



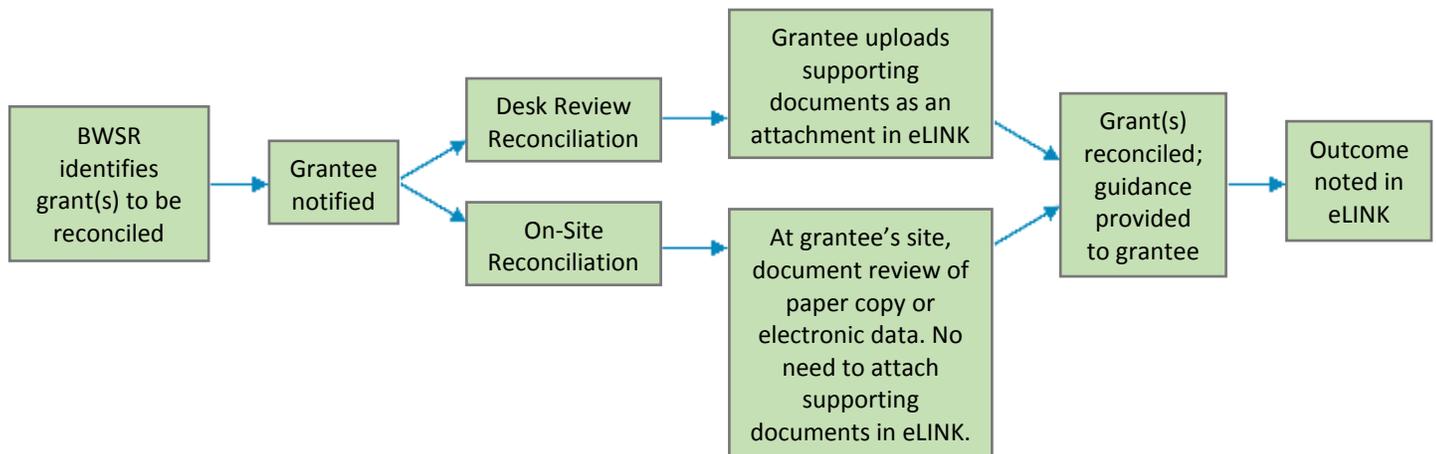
Grants Monitoring and Reconciliation at BWSR

What's New

January 2017

What is BWSR's New Grants Monitoring and Financial Reconciliation Policy?

As a state agency, BWSR is required to follow the policies for monitoring and financially reconciling grants prescribed by the state's Office of Grants Management (OGM). Monitoring and financial reconciliation are meant to provide guidance to the grantee, increase transparency within the grants process and ensure expenditures claimed are in compliance with the grant agreement. The new [Grants Monitoring and Financial Reconciliation Policy](#), effective January 1, 2017, is intended to bring BWSR into full compliance with OGM policies and to more timely reconcile grants (all individual grants \$50,000 and over). The process is as follows:



What's New in the Grants Monitoring and Financial Reconciliation Policy?

