

MDH Grant Manager Resource & Training Manual



August 2009



625 North Robert Street
PO Box 64975
St. Paul, MN 55164-0975

Special thanks to the Grant Manager Training Manual Workgroup:

Esther Ashley, MDH
Office of Emergency Preparedness

Elisabeth Atherly, MDH
Office of Emergency Preparedness

Jessica Barry, MDH
Infectious Disease, Epidemiology, Prevention and Control Division

Kristin Batson, Department of Administration
Office of Grants Management

Linda Dorsey, MDH
Community and Family Health Division

Gary Greenfield, MDH
Community and Family Health Division

Nancy LaPlante, MDH
Environmental Health Division

Paula Naughton, MDH
Finance and Facilities Management Division

Japhet Nyakundi, MDH
Infectious Disease, Epidemiology, Prevention & Control Division

Anita Smith, MDH
Environmental Health Division

Table of Contents

<u>Subject</u>	<u>Page</u>
Starting the RFP Process	
RFP Timeline Guidance.....	1
Writing a Request for Proposal.....	3
Grant Application Deadlines.....	7
Issuing an RFP for Grants.....	10
What is Public Information during the Grants Process.....	11
RFP Informational Meetings.....	13
Recruiting/Selecting a Review Committee.....	15
Training Review Committee Members.....	17
WebEx.....	19
Reviewing Grant Applications	
Open Meeting Law	22
Scoring a Grant Application	23
Verifying an Organizations Non-Profit Status.....	24
Debarment.....	25
Accounting System and Financial Questionnaire Interpretation	26
Accounting System and Financial Questionnaire form	29
Reviewing Grant Application Budgets	30
Indirect Costs vs. Administration Costs.....	31
Administration Cost Allocation Worksheet.....	33
Awarding Grants	
Award Letters.....	36
E-Verify	37
Grievances.....	38
Grievance Response Letter Sample	39
Negotiations	40
Grant Agreement Timeline Guidance	41
Completing the Grant Agreement	
Advance Payments.....	43
Grant Agreement Attachments	45
Grant Agreement Template Language.....	46
University of Minnesota Alternate Language.....	53
Late Letters	54
OMB Circulars that Pertain to Grants.....	57
Completing and Routing a Grant Agreement	58
Encumbrance Worksheet Reference Page	68
Completing and Routing a Grant Agreement AMENDMENT	69
Amendment Encumbrance Worksheet Reference Page	78
Statutes Pertaining to Grants.....	79
Common Errors on Grant Agreements	85
Common Error Reference Pages.....	89

Table of Contents cont.

<u>Subject</u>	<u>Page</u>
Grant Payments	
Invoice Process	93
Invoice Approval	94
Final Invoice	95
Incorrect Payments.....	96
Missing Payments	98
Monitoring the Grant	
Risk Assessments.....	101
Monitoring Grantee Performance	102
Monitoring Grantee Expenditures.....	104
Progress Reports	106
Crystal Reports.....	107
Subgranting.....	109
Subcontracting	111
Subgrant/Contract Form.....	113
If You Suspect Grant Funds are Being Mismanaged.....	114
Grant Manager Resources and Tools.....	116
Grantee Resources	118
Grantee File Contents	123
Terminating a Grant Agreement	125
Financial Management Information	
Federal Fiscal Years.....	128
State Fiscal Year	130
Organizational (Org) Numbers	131
Federal Reporting Categories	132
Encumbering Grant Funds	133
Appropriations	134
Biennium, Fiscal Biennium and Biennium Budget	135
Single Audit Requirements	136
Roles & Responsibilities of Grants Personnel.....	138
Financial Management Roles and Responsibilities	140
Definitions.....	142
Family Planning and Special Projects RFP.....	151
Index.....	211

**STARTING THE
REQUEST FOR
PROPOSAL PROCESS**

Request for Proposal (RFP) Timeline Guidance

Use this guidance to help you plan for writing, publishing and executing your Request for Proposal (RFP).

DRAFTING THE RFP

- The time it takes to write the RFP varies from program to program. It can take anywhere from two weeks to 18 months depending on the amount to be awarded and the activities to be performed.
- It is best to plan too much time into your process rather than not planning enough.
- Some programs choose to have the commissioner's office review their RFP's. If your program does this, plan one to two weeks for this review.
- There are data privacy implications for developing the RFP. According to the [MN Statute §13.599 "Grants" Subd. 2](#) Request for application.
Data created by a granting agency to create a request for proposal is classified as non public until the request for proposal is published.

PUBLISHING THE RFP

- Programs are required to post their RFP's on the MDH website per [MDH Policy 215](#). Plan one to four days for this process.
- [MDH Policy 215](#) requires a minimum of 45 calendar days from the time of publication to the deadline for applications. Plan for 45 calendar days but two months is advisable.
- Programs may choose to publish their RFP in the [State Register](#) which takes one to two weeks. Be sure to check the schedule for publication in the State Register.
- Programs may choose to send out letters to interested parties informing them of an upcoming RFP. Plan one to two weeks for the writing, addressing and mailing of these letters. These letters should be sent out three to four weeks prior to the RFP being released.
- Program may choose to publish announcements in pertinent newspapers.

APPLICATION DEADLINE

- Many programs require a Notice of Intent (NOI) or pre-application to be submitted in order for the full application to be considered for funding. The NOIs or pre-applications are typically due two (2) weeks after the RFP has been published.
- Information meetings are typically held one to two (1-2) weeks after the RFP has been published but before the NOI is due. These meetings are not required to be conducted.
- Applications are typically due at least 45 calendar days after the publication of the RFP and up to two months after the RFP is published.

OPENING THE APPLICATIONS/PROPOSALS

- There are data privacy implications for developing the RFP. According to the [MN Statute §13.599 "Grants" Subd. 3](#) Responses to request for proposals
Responses submitted by a grantee are private or nonpublic until the responses are opened. Once the responses are opened, the name and address of the grantee and the amount requested is public. All other data in a response is private or nonpublic data until completion of the evaluation process. After a granting agency has

completed the evaluation process, all remaining data in the responses is public with the exception of trade secret data as defined and classified in section 13.37. A statement by a grantee that the response is copyrighted or otherwise protected does not prevent public access to the response.

REVIEWING THE GRANT APPLICATIONS

- The time it takes to review grant applications can range from four to eight weeks.
- This depends on how many grant applications are being reviewed, how many reviewers are participating, the use of both internal and/or external review committees.
- There are data practices issues to be aware of when for reviewing grant applications. According to the [MN Statute §13.599](#) "Grants" Subd. 4 Evaluation data.

Data created or maintained by a granting agency as part of the evaluation process referred to in this section are protected nonpublic data until completion of the evaluation process at which time the data are public with the exception of trade secret data as defined and classified in section 13.37.

NOTIFYING APPLICANTS OF AWARD STATUS

- Applicants should be notified as soon as possible after the funding decisions are made.
- Notification should be in writing at a minimum. Award letters can be delivered via U.S. post or through a delivery service.
- Phone calls can be utilized also as an additional notification.
- No press releases should be issued until all applicants have been notified of their award status.

MOVING TO THE GRANT AGREEMENT PROCESS

- Programs should begin defining the work plan and grantee's duties as soon as possible.

Writing a Request for Proposal (RFP)

Overview:

Writing a grant Request for Proposal (RFP) correctly creates the best chance of receiving the most competitive grant applications. Ultimately funds should be awarded to grantees that are best able to meet the grant program's primary objectives. Although the length of and the level of detail contained in an RFP will vary by grant program, certain information must be in every RFP.

If you've never written an RFP before, it may be helpful to see one in order to understand how to proceed with writing your RFP. Please see pages 160 - 210 for a copy of the Family Planning and Special Projects RFP released in January 2009. Not all RFP's have to be this elaborate. Contact the MDH Grant Coordinator at 651-201-5235 for examples of a smaller RFP.

Objective:

Learners will know how to write a grant RFP.

NOTE: A Department of Administration Certification Form is no longer needed for grants.

Procedure:

Process Steps:	Statute/Policy Sources:
<p>A. Planning the RFP:</p> <p>Major decisions about the grant process should be made before the RFP is written. These decisions include, but are not limited to:</p> <ul style="list-style-type: none"> • Who will be involved in this grant award process? What are their roles and responsibilities? • What is the timeline for the various steps in the RFP process? (review of RFP drafts, discuss press release with MDH Communications Office, issue RFP, determine review process, schedule pre-proposal conference, receive proposals, review proposals, announce grant awards, negotiate with awardees, execute grant agreements, monitor grants) • Who will write and review the RFP before it is published? • What state and federal regulations apply to this grant program? • Will there be an information meeting? • How will information meeting questions be handled? • Where should grant applications be delivered? • Is the deadline for delivery or postmarks? • Who will review grant applications? • What are the criteria that the grant applications will be scored against and their importance? • What is the process for grant application review? 	
<p>B. Most RFP's contain the following information. Required information is indicated.</p>	<p>MDH Policy 215</p>

<ol style="list-style-type: none"> 1. Cover Page 2. Table of Contents 3. Introduction <ul style="list-style-type: none"> • Background on awarding agency • Grant program description and purpose (required) • State’s goals in making the grants (required) 4. Scope of Work <ul style="list-style-type: none"> • Total available funding and description of how grants funds will be divided up among the winning grant applicants (required) • Duration of funding • Applicant eligibility requirements (required) • A comment on whether grant applications that propose to collaborate with other entities will be funded (required) • Requirements for in-kind or matching funds (required) • Scope of work: <ol style="list-style-type: none"> a. Overview b. Tasks, deliverables, expected outcomes (required) 5. Proposal Format <ul style="list-style-type: none"> • Application format requirements or template (required) • Number of copies, format, font, other specifications (required) • Additional documents required and required statements • Required application contents: <ul style="list-style-type: none"> -Description/proof of eligibility status -Organizational background/history -Problem statement -Project description -Project need -Project goals and objectives -Project work plan - methods, activities, timelines -Evaluation plan -Key staff and their qualifications -Project partners, if applicable -Budget and budget narrative -Required forms and attachments -Copy of board resolutions for signatures -Copy of most recent 990 or audit -Required statements (if applicable) 6. Grant Application Review Process <ul style="list-style-type: none"> • RFP contact name and contact information (required) • Address for grant application submission (required) • Deadline for grant application submission and delivery method (required) 	
---	--

