



Grants Monitoring, Reconciliation And Verification Policy

June 22, 2011

Table of Contents

1.0	Policy Purpose and Background	1
2.0	Definition of Terms.....	2
3.0	Policy Statement	2
4.0	Implementation Plan	2

1.0 Policy Purpose and Background

The May 27, 2010 Office of Legislative Auditor Report found that BWSR was not in compliance with Office of Grants Management (OGM) Policies 08-08 and 08-10. Policy 08-08 requires annual financial reconciliation for grants with advance payments. Policy 08-10 sets monitoring and reconciliation requirements for grants greater than \$50,000 and other additional requirements for grants greater than \$250,000. The OLA report stated that “*The Board of Water and Soil Resources did not fully implement Office of Grants Management oversight policies.*” The report recommended the following:

The board should reconcile grant recipients’ actual expenditures in a timely manner to ensure that the grantees used the funds in accordance with the grant agreements, as required by state policies.

The board should formalize its grants oversight procedures, including the procedures used to conduct and document financial monitoring visits.

The board should enhance its electronic reporting system so that it has sufficient detail about grant recipients’ expenditures and has evidence of review or approval of the expenditure reports options considered.

This policy is adopted in response to the recommendations contained in the OLA Report dated May 27, 2010. The implementation of this policy supports the exemption requests approved by the OGM dated March 10, 2011, and is intended to put BWSR into compliance with OGM policies 08-08 and 08-10.

2.0 Definition of Terms

2.1 Monitoring – The purpose of monitoring is to review, and to document that the grantee is making progress implementing the grant and complying with the grant agreement.

2.2 Final Financial Report– This report is forwarded to BWSR by LGU after all grant funds have been spent or grant agreement expires. The final financial report is reviewed for approval by BWSR staff and does not require on site review in the LGU office.

2.3 Reconciliation – The review of project expenses based on LGU submittal of invoices and reports. Reconciliation may be performed in BWSR offices and is used to approve final grant payment.

2.4 Verification – Reconciliation with demonstrated evidence of expenditures. Verification is most often conducted in the LGU office.

3.0 Policy Statement

The BWSR Grants Monitoring, Reconciliation, and Verification policy requires:

- That BWSR staff annually monitor all grants;
- That competitive conservation program grants be paid in three scheduled payments and;
- That financial verification of grant reconciliations will be performed on ten percent of all BWSR grants annually.

This policy will be implemented beginning in FY 2012.

4.0 Implementation Plan

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