (non-digital) proofs of purchase and/or payment, convert them to a digital format (a file that can be attached to an email). For example, if you have printed receipts, paper invoices, or other documentation that is not digital, take a photo and attach the image file to your email. Make sure all writing is legible in the photo.

Submit your reimbursement by email to Emily Toner at emily.toner@state.mn.us with:

- Completed reimbursement worksheet
- Proofs of purchase and payment for all expenses attached as files

Plan to submit a single reimbursement request that includes the full amount of your grant award. Contact us to request multiple payments of smaller amounts.

Examples of Documentation for Reimbursement

Example #1: One document fulfills proof of purchase and proof of payment

Below are examples where one document shows both proof of purchase **and** payment. The invoice or the receipt would meet all requirements because they show:

- Detailed description of items purchased
- Date of purchase and payment
- Form of payment
- Amount paid
- Zero balance due or payment in full

Zero-balance invoice

Business Equipment Inc. Sales Invoice		Order Number 474332	User ID 614641	Date Ordered 3/10/2024 at 6:43 PM
Bill To	Ship To	Shipping Method		
Sarah Garcia 1123 45 th St. Albian, MN 53193	Sarah Garcia 1123 45 th St. Albian, MN 53193	Ground		
Your Contact help@buisnessequip.com	Customer PO	Customer Phone 123-456-7890		
Item Number	Description	Unit Price	QTY	Est. Tax
600CASTERHD6	Regency 5" Heavy Duty Swivel Stem Casters for Work Tables and Equipment Stands - 6/Set	\$88.49	1	\$6.53
600T2484G	Regency 24" x 84" 18-Gauge 304 Stainless Steel Commercial Work Table with Galvanized Legs and Undersheif	\$249.99	1	\$18.45
Subtotal:				\$338.48
Shipping & Handling:				\$93.11
Estimated Tax:				\$31.83
Total:				\$463.42
Balance Due:				\$0.00
Payment Method: visa - XXXX10 - \$463.42				
Thank you for your business!		Business Equipment Inc. 312 Retail Way. Middletown, PA 83717 717-029-9918		

Zero-balance receipt

HugeOnlineRetailer.com	
Final Details for Order #113-9662857-	
Print this page for your records.	
Order Placed: February 17, 2024	order number: 113-9662857
Order Total: \$50.46	
Shipped on February 19, 2024	
Items Ordered	Price
1 of: 6 Pack Insulated Shipping Box for Shipping Frozen Food Cold Shipping Boxes Large Foil Cooler Carton Moving Kits for Mailing Packing (Brown, 16.9 x 8.3 x 11.4 Inch)	\$46.99
Sold by: whiteysk (seller profile) Supplied by: whiteysk (seller profile)	
Condition: New	
Shipping Address: Darrin Smith 5903 County Hwy 99 Stone, MN 39204	
Shipping Speed: FREE Shipping	
Payment information	
Payment Method: Mastercard ending in 76	Item(s) Subtotal: \$46.99
	Shipping & Handling: \$9.03
	Free Shipping: -\$9.03
Billing address Darrin Smith 5903 County Hwy 99 Stone, MN 39204	Total before tax: \$46.99
	Estimated tax to be collected: \$3.47
	Grand Total: \$50.46
United States	
Credit Card transactions Mastercard ending in 76	February 19, 2024: \$50.46
To view the status of your order, return to Order Summary.	

Example #3: Avoid ineligible items on your receipts

In this example, the receipt provides both proof of purchase and proof of payment, but they also bought ineligible items. The grantee needed to identify the ineligible items on the receipt, including tax, and re-calculate total eligible cost.

We strongly encourage you to **only** make eligible purchases to simplify reimbursements.

Receipt with non-grant purchases



Calculating Total Eligible Cost from receipt

Cost of ineligible items:
 $\$ 2.78 + \$ 0.98 = \$ 3.76$

Tax paid on ineligible items:
 $\$ 3.76 \times 0.07125 = \$ 0.27$

Total amount paid:
 $\$ 17.46$

Total eligible cost:
 $\$ 17.46 - \$ 3.76 - \$ 0.27 = \$ 13.43$