DEPARTMENT OF NATURAL RESOURCES

DNR Pass-Through Grants Administration

Katherine Sherman-Hoehn, Grants Manager

DNR Pass-Through Grants Unit

Acknowledgements

Portions of this presentation are based on materials developed by the Department of Administration's Office of Grants Management, from their Overview of Grants Administration training.

DNR Grantmaking Activities

- DNR awards around $165 million in grants each year.
- Approximately 50 different programs, with 2,200 total grants
- Approximately 250 LSOHC Pass-Through Grants are open each year (includes new and continuing grants)

DNR Pass-Through Grants Unit

- The DNR Pass-Through Grants Unit handles legislatively-named grants out of the LSOHC, as well as other legislatively-named legacy fund grants
- Unit personnel include:
  - Pass-Through Grants Supervisor
  - Land Acquisition Coordinator
  - Monitoring and Compliance Coordinator
  - Two Grants Specialists

DNR Grants Unit Pass-Through Grant Administration Roles

- The DNR Grants Unit oversees contract management:
  - Creates and administers grant agreements
  - Approves and monitors payments
  - Monitors grant, fiscal management and contract compliance
  - Work with the LSOHC to make sure project goals, contractual obligations, state laws, and reporting requirements are being met for the Outdoor Heritage Fund

LSOHC Pass-Through Grant Administration Roles

- LSOHC approves each project's scope of work in the work plan
- LSOHC reviews and approves:
  - Work or accomplishment plans and amendments
  - budget amendments
  - Status reports
  - Final Reports

Office of Grants Management Authority and Scope

Minn. Stat. §16B.97: Grants Management

Minn. Stat. §16B.98: Grants Management Process

Minn. Stat. §16B.981:Financial Review of Grant and Business Subsidy Recipients

Policies: Office of Grants Management

State Grant Policies

- The policies were developed by a state enterprise steering committee representing the largest state granting agencies and key external partners.
- Each policy is numbered and has a consistent format.
- The format speaks to policy purpose, identifies scope, provides definitions, and contains procedures.
- 13 policies cover the entire grant life-cycle.

Agency decision-making

Agencies can choose to dial-up and exceed the minimum requirements that exist in state policy.

Guiding questions:

- Why and what's the purpose?
  - Transparency with value and risk
- Who benefits?

Guiding Principles

Value

- Purpose, meaningful outcomes, and best practice.

Risk Assessment

- Address the continuum of grantees and grant practice to effectively identify high, medium, and low risk classification.

