

Purchase and Reimbursement Guide

Beginning Farmer Equipment and Infrastructure Grant

Table of Contents

Before you make your purchases	2
How to collect reimbursement.....	3
Step 1: Make your purchases and collect the required documentation.....	3
Step 2: Fill out the “reimbursement worksheet”	5
Step 3: Submit your reimbursement request by email	6
Examples of Documentation for Reimbursement	7
Example #1: One document fulfills proof of purchase and proof of payment	7
Example #2: Two documents needed for proof of purchase and proof of payment.....	8
Example #3: Something to avoid: including non-eligible items on your receipts	9

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.

Before you make your purchases

Review your approved budget

Before you go forward with your purchases, please review what is included in your approved grant budget. This is Exhibit A in your grant contract. Only items listed in your approved budget are eligible for reimbursement.

For items purchased from an individual / private party:

You are allowed to make purchases through this program from another individual rather than a dealer or retailer (for example, if you find equipment on Craigslist or Facebook Marketplace). You will need to thoroughly document the purchase and payment using the guidance in this document.

Be aware, there is a restriction in this program that you may not purchase items or services from direct family members. Direct family in this case is defined by Internal Revenue Code, section 267(c)(4) which includes, spouse, sisters and brothers including step-sister and step-brothers, parents, grandparents, children and grandchildren.

Please let Emily Toner (beginning.farmer.grant.mda@state.mn.us) know if you have questions about purchasing your equipment from a private party.

Resale Restriction

As indicated in your grant contract, awardees of this program are prohibited from selling the equipment and infrastructure purchased with funds from the Beginning Farmer Equipment and Infrastructure grant for a period of three years, beginning at the date of purchase.

Exceptions to this requirement may be made by the Commissioner for unforeseen circumstances, such as death or farm sale. MDA reserves the right to require verification that the equipment has not been sold throughout the three-year period. Verification could include an attestation that the equipment has not been sold, a dated photo of the equipment, a site visit, and/or another method determined by the MDA.

How to collect reimbursement

Step 1: Make your purchases and collect the required documentation

As you go forward with paying for the expenses approved in your grant contract, the Minnesota Department of Agriculture (MDA) requires two types of proof for each expense:

1. **Proof of purchase** to identify what was purchased and when. Acceptable documents include:
 - Detailed invoices
 - Itemized receipts
2. **Proof of payment** is used to identify how and when payment for items was made. Acceptable documents include:
 - Check: images of the front and back of a cleared checks, often accessible from online bank account
 - Credit or debit card statements (unless your receipt or invoice indicates that the total due was paid by card, in which case an additional statement is not required)
 - Bank or credit union statements, where applicable
 - Cash payments are discouraged. However, if you must pay in cash, please use a cashier's check so it is still possible to verify the purchase. If you anticipate needing to pay cash, please let Emily Toner know in advance so we can avoid any issues with reimbursement.

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

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

Bill of sale requirements (as applicable)

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

For your proof of purchase, please provide a bill of sale that includes all of the following:

- ✓ 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, you can use a [template bill of sale](#), please adapt it to fit your purchase.

Proof of Purchase Guidelines:

- Invoices must have an itemized list or a description of the items or services provided to you.
- Purchase descriptions need to show what was bought (both quantity and amount). A statement with listed invoice numbers is insufficient documentation.
- 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 of submitted receipts if at all 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 will not be sufficient proof). Images of BOTH sides of the cleared check must be provided.
- Cover or remove any sensitive information before making copies of your documents (we do not need to know your account or routing numbers). If you do not redact sensitive information before sending your reimbursement materials to the MDA, we make every reasonable effort to do so.
- Hand-written receipts or invoices need to 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, ect.
- 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 <u>proof of purchase</u> is included in your submission? (include file name as attached submitted)	What type of <u>proof of payment</u> 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 was provided to you along with this reimbursement guide as an .xlsx file. If you need the worksheet in a different format, please email beginning.farmer.grant.mda@state.mn.us.

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, please 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, please take a photo of them 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 beginning.farmer.grant.mda@state.mn.us with:

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

Please plan to submit a single reimbursement request that encompasses the full amount of your grant award. If you need to request multiple payments of smaller amounts, please contact Emily Toner to discuss.