<ul style="list-style-type: none"> • Description of the selection process and methodology • Deadlines and timelines for the grant award process (required) • Statement on how trade secret information and public data will be handled throughout the grant process (required) <p>7. Proposal Evaluation and Selection</p> <ul style="list-style-type: none"> • Selection criteria and weight (required) • Process for notifying successful and non-successful grant applicants • Overview of the composition of grant application review team (required) • Statement that State may choose to not award any grants <p>8. Required Contract Terms and Conditions</p> <ul style="list-style-type: none"> • State’s rights and responsibilities • Grantee reporting requirements (required) <p>9. Appendices</p> <ul style="list-style-type: none"> • Sample grant agreement • Required statement forms 	
<p>C. In addition to the required information, RFPs may contain other information that is helpful to grant applicants, such as form templates, key definitions, technical information, best practices and a sample grant agreement.</p>	
<p>D. It is important that all the necessary information is in an RFP and that the information is well organized. Clarity and ease of use for the reader should be the primary guide in organizing an RFP.</p>	
<p>E. Once your draft RFP is written, have it read and edited by other who will read it as a potential grant applicant would. It is important that the RFP be clear and understandable to someone who knows little about the grant program.</p>	
<p>F. Work with your Information Systems and Technology Management (IS&TM) person to get your RFP packet on a website where applicants can download it.</p>	<p>MN Statute §16C.046</p>
<p>G. Complete the Internet Information for Grants and Loans form and send it to the MDH Grant Coordinator in Financial Management. This will get your website and contact information onto the MDH external website.</p>	
<p>H. Publicize your RFP, at a minimum on the MDH website. If you want to publish in the State Register, please follow MDH Policy 308.03.</p>	

<p>The Minnesota Bookstore also offers a mailing list service that may help you in publicizing your funding announcement.</p>	
---	--

Grant Application Deadlines

Overview:

MDH grant programs need to establish a deadline with a clear date and time, for final submission of full grant applications. In establishing these deadlines and guidelines, fairness needs to be the guiding principle. Additionally, key decisions must be made and clearly communicated to grant applicants about specific details, for example, whether the application deadline is for hand delivery or if grant applications can be post marked by that due date.

Objective:

Learners will be able to clearly articulate the deadlines in their Request for Proposals (RFP).

Procedure:

Process Steps:	Rationale for decision
1. Program staff writing the RFP should establish a suitable timeline for the entire grant process that includes decisions about key deadline dates.	
2. Some programs may require the submission of “Notice of Intent” (NOI) in order to submit a full grant application. If you do, determine the amount of time needed between the NOI and full proposal.	When there are limited funds, this is a way to shrink the pool to a manageable size. This also allows the program to know how many reviewers to recruit.
3. For grant applications, set the date and time for receiving grant applications. A typical time is 4:00 p.m. Keep in mind if you set the time the grant application is due for 4:30 p.m., you’ll need to make sure an MDH staff person is available to receive the delivery.	
4. Decide whether your program must have the grant applications in your hands by that time or if you will allow postmarks by that date.	If grant applications are expected from Greater Minnesota, allowing postmarks makes sense. A tight timeline may require them to be turned in by hand.
5. Decide how many copies of the grant application must be submitted and any margin size, font, or page number requirements.	This is often determined by the number of reviewers that will be reviewing. Standardizing fonts and establishing page limits levels the playing field.
6. Decide if late submissions are allowed and under what circumstances.	Allowing late submissions is discouraged. Be aware that if you allow late

	registrations, this may generate grievances about an unfair process and may create an unfavorable exposure for MDH and its programs.
7. Plan for grant applications to be sent by: a) U.S. mail; b) couriers; or, c) hand delivered.	Arrangements need to be made as to where drop offs can take place. Work with the MDH Facilities staff in your location to determine when and where deliveries can be received.
8. Once all of these decisions are made, they must be clearly communicated in the RFP documents and also in any cover letter.	Since the grant application deadline is a very important piece of information, saying it clearly and more than once will help applicants get it right.
9. Since both the Golden Rule and Freeman Buildings use a Post Office Box number for the U.S. mail but street address for Couriers, grant managers must spell out these details clearly in the RFP.	See examples below.
10. You'll need to decide if you will allow grant applicants to have extra time due to inclement weather on the due date or to fix any errors. Be aware that if you allow this for one grant applicant, you MUST allow it for ALL grant applicants to ensure a fair process.	Allowing any extra time is up to the programs. It is not required.

The following are two examples of RFP Announcements with the deadlines clearly spelled out:

EXAMPLE 1:

The Community Clinic Grant Program provides funding to plan, establish or operate services to improve the ongoing viability of Minnesota's clinic-based safety net providers.... Because of limited funding, applicants will be required to submit pre-applications and only the strongest of these will be invited to submit a final application. **Pre-applications are due October 5, 2007. Final applications are due January 4, 2008.**

EXAMPLE 2 [NOTE: This example does not allow for late applications]:

Community HIV Health Education and Risk Reduction Projects: Application and Request for Proposal (RFP) Packet

Completed proposals **MUST** arrive at the MDH on or before: **4:00 p.m., Wednesday, June 18, 2008** or have a legible postmark from the United States Postal Service, or a legible pick-up or drop-off time from a private carrier with a date and time that precedes **4:00 p.m., Wednesday, June 18, 2008**. Postmarks from private in-office metering machines are not acceptable. Proposals are not accepted by e-mail or facsimile (fax).

Full proposals are to be submitted by the specified date and time to:

US Postal Service Mailing Address	Street Address (hand or courier delivery)
<p style="text-align: center;">Jane Doe MDH Program Section Minnesota Department of Health Orville L. Freeman Building 625 Robert Street North PO Box 64975 St. Paul, Minnesota 55164-0975</p>	<p style="text-align: center;">Jane Doe MDH Program Section Minnesota Department of Health Orville L. Freeman Building 625 Robert Street North St. Paul, Minnesota 55155-2538</p> <p style="text-align: center;">Hand delivered proposals <u>must</u> be dropped off at the loading dock in the back of the Orville L. Freeman building.</p>

PLEASE NOTE: All submissions are final. Full and complete proposals not received by the deadline outlined above will NOT be considered.

Timeline:

Announcement of Request for Proposals	April 14, 2008
Proposal Packets Available	April 14, 2008
Notice of Intent Due	May 5, 2008
Pre-proposal Workshops	May 2 or 5, 2008
Proposal Questions Accepted Through	June 13, 2008
Full Proposals Due	June 18, 2008
Announcement of Final Funding Decisions	Week of September 15, 2008
Grant Agreement Development	September 16 to December 31, 2008
Grant Agreement Period Begins	January 1, 2009

Issuing a Grant Request for Proposal (RFP)

Overview:

Issuing a grant Request for Proposal (RFP) correctly creates the best chance of receiving the most competitive applications and creates a process that is fair and consistent. Minnesota Statute requires that grant RFP's are, at a minimum, posted on the state grant-making agency's website. [MDH Policy 215.03](#) requires an RFP or other funding announcement to be posted for a minimum of 45 calendar days.

Objective:

Learners will know where and how to publicize grant RFP's.

Procedure:

Process Steps:	Statute/Policy Sources:
1. At a minimum RFP's must be posted on the MDH Internet site for a minimum of 45 calendar days. To begin this process, complete the Internet Information for Grants and Loans form and send it to the Financial Management at the Freeman Building, 2 nd Floor, Pod C.	MN Statute §15.994 and MDH Policy 215
2. At the same time that the Internet Information for Grants and Loans is being completed, grants program staff should work with their program IT staff to post the RFP and any other appropriate information about the RFP on the program's Internet site.	MN Statute §15.994
3. RFP's can also be published in the State Register . This is published weekly on Mondays and includes Minnesota rules, official notices, professional-technical and consulting contracts and state grant opportunities. Instructions for submitting items to be published in the State Register can be found at: http://www.comm.media.state.mn.us/bookstore/state_register_submissions.asp#liaison . Contact your MDH Purchasing Liaison for assistance. NOTE: State agencies are NOT required to submit their RFP and Certification Form to the Materials Management Division in the Department of Administration.	MDH Policy 308
4. Consider additional methods to reach potential applicants, including but not limited to: US mail, electronic mail, and targeted newspapers.	
5. Competitive grant opportunities that are posted on state agency websites will be linked to www.grants.state.mn.us , the one-stop website for state grant opportunities.	

What is Public Information during the Grants Process

Overview:

The public has a right to see all government data that is classified as “public”. The status of grant data changes from “nonpublic” to “public” at key points in the grant review process.

Objective:

Learners will know when key grant data is classified as “public” and when it is classified as “nonpublic”.

Procedure:

Process Steps:	Statute/Policy Sources:
1. Data that is used in the creation of a Notice of Intent (NOI) or Request for Proposal (RFP) is classified nonpublic until the NOI or the RFP are published.	MN Statute § 13.599
<p>2. Responses to a NOI request are considered nonpublic until they are opened. Once the responses to the NOI are opened, the name and address of the grantee and the amount requested are considered public data.</p> <p>Responses to an RFP are considered nonpublic until they are opened. Once the grant applications are opened, the name and address of the grantee and the amount requested are considered public data.</p> <p>The rest of the information in the grant application is considered nonpublic until the end of the grant review process, when grant agreements are fully executed.</p>	MN Statute § 13.599
<p>3. After the grant agreements are fully executed, the remaining information in the grant applications becomes public, except for information defined as trade secret data.</p> <p>Trade secret data is defined in section 13.37 of Minnesota statute as follows: (b) "Trade secret information" means government data, including a formula, pattern, compilation, program, device, method, technique or process (1) that was supplied by the affected individual or organization, (2) that is the subject of efforts by the individual or organization that are reasonable under the circumstances to maintain its secrecy, and (3) that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. A grantee’s statement that information in the grant application is</p>	MN Statute § 13.37 and MN Statute § 13.599

<p>copyrighted or otherwise protected does not, on its own, make the information nonpublic.</p> <p>Please read the Trade Secret Information at MDH document that MDH’s Legal Unit has prepared if any of your grant applicants submit trade secret information.</p>	
<p>4. If no grants are awarded because all of the applications are rejected, all data other than the names, addresses and requested amounts remains nonpublic until a re-solicitation of grant applications results in grants being awarded or a decision is made to not award any grants.</p> <p>If all of the grant applications are rejected after being reviewed, the data remain public.</p> <p>If no grants are awarded in the initial round and a re-solicitation of grant applications does not occur within one year, the remaining data become public, except for data defined as trade secret.</p>	
<p>5. Data that is created or maintained by state agencies as part of the grant review process are nonpublic until grant agreements are fully executed. Trade secret data remains private once the remaining data becomes public.</p> <p>Grant applicants are not able to access information about their own grant application any sooner than they could access information about any other application.</p>	
<p>6. State agencies are allowed to share nonpublic grant data with grant reviewers from outside the agency. Outside grant reviewers are not allowed to further disseminate nonpublic grant data.</p>	<p>MN Statute §13.599</p>
<p>7. Data requests for grant application information should be coordinated through the MDH Data Practices Compliance Official. This official will work with MDH staff to respond to each request.</p>	<p>MDH Policy 607.02</p>
<p>8. Security information “the disclosure of which would be likely to substantially jeopardize the security of information, possessions, individuals or property against theft, tampering, improper use, attempted escape, illegal disclosure, trespass, or physical injury” is classified as security data and is not public.</p>	<p>MN Statute §13.37</p>

Request for Proposal (RFP) Information Meetings

Overview:

An RFP Information Meeting, sometimes known as a “Bidder’s Conference,” is one step in the RFP process where potential applicants can ask questions about the RFP process, expectations, guidelines and any potential awards. The meeting is held prior to the application deadline. All questions asked, and the respective answers, should be recorded and made available to the public soon after the RFP Information Meeting is held. This ensures a continued transparency and fairness throughout the RFP process and gives potential applicants maximum time to write the application.

