Grant Monitoring

Curriculum developed by the Office of Grants Management and Nonprofits Assistance Fund

Admin Minnesota
DEPARTMENT OF ADMINISTRATION

Office of Grants Management

NONPROFITS ASSISTANCE FUND
Helping Nonprofits Thrive

Who We Are

The mission of Admin's Office of Grants Management is to standardize, streamline and improve state grant-making practices, as well as to increase public information about state grant opportunities.

Who We Are

NONPROFITS ASSISTANCE FUND

Helping Nonprofits Thrive

Nonprofits Assistance Fund's mission is to build financially healthy nonprofits that foster community vitality.

Our financial experts help nonprofits strengthen their capacity to address unexpected events, finance new opportunities, and realize strategic goals. We fulfill our mission by helping nonprofits thrive.

Trainer

Naomi Munzner

Director, Office of Grants Management

The Office of Grants Management provides policy leadership and direction to promote consistent grants administration between state agencies, funders, and grantees.

We develop effective resources to support standardized, streamlined, and improved state grant-making practice.

Setting the Context

Common Purpose

* We have a commitment to **transparency, mutual respect**, and **customer service**
* We strive for **pride** and **professionalism** in our field and are dedicated to **public service** and **stewardship** of state resources
* We value building and maintaining positive **relationships** with grantees
* We accept the responsibility to **communicate** difficult messages and **ask difficult questions** from a starting point of seeking to **understand**
* We demonstrate **patience** and **persistence** as we move toward an outcome where the reward of having a challenging conversation results in the most amount of information being shared based upon **trust** and **mutual respect**

Guiding Principles

Value

* Our work has purpose and clearly contributes to a meaningful outcome in the eyes of the customer or the end user.

Risk Assessment

* We utilize risk assessment to address the continuum of grantees and grant practice to effectively identify high, medium, and low risk classification.

Capacity

* We strive to efficiently and competently complete the work with available staff resources.

Training Outcomes

* Build confidence and comfort with the grant monitoring process
* Build monitoring skill capacity with state grants staff
* Develop and communicate a baseline understanding of an effective grant monitoring process

Grant Monitoring Policy 08-10

Minimum Requirements, Scope, Vocabulary

grants_policy_08-10

Grant Monitoring Policy 08-10
Minimum requirements

* It is the policy of the State of Minnesota to conduct at least **one monitoring visit per grant period** on all state grants of **over $50,000** and to conduct at least **annual monitoring visits on grants over $250,000.**

Financial Reconciliation:

* State agencies must also **conduct a financial reconciliation of grantee's expenditures at least once during the grant period on grants of over $50,000**. A financial reconciliation involves 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 Monitoring Policy 08-10
Scope

This policy applies to:

- **All executive branch agencies, boards, committees, councils, authorities and task forces that make grants**
- **Competitive, legislatively made, formula and single and sole source grants**

It supersedes other state agency policies that concern grant monitoring except when the existing state agency policy is stricter.

This policy **does not** supersede any applicable state or federal law, rule, or regulation which specifies a grant payment schedule.

Grant Monitoring Policy 08-10 Vocabulary

* **Monitoring:** An overall system of reviewing, tracking, and reporting on federal and state funds.
  * Purpose:
    * Provide accountability and oversight
    * Measure grantee performance
    * Discover grantee best practice and innovative work
    * Ensure proper spending
    * Follow-up with grantees that may need assistance
    * Identify opportunities for improvement

Monitoring can be accomplished through technical assistance, desk review, on-site review, and ongoing communication.

Grant Monitoring Policy 08-10 Vocabulary

* **Grant period:** The start and end date of the grant contract

* **Grant Monitoring Visit:** Involves both state granting agency staff and the grantee and occurs during the grant period. The purpose is to review and ensure grant progress, address any problems before the end of the grant period, and to build rapport between the state agency and the grantee.

Grant Monitoring Policy 08-10

- State agencies may conduct monitoring in person or by telephone.
- Site visits recommended whenever possible.
- Recommendation that each grant program use a standardized form and procedures for consistency. Documentation from monitoring visits/calls must be kept in the grant file.

