

Office of Economic Opportunity
COVID-19 Emergency Response Funds (ESP)
Financial Reconciliation & Monitoring

Consistent with Minnesota's Office of Grants Management statewide policy (08-10) on Grant Monitoring, and the ESP **COVID-19 Emergency Response Funding Assurances** (signed by each provider), the Department of Human Services, Office of Economic Opportunity will enact the following Financial Reconciliation and Monitoring policy:

Financial Tracking Requirements:

All providers receiving funding through the ESP COVID-19 Emergency Response Funding will need to have systems in place to document the specific expenses incurred and paid for with this Emergency Response funding.

While financial systems / terminology vary between organizations, at a minimum all providers must have:

- An accounting system that allows organizations to specifically track COVID-19 Emergency Response funds from DHS (rather than as part of a larger pool of funds or program costs).
- This system will have the ability to produce a Profit & Loss by Class (sometimes referred to as Income & Expense by Grant) or similar report.
- This report must balance (once all expenses have been incurred and revenue received) and:
 - Show the total expenses (or portions of expenses) charged to this fund, for a specific time frame.
 - Show corresponding revenue for this grant (amount of funding received during that timeframe).
 - Have an accompanying "Class or Fund" detail report which shows specific invoices, timesheets, transfers or direct allocations charged to this funding source.

DHS Financial Reconciliation & Monitoring

- The accounting system requirements above will allow DHS to fulfill its responsibility to the Legislature in accounting for the use of these COVID-19 Emergency Response funds.
- As soon as administratively feasible, DHS will begin contacting ESP COVID-19 Emergency Response recipients to arrange for either on-site or remote sampling and reconciliation of the agency's financial records for this funding (consistent with Office of Grants Management Policy 08-10 on grant monitoring.)
- All organizations receiving COVID-19 Emergency Response funds must be willing to provide requested financial documentation for DHS review in a timely fashion. Failure to do so may result in repayment of funds to the Department of Human Services.