Objective:

Learners will be able to conduct an RFP Information Meeting in a way that gives potential applicants a clear understanding of the requirements and expectations of the RFP process.

Procedure:

Process Steps:	Statute/Policy Sources:
1. Schedule multiple meetings on various dates and times, in different geographic locations, and publicize it to all potential applicants. The meeting dates and times may be included in the RFP materials to ensure that anyone who receives a packet also receives the information about the meeting.	
2. Ideally the RFP Information Meeting would occur about two weeks after the RFP is released. This gives potential grant applicants enough time to read through the materials, formulate questions and to start working on the grant application.	
3. The use of technology is encouraged for setting up meetings for applicants located in Greater Minnesota. For information on how to use WebEx , see Page 19 of this manual.	
4. Be prepared to answer questions about finances and budgets. It may be helpful to have the program’s budget person, or someone from Financial Management, attend the RFP Information Meeting with other program staff.	
5. Provide copies of the RFP materials and any other handouts that will be helpful for potential grant applicants.	
6. Allow applicants to ask questions in person, or to submit written questions, regarding the RFP process and potential awards.	
7. Prepare recorded questions and answers discussed at the meeting, including the written submitted questions, and make those public as	

<p>soon as possible, preferably by posting on the program's website.</p> <p>Programs may also choose to mail out hard copies of all the questions asked and the answers to those questions to every organization that submitted an NOI.</p>	
---	--

Recruiting / Selecting a Review Committee

Overview:

An important component of the Request for Proposal (RFP) process is the review committee. Ideally, the members of the review committee should include subject matter experts, representatives from the populations being served by the resulting grants, and state agency staff. However, final composition of the review committee should be based on programmatic needs and will need to take into account the availability of reviewer candidates.

State agencies must be proactive in conducting a transparent and fair review process. Please read [Office of Grants Management \(OGM\) Policy 08-01: Conflict of Interest \(COI\) Policy for State Grant-Making](#).

Objective:

Learners will be able to assemble a review committee that can provide the best review of applications while maintaining a transparent and fair process.

Procedure:

Process Steps:	Statute / Policy Source:
<p>The data collected during the evaluation process will be public data after the evaluation process is over. This includes the names of the reviewers and the comments they make. You must inform any perspective reviewers of this.</p>	<p>MN Statute §13.599</p>
<p>Contact members of the communities that will be served by the resulting grants. Frequently you will know who the “gate keepers” to those communities are and how to reach them. Talking to churches and other community based organizations are a good place to start. Recruitment can also be posted on program websites.</p>	
<p>Contact people outside of your program area who are subject matter experts in the program area. This may include, but is not limited to, other MDH staff and/or other state agency staff.</p>	
<p>Prepare a questionnaire for review committee applicants to complete where they can describe their qualifications for reviewing proposals.</p>	
<p>Be sure to inform all grant reviewer applicants of the dates, times and locations of any training or review meetings.</p>	
<p>Review the applications for grant reviewers. Be mindful of creating a balanced review committee based on the qualifications of each applicant and the programmatic needs. Other criteria to consider are experience and knowledge of the subject matter; any personal connections to the subject; membership to a demographic group; and any relevant education.</p>	

<p>Be sure to choose one to three alternate reviewers in case a reviewer has to remove him/herself from the process due to conflict of interest or other reasons.</p>	
<p>Each reviewer must complete a COI form and disclose actual or perceived conflicts.</p>	<p>OGM Policy 08-01</p>
<p>Notify all review committee applicants of their approval or denial in writing.</p>	
<p>Proceed with training your review committee members PRIOR to distributing grant applications.</p>	

Training Review Committee Members

Overview:

The review committee members will need training on the policies and procedures for reviewing grant applications. During training you will explain to them what to look for, what the criteria are for scoring applications, and any policies or statutes that may impact the process.

You must inform the review committee members that their names, the comments they make and any conflicts of interest they have will be public data at the end of the evaluation process. Comments made maybe recorded in a way that they are not linked to the person who made them. Reviewers may not share any information they are exposed to during the review process that may violate [MS § 13.559](#).

The training does not have to take place in person. You may utilize [WebEx](#), conference calls, or other technologies available to MDH in order to keep costs down. Sending written instructions is also an effective method for training reviewers.

Objective:

Learners will be able to train the review committee members on all aspects of reviewing grant applications.

Procedure:

Process Steps:	Statute/Policy Sources:
Be sure that all reviewers have completed a Conflict of Interest (COI) form and that all participating reviewers are assigned to grant applications accordingly.	OGM Policy 08-01
Set the date, time and location for the grant reviewer training. If you are conducting fact to face training, keep in mind transportation issues and accessibility for your reviewers.	
Make arrangements for refreshments and/or lunches if your training is going to be longer than four hours.	MDH Policies 102 , 104
Seek questions from grant application reviewers before/after the training session and be sure to address/follow up with answers, such as compiling a Frequently Asked Questions list to distribute.	
Be sure to review the data practices statutes so all reviewers are aware of what will and won't become public information when the process is over. See page 11 for more information on what is and is not public during the RFP process.	MS § 13.559
Show reviewers the standardized score sheet and explain the criteria and the weight of each criterion.	

<p>Your program area should decide prior to the training whether or not reviewers will be allowed to change their scores after the group discussions.</p>	
<p>Be sure to train your reviewers on how to review the grant application budgets if you decide that is a role your reviewers will play.</p>	
<p>Be sure to explain to reviewers how the process will work. Let them know if the final funding decisions will be made using their recommendations or if MDH will use their recommendations as guidance but MDH will make the final decisions. Basically, the reviewers should be clear about how their input, time and effort will be utilized in the process.</p>	
<p>Here is an example of a handbook used by the Department of Higher Education for training grant proposal reviewers.</p> <p>http://www.admin.state.mn.us/documents/Grant%20_Reviewer_Handbook.pdf</p>	

WebEx

Overview:

Many organizations outside the seven county metro area apply for MDH funds. In order to conduct a fair RFP process that is economical, MDH employees can use WebEx to conduct meetings and trainings in Greater Minnesota.

WebEx is an online meeting application that allows users to communicate online right from their own work location. The video portion is viewed through the users own computer and the audio is sent over the phone.

Employees wishing to utilize WebEx will first need to request a host license by emailing health.webconferencing@state.mn.us and attend the online training at WebEx University. A high-speed connection for a WebEx is preferred but not absolutely necessary. Documents loading on a dial up system will take more time than those loading on broadband or T-1 lines.

Objective:

Learners will be able to set up distance learning opportunities for applicants, grantees and others in Minnesota.

Procedure:

Process Steps:	Statute/Policy Sources:
1. Read the WebEx User Guide .	
2. Send an e-mail to health.webconferencing@state.mn.us requesting a host license. Include in your email a description of how you plan to use the WebEx license. You will be sent a WebEx host login ID and password.	
3. Go to the MDH WebEx site .	
4. Contact the MDH Center for Workforce Development Office if you would like some coaching as you begin to use WebEx for your remote training needs.	

Costs for using WebEx

MDH has approximately 100-host license for WebEx, which means 100 people can be authorized to set up and conduct WebEx sessions. The host licenses are assigned to specific individuals for one full year, so licenses are given out to people who will use it more than once. WebEx itself does not cost MDH anything but the audio portion carries fees.

# of Participants	Audio Conference Option	Cost Involved	Special Instructions
2-6	Use the conference call option on your MDH VOIP phone	FREE	Ask your division TCOM Representative for assistance placing a conference call from your phone.
7-200+	Audio conference set up through OET	\$.05/person/min.	<p>Call Office of Enterprise Technology (OET) at 651-297-8282 to set up the audio conference. Have your division/section conference ID (see #2) and number of expected participants ready.</p> <p>If approximately 20% of the lines you reserve will be unused, call OET at least 30 minutes prior to your session to cancel the unneeded lines to avoid an overbooking fee.</p>
7-200+	WebEx Built-in Audio Conference Services (Not recommended)	More than either of the above options	Use this service only in an emergency. Be sure to have your supervisor send an email to health.webconferencing@state.mn.us to authorize the expense, which will be paid for out of your budget.

Recording an Event

Recording or archiving sessions requires the use of a Dynametric box, which connects to the phone line to record the WebEx audio. Those wishing to record sessions must first attend the WebEx University training on recording WebEx sessions to learn how to do this. For more information on reserving a Dynametric box from HRM, email health.webconferencing@state.mn.us.

REVIEWING GRANT APPLICATIONS

Open Meeting Law

Overview:

MN Statute §[13D.01](#) (formerly §471.705) creates a presumption of openness for all meetings of a state agency, board, commission, or department, when required or permitted by law to transact public business in a meeting of any committee, subcommittee, board, department, or commission of a public body.

The Open Meeting Law **does not** apply to grant evaluation meetings unless specifically mandated by legislation per the [Minnesota Attorney General](#)'s office.

Reasons the Open Meeting Law is not applicable to grant evaluation committees:

- 1) The Commissioner has the authority to allocate the grants, not the grant evaluation committees.
- 2) The Commissioner is not a member of any of the grant evaluation committees and does not determine the members of the teams.
- 3) The department obtains public input through the request for proposal (RFP) process and through information distributed after grants are awarded, so the public is informed and has a chance to present its views.
- 4) This balances the public right to be informed against effective administration of the department.
- 5) Grant evaluation teams are not a committee of a governing body for purposes of open meeting law.