Grant Monitoring Policy 08-10

Examples of day-to-day monitoring activities include:

* Financial report review/approval
* Progress report review/approval
* Telephone contacts
* Email contacts

Grant Monitoring Policy 08-10

An effective grant monitoring visit/call may cover topics including but not limited to:

* Statutory compliance
* Challenges faced by the grantee
* Modifications made to the grant program
* Program outcomes
* Grantee policies and procedures
* Grantee governance/organizational structure
* Financial Reconciliation
* Training and technical assistance needs

Part 1

Monitoring Steps

Grant Monitoring Steps

Step 1: Know Your Monitoring Plan

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An effective monitoring plan describes:

* Type of monitoring: Desk/calls/site visits
* Categories of grantees:
    * New grantees
    * Grantees with multi-year funding
    * Continuation grantees
    * High priority grantees

Step 1: Know Your Monitoring Plan

A monitoring plan should describe a process based on:

* Frequency and Grant amount
  * Minimum requirements:
    * All state grants **$50,000 and over** receive a monitoring visit and financial reconciliation **at least once during the grant period**
    * All state grants **$250,000 and over** receive **annual monitoring visits** and financial reconciliation **at least once during the grant period**
* Risk Assessment
* Duration/Cycle
* Special circumstances

Example Agency Monitoring Plan

Administrative capacity reviews will be conducted on all grantees that have not previously done business with our office.
Grant Manager conducts final negotiation and approval of application work plan and budget.

ALL GRANTS RECEIVE:	**New Grantee** **1 year grant**	**New Grantee** **2+ year grant** **(incl. Special Projects)**	**On-going Grantee** **(Continuation grants)**
Grant Management Training/Orientation	1st Quarter of Year 1	1st Quarter of Year 1; annually if principals change	As needed (new staff, new policies, etc.)
Required Pre-Approvals	* Contracts in excess of $5,000 * Consulting Fees in excess of $450/day * Out-of state travel	* Contracts in excess of $5,000 * Consulting Fees in excess of $450/day * Out-of-state travel	* Contracts in excess of $5,000 * Consulting Fees in excess of $450/day *Out-of-state travel
Grant Reimbursement Request Review	Grant reimbursement request is reviewed to confirm that expenses are within budget and correlate to activities underway	Grant reimbursement request is reviewed to confirm that expenses are within budget and correlate to activities underway	Grant reimbursement request is reviewed to confirm that expenses are within budget and correlate to activities underway
Narrative Progress Report Review	Quarterly Compare and review progress to budget expenditures	Quarterly Compare and review progress to budget expenditures	Semi- annually: Program A Quarterly: Program B and C Compare and review progress to budget expenditures
Statistical Data Report Review	Part of progress report	Program A: Special Projects semi-annually Program B & C: part of progress report	Part of progress report
Financial Reconciliation	Source documentation to be reconciled for one FSR every 12 months. To be done within first six months of operation; repeated if issues identified	Source documentation to be reconciled for one FSR every 12 mos. To be done randomly and repeated if issues have been identified	Source documentation to be reconciled with one FSR every 12 months. To be done randomly and repeated if issues identified
Comprehensive Monitoring Site Visit & Report (preferably in person)	Within 1st quarter	Within 1st quarter $50,00 & above – annually [1] Below $50,000 – every two years.	$50,000 & above – annually Below $50,000 – every two years

Step 1: Know Your Agency's Plan: 08-10 Procedures

1. State agencies develop procedures and templates for monitoring visits.
2. State agencies identify which grants require a monitoring visit, which grants require a financial reconciliation, where the monitoring visits and financial reconciliations will take place and which agency employees will participate