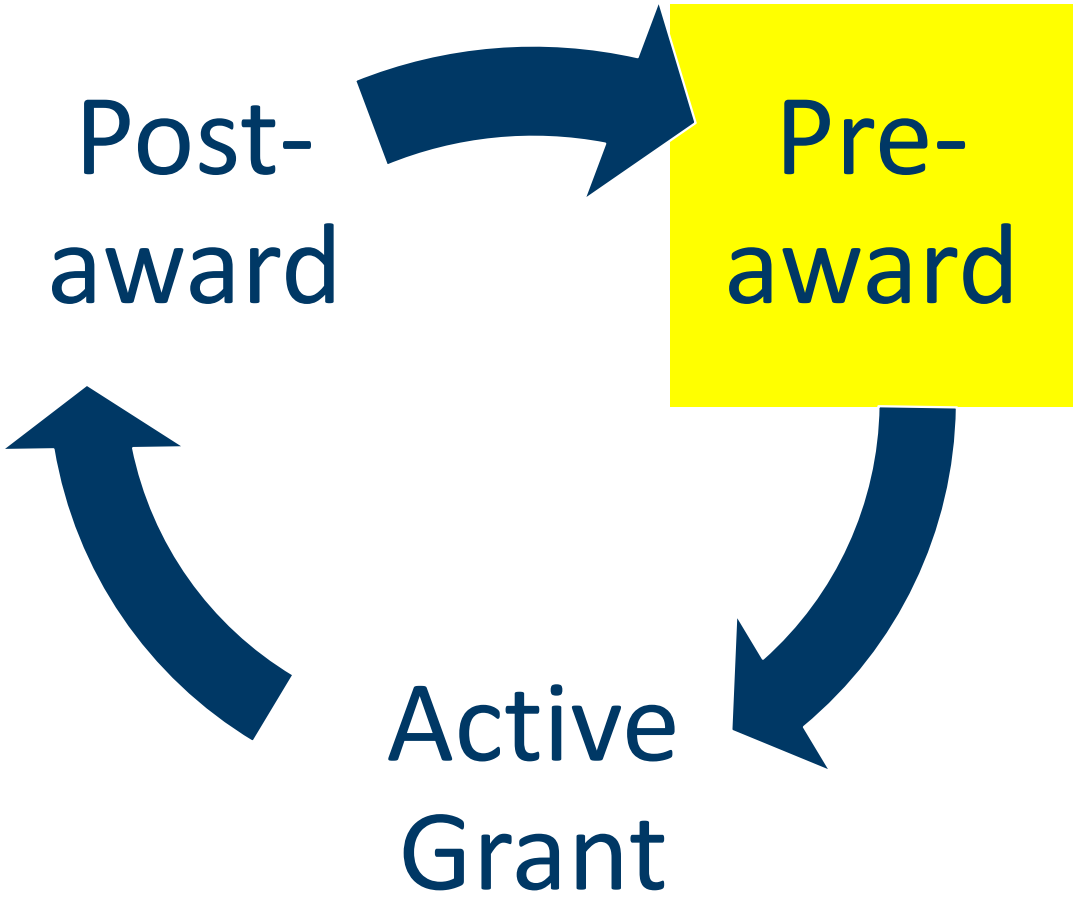
Capacity

- Strive to meet minimum requirements with available resources.

Minimum Requirements

- Must be met as identified in state grants policies through practices and procedures.

Pre-award grant policies: Part I



1. Conflict of Interest
2. Competitive Grant Review
3. Grants Notices and RFPs

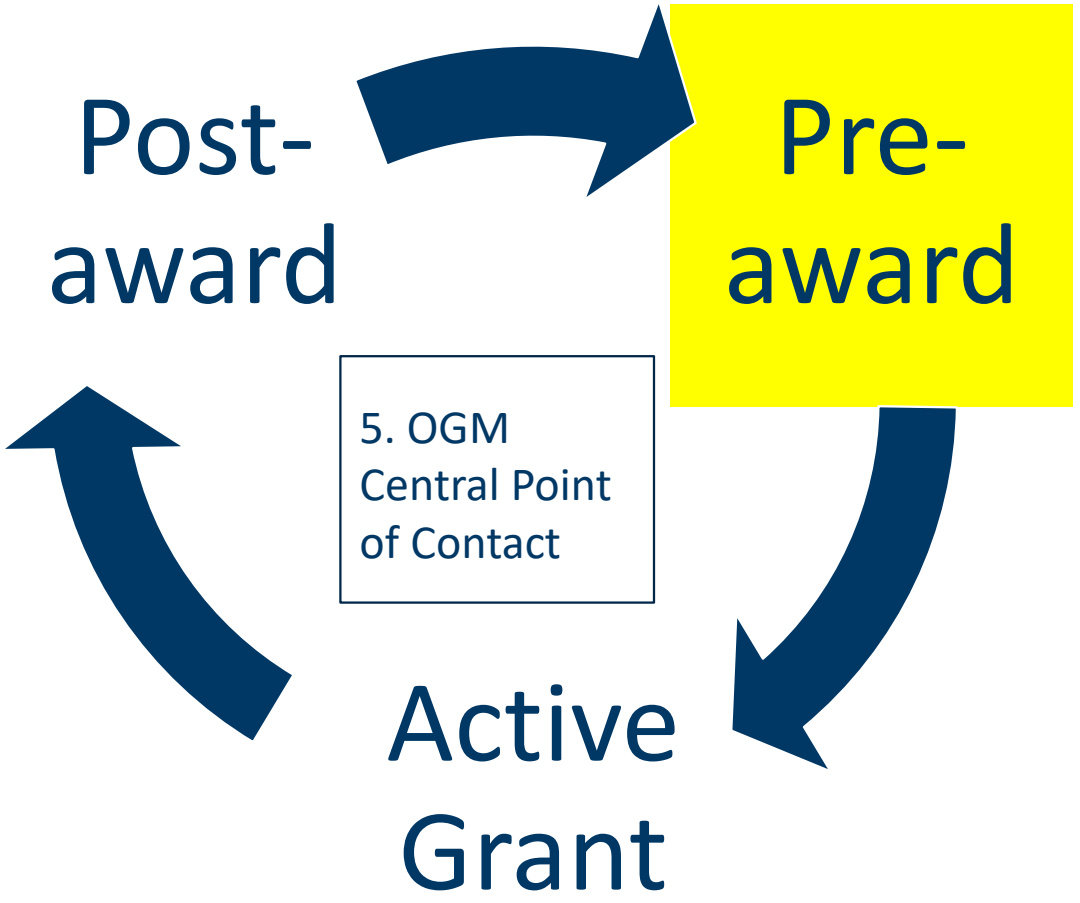
Conflict of Interest: Who's Responsible?