Scoring a Grant Application

Overview:

Competitive grant review processes shall be conducted using a standardized scoring system as recommended by the [Office of Legislative Auditor](#) (OLA). A standardized scoring system ensures fairness and consistency. The scoring system should be set up so that the more important criterion to the success of the grant program has the highest potential score.

Scoring should also be conducted using the criterion that was stated in the Request for Proposal (RFP). The criteria may take into account, but is not limited to, the project need and sustainability, soundness of approach, probability of achieving results, financial management capacity, geographic coverage, knowledge of the community being served, and the grantees past performance, if applicable.

Objective:

Learners will be able to create a scoring system for an RFP process that ensures fairness and consistency in a competitive process.

Procedure:

Process Steps:	Statute/Policy Sources:
<p>1. The MDH program will tailor the MDH Grant Application Score Sheet to include the criteria and the corresponding weight listed in the RFP that will be used by all reviewers.</p> <p>It is suggested that programs use a numeric (quantitative) scoring system instead of a qualitative or ranking system.</p>	<p>MDH Policy 215</p>
<p>2. The MDH program must provide adequate instructions for the review committee prior to scoring applications. See Training the Review Committee Members on page 17.</p>	
<p>3. The review committee meets or holds a conference call to discuss each application and its score.</p> <p>It is at the program’s discretion whether to allow the changing of scores or funding recommendations after participating in the discussion of applications.</p>	
<p>4. After scores are finalized, program staff may incorporate scores into final funding recommendations that may also be based on geographic distribution, services to special populations’ and the applicants’ history as a grantee and its ability to do the proposed work.</p>	

Verifying an Organization’s Nonprofit Status

Overview:

It may sometimes be necessary to verify the tax exempt status of a grant applicant or grantee. Searchable online databases are the most efficient way to locate this information.

Objective:

Learners will be able to find proof of an organization’s nonprofit status quickly using the Guidestar online database.

Procedure:

Process Steps:	Statute/Policy Sources:
1. Go to www.guidestar.com and register. Registration is free.	
2. Once you are registered, search the database for the organization in question.	
3. The Guidestar website will say whether the organization is a 501c3 or not; this information can be printed. The Internal Revenue Service (IRS) determination letter provides the most certain proof of tax exempt status, but can only be accessed through a paid subscription to Guidestar. It is recommended that a copy of the IRS determination letter be requested from the grant applicant or grantee as part of their grant application.	

Debarment

Overview:

[Federal regulation 45 CFR 92.35](#) and [Office of Management and Budget \(OMB\) Circular A-110, Subpart B \(13\)](#) prohibit the State from awarding funds, purchasing goods or services with federal money "...to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs." State agencies are responsible for making sure no debarred entities are receiving grants.

Objective:

Learners will be able to look up applicants and determine if those applicants are debarred or suspended by either the Federal Government or the State of Minnesota and remove those grant applicants from consideration for funding.

Procedure:

Process Steps:	Statute/Policy Sources:
1. Go to the Excluded Parties List System (EPLS) at www.epls.gov and search on the applicant's name in the "Search - Current Exclusions" area in the upper left. If an applicant was suspended or debarred by the federal government, that ruling will extend down to the state level.	
2. Go to www.mmd.admin.state.mn.us/debarredreport.asp to look up any applicants that were suspended or debarred by the State of Minnesota.	
3. If you find an applicant that is excluded by either the Federal or State government, print out the report or webpage that documents the debarment/suspension. Attach to the application for retention in the Request for Proposal (RFP) files.	
4. The RFP Contact Person should contact the grant applicant as soon as possible via certified letter. If the grant applicant can prove in writing that the debarment/suspension has expired, been rescinded, or that the applicant is in good standing for some other reason, the applicant may continue in the RFP process. MDH must state permission to continue in the RFP process in writing so that a proper paper trail is available. Attach the written proof and the written permission to the application for retention in the RFP files.	
5. If the applicant can not prove that they are in good standing, the application must be removed from the RFP process. The program should keep all relevant documents regarding this decision to maintain a proper paper trail.	45 CFR 92.35
6. If the applicant was suspended or debarred and is trying to apply for funds, the applicant's name should be forwarded to the head of the Materials Management Division within the Minnesota Department of Administration .	MS § 16C.03 , Subdivision 2

Accounting System and Financial Questionnaire Interpretation

Overview:

State government has the responsibility to award grants with agencies that are capable of administering and managing state and federal funds appropriately. Information regarding an agency’s ability to manage funds can be gathered from the completed [Accounting System and Financial Capability Questionnaire](#) and will indicate if an applicant may need additional technical assistance administering the grant funds.

The questionnaire is a tool and guide to be used in conjunction with the applicant’s proposal, review committee scores, and any internal review process to help programs make funding decisions. There are no correct or incorrect answers. *The answers to the Accounting System and Financial Capability Questionnaire should not be the sole basis for not funding an applicant.*

Objective:

Learners will be able to review an Accounting System and Financial Capability Questionnaire, interpret the responses, and determine if an applicant will need technical assistance in order to administer and manage the funds appropriately.

Procedure:

Process Steps:	Statute/Policy Sources:
1. Include the questionnaire in your RFP packet and ensure the applicant has fully completed the form and attached any requested documents.	MDH Policy 215
2. Things to look for in Section A: Applicant Information <ul style="list-style-type: none"> • Number of employees – the smaller the applicant the less separation of financial duties which may indicate higher risk for fraud • Applicant organization’s years of experience – newer applicants are higher risk than more established applicants • Affiliation/oversight by another agency – this could indicate that the applicant receives financial/budget support from a larger, more established parent organization that has internal controls in place which may indicate less opportunity for mismanagement of funds • Total revenue and sources of income – if an applicant relies solely on government grants for their operating budget that would indicate risk and instability in funding • Organization’s written policies and procedures – lack of policies and procedures may indicate a lack of internal controls, but keep in mind that if the applicant only has a few employees, it may not be 	

<p>possible to totally separate budgetary duties properly. Grant manager should encourage the applicant to develop policies and procedures if they do not exist.</p>	
<p>3. Things to look for in Section B: Accounting System</p> <ul style="list-style-type: none"> • If the answer to question 1 is “Yes” the applicant should not have filled out the remainder of Section B, or any of Section C. Grant manager should review the opinion and any related documents that should have been submitted then continue with Section D. • If the answer to question #1 is “No” then review the remaining questions in Section B and all questions in Section C. • Type of accounting system – A manual accounting system may leave room for more human error and may indicate the need to build infrastructure by purchasing a computerized accounting system. • Questions 3 and 4 are analyzing the applicant’s ability to identify grant funds from other income. If an applicant has more than one program with grant funds, the accounting system will need to be able to separate the various pots of money. • Time studies – Time studies are a way to document that employees funded by the grant are being paid from the grant for actual time worked on grant activities and not for time worked on other projects. Any applicant receiving federal money must keep track of the actual time an employee works under the federal grant. • Overspending of grant funds – the applicant’s accounting system should have a safeguard built in that warns the applicant if grant funds are being spent too quickly. This is particularly important because most grant agreements are paid on a reimbursement basis. 	
<p>4. Things to look for in Section C:</p> <ul style="list-style-type: none"> • Separate bank account and identifying grant funds - It is important that an applicant be able to identify the grant funds separately from any other income for better monitoring and transparency. • Bonded – Bonded means an applicant has coverage for financial risk or loss. It is a guarantee that a specific project, service or act will be financially covered if performance is not complete or satisfactory. It is an extra layer of protection for the applicant. <p>There is no need for an applicant to become bonded if they are covered by an adequate amount of insurance. Applicants should</p>	

<p>talk about these options with their insurance agents.</p> <p>If an applicant is not bonded, it does not necessarily mean that the applicant is high risk. It does mean that if, for example, an employee embezzled funds and lost it all at the casino, the applicant is not covered for that loss.</p> <p>NOTE: Costs associated with becoming bonded or obtaining insurance are allowable and can be charged to the federal grant.</p> <p>They are also allowable costs if the grant has state funds.</p>	<p>OMB Circular A-122: Cost Principles for Non Profit Organizations, Attachment B, Part 6 and Part 22 (a) (1)</p> <p>Per Director Financial Management, 7/1/08.</p>
<p>5. Section D - An ideal answer would be “yes” and might indicate that the applicant is already practicing good budget controls. An answer of “no” is not necessarily unfavorable, perhaps the applicant is newly formed and there hasn’t been twelve months worth of financial activity to review. If an applicant is an older agency, they should at some point have some sort of financial review or audit.</p> <p>NOTE: The costs to have an audit performed are allowable charges to the federal grant if a grantee is required to have an audit.</p> <p>They are also allowable costs if the grant has state funds.</p> <p>Any applicant that expends \$500,000 or more in federal funds is required to have an audit and to submit that audit to the Office of the State Auditor.</p>	<p>OMB Circular A-133, Subpart B, .230 (a)</p> <p>Per Director of Financial Management 7/1/08</p> <p>OMB Circular A-133, Subpart B, .200</p>
<p>6. Section E - Verify that the form was signed and dated.</p>	
<p>7. Grant Manager should document and retain any interpretation of the Accounting System and Financial Capability Questionnaire form that may affect an applicant’s chances of receiving funds.</p>	

Reviewing Grant Application Budgets

Overview:

Applications will include a budget for the projects the applicant is proposing. This budget should be reviewed to make sure it's realistic, line items aren't overinflated, and to make sure the budget aligns with the proposed activities.

Objective:

Learners will be able to review an applicant's budget and determine if it is realistic or if it needs adjustments.

Procedure:

Process Steps:	Statute/Policy Sources:
<p>1. Person reviewing the budget should first verify the calculations. Frequently there are mathematical errors in an applicant's budget.</p> <p>Be sure to check the calculation of any indirect/administrative costs. See page 33 on indirect/administrative costs for more information.</p>	
<p>2. Review each line item for reasonableness.</p> <ul style="list-style-type: none"> • Do the expenses listed make sense? • Do the expenses correspond with the proposed activities? • Do the expenses match with the budget narrative? • Do the amounts seem overinflated? • Or do the amounts seem to be underestimated? • Are there any limits on certain line items that need to be adhered to or are there any state or federal requirements that limit any line items? • Assess the expenses on a monthly basis versus an annual basis to get a better idea of realistic costs. <p>Example #1: If a line item for coffee is \$500 for one meeting where it is anticipated that 20 people will attend, that is unreasonable. However, an amount of around \$40 for the exact same scenario would be reasonable.</p> <p>Example #2: If a budget shows \$100 for print media advertising (bus stops, billboards) for the entire 12 month project, that line item is underestimated.</p>	
<p>3. Person reviewing the budget should bring any findings to the review meetings or forward any findings to the RFP Contact Person for inclusion in any discussions, or for possible follow up with the applicant organization.</p>	

Indirect Costs vs. Administrative Costs

Overview:

Indirect costs and administrative costs are frequently a point of confusion for grant managers. They are very similar but it is important to make the distinction particularly if federal funds are involved.

