

Oversight of State-Funded Grants to Nonprofit Organizations

Program Evaluation
February 10, 2025

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LEGISLATIVE AUDITOR

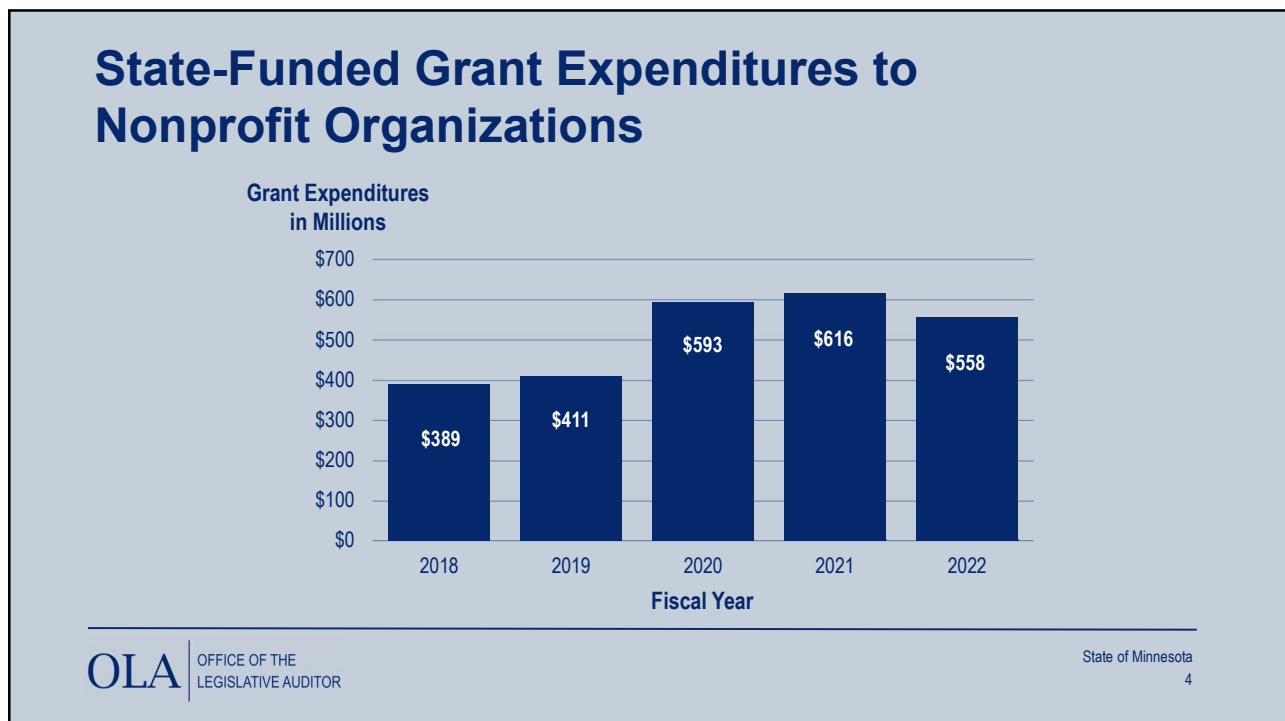
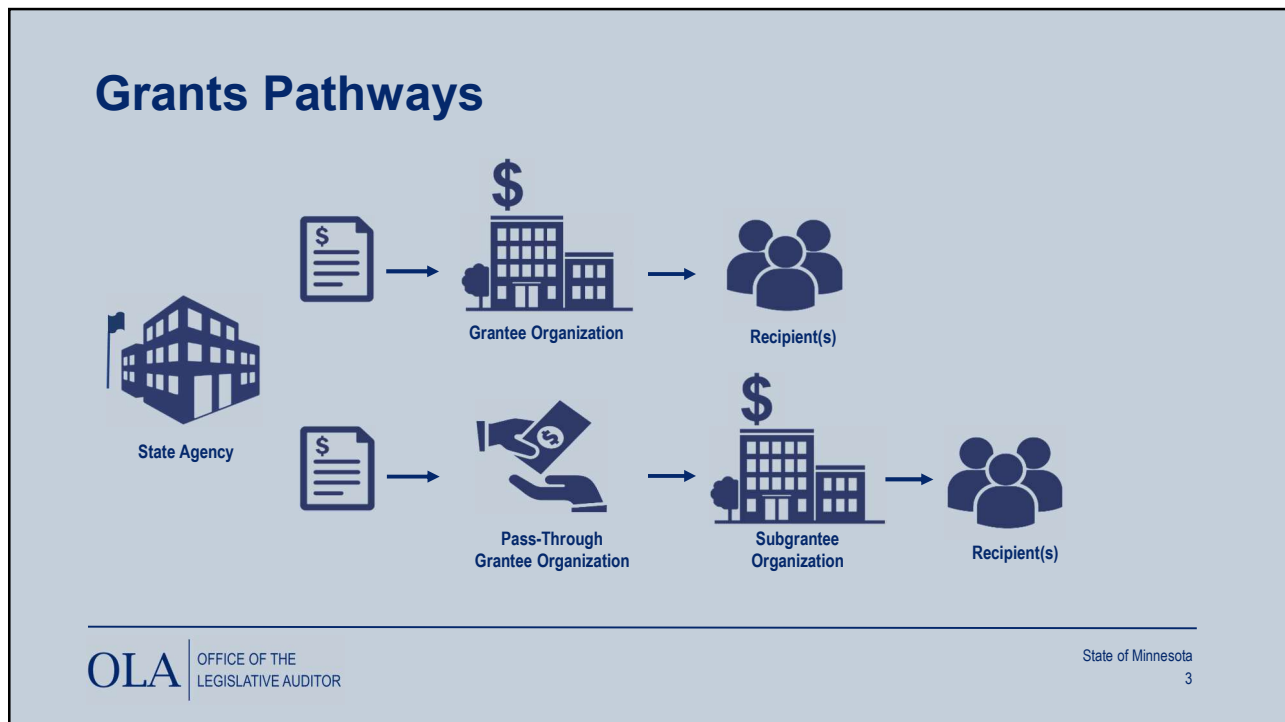


