

# Oversight of State-Funded Grants to Nonprofit Organizations

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Program Evaluation  
February 2, 2023



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## Key Findings

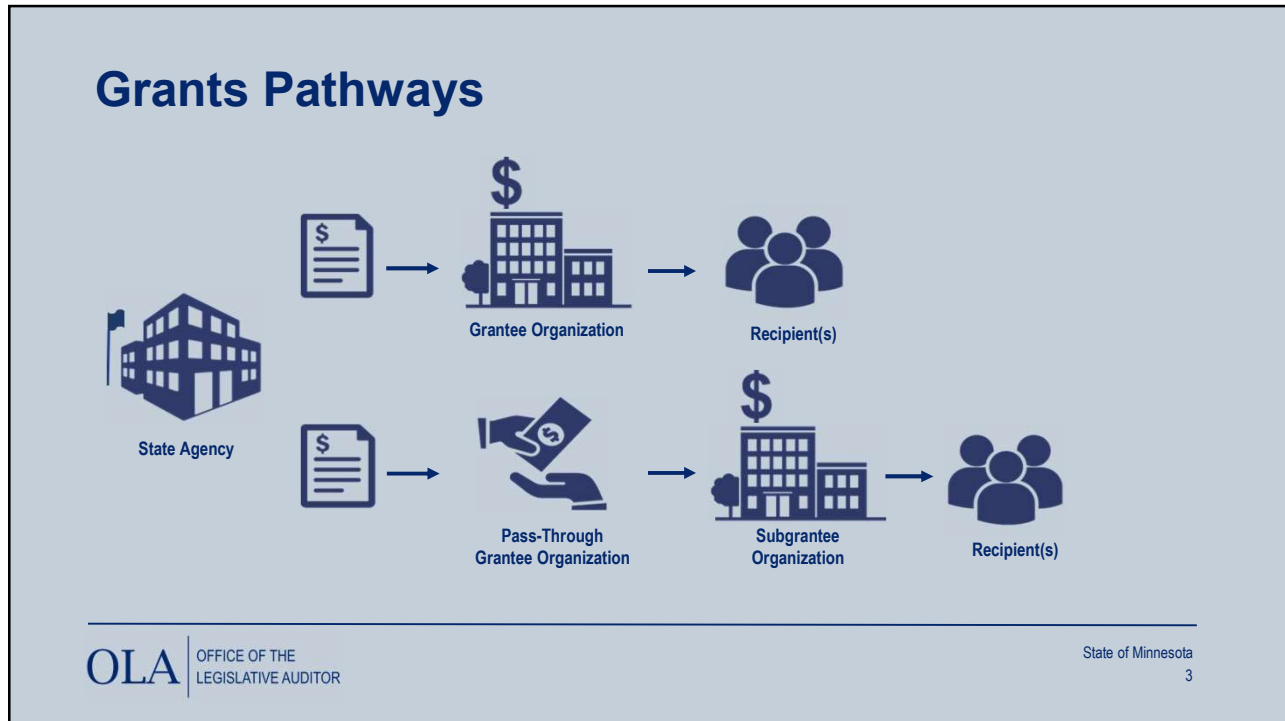
- Minnesota’s grants management policies establish important practices, but generally lack detail.
- OLA has found pervasive noncompliance with policies.
- Statutes provide little authority to enforce compliance with policies.