Every state employee and grant reviewer is responsible for identifying where an actual or perceived conflict of interest exists and for informing appropriate parties.

The DNR requires that employees with decision-making authority over part of the grants cycle complete a conflict-of-interest form at least annually.

Grantees are also responsible to maintain a Conflict of Interest Policy consistent with the Office of Grants Management's policy, and disclose any conflicts to the DNR

Pre-award grant policies: Part II



4. Pre-award Financial Review
6. Grant Agreements
7. Single/Sole Source

Pre-award Risk Assessment

- State policy requires a pre-award risk assessment before making a grant of $50,000+
- Assessment must consider:
  - Grantee's history of performing similar duties
  - Capability and capacity to scale up (if applicable)
  - Financial information and/or internal controls
  - Compliance with other state and federal requirements

  Must include confirmation that no principals have felony financial convictions in the last 10 years.

Financial Review

Policy on Pre-Award Risk Assessment for Potential Grantees

State policy requires that non-public entities demonstrate financial stability.

Minimum requirements:

- Before awarding a grant of over $50,000 to a nongovernmental organization, state agencies must assess a recent financial statement from that organization.
- Items of significant concern must be discussed and resolved before the grant is awarded.

Political subdivisions must have a past performance and capacity review. Financial reviews will be completed if needed to determine capacity.

Financial Review Minimum Requirements for NGOs and For-Profits

Minimum requirements:

- State agency staff must review at least one of the following documents before awarding a grant to a non-governmental organization: an internal financial statement, an IRS Form 990, or a certified financial audit.
- For-profits: federal and state tax returns.

Grant Agreement Information

- Grant agreements must include:
  - Grant work scope and timelines
  - Grantee duties for grant performance and how grant payments will be made
  - Standard grant assurances on liability, reporting, and other language
  - Clear language to incorporate all attachments – such as approved work plan, budget, administrative guidelines, etc.
  - State agency and grantee's authorized representative

