



Grants Monitoring and Financial Reconciliation Policy

January 25, 2017

Purpose: To comply with the Department of Administration’s Office of Grants Management (OGM) policies O8-08 and O8-10.

- Policy O8-08, Grant Payments, says “All advance payments on grants over \$50,000 must be reconciled within 12 months of issuance or within 60 days of the end of the grant period.”
- Policy O8-10, Grant Monitoring, requires state agencies “to conduct at least one monitoring visit before final payment is made on all state grants over \$50,000,” and to “conduct a financial reconciliation of grantees’ expenditures at least once on grants over \$50,000 before final payment is made.”

Rule reference or statute: Minn. Stat. 16B.97—Grants Management

SMT approval date: August 9, 2016

Board approval date: January 25, 2017

Staff authors: Melissa Lewis, Central Region Assistant Section Manager; Tim Dykstal, Fiscal Compliance Coordinator; Grants Monitoring Work Group

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1.0 Policy Background

This Policy replaces the previous BWSR Grants Monitoring, Reconciliation and Verification Policy, adopted June 22, 2011. It is effective January 1, 2017, for grants issued in Fiscal Year 2017 and following.

2.0 Definitions

Financial Reconciliation: Comparing a grantee’s request for payment for a given period with supporting documentation for that request, such as purchase orders, receipts and payroll records.

Monitoring: Reviewing and ensuring progress against the grant’s goals, to address any problems or issues before the end of the grant period, and to build rapport between the state agency and the grantee.

Risk Assessment: Evaluating a grant recipient’s risk of noncompliance with statutes, rules, grant agreements, and policies, to determine appropriate monitoring and reconciliation procedures.

3.0 Policy Statement

Under the BWSR Grants Monitoring and Reconciliation Policy, BWSR will:

- Monitor all BWSR grants annually.
- Complete a risk assessment of grants \$50,000 and over.
- Reconcile payments on grants \$50,000 and over by comparing the grantee’s request for payment or closeout with supporting documentation for that request, such as purchase orders, receipts and payroll records before final payment is made.

BWSR may also visit selected grantees for training, closeouts, and/or other monitoring and reconciliation activities. Under the grant agreement (and Minnesota Statutes 16B.98, subd. 8), “The Grantee or delegated local unit of government will maintain records relating to the receipt and expenditure of grant funds,” and those records “may be examined at any time by the Board or the Board’s designee and are subject to verification.”

4.0 Implementation

The BWSR Grants Monitoring and Financial Reconciliation Policy will be implemented according to a strategy developed by staff and reviewed with the Board or its designated committee.