Step 2: Notify the Grantee

Step 2: Notify the Grantee: 08-10 Procedures

3. State agencies schedule monitoring visits, giving grantees adequate notice and preparation time. State agencies should advise grantees on how to prepare for the monitoring visit and financial reconciliation, the format for the visit and which grantee staff members should be involved in the visit. *All financial and progress reports that have been submitted should be reviewed before the monitoring visit takes place. *Reference Step 3: Schedule Monitoring and Step 4: Prepare

Step 2: Notify the Grantee

Considerations when contacting grantees:

* **Relationship:**
  * What kind of relationship do I currently have with this grantee?
  * What kind of relationship do I hope to have?
* **Communication:**
  * Have I encouraged pro-active, frequent, consistent, and transparent communication up to this point?
  * Have I made it clear that the grantee can contact me if they have any questions about this monitoring call/visit?
* **State staff expertise:**
  * What do I know about the grantee's work and workflow?
    * Important to understand in order to effectively plan and schedule monitoring. This respects the natural cycle of the work and the grant funds.

Step 2: Notify the Grantee

* Send the grantee a notification letter/packet that includes the grant monitoring tool to communicate and schedule the monitoring activity
* Request grantee response within a timeframe that allows both parties enough time to prepare, discuss logistics, etc.
* Provide a few specific options for the grantee to choose from
* Allow the grantee ample time to respond to your request

Step 3: Schedule the Monitoring

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- Once a date and time are confirmed, send the grantee confirmation
- In the confirmation, include the following:
  - Who is invited (organizational leaders, program staff, and participants)
  - Where you want to meet (main office/program site) or what phone number is best to use (phone conference)
  - The monitoring tool that will be used
  - Specific information, evaluation, assessment and data that will be discussed - such as annual reports, strategic plans, and any specific programmatic/fiscal data requests

Step 3: Schedule the Monitoring

Ask yourself:

- Who do I need to meet/speak with in order to comprehensively learn about and understand grantee performance?
- What parts of the grantee's environment do I need to see/discuss to get a sense of the grant performance?
- Have I clearly communicated the expectations, activities and purpose of the monitoring visit/call?

Step 4: Prepare

Step 4: Prepare

Monitoring tool

* State grants staff should have a monitoring tool/template with a standard set of questions to use and complete for monitoring.
* This monitoring tool should demonstrate consistency and continuity with the grantee's application materials, the grant contract agreement, the grant work plan, and grant budget.
* Take time to review and analyze the submitted grant materials in order to extract key themes, outcomes, outputs, data points, regulations, and required reporting information. The monitoring tool should collect information from these key areas.
* Stay current and familiar with the grantee's field and the nature of their work- revisit the tool annually to edit and to reflect lessons learned.

Step 4: Prepare

Does the monitoring tool collect this information?

* Program history
* Target population
* Leadership and governance
* Staffing
* Budget and financial management
* Partners and collaborators
* Evaluation procedure
* Outputs and outcomes
* Compliance with applicable statutes and laws
* Grantee feedback and how can the State assist the grantee?

Step 4: Prepare

The monitoring tool can collect information about the grantee's program history. This background information is generally provided in the grant application and program proposal:

* Why was the program started?
* When did the program start?
* What need does the program fulfill?
* How has the program grown or changed over time?

Step 4: Prepare

Does the monitoring tool collect information about the grantee's target population?

* Who does the program serve?
* What is the program's specific demographic and geographic distribution?
* What changes have taken place in the target population?
* How are people referred to the program?
* How are participants involved in shaping the program?

Step 4: Prepare

Does the monitoring tool collect information about the grantee's leadership and governance?

For non-profits:

* Does the organization have an effective board?
* How often does the board meet?
* How is the board kept informed of the organization's progress and challenges?
* How does the leadership of the organization support the program?

Step 4: Prepare

- Does the monitoring tool collect information about the grantee's leadership and governance?

  For Local Units of Government:

  - What is the organizational structure?
  - Who are the members involved in governance and what authority do they hold?

Step 4: Prepare

Does the monitoring tool collect information about the grantee's staffing?

