

**Minnesota Department of Administration
Office of Grants Management
Operating Policy and Procedure
Issue Date: 7/15/08
Policy Number: 08-05**

Policy on Public Comments Concerning Fraud and Waste in State Grants

Statutory Reference

Minn. Stat. 16B.97-Grants Management

Policy

Minnesota Statutes 16B.97 subd. 4(a)(6)and(7) provides that the Commissioner of Administration shall “provide a central point of contact for comments about executive agencies violating statewide grants governance policies and about fraud and waste in the grants process and forward received comments to the appropriate agency for further action and, may follow up as necessary.”

As directed by the Commissioner of Administration, the Office of Grants Management (OGM) will serve as the central point of contact for questions and comments about fraud and waste in state grants and about the violation of statewide grants policies. The OGM will also respond to other public questions and concerns about state grants.

The OGM will carry out these duties in a manner that provides clear, timely and definitive communication to all parties. The OGM will coordinate with appropriate state agency personnel to make sure the most appropriate person responds to each inquiry.

Scope of Coverage

This policy applies to all grant-making at executive branch agencies, boards, committees, councils, authorities and task forces.

This policy supersedes other state agency policies that concern public questions and comments about state grant-making except when the existing state agency policy is stricter.

Grant programs that seek an exception to this policy must complete a Grants Policy Exception Request and submit it to the OGM for the approval of the Commissioner of Administration.

Definitions

Grant Fraud:

Grant fraud is the expenditure of grant dollars for a purpose other than their intended use.

Common examples of grant fraud include but are not limited to:

- charging personal expenses as business expenses against a grant,
- charging for costs which have not been incurred or are not attributable to a grant, and/or
- charging for inflated labor costs or hours against a grant.

Waste:

Waste in grants programs occurs when the state granting entity does not receive the full value from a grant due to its inability to establish proper grants management controls.

Examples of waste in state grants include but are not limited to:

- improper grant payments,
- overpayments,
- lack of controls in the payment process,
- poor financial management of grants, and/or
- awarding grants to ineffective programs.

Procedures

1. The OGM publicizes its role as central point of contact on state websites, state publications and via external partners.

2. The OGM receives inquiries and comments concerning grants waste and fraud and the potential violation of statewide grants policies from the general public. Depending on the specific nature of the inquiry, the OGM will determine the most appropriate course of action and follow-up.

The OGM will also take other questions and comments concerning state grants and will work with the appropriate state agency to resolve the call in the most appropriate and timely manner.

3. The OGM will track recurring themes and trends in the calls and address both agency-specific and enterprise-wide issues through policy, communications and/or training.