

Grants Monitoring and Reconciliation

Effective Date: 07/01/2017

Overview

State grant management policies are issued by the Office of Grants Management (OGM) of the Department of Administration. BWSR issues most of its grants in advance payments, which are allowed in certain situations under OGM Policy 08-08, Grant Payments; but agencies, including BWSR, are charged with verifying that the grant recipient will be able to account for the grant funds based on their past performance as a grantee of that agency and the evaluation of grantee's recent financial statements (as required by OGM Policies 08-06 and 08-13). Policy 08-10, Grant Monitoring, requires a financial reconciliation of grant recipient's expenditures at least once during the grant period on grants of over \$50,000.

On January 25, 2017, the BWSR Board adopted a revised Grants Monitoring and Financial Reconciliation Policy, which replaces the previous Grants Monitoring, Reconciliation and Verification Policy (adopted June 22, 2011) and is effective January 1, 2017 for all grants issued in Fiscal Year 2017 and following. The revised policy incorporates the use of risk assessments, which are conducted by BWSR to evaluate a grant recipient's risk of noncompliance with statutes, rules, grant agreements, and policies, to determine appropriate monitoring and reconciliation procedures.

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

- Monitor all 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."

The Grants Monitoring and Financial Reconciliation Policy enhances our 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.

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