* How is the program staffed?
* What qualifications are required to deliver the program effectively? Are there currently enough qualified staff there to deliver the program?
* How long have the staff been there?
* Does the staff reflect the population that the program serves?
* How are the staff evaluated on their performance?
* How are volunteers involved in program delivery?

Step 4: Prepare

Does the monitoring tool collect information about the grantee's budget?

* Does the budget reflect the program's activities?
* Does the budget accurately project what it will take to effectively operate the program?
* If there is a match requirement for the grant, has the organization fulfilled the requirements?

Step 4: Prepare

Does the monitoring tool ask how the grantee manages the grant funds:

* How are grant expenses tracked? If projects are funded by more than one source, how does grantee track which source should be charged?
* How are financial transactions processed? Who is involved?
* What are the procurement procedures?
* Has the grantee experienced challenges with managing grant finances?
* What feedback does the grantee have for the State regarding grant finances?

Step 4: Prepare

Does the monitoring tool collect information about the grantee's partners and collaborators?

* Who else helps the organization do its work?
* What other funders are invested in the program?
* Who are the champions of this program in the community?

Step 4: Prepare

Does the monitoring tool collect information about the grantee's evaluation process?

* What does success look like and how is it measured?
* How is the program evaluated?
* Who gathers the data and how is it analyzed?
* What is done with the evaluation results?

Step 4: Prepare

Does the monitoring tool collect information about the grantee's outputs and outcomes? This should be easily referenced in the approved grant work plan.

Outputs

* How many people are served? In what areas? What populations?
* How many activities are conducted?
* Verify that the proposed activities in the approved grant work plan/grant application are taking place within the proposed timelines.
* Are there significant changes in what the grantee has proposed to do and what is actually being done?
* What factors are impacting grantee performance?

Outcomes

* What changes in attitude or behavior does the program produce?
* How have people's lives changed because of the program?

Step 4: Prepare

* Does the monitoring tool collect information and verify the grantee is demonstrating compliance with applicable statutes, laws, and meeting the approved work plan requirements?
  * Refer to the grant contract agreement to select important requirements to verify through monitoring – i.e. reporting data, participant eligibility, etc.
  * Refer to the funding source (s) to select important requirements to verify-i.e. are there additional regulations that need to be included that are content-specific to your agency, field, federal cognizant agency?
  * Refer to the grant work plan to broadly verify the grantee is on track with their proposed outputs and outcomes

Step 4: Prepare

Does the monitoring tool collect grantee feedback:

* Can the grantee share additional information and examples of best practice?
* What information can the grantee provide that will help the state better understand the grantee's unique contribution to their constituents?

How can the state assist and support?

* What kind of training or technical assistance would be useful for the grantee?
* Does the grantee have any feedback or suggestions for the state?

Step 5: Conduct Monitoring

Step 5: Conduct Monitoring

* Arrive/begin on time.
* Be prepared.
* Be respectful.
* Seek first to understand.
* Probe/dig deeper with responses when you need more information.
* Balance what you are seeing and hearing with your intuition.

Step 5: Conduct Monitoring

Ask yourself:

* If I am conducting a site visit, what observations do I want to make about how the environment looks and feels?
* If I am conducting a call, is the back and forth dialogue between me and the grantee representatives even and balanced?
* If this is a site visit, how do the staff interact with each other and program participants/customers?
* In my approach to monitoring, am I asking questions that demonstrate I am seeking to understand?
* Am I aware of the power dynamics in the room and/or on the call?
* Will this monitoring help our agency develop a deeper understanding and relationship with the grantee?

Case Study Exercise

Read, reflect, and discuss the questions posed by the case study from the perspective of the role you have been assigned.

Case Study Exercise

Large Group Discussion:

* What did you discover in this process?
* What questions surfaced for you or your group?
* What was most challenging about this exercise?
* What did you learn from the various perspectives represented in this case?
* How will you use what you've learned from this exercise in your monitoring process?

Part 2

Monitoring Steps

Step 6: Write a Report

Step 6: Write a Report

* Your agency should have a report format/template to describe the monitoring results.
* The report format should demonstrate continuity and consistency with the grant monitoring tool used.
* Determine what information is directly reported to the grantee.
* Determining how much information is included in the written report is a state agency decision.

