

## Financial reconciliations provide transparency for the state

During 2017 Grants Compliance Specialists from BWSR met with nearly 100 agencies, while reconciling over 150 grants. Located in the north, central and south regions of the state, these specialists conduct financial reconciliations with grantees—an important component of grants monitoring.

Financial reconciliations provide transparency for the public monies spent and allows the Minnesota Board of Water and Soil Resources (BWSR) to maintain proper oversight of the funds awarded.

During a financial reconciliation, BWSR staff look at a number of different items, including documentation that supports staff time charged to grants, time tracking, employee base rates, and billing rates used.

The feedback from grantees on the financial reconciliation process has been positive.

Lana Rotty, Dakota County Soil and Water Conservation District, talked about the onsite review process, “The process was a valuable learning experience. ... Having an onsite review helps to ensure grant reporting and project files have the necessary documentation. The Dakota SWCD will continue to apply what was learned during this reconciliation process to all of our grants. Additionally, BWSR staff have become an appreciated resource for grant administration.”

When does a reconciliation become necessary?

The majority of BWSR grants of \$50,000 and over are reconciled once, after the 70% spending threshold is met. There are a few grants that are considered higher profile, more complicated, or involve many partners that would be reconciled before a 40% payment is released and again after 70% spending has occurred.

Reconciling the grant while still open enables monies to be spent elsewhere, should corrections be identified, versus returning those funds to BWSR if the grant were closed. Once the Grants Compliance Specialist has



Grants Compliance Specialists from BWSR.

completed the reconciliation(s), grantees wrap up with a review by the BWSR Board Conservationist.

Kyle Weimann of Stearns County Soil and Water Conservation District explained the importance of the reconciliation process, “It has helped us to see where we can make improvements to our internal controls and time tracking. I particularly appreciate that it is done mid-grant to allow many costly mistakes to be avoided. It’s forced us to become more efficient in daily administrative tasks and ultimately better able to address budgeting, staffing, and strategic planning. The reconciliations may be a lot of work and sometimes painful when there are legacy issues to work out, but I’m sure glad that they are happening!”