Objective:

Learners will know the difference between indirect costs and administrative costs. Learners will be able to advise grantees on the difference and will know what documentation to collect from grantees regarding indirect costs and/or administrative costs.

Procedure:

Process Steps:	Statute/Policy Sources:
<p><u>Definitions</u> Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.</p> <p>After costs that are directly related to the grant work have been determined and assigned directly to awards or other work as appropriate, indirect costs are those costs remaining to be allocated. An indirect cost may not be allocated to an award as an indirect cost if any other cost incurred for the same purpose has been assigned to an award as a direct cost.</p> <p>The items considered indirect costs and the percentage rate that can be charged for those costs will be listed on the Indirect Cost Rate Agreement.</p> <p>Indirect Cost Rate Agreement is a document that can only be issued by a federal agency that lists the items considered to be indirect costs and the percentage rate that the grantee can charge for those costs. Any grantee that has an Indirect Cost Rate Agreement must provide the MDH program with a copy of the most recent agreement.</p> <p>A grantee must be directly funded by a federal agency and receive a certain dollar amount or more to be eligible to receive a federally negotiated indirect cost rate agreement. So a grantee that gets \$50,000 directly from a federal agency would not be eligible to receive an Indirect Cost Rate Agreement.</p> <p>For more information please contact the federal staff listed at: http://rates.psc.gov/fms/dca/central.html</p>	<p>OMB Circular A-122: Cost Principles For Non-Profit Organizations</p>

<p>If a grantee does not have a federally negotiated Indirect Cost Rate Agreement, they cannot charge indirect and should not use the term “indirect.” They can charge administrative costs and should use that terminology.</p> <p>NOTE: If the grantee’s Indirect Cost Rate Agreement states the rate is “Applicable to:” something you are not funding them to do, such as research, then they may not use that indirect rate for your grant</p> <p>Administrative Costs: The costs incurred as a result of running a program but are not direct costs of the grant. Examples include rent, utilities, and insurance. It is important for grantees to be able to show how they calculated the rate of administrative costs they are going to charge to the grant. An example of an administrative cost worksheet can be found on the following two pages.</p>	
<p>2. Have the grantee complete an Administrative Cost Worksheet if they don’t already have documentation showing how they calculated their administrative costs.</p>	
<p>3. Keep a copy of the Indirect Cost Rate Agreement or Administrative Cost Worksheet in the grantee’s files.</p>	
<p>4. Verify the proper rate is being charged on the invoices that you review and approve.</p>	

Administrative Cost Allocation Worksheet

Grantee Agency: _____

DEFINITION: Administrative Costs are defined as costs that represent the expenses of doing business that are not easily identified with a particular grant, contract, project, function, or activity but are necessary for the general operation of the organization and the conduct of activities it performs. Examples: accounting, renter's/building insurance, human resources, general agency administration, and costs to operate and maintain facilities.

Please choose one of the three options below:

- _____ 1. **Not applicable** – No charges to the MDH program are for administrative or indirect cost.
- _____ 2. **Indirect Cost Rate Agreement** – A Federal negotiated fixed rate is to be charged against all participating programs, including the MDH program,. A copy of the signed indirect cost rate agreement form covering the current Federal fiscal year is attached. *Administrative or Indirect Costs for the MDH program shall not exceed [INSERT MAXIMUM PERCENTAGE BEING ALLOWED]% of the total award budget per year.*
- _____ 3. **Approved Cost Allocation Process** (select one of the two options):
 - _____ **Option #1:** Administrative costs are allocated to the agency's programs using worksheets developed by the agency for this purpose. Agency worksheets and supporting documents are attached which are in compliance with the requirements of the OMB Circular A-87 "Cost Accounting Principles for State, Local, and Indian Tribal Governments", OMB Circular A-122 "Cost Accounting Principles for Non-Profits", OMB Circular A-21 "Cost Accounting Principles for Educational Institutions", and the Federal award(s) for which they apply. *Administrative or Indirect Costs for MDH program shall not exceed [INSERT MAXIMUM PERCENTAGE BEING ALLOWED]% of the total award budget per year.*
 - _____ **Option #2:** Administrative costs are allocated to the agency's programs using the optional [INSERT PROGRAM NAME] Administrative Cost Allocation Worksheet on the following page. [INSERT PROGRAM NAME] worksheet and supporting documents are attached which are in compliance with the requirements of the OMB Circular A-87 "Cost Accounting Principles for State, Local, and Indian Tribal Governments", OMB Circular A-122 "Cost Accounting Principles for Non-Profits", OMB Circular A-21 "Cost Accounting Principles for Educational Institutions", and the Federal award(s) for which they apply. *Administrative or Indirect Costs for MDH program shall not exceed [INSERT MAXIMUM PERCENTAGE BEING ALLOWED]% of the total award budget per year.*

NOTE: Budget Plans will not be approved until all worksheets and supporting documents have been submitted and accepted.

Administrative Cost Allocation Worksheet, continued

1. Item(s) included in the administrative costs on this worksheet: (Examples include: occupancy, accounting, renter/building insurance, human resources, general agency administration, costs to operate and maintain facilities, etc.)

2. Total cost of items in question #1. to the agency per year:

3. The MDH program share of the total cost is calculated through use of (check one):

<input type="checkbox"/>	MDH program percent of the total agency staff hours or full-time employees (FTE's) (Can not use staff salary dollars)
<input type="checkbox"/>	MDH program percent of the total square feet of space occupied by the agency.
<input type="checkbox"/>	Other – specify: _____ and is in compliance with the requirements of the OMB Circular A-87 “Cost Accounting Principles for State, Local, and Indian Tribal Governments”, OMB Circular A-122 “Cost Accounting Principles for Non-Profits”, OMB Circular A-21 “Cost Accounting Principles for Educational Institutions”, and the Federal award(s) for which they apply.

4. Calculation of the percentage:

All programs operated by the agency.	Circle the criteria you are using for each program's staff hours, FTE's (not staff salary), square feet, or other (not total program dollars).	Calculation of each program's percent of the total (calculated to the nearest tenth percent, e.g., 5.2%)
TOTAL:		100%

AWARDING GRANTS

Award Letters

Overview:

Award letters are the correspondence that is sent to grant applicants informing them of their award status. Non-award letters notify the applicant that they are not being awarded funds. Both types of letters should be sent before any negotiations begin.

Award letters need to contain certain information. The contents may vary from program to program based on whether the program is awarding state or federal funds, as well as the status of the State’s budget. Best practice is to send both award and non-award letters within two weeks of the completed review process.

Objective:

Learners will be able to write and send out letters that contain all relevant information in a timely manner.

Procedure:

Process Steps:	Statute/Policy Sources:
1. If the awards will contain federal funds, it is important to include in the award letters any language the federal awarding agency may require. This would normally be found in the Federal Notice of Grant Award.	
2. If the State’s budget is in a place where the budget has not yet been settled and grant programs risk being cut, the award letters should contain language that says: If funds become unavailable, the award amounts may be reduced or cut at the MDH programs discretion.	
3. The award letters should always contain the following information: <ul style="list-style-type: none"> • The anticipated amount of the award • The dates of the grant agreement • The project name, such as Positive Alternatives or STD Prevention • If federal funds will be awarded, the letter should include the Catalog of Federal Domestic Assistance (CFDA) number of the federal award. 	MDH Policy 215
4. Commissioner signature is not required on award letters. Division Director signature is sufficient. If Commissioner signature is desired, please follow the process as stated at http://fyi.health.state.mn.us/eo/cosignature.html	MDH Policy 215
5. To have a news release distributed please follow the instructions at http://fyi.health.state.mn.us/polcomm/steps4nr.html	
6. Send letters to applicants not being awarded funds.	

E-Verify

Overview:

On January 29, 2008 an executive order that was issued by Governor Tim Pawlenty requires that all companies awarded state contracts over \$50,000 verify their employees' eligibility to work through E-Verify.

The Office of Grants Management has discussed this with the Governor's Office Counsel and it has been determined that grants are exempt from this Executive Order.

Annual Plans are exempt from this requirement because annual plans may not exceed \$5,000 and the threshold for using E-Verify is \$50,000 or more.

To view the Executive Order please visit:

<http://www.governor.state.mn.us/priorities/governorsorders/executiveorders/PROD008598.html>

Grievances

Overview:

Applicants that have legitimate concerns about the Request for Proposal (RFP) process being conducted in a way that was unfair, inconsistent or with bias should have a process through which they can express those concerns. The inclusion of a grievance process in the RFP is at the discretion of the MDH program area conducting the RFP. It is not required.

Objective:

Learners will know how to establish a grievance/appeal process for their RFP process and know how to clearly state the process in the RFP documents if it is offered as an option in the RFP.

A grievance should be in writing and pertain only to an unfair or faulty process. It should not change funding decisions that have already been made. Be sure to state what the result of the grievance might be. Will you change awards if the process is found to be faulty or will you just change the process for future RFP's? There must be a clear deadline for filing a grievance/appeal and the MDH program area must have a set deadline by which to respond in writing.

Procedure:

Process Steps:	Statute/Policy Sources:
1. Decide if you are going to include a grievance process in your RFP. If you are, be sure to include information regarding the grievance process in your RFP packet including deadline.	
2. Review any grievances and investigate if claims are justified.	
3. Write a response to the grant applicant who grieved providing specific proof that the grievance was or was not justified and how the program will or will not change future RFP processes.	
4. Keep all documents per records retention schedule.	

SAMPLE OF RFP WORDING REGARDING GRIEVANCES:

Written grievance can only be made with regard to a faulty process and not with regard to an unfavorable decision. **Grievances must be written and received at the MDH by:**

4:00 p.m., Monday, September 29, 2008

A response to each written grievance will be made by Monday, October 13, 2008. Any grievances found to be justified will result only in changes to future RFP processes. Please mail written grievance communications to:

John Doe
Program Area
Minnesota Department of Health
625 North Robert Street
PO Box 64975
St. Paul, Minnesota 55164-0975

GRIEVANCE RESPONSE LETTER SAMPLE

May 1, 2008

Mr. John Doe
Community Based Organization
1234 Main Street
Anytown, ST 12345

Dear Mr. Doe:

This is in response to your letter of April 2, 2008 that claims outstanding deviations from the review process described in the 2008 Request for Proposal (RFP), and that your proposal was not evaluated to the full extent of the rationale provided in the proposal.