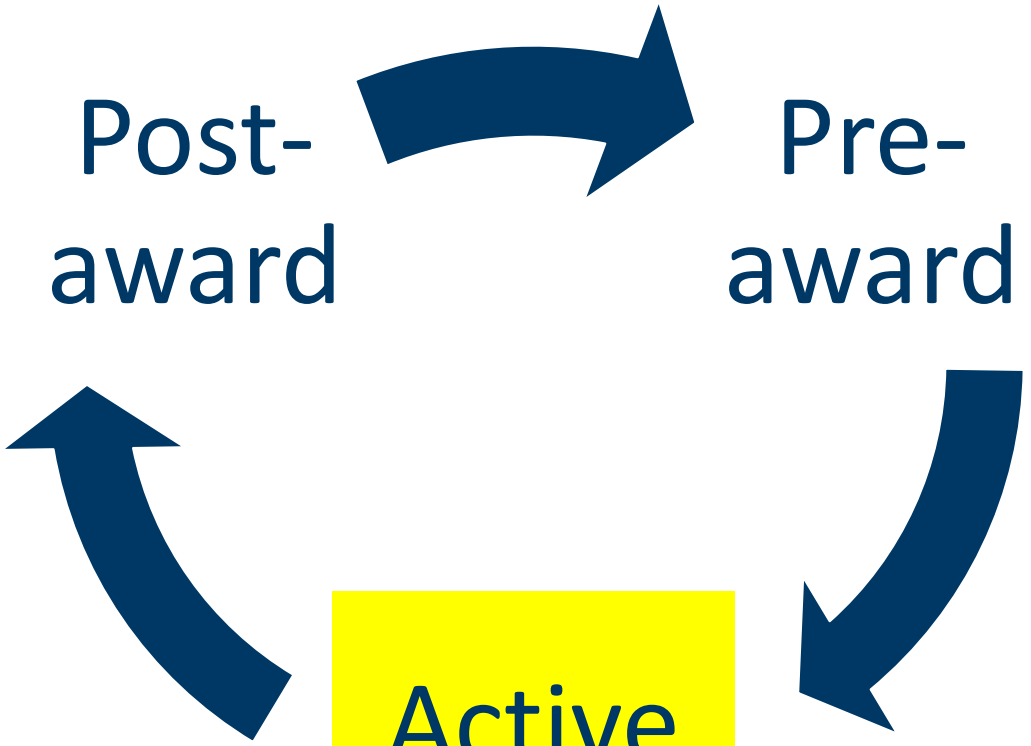
DNR Requirements

- DNR has two compliance documents incorporated into the grant agreement:
  - The Reimbursement Manual
    - Based federal and state laws, and policies and procedures of the Minnesota Department of Administration's Office of Grants Management (OGM) and the Minnesota Department of Natural Resources' Office of Management and Budget Services.
  - Attachment E Land Acquisition Reporting
    - Sets requirements for documentation of land acquisitions being made with ENRTF funding
    - Includes appraisal and appraisal review requirements, and Notice of Funds Restriction
    - Appraisal requirements include USPAP guidelines and DNR supplemental guidelines

Grant Start Dates

- LSOHC grantees cannot incur expenses until July 1 of the appropriation year, or the date the work/accomplishment plan is approved, whichever is later
- The agreement must be executed to request reimbursement

Active grant policies: Part I



8. Payment
9. Monitoring
10. Reporting

Grant Payments

Policy on Grant Payments

- Payments can only be made *after* grant agreement is fully executed
- Grant agreement references payment type, schedule, conditions, etc.
- Payment requests are made on a reimbursement basis
- Advance payments can be issued with LSOHC approval in work plan
  - These must be reconciled within 1 year, or 60 days of end of grant

Grant Payment Minimum Requirements

Reimbursements:

- Grant reimbursement must correspond to the line items in the approved grant budget (i.e. personnel costs, indirect costs, equipment costs).
- The Grants Unit:
  - Reviews each request for reimbursement against the approved grant budget, grant expenditures to-date and the latest grant progress report before approving payment
  - Requires backup documentation (invoices, timesheets, receipts) with each request
- No payments are issued if progress reports are past-due, without an LSOHC written extension.

