

Grants Monitoring and Reconciliation

Effective Date: 07/01/2017

Overview

The BWSR Grants Monitoring and Financial Reconciliation Policy enhances the agency’s oversight of the state grant funds that we issue to our local partners. Its ultimate goal is to ensure that public funds are spent for the purposes that they were given. More specifically, it is meant to ensure that our grant recipients are complying with the terms and conditions of the grant agreements. Compliance is often seen as a “gotta do,” something that takes away from the conservation mission of BWSR and its local partners. In reality, compliance is a conservation issue too, because the more financial resources we “conserve” —or ensure are being used for the purposes they were given—the more real conservation we can practice.

On June 27, 2018, the BWSR Board adopted a revised Grants Monitoring and Financial Reconciliation Policy. The revised policy maintains annual grant monitoring and risk assessment procedures, and modifies the reconciliation requirements to allow for sampling procedures rather than all grants \$50,000 and over. This modification is consistent with the requirements of the Minnesota Office of Grants Management, which provides state grant management policies for all state agencies.

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.”

History

Description of revisions	Date
Revised format; no text changes.	7/1/2017
Revised to replace previous BWSR Grants Monitoring, Reconciliation and Verification Policy (adopted June 11, 2011) with the newer BWSR Grants Monitoring and Financial Reconciliation Policy (adopted January 25, 2017)	1/31/2017
Revised to reflect revision of the Grants Monitoring and Reconciliation Policy (adopted June 6, 2018).	7/1/2018

Grants Monitoring and Financial Reconciliation Policy

From the Board of Water and Soil Resources, State of Minnesota

Version: 1.00
Date: 06/27/2018
Approval: Board Decision #18-30

Policy Statement

Under this policy, BWSR will:

1. Monitor all BWSR grants annually.
2. Complete a risk assessment of all BWSR grants \$50,000 and over, as required.
3. Financially reconcile, as required:
 - a. All BWSR grants subject to financial reconciliation that have a high risk assessment score, as defined in the BWSR Risk Assessment Procedure; and
 - b. At least one grant per grant allocation fiscal year per grantee that have any grant subject to financial reconciliation, based on BWSR capacity.

Requirements for risk assessment and reconciliation in this policy apply to competitive, legislatively made, formula and single and sole source grants, but not bonding and capital grants or grants exempt from Department of Administration's Office of Grants Management Policies 08-08 and 08-10.

This policy replaces the January 15, 2017 BWSR Grants Monitoring and Financial Reconciliation Policy and is effective immediately.

Reason for this Policy

The purpose of this policy is to provide direction on and document BWSR compliance with the Department of Administration's Office of Grants Management Policy 08-08 which requires reconciliation of all advance grant payments over \$50,000 and Policy 08-10 which requires state agencies to conduct at least one monitoring visit before final payment is made on all state grants over \$50,000.

Requirements

1.0 Implementation

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

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.

Grant Allocation Fiscal Year¹: State fiscal year in which grants are processed by BWSR.

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.

History

Version	Description	Date
1.00	Modified to address 12/02/16 changes to Department of Administration’s Office of Grants Management Policies 08-08 and 08-10 which allows a granting agency with multiple grants of similar grant periods with the same grantee to choose through a documented risk assessment which grant(s) represent a sample that will receive monitoring and financial reconciliation. Reformatted to new policy template and logo.	June 27, 2018
0.00	Edits replaced the previous BWSR Grants Monitoring, Reconciliation and Verification Policy, adopted June 22, 2011	January 25, 2017

¹ Grants with the same grant allocation fiscal year are defined by BWSR as grants with a “similar grant period” as identified in Department of Administration’s Office of Grants Management Policies 08-10.