Part Two – Process, pages 14 through 17 of the RFP document, describes the process for proposal review and internal review by the Minnesota Department of Health (MDH) and the criteria for scoring proposals. After reviewing your concerns and the RFP criteria, as well as the review committee's recommendations for your proposal, it is concluded that there were no deviations from the described process. In fact both the review committee and the MDH internal review process identified that your proposal was well written and deserving of a funding consideration.

The 16 challenges that you reference were, for the most part, individual reviewer comments. These comments were not the sole criteria used in the funding decision. All applicants received lists of both successes and challenges that each of the review committee members identified during the process.

A total of 13 agencies proposed programming in the category African High Risk Heterosexuals, ages 25 and over, but due to limited resources only two agencies could be funded in this category. Most of these proposals scored high and received very positive comments from the review committee, therefore making this an extremely competitive process. In fact, two third, or eight of the thirteen proposals, received a qualifying funding recommendation of 1.5 or higher (out of a possible 3.0) from the review committee. Your proposal funding recommendation was 1.8 and therefore was forwarded to the MDH internal review process for funding consideration.

The MDH internal review process considered: 1) the review committee's scores and their funding recommendations; 2) review committee's comments; and, 3) the criteria listed on page 15 of Part Two – Process in the RFP. All proposals were read and assessed by MDH staff. Though your proposal received a positive evaluation, the two agencies that were awarded funds better met the requirements and needs described in the RFP.

Thank you for taking the time to let us know about your concerns. Should you have any further questions, please contact me at 651-201-xxxx or email at firstname.lastname@state.mn.us.

Sincerely,

Apply appropriate signature block

Negotiations

Overview:

Ideally you will fund the activities that were proposed in the grant application, but there are times when you may need to negotiate those duties. In most instances it is due to less funds available than originally planned. Negotiations are about making the award amount align with the activities. Sometimes activities need to be modified or even eliminated to make that happen.

It is important to finalize all negotiations *before* sending a grant agreement to Financial Management for encumbering.

Objective:

Learners will be able to negotiate and finalize the grantee’s duties in a grant agreement.

Procedure:

Process Steps:	Statute/Policy Sources:
1. Go through the proposal with a fine tooth comb so that you really understand how the activities will take place, who will do them and when.	
2. Analyze if the staffing proposed is adequate for the activities proposed.	
3. Consider other grantees that were funded and are going to do similar work to see if there is room for collaboration.	
4. Examine the proposed budget to see if it is reasonable for the activities proposed. Are there items missing from the budget that are needed to carry out the activities?	
5. Are there suggestions/feedback or recommendations from the review committee that need to be taken into account in the proposed activities/budget?	
6. Talk with your supervisor to ensure all changes are acceptable.	
7. Talk to the grantee to make sure they agree with any changes.	
8. Be sure to keep any federal requirements in mind and that any new activities are within the scope of the RFP.	
9. Clearly write all finalized grantee’s duties into the grant agreement and continue with the routing process.	

Grant Agreement Timeline Guidance

Use this guidance to help you plan for grant agreement writing and processing. Please note that the time needed for grantee's signatures will vary depending on your grantee (ex.: Hennepin County has a history of taking several months to sign grant agreements). You may want to talk with your grantees about their timeline so you can include it in your planning process.

DEFINING THE GRANTEE'S DUTIES

- Finalizing the grantee's duties, work plan, and budget can take two to three weeks depending on how much those items differ from what was proposed.

WRITING THE GRANT AGREEMENT

- Always use the current grant agreement template from the intranet at: <http://fyi.health.state.mn.us/fadmin/forms/index.html#G>
- Writing and proofing the grant agreement document before sending it to Financial Management for encumbering should take approximately two to three weeks.
- **Do not remove any template language unless the instructions in the template say to remove language or you are given permission to do so from Financial Management.**
- If your grantee is Hennepin County they may request to use a different signature page. Financial Management is aware of this request and agrees to attach their signature page to our template.
- If your grantee is the University of Minnesota use the [U of MN grant agreement](#) template.

ENCUMBERING

- Encumbering the funds for your grant agreements in Financial Management should take three to five business days.
- It's always a good idea to check with [Financial Management staff](#) to make sure the encumbering staff will be in the office before you send them your documents.

GRANTEE SIGNATURE

- The grantee will most times be able to sign the grant agreement within one to four weeks, depending on the grantee.
- Larger organizations may have their boards' review the documents before they sign them. These boards may meet quarterly and prioritize the documents they discuss/sign by the amount of money involved. Larger amounts of money receive higher priority than smaller amounts. It is recommended you contact your grantee to get an idea of the turn around time.

STATE SIGNATURE

- Financial Management provides the state signature and returns the grant agreement to the program within three to five working days.
- It is always a good idea to check with Financial Management to make sure the person signing grants is going to be in the office.
- The grant agreement is considered fully executed once both signatures are obtained.
- Program should return a fully signed copy of the grant agreement to the grantee within one to two business days of receiving it back from Financial Management.

COMPLETING THE GRANT AGREEMENT

Advance Payments

Overview:

If a grantee can demonstrate that current reimbursement procedures will cause the grantee cash flow difficulties, only then can advances be discussed. The Office of Grants Management (OGM) [Policy 08-08](#) states:

Although they are not preferred, advance payments on grants may be allowed in certain situations. Before making an advance grant payment, agencies must be confident that the grantee will be able to account for the grant funds and abide by the terms of the grant agreement, based on their past performance as a grantee of that agency. Advance payments on grants shall be negotiated between the state agency and grantee on a case by case basis. The terms of the advance grant payments and settlements must be reflected in the grant agreement. All advance payments on grants must be reconciled within [the first] 12 months of the beginning of the grant period.

NOTE: Grants in which the payment terms are statutorily defined are not covered by this policy.

Instances when grantee’s might request or need an advance include: grantee is newly established and has no other sources of income, grantee’s activities in the application are new and require the grantee to establish infrastructure (ex.: purchase computers, lease larger space), grantee has a large project planned for early in the project period but doesn’t yet have enough funds reserved for it (remember, payments are almost always on a reimbursement basis).

You should discuss any advance requests with the grantee and ensure that the OGM policy on advances is being followed before approving.

Objective:

Learners will be able to determine if an advance is appropriate for a grantee and will know the process for the grantee to follow to request an advance.

Procedure:

Process Steps:	Statute/Policy Sources:
1. Grantee discusses the option of requesting an advance with you only as a last resort. If an advance is warranted, programs should keep documentation as to why the advance was approved in their grantee’s file.	OGM Policy 08-08
2. If you agree an advance is justifiable and the request complies with the criteria stated in OGM’s policy, the advance language must be included in the grant agreement and should include the amount of the advance and clearly state how the advance will be reconciled within the first 12 months of the grant period starting.	OGM Policy 08-08

<p>A sample of advance language that can be used in the grant agreement is as follows:</p> <p><i>The GRANTEE shall receive \$XXXX as an advance only after the grant agreement / amendment is fully executed, the GRANTEE submits an Advance Invoice, and the STATE's Authorized Representative approves the Advance Invoice. GRANTEE shall reduce the monthly/quarterly invoice by \$XXXX over the first twelve months / four quarters of the grant period so that the advance is reconciled at the end of the first year of the grant.</i></p> <p><i>In the event the GRANTEE is unable to begin grant activities or to satisfactorily perform the duties specified in this grant agreement/amendment, the GRANTEE shall remit to the STATE within five days of demand the amount paid under this section minus any actual expenses incurred and otherwise authorized which are documented by adequate invoices acceptable to the STATE.</i></p> <p>After the grant agreement is fully executed the grantee may submit the advance invoice clearly indicating on top of the invoice form that the invoice is for an advance.</p> <p>You should keep copies of all documentation regarding the need for the advance in the grantee's file.</p>	
<p>3. Approve the advance invoice and forward to program budget person or to Financial management for processing, whichever is appropriate.</p>	
<p>4. Financial Management receives advance invoice and processes within 2-4 business days of receipt.</p>	
<p>5. Grantees who utilize direct deposit will see payments in their account the first business day after payments are processed in Financial Management.</p> <p>Grantees that receive paper checks will have their paper checks cut and mailed out by the Minnesota Management and Budget (MMB) the first business day after Financial Management processes the payment.</p>	

Grant Agreement Attachments

Overview:

Attachments are documents that become part of a grant agreement/amendment. Frequently they are examples of blank forms that the grantee is supposed to use in their grant duties such as a data collection form, or an example of the invoice the grantee is to use. Attachments must be referenced in the body of the grant agreement/amendment.

ALL ATTACHMENTS REFERENCED IN THE GRANT AGREEMENT/AMENDMENT MUST BE ATTACHED TO THE GRANT AGREEMENT/AMENDMENT WHEN IT GOES TO FINANCIAL MANAGEMENT FOR ENCUMBERING AND FINAL SIGNATURE.

Objective:

Learners will know how to incorporate an attachment into a grant agreement/amendment.

Procedure:

Process Steps:	Statute/Policy Sources:
<p>1. When an additional document needs to be included with the grant agreement, language that references that additional document as an Attachment must be inserted into the grant agreement/amendment.</p> <p>Sample language: “Grantee shall submit Invoices (Attachment A or Exhibit A) on a monthly basis.”</p>	
<p>2. Once the Attachment is referenced, it must be attached to the back of the grant agreement/amendment document.</p>	<p>MDH Policy 215</p>
<p>3. The attachments should be labeled as an attachment in the upper right corner of the document.</p>	
<p>4. If there is more than one attachment they should be labeled sequentially such as Attachment A, Attachment B, Attachment C, etc. following the order that they are stated in the grant agreement and attached to the grant agreement/amendment document in that same order.</p>	

Grant Agreement Template Language

Overview:

A grant agreement is the legal document used to authorize financial assistance to an organization to provide services to eligible recipients or for the benefit of the general population by the MDH using state or federal funds. The agreement is necessary to transfer funds to local boards of health, non-profit organizations, and other government agencies and for profit organizations.

It is imperative that both the MDH program and grantee understand the language contained in the grant agreement prior to signing.

The [Women, Infants and Children program \(WIC\)](#) uses a template specific to that program and may have slightly different language.

Objective:

Learners will be able to understand the language in the grant agreement template and its implications and share that information with the grantee.