Key Findings

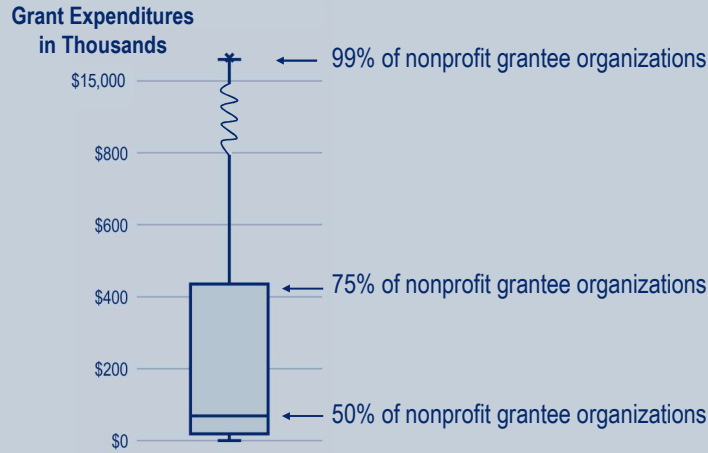
- Minnesota's grants management policies established important practices, but generally lacked detail.
- OLA has found pervasive noncompliance with policies.
- Statutes provided little authority to enforce compliance with policies.

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Variation in Grant Funding to Individual Nonprofit Grantee Organizations: Fiscal Years 2018 – 2022

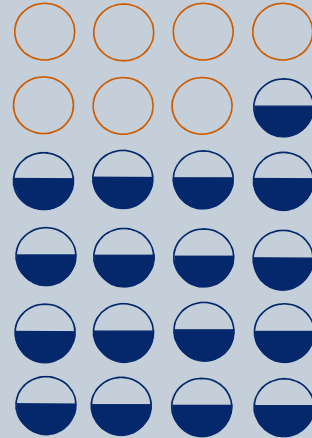


Office of Grants Management (OGM) Policies



OGM Policies:

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



OGM Policies:

Required	Did Not Require
Pre-award reviews for certain grants	Increased monitoring based on pre-award reviews
Progress reports	Specific information in reports
Monitoring visits for certain grants	Site visits
Closeout review for certain grants	Timely grant closeout

Recommendation

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

Implementation Status: Partially Implemented

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

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.

Implementation Status: Not Implemented

Recommendations

The Legislature should:

- Direct OGM to develop standards for consistently funding grants management activities at state agencies.
- Direct Admin to develop recommendations for improving access to comprehensive statewide data on state-funded grants.

Implementation Status: Implemented

Recommendations

The Legislature should:

- Increase external oversight of grants management in executive branch agencies.

Implementation Status: Partially Implemented

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