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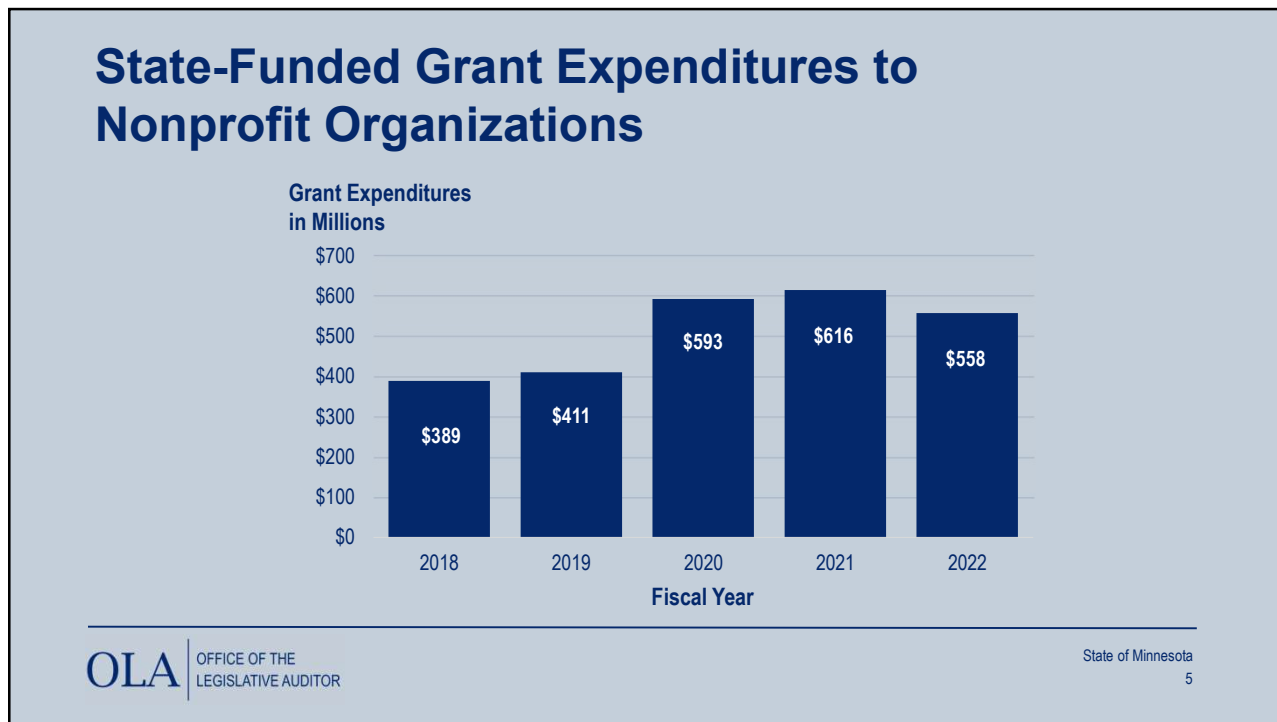
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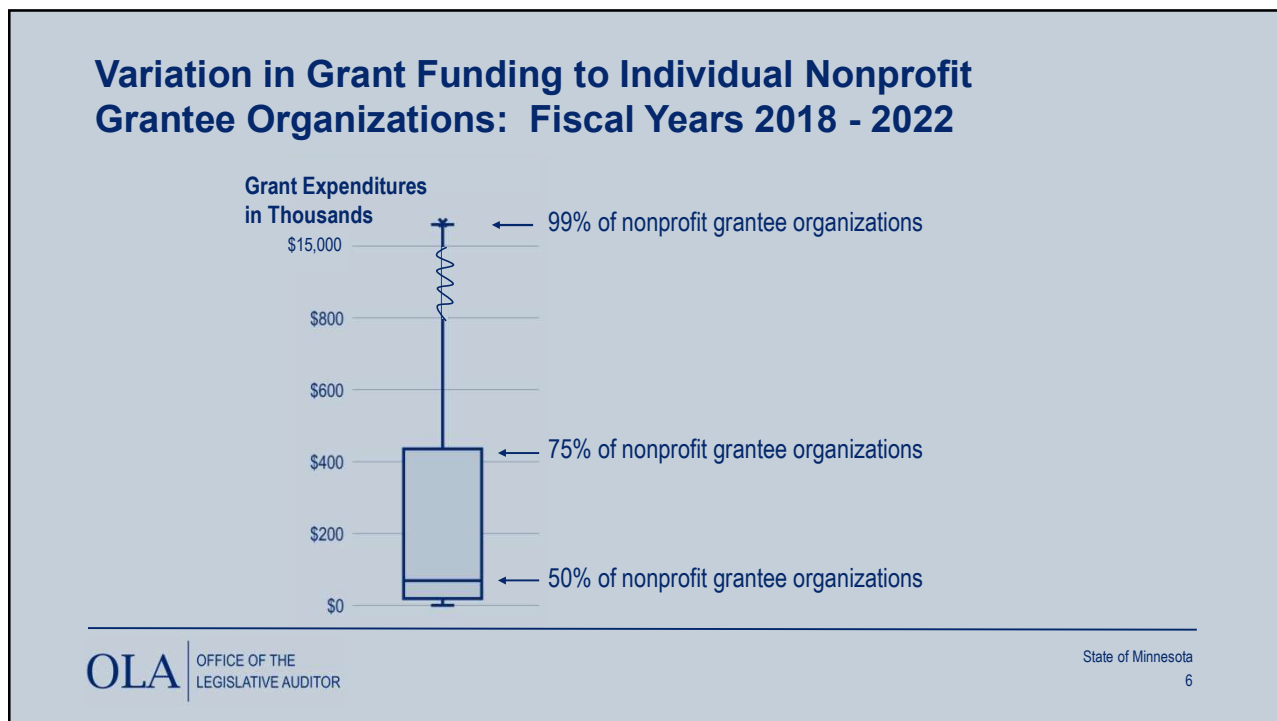
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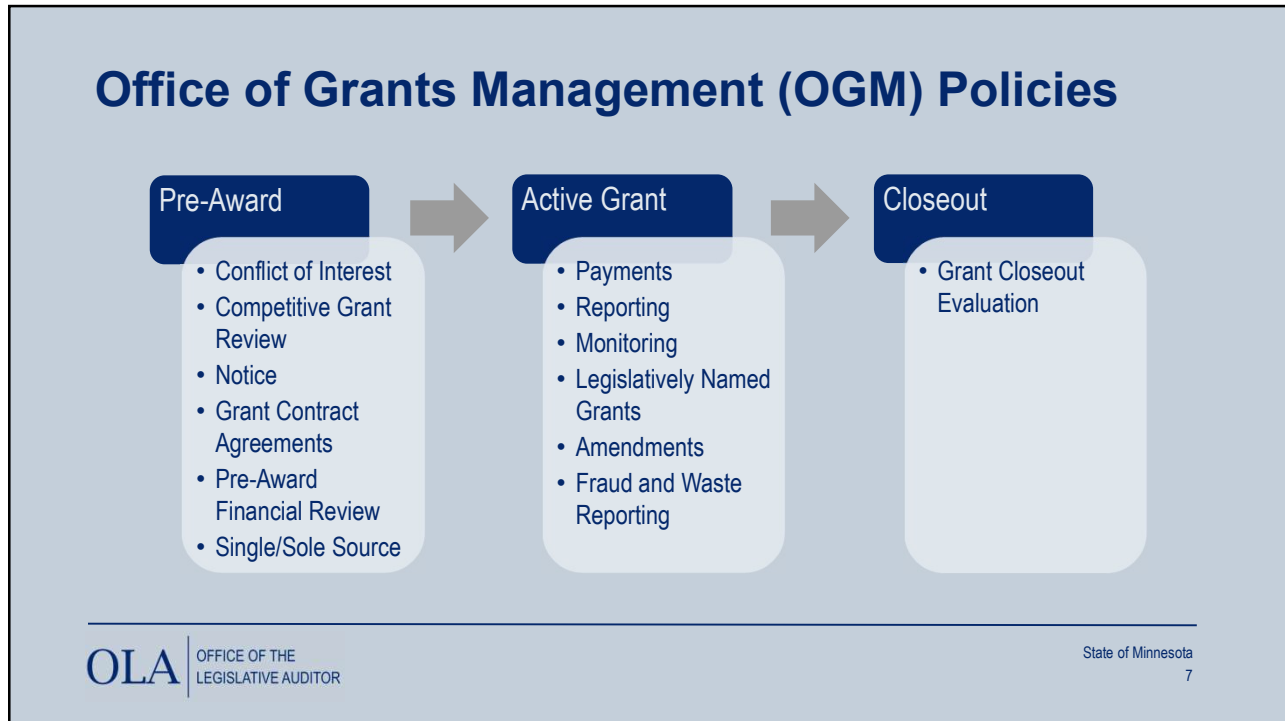
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## OGM Policies:

- Partially reflect **17 of 24** broad recommended practices in grants management.
- Often lacked sufficient detail on how to implement them.

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## OGM Policies:

Require	Do Not Require
Pre-award reviews for certain entities	Increased monitoring based on pre-award reviews
Monitoring visits for certain grants	Site visits
Closeout review for certain grants	Timely grant closeout

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## Recommendation

OGM should strengthen its grant management policies and provide more specific guidance to state agencies on how to implement the policies.

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## Review of State Agency Compliance with OGM Policies

### Minnesota Department of Education (MDE)

Number of Grants: 16

Managing Divisions: Early Learning Services;  
Academic Standards, Instruction, and Assessment

### Department of Public Safety (DPS)

Number of Grants: 23

Managing Division: Office of Justice Programs

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## MDE partially complied with OGM policies.

- Pre-award financial reviews not aligned with policy
- Payments of at least \$4 million made in violation of policy
- No monitoring visits for most grantees

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**MDE consistently provided less oversight of legislatively named grants than competitively awarded grants.**

	Competitively Awarded	Legislatively Named
Financial reconciliations	100%	0%
Required progress reports	100%	50%

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**DPS largely complied with OGM policies.**

- Pre-award financial reviews:  
Completed for 22 of 23 grants
- Required progress reports:  
Collected 96%
- Closeout evaluations:  
Completed 100%
- Required monitoring visits:  
Completed for 22 of 23 grants

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## **DPS could improve compliance with certain OGM policies.**

- Single/sole source documentation:  
Not completed
- Financial reconciliations:  
Completed about one-half
- Payments of nearly \$580,000 made in violation of policy

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## **Recommendation**

MDE and DPS should ensure grant managers comply with all OGM policies.

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## OLA has found pervasive noncompliance in recent years.

Issues with:

- Conflict of interest documentation and resolution
- Pre-award financial reviews
- Required progress report collection
- Monitoring visits
- Closeout evaluations

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## Factors Affecting Compliance: State Agency Capacity

Resources

Training

Grant Management Tools



We continuously get more grant programs to manage many times without administrative funding from the legislature...additional programs without additional oversight waters down each agency's capacity to monitor grant programs.

— State Agency Official

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## Factors Affecting Compliance: Accountability

Enforcement

Data



Statutes provide little authority to enforce state agencies' compliance with OGM policies or require corrective action when agencies are noncompliant.

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## Recommendations

The Legislature should:

- Require OGM to develop a grants management training program for state agency staff.
- Require all state agency grants management staff to complete a grants management training program.

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## Recommendations

The Legislature should:

- Direct OGM to develop standards for consistently funding grants management activities at state agencies.
- Increase external oversight of grants management in executive branch agencies.
- Direct Admin to develop recommendations for improving access to comprehensive statewide data on state-funded grants.

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## *Oversight of State-Funded Grants to Nonprofit Organizations*

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