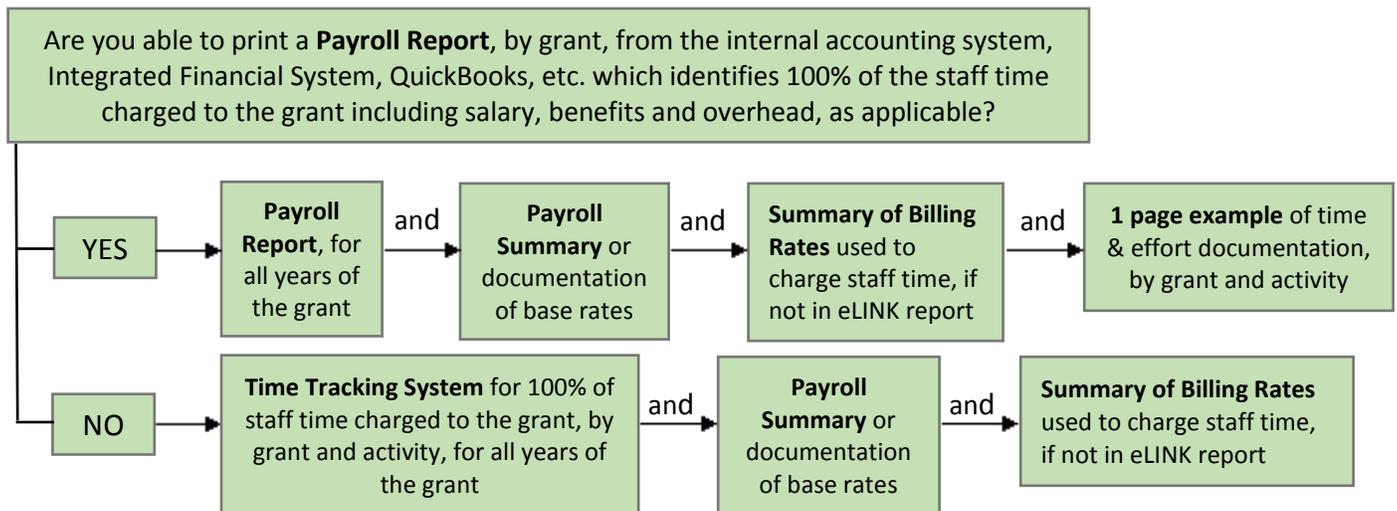
Under the new Policy, annual reporting and monitoring of grants will continue. Grantees will still be required to submit annual reports in eLINK on the grants they administer and BWSR Board Conservationists will continue to review and approve those reports. BWSR will also continue to pay competitive grants in three installments: a 50% upfront payment, a 40% payment after the grantee submits a report and request for payment, and a 10% reimbursement payment after the grant is reviewed and closed out.

What will change under the new Policy is the timing and number of grants that will be financially reconciled. Under the new Policy, BWSR will reconcile payments on grants \$50,000 and over, either when a request for a payment is made and/or before the grant is closed out. Reconciliations can occur either on-site in your office or through a desk review of documents you submit via eLINK.

As a grantee, you can help yourself (and us) by updating eLINK when you have spent a substantial portion (at least 70%) of the grant funds, rather than by waiting for the reporting deadline. This allows us to initiate the financial reconciliation process sooner, work with you on addressing any potential issues before the grant is closed out while there is still time to make changes, and may speed the delivery of your final grant payment or closeout. It also means potentially reconciling multiple grants at one time.

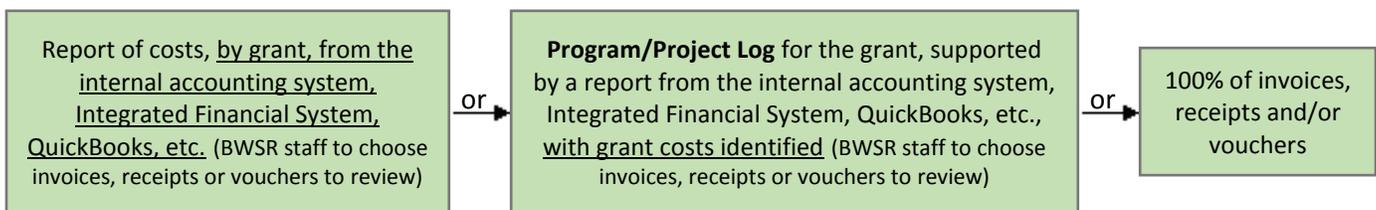
Documentation is required to support claimed expenses and the following flow chart provides an outline of documents needed for the reconciliation process. When submitting information, be sure not to include not public data.

Staff Time



Direct (Program) Costs

Direct costs are costs which can be identified specifically with a particular final cost objective of the grant.



What Do Grantees Need to Know about the new Policy?

Q: If we have a BWSR grant under \$50,000, will it be reconciled?

A: Not on a regular basis, but BWSR may 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.”

Q: What kind of documentation do we need to keep about grants?

A: The documentation grantees need to keep regarding grants revenue and expenditures is described in the “Financial Record Keeping” chapter of the BWSR *Grants Administration Manual*. This chapter will be revised to reflect the new Policy.

Q: Does this new Policy mean we no longer have to maintain time and effort documentation, or follow BWSR policies regarding “billing” rates for staff time?

A: BWSR policies regarding time and effort documentation, billing rates, and allowable costs still apply.