

**Subject** Grants management

**Authors** Hicks and Jones

**Analyst** Colbey Sullivan

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## Overview

This bill would enhance and codify in statute certain requirements that apply to state agencies that award and administer grants. Specifically, the Department of Administration would be tasked with ensuring that agencies (1) conduct monitoring visits for all grants, with in-person visits required for any grant of \$50,000 or more, and (2) reconcile grant expenditures before final payment, or quarterly if the grant exceeds \$250,000.

*Background:* Under current law and this bill, agencies must follow the grants management policies promulgated by the Department of Administration's Office of Grants Management, unless the department makes an exception for a specific grant program (Minnesota Statutes § 16B.97, subds. 2 and 4).

Currently, Department of Administration [Policy 08-10](#) requires:

- 1) at least one monitoring visit before an agency awards final payment for any grant over \$50,000, with annual monitoring visits required for any grant over \$250,000 (the Department of Administration recommends in-person visits, but allows agencies to conduct telephone/virtual visits instead); and
- 2) agencies to conduct a financial reconciliation of grantee expenditures before final payment of any grant over \$50,000 (the Department of Administration defines financial reconciliation as "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").

## Summary

Section	Description
1	<p><b>Duties.</b></p> <p>Requires the Department of Administration to ensure that executive agencies: (1) conduct one virtual monitoring visit for grants of less than \$50,000, annual in-person monitoring visits for grants of \$50,000 to \$250,000, and biannual in-person monitoring visits for grants over \$250,000; and (2) perform financial reconciliation of grant expenditures prior to final payment, with quarterly reconciliation required for grants over \$500,000.</p>
2	<p><b>Conforming changes to grants policies.</b></p> <p>Requires the Department of Administration to update the department's grants management policies and procedures as needed to conform with section 1.</p>
3	<p><b>Effective date.</b></p> <p>Provides that this act would take effect on August 1<sup>st</sup> of this year and apply to grants for which the grant agreement is executed or amended on or after that date.</p>



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