Step 6: Write a Report

Ask yourself:

* In addition to the facts that I've collected in my review, how do I also communicate the **intangible reaction** I had to the monitoring?
* Whom in my agency can I **discuss** and debrief with?
  * Build in time to debrief with your colleagues after the monitoring activity and as preparation for writing the report. This helps manage the follow-up process, if applicable.
* What are the **key, pertinent, and factual pieces of information** that are included in the report?
* Does the report **clearly assess** the grantee's current situation?

Step 6: Write a Report

Ask yourself:

* What are the grantee's **strengths**? **Challenges**?
* Are there specific **processes, results, systems** that I learned about during the monitoring visit/call that **demonstrate best practice?**
* Are there **findings** that require follow up?
* How, when applicable, is the grantee's response to the monitoring findings addressed?
  * Ensure there is a clear process for managing the required grantee follow-up to findings identified during the monitoring call/visit.
  * If no follow-up is required, clearly indicate.

Step 6: Write a Report

Monitoring Report template should:

* Include monitoring results, grantee strengths, and challenges
* Identify areas of compliance, questions, and address areas of follow-up, if applicable
* Are there additional steps that are coming as a result of the process? If so, identify and provide expectations, the timeline, and appropriate agency point of contact.
* Indicate if the process is completed
* Thank and acknowledge the grantee's time and cooperation.

Step 7: Address questions and conduct follow-up

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* Working within your state agency and with the grantee to resolve issues identified during grant monitoring may require more art than science.
* Seek first to understand and be open to teachable moments with everyone involved.

Step 7: Address questions and conduct follow-up

* There likely will be issues to resolve, whether you need more information, or have concerns about how a program is operating.
* Think about in what circumstances does the issue require you to:
  * Consult with other people in your agency or across division(s)
  * Involve your supervisor in the situation
  * Consider amending or terminating an agreement with a grantee

Step 7: Address questions and conduct follow-up

Consult with other people within your agency or across division(s) when someone else has:

* Encountered a similar situation with another grantee
* Experience with the grantee and can provide additional perspective
* Greater understanding of the issue (programmatic or fiscal)
* Your trust and confidence, and is willing to be a sounding board to your ideas

Step 7: Address questions and conduct follow-up

* Trouble-shoot how to approach grantee follow-up with state colleagues across divisions. This is important if the grantee has multiple grants involving several agency colleagues.
* <u>Coordinate the message</u>.
* Work directly with the grantee to resolve the issues.
* Approach conversations and communication with the grantee with respect, candor, and honesty.

Step 7: Address questions and conduct follow-up

Involve your supervisor in the situation when:

* You are unable to resolve the issue with the grantee on your own.
* You see potential red flags that indicate more follow-up may be required and generate additional questions.
* The issue with the grantee is potentially illegal.

Step 8: Reflect and Adjust

Step 8: Reflect and Adjust

* What did I learn from the monitoring process?
* How do I share that information with my colleagues?
* Am I tracking and analyzing grantee monitoring findings and grantee best practice?
* Are there trends I see?
* What is my process for providing training and technical assistance resources for grantees that have findings which require follow-up?
* What is my process for incorporating lessons learned into the grant application process and future monitoring cycles?
* Do I have a process for grantees to evaluate our agency's monitoring process?

Grant Monitoring Steps

Resources

* Office of Grants Management Training resources
* Nonprofits Assistance Fund

Enterprise Continuous Improvement Program

- The approach aims to refine processes, reduce waste, and ensure the highest levels of efficiency and performance within an organization.
- The Continuous Improvement Program offers training to state employees on the basics of Lean and continuous improvement tools, in addition to more advanced training on facilitating "kaizen" process improvement events.
- Admin helps State offices and teams in coordinating and facilitating process improvement events and other continuous improvement projects.

Thank you!

Find out more at the

Office of Grants Management

Website.