Grant Monitoring Policy

Grant Monitoring Policy

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

Financial Reconciliation

Grant Monitoring Policy

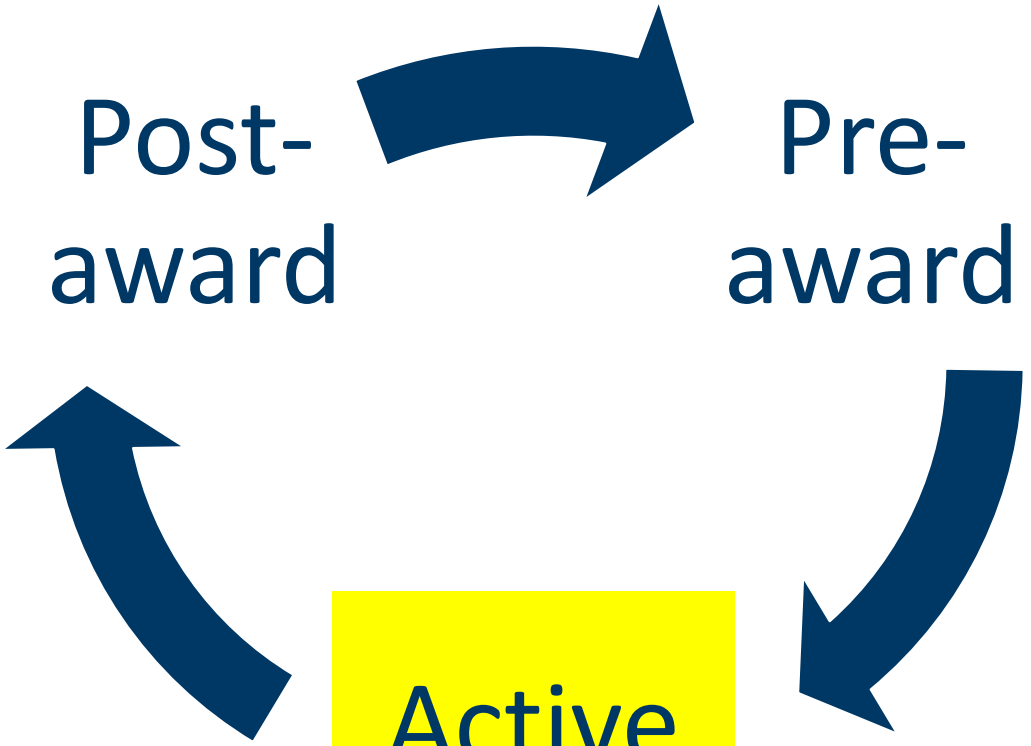
Financial Reconciliation:

- State agencies must also **conduct a financial reconciliation of grantee's expenditures at least once *before final payment is made* 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.

Definitions: Grant Monitoring Visit

- **Grant Monitoring Visit:** Involves both state granting agency staff *(and/or contractors)* and the grantee and occurs *before final payment is made.*
- It may be conducted on-site or virtually with Teams.
- 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.