Procedure:

Process Steps:	Statute/Policy Sources:
1. Select the appropriate grant agreement template for your project at: http://fyi.health.state.mn.us/fadmin/forms/word/grantagree.doc	MDH Policy 215
<p>2. The very first page is the Encumbrance Sheet and does not contain any legal language about what the grantee will do. It contains the information that Financial Management and Minnesota Management and Budget (MMB) need to set the grantee up for payment.</p> <p>If the grant is with an individual, their Social Security number must be listed on the encumbrance worksheet. This is private data so the encumbrance worksheet should only be routed to offices that need access to the Social Security number. However, there is nothing in statute that classifies a business federal or state tax ID numbers as private, therefore those numbers are to be treated as public.</p> <p>It is important that any federal money being used for the grant be listed before any state funds in the accounting distribution boxes on the encumbrance sheet.</p>	MN Statute § 13.355
<p>3. Whereas statements:</p> <ul style="list-style-type: none"> • States the two parties involved • The legal names and addresses • References the statute that allows MDH to enter into agreements • Gives a brief description of the work to be done by the grantee 	MN Statute § 144.0742

<p>Section I. Grantee’s Duties: This is the section where MDH and the grantee will list the activities that the grantee is to perform. If it is not listed in the grant agreement MDH can not hold the grantee accountable for it.</p>	
<p>Section II. Consideration and Terms of Payment: Consideration: This states the maximum amount of the grant agreement. It also states any matching requirements.</p> <p>Terms of Payment: This states that invoices will be paid promptly once they are approved. Invoices are to be presented in a format decided upon by MDH. If an MDH program area creates its own invoice, it should include the name of the MDH program, MDH section name, and the address that invoices are to be sent to.</p> <p>This section also is where the MDH program should list out the origin of any federal funds being used in the grant agreement such as the Catalog of Federal Domestic Assistance (CFDA), federal or state legislation.</p>	
<p>Section III. Conditions of Payment This section states that the grantee is going to do everything outlined in the grant agreement legally. MDH can withhold payment for work that is unsatisfactory or illegal.</p>	
<p>Section IV. Terms of Agreement This section states the specific dates that the grant will be in effect. The grant is not fully in effect and the grantee cannot start work until it is signed by all parties, also known as being fully executed.</p>	
<p>Section V. Cancellation MDH can terminate the grant if the grantee is not doing the tasks stated in the grantee’s duties. MDH must let the grantee know of any termination by certified mail.</p> <p>The grantee may also terminate the grant at any time for no reason within a 30 days written notice.</p>	
<p>Section VI. State’s Authorized Representative This section lists the two people who are responsible for the grant agreement. It will frequently be the MDH Grant Manager and grantee contact person but not always.</p> <p>It is suggested that the wording “...or his/her successor” be included in this section so that an amendment is not necessary when an authorized representative changes.</p>	

<p>Section VII. Assignment The grantee cannot pass along any responsibilities of the grant agreement to any other person or organization without written permission from the State's authorized representative.</p> <p>MDH has a separate document that is used when an assignment is necessary. Contact the MDH Grant Coordinator for more information at 651-201-5235.</p>	
<p>Section VIII. Amendments Any amendments must be in writing and signed by the same parties who signed the original, or their successor.</p> <p>Amendments may not be used to significantly change the scope of the original agreement or RFP.</p>	MDH Policy 215
<p>Section IX. Liability The grantee will not come after the State for any claims or costs that the Grantee may be charged with as a result of the grant agreement. The grantee still has the legal right to go after the State should the State fail to fulfill its obligations in the grant.</p>	
<p>Section X. State Audits The grantee must keep and make available any documentation pertaining to the grant agreement for six years from the expiration date of the last agreement or amendment.</p>	
<p>Section XI. Data Practices MDH and the grantee must comply with the MN Data Practices Act for all documents and information related to the grant agreement.</p>	MN Statute Chapter 13
<p>Section XII. Ownership of Equipment Definition: The federal government defines equipment as anything that is tangible, has fair market value of \$5,000 or more, and has life expectancy of more than one year. (Software is not considered tangible, and therefore not equipment).</p> <p>Option #1 Language: MDH has the right to give any equipment purchased with federal grant funds back to the Federal government or to an eligible non-Federal entity. This typically happens when the project is transferred to another grantee.</p> <p>Option #2 Language: MDH has the right to transfer all equipment to the State or to an eligible non-state entity. This typically happens when the project is transferred to another grantee.</p>	CFR Title 45, Part 74, Subpart C.

<p>Section XIII. Ownership of Material and Intellectual Property Rights The State owns all materials and products that are a result of the grant agreement.</p> <p>The Grantee gives the State all rights to the materials and products, will turn all materials and products over to the State, and will help the state get any copyrights or patents on those materials and products. Grantee will not let anyone use those materials or products without getting written permission from the State ahead of their use. Language about intellectual property rights in a grant agreement with the University of Minnesota will most likely be different.</p> <p>The Grantee has to make sure the development and use of the materials and products do not infringe on any other copyrights, patents, trade secret, etc. If it does, the Grantee must defend itself and pay for it.</p>	
<p>Section XIV. Publicity Any materials, products or services that are a result of the grant agreement must identify the State as a sponsoring agency and cannot be released without prior written consent of the State’s Authorized Representative, unless the release is part of an approved work plan.</p>	
<p>Section XV. Endorsement The Grantee can not claim that MDH endorses the grantee or its services.</p>	
<p>Section XVI. Worker’s Compensation By signing the grant, the Grantee is saying they are in compliance with the Minnesota statute that requires the grantee to have workers’ compensation insurance. The Grantee’s employees are not State employees and any claims made are against the grantee, not the State.</p> <p>Grantees are not required to provide evidence of worker’s compensation insurance unless they will be doing construction.</p> <p>MN Statute §176.182 states: Neither the state nor any governmental subdivision of the state shall enter into any contract for the doing of any public work before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section §176.181, subdivision 2.”</p> <p>In this case “public works” refers to construction, per the MN Attorney Generals Office.</p> <p>NOTE: Language regarding Affirmative Action does not apply to grants</p>	<p>MS §176.181, Subd. 2</p> <p>MN Statute §176.182</p>

<p>per the Attorney General’s office, August 2005 and is therefore not included in the template language.</p>	
<p>Section XVII. Jurisdiction and Venue Any legal action that is a result of the grant will be in the state or federal court located in Ramsey County, Minnesota.</p>	
<p>Section XVIII. Other Provisions <i>Only include the following eight provisions in the grant agreement if federal funds are being awarded.</i></p> <p>A. Contractor Debarment, Suspension and Responsibility Certification: There are federal regulations that ban the State from awarding federal funds to any entity that has been debarred or suspended by the federal government. The federal government expects Minnesota to have a process in place for preventing debarred or suspended vendors from receiving federal funds and the Commissioner of Administration has the authority to debar or suspend vendors that have already been debarred or suspended from receiving federal funds.</p> <p>When the grantee signs the grant agreement, they are certifying that they are eligible to receive federal funds, have not had any convictions of any fraud or embezzlement type charges in the last three years or presently, will not knowingly subcontract with any entity who was involved in any of that kind of activity.</p> <p>B. Audit Requirements to be Included in Grant Agreements with Sub recipients</p> <p>Any entity that spends \$500,000 or more in a fiscal year is required to have a single audit performed by an independent auditor and in accordance with the appropriate OMB Circular. The audit will be filed with the State Auditor’s Office within nine month of the grantee’s fiscal year end.</p> <p>C. Drug-Free Workplace All organizations receiving federal grants, regardless of amount, must maintain a drug-free workplace. This is done through a good faith effort.</p> <p>Employees of entities that receive federal funds must notify their employer of any drug convictions within five days of the conviction occurring. The employer must notify the federal awarding agency of those convictions within ten days after the employee’s notification. The employer must impose sanctions or remedial measures, including rehabilitation and/or termination for employees convicted of drug abuse in the workplace.</p>	

Entities cover by this law could have their payments suspended or grant terminated, and be suspended or debarred for up to five years. Penalties may also be imposed upon entities that employ a number of people convicted of criminal drug offenses as this does not show good faith effort to maintain a drug free workplace. That number is determined by the grant officer on a case-by-case basis.

D. Lobbying

Any person or entity receiving federal funds may not spend those federal funds trying to influence any officer or employee of any agency, member of Congress or anyone connected with any Federal action that results in awarding of federal contracts, grants, loans or cooperative agreements.

E. Equal Employment Opportunity

Grantee will not discriminate in their hiring practices.

F. Cost Principles

Option #1

If the Grantee is an education institution, it will be compliant with [OMB Circular A-21](#).

Option #2

If the Grantee is a state, local, or tribal government, it will be compliant with [OMB Circular A-87](#).

Option #3

If the Grantee is a non-profit, it will be compliant with [OMB Circular A-122](#).

G. Rights to Inventions – Experimental, Developmental or Research Work

If a grantee receiving federal funds discovers a valuable invention as a result of the grant, the federal government can reap the benefits of it by exercising its “march-in” rights. This means the Feds can march right in an either use the invention without having to pay for a license, or take title to the invention and put the invention into the market and make money by licensing it to others. The rationale is that if the tax payers funded the invention, the tax payers should get rights to the discovery.

H. Clean Air Act

This act gives the [Environmental Protection Agency](#) (EPA) the authority to set limits on air pollutants and emissions of air pollutants from sources like chemical plants, utilities, and steel mills. If your grantee is a business that this applies to please visit:

<http://www.epa.gov/air/caa/peg/understand.html> for more information.

<p>Signature Page</p> <p>1. Grantee This is where the person(s) authorized to enter the grantee into legal contracts needs to sign and date. Not every grantee will have two people sign the grant agreement and that is acceptable.</p> <p>2. State Agency This is where the person authorized for MDH will sign. This certifies that the funds are encumbered according to Minnesota statutes.</p> <p>There are only two people authorized in MDH to sign any and all grant agreements: Financial Management Director and Accounting Operations Supervisor.</p>	

University of Minnesota Alternate Language

Overview:

The University of Minnesota (U of MN) has been receiving grants from the State of Minnesota for many years. The U of MN frequently asks to use alternate language in some sections of the grant agreement template. In 1998 the Minnesota Attorney General's office worked with the U of MN to establish language that is acceptable to both parties. More recently the Office of Grants Management collaborated with the U of MN to create a template specific to the U of MN. It is posted at: <http://fyi.health.state.mn.us/fadmin/forms/word/grntagreeuofm.doc>.

CAUTION: You do not have to use any/all of the alternate language if it is not appropriate for your programs needs. Be sure you understand what the wording is saying and the implications the alternate language may have on your program before incorporating it into the grant agreement.

