

LCCMR Appropriation and Grant Oversight

- Involves both fiscal and programmatic oversight for all fund recipients. The specifics of the oversight depend on whether the entity is a state or quasi-state agency that receives ENRTF funds through a direct appropriation or a non-state entity that receives funds through a legislatively directed “pass through” grant agreement with the Department of Natural Resources (DNR).
- **Programmatic oversight** includes reviewing progress on and achievement of proposed outcomes and monitoring for inconsistencies in reported work and spending from the approved work plan and budget.
- **Fiscal oversight** includes ensuring that reported spending is consistent with the approved work plan and budget. Additional oversight of non-state recipients is conducted in partnership with the DNR’s grants unit and includes reviewing financial systems and expenditures under the grant to ensure proper documentation and compliance with state and program standards. This work is paid for with the “Contract Agreement Reimbursements” appropriation to DNR each year.

Programmatic Oversight

Applies to all fund recipients, including state- and quasi-state agencies such as BWSR, MPCA, UMN, MN Zoo, and Science Museum of Minnesota, as well as non-state entities such as NGOs, for-profit companies, tribes, federal agencies, and political subdivisions.

Pre-award stage

- **Recipients cannot begin work unless they have a detailed work plan and budget approved by the LCCMR.**
 - Staff reviews to ensure only eligible costs are included and that any generally ineligible costs have additional justification provided (See LCCMR’s [Guidance on Allowable Expenses](#)).
 - Staff reviews to ensure the work plan provides clear (and when possible, measurable) outcomes, major activities, milestones, and associated completion dates.
 - Staff reviews to ensure the work plan includes any appropriation language- or LCCMR- required contingencies and that other ENRTF requirements are addressed.

Throughout the grant

- **Projects must report to the LCCMR on programmatic progress and spending every six months and seek approval for budget and some types of scope changes.**
 - Staff review updates for progress relative to stated milestones and for inconsistencies in reported work and spending from the approved work plan and budget. Final updates are also reviewed to ensure outcomes have been met.
 - Any variance from the approved budget requires pre-approval by the LCCMR.
 - If things aren’t on track or inconsistencies are identified, staff follow up with emails, phone calls, and/or meetings.
 - Several elevation steps occur if issues aren’t resolved. This may include elevation to commission members.

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- Additional oversight and assistance is often required for entities with identified risks.
- Concerns of waste, fraud, or abuse would be reported to the Office of Legislative Auditor and/or the Office of Grants Management.

Fiscal Oversight

In addition to the budget-related oversight discussed above, the following steps are taken for certain non-state fund recipients.

Pre-award stage

- **Non-state applicants are required to submit Office of Grants Management-required documents and disclosures with their proposals:**
 - 990s or board reviewed financial statements
 - Most recent audit or “agreed-upon procedures” report, depending on revenue thresholds
 - Evidence of good standing w/the Secretary of State
 - Disclosure of any liens on assets
 - Certification that none of the current principals* have been convicted of a felony financial crime in the last ten years (*public official, board member, or staff that would have the authority to access or determine the use of ENRTF funds)
 - Specific document requirements vary depending on whether the applicant is a non-profit, for-profit, or a political subdivision.
- **At the LCCMR’s request, the DNR conducts pre-award risk assessments prior to LCCMR’s recommendations being finalized for non-state entities that are new to the LCCMR or that had findings on previous reviews.**
 - Assesses the risk that a potential grantee cannot or would not perform the required duties, including managing the grant funds.
 - Includes reviewing history of performing similar duties at similar scale.
 - Includes reviewing fiscal procedures, internal controls, and cash flow.
 - Includes conflict of interest checks within the grantee’s organization.
 - If issues are found and the potential recipient still wants to be eligible to receive funding, we will require:
 - They work with an external fiscal agent for the grant as applicable.
 - They remedy other issues identified in the review.
- **A pre-award risk assessment is conducted for all other non-state organizations prior to grant agreement execution.**

Throughout the grant

- **Funds are available to non-state entities on a reimbursement basis from the DNR if the recipient has provided adequate documentation and is in compliance with project status reporting to the LCCMR.**
 - Documentation must be provided, including time sheets, receipts, and other records necessary to confirm work was completed appropriately. May also include a copy of contracts and bidding/selection process.
 - Only approved budget items will be reimbursed.
 - Reimbursement only occurs if the grantee is in compliance with LCCMR reporting requirements.

- For all grants over \$50,000, a financial reconciliation including proof of payment is completed at least once and prior to approving the final reimbursement request.
- **Grant monitoring visits are made to non-state entities by the DNR during and after the grant period according to Office of Grants Management thresholds.**
 - Grants from \$50,000-\$250,000 have at least one monitoring visit during the grant.
 - Any grantee with a grant over \$250,000 must have an annual monitoring visit.

Post- Award Review

- **The LCCMR and DNR are working together to develop a post- close evaluation as required by the Office of Grants Management with the intention of having it finalized and operational within the required timeframe.**
 - Would evaluate performance on financial and reporting compliance as well as outcome delivery.
 - Would likely be applied to all fund recipients.