Active grant policies: Part II



11. Legislatively-named
12. Amendments

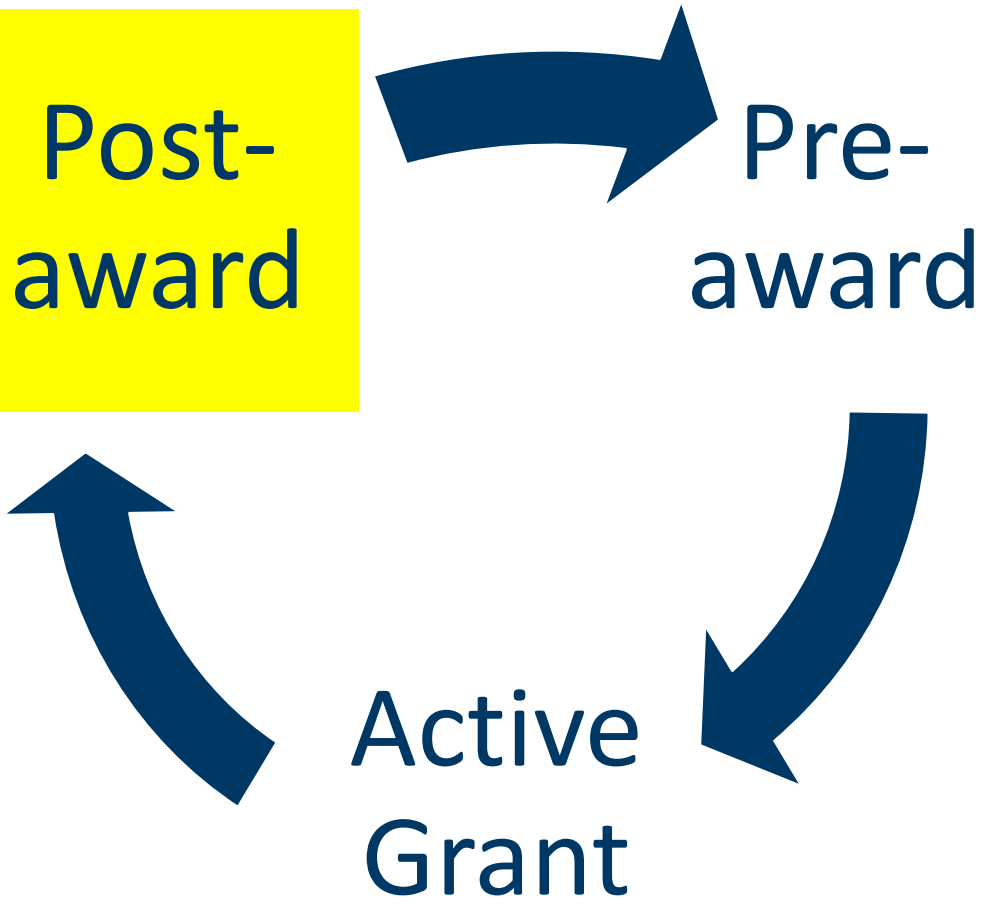
Legislatively-named Grants

Policy on Legislatively-named Grants

- Managed with the *same level of oversight* applied to other state grants, including monitoring.
- Organizations must submit a grant work plan and budget.
- Grant agreement based on the appropriation language.

Post-award grant policy

13. Grant closeout



Grant Closeout Evaluation

For grants $25,000 or less, state agencies must create an evaluation report within 60 calendar days of completion of all other grant requirements.

State agencies must:

- Retain this report
- Share it with other state agencies upon request

For grants over $25,000:

- Evaluation report is still required within 60 days of grant completion
- Must be submitted to Dept of Admin
- OGM will not grant exceptions

Data Tracking

The DNR tracks key data throughout the grant lifecycle

- **Pre-award phase**:
  - Grantee name, grant amount, period of award, grant description and purpose
  - If applicable, were any additional conditions placed on grant as part of pre-award review process
- **Active grant phase**:
  - Reporting, monitoring and financial reconciliation information
- **Closeout:**
  - Outcomes
  - Final status of reporting, monitoring and financial reconciliation follow-up
  - If applicable: any significant changes, financial or audit concerns, fraud, waste or abuse concerns with performance, if grant was terminated for cause

DNR Pass-Through Grants Unit Contact Information

Katherine Sherman-Hoehn - Grants Manager/State Authorized Representative

katherine.sherman-hoehn@state.mn.us

- DNR Pass-Through Grants Website: https://www.dnr.state.mn.us/grants/passthrough/index.html

DEPARTMENT OF NATURAL RESOURCES

500 Lafayette Road
St. Paul, MN 55155-4040
888-646-6367 or 651-296-6157
mndnr.gov

The Minnesota DNR prohibits discrimination in its programs and services based on race, color, creed, religion, national origin, sex, public assistance status, age, sexual orientation or disability. Persons with disabilities may request reasonable modifications to access or participate in DNR programs and services by contacting the DNR ADA Title II Coordinator at info.dnr@state.mn.us or 651-296-6157. Discrimination inquiries should be sent to Minnesota DNR, 500 Lafayette Road, St. Paul, MN 55155-4049; or Office of Civil Rights, U.S. Department of the Interior, 1849 C. Street NW, Washington, D.C. 20240.

©2017, State of Minnesota, Department of Natural Resources