Policy on Grant Monitoring

This is an archived copy of a prior OGM policy. A revised Policy 08-10 was issued on 12/2/16 effective 7/1/17. Please reference the following link and click the New Policies/Current Policies tabs for copies of current OGM Policies: Grants Management Policies, Statutes and Forms

Statutory Reference
Minn. Stat. 16B.97-Grants Management

Policy
Minnesota Statutes 16B.97 subd. 4(a)(1) provides that the Commissioner of Administration shall “create general grants management policies and procedures that are applicable to all executive agencies.”

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 of over $250,000. Although state agencies may conduct monitoring visits in person or by telephone, it is recommended that the visits occur in person whenever possible. It is also recommended that each grant program use a standardized form and procedures for monitoring visits so that grant management information is tracked consistently. Documentation from monitoring visits must be kept in the grant file.

State agencies must also conduct a financial reconciliation of grantees’ expenditures at least once during the grant period on grants of over $50,000. Or, state agencies may develop and file an agency reconciliation plan for approval by the Office of Grants Management. Please contact the Office of Grants Management for additional assistance if your agency would like additional information about developing a financial reconciliation plan.

Scope of Coverage
This policy applies to all executive branch agencies, boards, committees, councils, authorities and task forces that make grants.

This policy applies to competitive, legislatively made, formula and single and sole source grants, but does not apply to bonding and capital grants.

Grants in which monitoring expectations are statutorily defined are not covered by this policy.

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

**Definitions**

**Grant Monitoring Visit:**
A grant monitoring visit involves both state granting agency staff and the grantee and occurs during the grant period. The purpose of grant monitoring visits is to review and ensure progress against the grant’s goals, to address any problems or issues before the end of the grant period, and to build rapport between the state agency and the grantee. An effective grant monitoring visit 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, and training and technical assistance needs.

**Financial Reconciliation:**
A financial reconciliation involves reconciling a grantee’s request for payment for a given period with supporting documentation for that request, such as purchase orders, receipts and payroll records.

**Financial Reconciliation Plan:**
A financial reconciliation plan involves completing a risk assessment of agency grantees and outlining a specific plan to monitor and reconcile agency grants over $50,000 including a timeline for completing reconciliations. The financial reconciliation plan should also consider other potential risk factors including but not limited to: grantee staff turnover, prior performance, and delayed or missing performance reports. The plan must be reviewed by the agency and approved by the Office of Grants Management every 5 years.

**Procedures**

1. State agencies develop procedures and templates for monitoring visits.

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

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.

4. State agencies conduct and document monitoring visits and financial reconciliations. Documentation is kept in the grant file.