Examples of Documentation for Reimbursement

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

Below are examples where one document show both proof of purchase and payment. The invoice (left) or the receipt (right) 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	Total
600CASTERHD6	Regency 5" Heavy Duty Swivel Stem Casters for Work Tables and Equipment Stands - 6/Set	\$88.49	1	\$6.53	\$95.02
600T2484G	Regency 24" x 84" 18-Gauge 304 Stainless Steel Commercial Work Table with Galvanized Legs and Undershelf	\$249.99	1	\$18.45	\$268.44
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

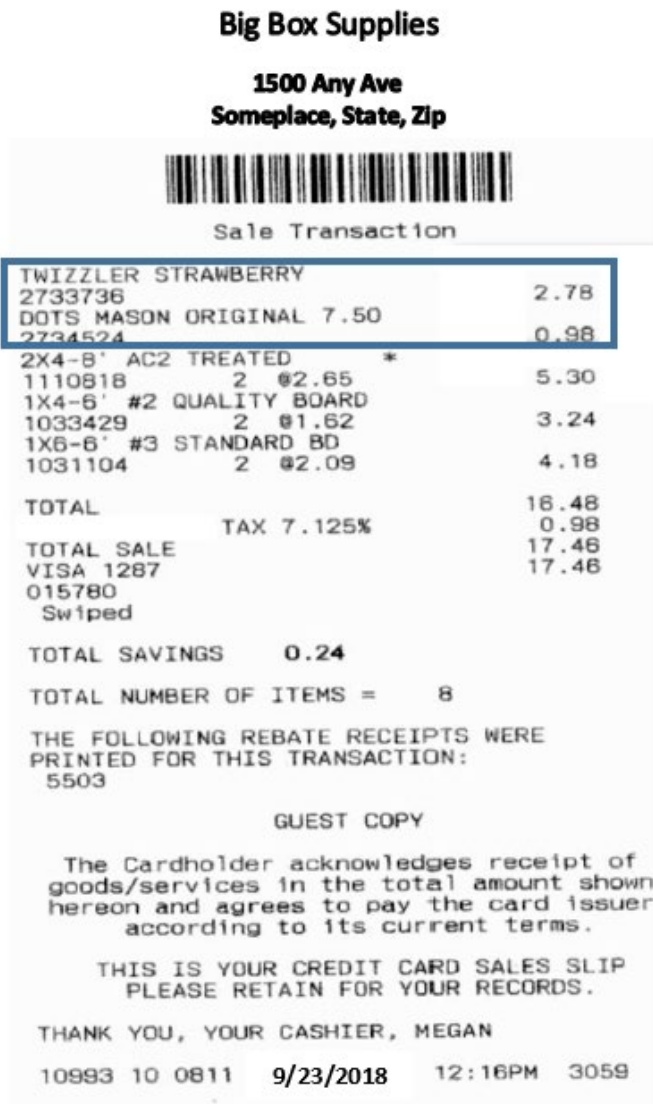
Payment Method: Mastercard ending in 76	Item(s) Subtotal: \$46.99	Shipping & Handling: \$9.03	Free Shipping: -\$9.03
Billing address Darrin Smith 5903 County Hwy 99 Stone, MN 39204	Total before tax: \$46.99	Estimated tax to be collected: \$3.47	
United States	Grand Total: \$50.46		
Credit Card transactions MasterCard ending in 76	February 19, 2024:	\$50.46	

[To view the status of your order, return to Order Summary.](#)

Example #3: Something to avoid: including non-eligible items on your receipts

In this example, the receipt does provide both proof of purchase and proof of payment, but there were ineligible items on the receipt submitted. The grantee needed to identify the ineligible items on the receipt, re-calculate total eligible costs and include the appropriate tax.

This receipt could have been improved by not including the ineligible items in the purchase. **We strongly encourage grantees to only make eligible purchases to simplify reimbursements.**



Calculating Total Eligible Cost

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
 $\$ 17.46 - \$ 3.76 - \$ 0.27 = \$ 13.43$