

Tip Sheet: Grant Monitoring and Financial Reconciliation Policy 08-10

The [Policy 08-10 on Grant Monitoring](#) requires that state agencies conduct monitoring visits and complete financial reconciliation of grantee expenditures before final payment is made on all state grants.

Minimum Requirements and Financial Thresholds

- All grants >\$50K must have **one** grant payment reconciled before final payment of the grant.
 - **Example:** One payment reconciled before final payment of two-year grant contract agreement.
- All grants >\$50K – \$249,999 must have **one** monitoring visit conducted before final payment is made on the grant.
 - **Example:** One monitoring visit conducted before final payment of two-year grant contract agreement.
 - The monitoring visit may be conducted in-person, by phone or other virtual meeting options.
- All grants >\$250K must have **annual** monitoring visits before final payment of the grant.
 - **Example:** Two monitoring visits conducted before final payment of two-year grant contract agreement.
- Additional or enhanced monitoring may be conducted based on the results of the preaward risk assessment, any resulting risk mitigation plan and identified internal controls, or targeted technical assistance, etc.
- Documentation from monitoring visits, including financial reconciliation, must be kept in the official grant file.

Policy Options

- Agencies choose:
 - Type of Monitoring visit: On-site, Phone, virtual meeting option, etc.
 - Financial reconciliation source documents:
 - Range of options include purchase orders, receipts, payroll records, etc.
 - Financial reconciliation expenditure options:
 - Range of options of which specific grant project expenditures in a given payment are subject to financial reconciliation.
 - Sampling options:
 - A granting agency with multiple grants of similar grant periods with the same grantee may choose to identify which grants represent a sample that will receive monitoring and financial reconciliation before a final payment is made. The granting agency should

retain the written post-award risk assessment identifying the sampling criteria as part of the official grant file per policy.

FAQ's

- What is a grant period?
 - The start and end date of the grant contract agreement.
 - Final payment of a grant contract agreement likely occurs after the grant end date.
- What if the payment method for the grant is an advance?
 - The Policy [08-08 on Grant Payments](#) requires that every advance payment issued as part of the grant contract agreement is reconciled on all grants >\$50K.
 - The granting agency has options on the timing of when the advance must be reconciled:
 - Either within 12 months of issuing the advance or within 60 days of the end of the grant period.
 - The granting agency has the same options on how to approach financial reconciliation source documents and expenditure options as defined in Policy 08-10 on Grant Monitoring.

Resources

- [Office of Grants Management Resources page](#).

Statutory Citations

- [Minn. Stat. §16B.97](#) Subd. 4 (a) (1)
- [Minn. Stat. §16B.98](#) Subd. 6 and Subd. 8
- [Minn. Stat. § 16B.981](#)