Objective:

Learners will know which options to choose when using the U of MN grant agreement template.

The areas that contain the U of MN language options are:

- **LIABILITY:** The State and U of MN are responsible for its own acts and behaviors
- **OWNERSHIP OF MATERIALS & INTELLECTUAL PROPERTY RIGHTS:** There are two options to choose from in the template.
 - The first option is where the U of MN owns all intellectual property rights to any data/product that results from the grant agreement but grants the State an irrevocable, perpetual, no cost license to any data or products that result from the grant.
 - The second option is where the U of MN and the State jointly own all intellectual property.
- **PUBLICITY:** There are two paragraphs to choose from.
 - The first paragraph states that the State must give written approval for the U of MN to publicize material broadly to the general public.
 - The second paragraph automatically gives permission to publicize the materials in academic circles.

“Late Letters” a.k.a. 16A.15 - 16C.05 Form

Overview:

If you have a grant agreement in which the grantee has started work, or incurred expenses, before the grant agreement is fully executed, that is a direct violation of MN Statute §16A.15/16C.05 and you will need to complete a §16A.15/16C.05 form, also known as a “late letter.” The late letter gives programs the opportunity to explain why the violation occurred.

Objective:

Learners will know where to find the form and when it is necessary to complete it.

Procedure:

Process Steps:	Statute/Policy Sources:
<ol style="list-style-type: none"> 1. Obtain the 16A.15/16C.05 Form and fill in your Department and Division name. 2. The CMFS # is the same as the PO# written on the encumbrance worksheet of the grant agreement. 3. Fill in the Vendor Name – this is the legal name of your grantee. 	MN Statute §16A.15 MN Statute §16C.05
<p>SECTION I. NO OBLIGATION INCURRED PRIOR TO ENCUMBRANCE OR CONTRACT EXECUTION</p> <p>This section should be completed if:</p> <ul style="list-style-type: none"> • The previous grant agreement/amendment has already expired, or will expire, before the new document is fully executed; <p>AND</p> <ul style="list-style-type: none"> • The grantee has not, and will not incur any expenses prior to the grant agreement being fully executed. 	
<p>SECTION II. OBLIGATION INCURRED PRIOR TO ENCUMBRANCE</p> <p>This section should be completed if the grantee has incurred obligations prior to the grant agreement being encumbered.</p> <ul style="list-style-type: none"> • You will need to explain why the grantee incurred the obligation before the funds were encumbered and what you will do in the future to avoid this from happening again. • The MDH person responsible for the obligation incurring must sign and date the form. • Your Division Director needs to sign on the “Agency Head or 	

<p>Delegate” line.</p> <ul style="list-style-type: none"> • The Accounting Operations Supervisor needs to sign on the Accounting Director line. • Send the completed form with your grant agreement/amendment when you send it down for encumbering. 	
<p>SECTION III. OBLIGATION INCURRED PRIOR TO CONTRACT EXECUTION</p> <p>This section should be completed if obligations were incurred prior to the grant being fully executed.</p> <ul style="list-style-type: none"> • You will need to explain why the grantee incurred the obligation before the grant agreement was fully executed and what you will do in the future to avoid this from happening again. • The MDH person responsible for the obligation incurring must sign and date the form. • Your Division Director needs to sign on the “Agency Head or Delegate” line. • Send two copies of the completed form with your grant agreement/amendment when you send it down for State signature. 	

A copy of the Late letter is on the next page.

16A.15-16C.05 Form
(Based on MN Statutes §16A.15 and §16C.05)

Department of _____ Division of _____

CFMS Contract # _____ Vendor Name _____

Submit two copies when processing the contract.

I. NO OBLIGATION INCURRED PRIOR TO ENCUMBRANCE OR CONTRACT EXECUTION
(Minn. Stat. §§ 16A.15, subd. 3 and 16C.05, subd. 2)*

I certify that work has not started as of _____ and **will not begin until this contract is fully executed.**

Person Responsible: _____ Date: _____

II. OBLIGATION INCURRED PRIOR TO ENCUMBRANCE (Minn. Stat. § 16A.15, subd. 3)*

Total Contract Amount \$ _____ Obligation Date _____ (when work started)

Reason why obligation was incurred before contract was encumbered:

What corrective action will be taken to prevent the problem from happening in the future?

_____ Date: _____ Agency Head or Delegate Date: _____
Person Responsible

_____ Date: _____
Agency Accounting Director

III. OBLIGATION INCURRED PRIOR TO CONTRACT EXECUTION (Minn. Stat. § 16C.05, subd. 2)*

Work on this contract started as of _____.

Reason why contract was not fully executed prior to begin date:

What corrective action will be taken to prevent the problem from happening in the future?

_____ Date: _____
Person Responsible

_____ Date: _____
Agency Head or Delegate

OMB Circulars that Pertain to Grants

Overview:

Any grantee which receives any federal funds must comply with the guidelines and restrictions set forth in the [Office of Management and Budget](#) (OMB) Circulars, regardless of the type of entity.

These circulars apply to Federal Funds only. If your grantee only receives State funds, these Circulars do not apply.

The circulars cover topics such as cost principles, allowable costs, audit requirements, grants and cooperatives agreements, and uniform administrative requirements. It is important that both you and your grantees know which circulars pertain to your grantees so that they can review the circulars and ensure compliance.

Objective:

Learners will know which circulars are relevant to their grantees.

Type of Grantee	OMB Circular that applies
Non-Profit Organizations	A-110: Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other non-Profit Organization A-122: Cost Principles for Non-Profits A-133: Audits of States, Local Governments and Non-Profit Organizations
Educational Institutions	A-21: Cost Principles for Educational Institutions A-110: Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other non-Profit Organizations A-133: Audits of States, Local Governments and Non-Profit Organizations
State, Local or Tribal Government	A-87: Cost Principles for State, Local and Tribal Governments A-102: Grants and Cooperative Agreements with State and Local Governments A-133: Audits of States, Local Governments and Non-Profit Organizations

Completing and Routing the Grant Agreement

Overview:

The grant agreement is a legal contract and requires time to process. In order to minimize the time it takes to execute a grant agreement, it is imperative that the program area eliminate errors in the document before the grant routing process begins.

Objective:

Learners will know who must review, approve and sign the grant agreement to make it a legal contract. The learner will also know what common errors to look for and correct prior to sending the documents to Financial Management and the grantee.

A diagram of this process can be found at: <http://fyi.health.state.mn.us/fadmin/grants/routing.html>

Grant Agreement Step by Step Checklist

PLEASE READ BEFORE YOU START WRITING THE GRANT AGREEMENT:

- Be sure you are using a grant agreement for a grant situation and not for a project that should be a Professional Technical contract or Annual Plan. The definition of a grant is:

Grants are financial assistance paid or services furnished by a state agency via a third party to an eligible recipient who is not employed by the State. The state agency making the grant RECEIVES no direct benefit as a result of making the grant. The state is not actually getting anything with a grant; it is paying for someone else to get something.

Grants always involve three parties:

1. the state agency with authority to make the grant
2. the outside entity who will administer the grant or deliver the service
3. the final recipient of the service.

If you are unsure if your project is a grant or a professional/technical contract, please contact the MDH Grant Coordinator at 651-201-5235.

- You must encumber the funds for your grant agreement *before* you can send it to your grantee for their signature.
- No work should begin on a grant agreement until ALL required signatures are obtained, and the GRANTEE is notified to begin work by the STATE'S Authorized Representative. If you are not able to comply with this rule, please see Page 61 on Late Letters.
- Do not use acronyms in your grant agreement, Financial Management and the grantee may not know what the acronyms stand for.

Follow this checklist in this order, avoiding the common errors, and you'll have successfully completed the grant agreement in the proper order.

STEP 1: DOWNLOAD THE GRANT AGREEMENT TEMPLATE

- Download the appropriate template from the [MDH Forms Index](#) to your computer from

Common Error A: Cutting and pasting, or performing a “Save As,” from an old grant agreement to write a new grant agreement. Solution: Download the appropriate current grant agreement template from the MDH Intranet FORMS link.

STEP 2: COMPLETING THE ENCUMBRANCE WORKSHEET

The very first page of the grant agreement is called the Encumbrance Worksheet. The program area is responsible for filling in the budget information. Financial Management will then take that information and encumber the funds according to how the encumbrance worksheet is completed. *Please see the Encumbrance Worksheet Reference on page 76 for help in locating these problem areas on the encumbrance worksheet.*

- In the “Fiscal Year” box, insert the fiscal year in which the grant agreement will begin. This may not be the same as the fiscal year you are writing it in if you are nearing the end of the state fiscal year.
- In the “Total Amount of Agreement” box insert the total dollar amount of the grant agreement. This should match the amount you state in Section II. Consideration and Terms of Payment.
- Complete the accounting distribution blocks with all requested information. Use one accounting distribution block for each state fiscal year the grant agreement is being written for.
- The dates in the first accounting distribution block will be July 1, 20XX to June 30, 20XX. The second block will be July 1, 20XX of the next year to June 30, 20XX of the next year and so on.
- Be sure to list all federal funds in the top lines of the accounting distribution blocks. List state funds below any federal funds. This ensures that indirect is collected on federal funds, not state funds.
- Do not write anything in the grey boxes. These are reserved for Financial Management staff.
- If using a fiscal agent, insert the fiscal agent’s name and address where it says Grantee’s Name and Address instead and change it to say Fiscal Agent Name/Address. Then insert the grantee’s name and address to the right of the fiscal agent’s name and address and note that it is the grantee’s name and address as in the example below:

Fiscal Agent Name/Address:
Accountants-R-Us
123 Main Street
City, ST zip

Grantee Name/address:
Communities-R-Us
456 Main Street
City, ST zip

NOTE: You may NOT use PO boxes. You must list a street address.

**Task completed
& checked for
errors**

- Fill in the Grantee’s/Fiscal Agent’s Federal Employment ID number and Minnesota Tax ID number. If using a Fiscal Agent, only the fiscal agent’s tax numbers need to be listed because they will be the agency receiving the payments.

Common Error B: *The fiscal year listed on the Encumbrance Worksheet is incorrect.* **Solution:** The Fiscal Year box in the upper left corner should reflect the State Fiscal Year in which the grant agreement will begin, **not** the fiscal year in which the grant agreement is being filled out.

Common Error C: *The dollar amounts listed in all the accounting distribution blocks do not equal the “Total Amount of Agreement” listed in the upper right hand corner of the encumbrance worksheet.* **Solution:** Ensure that the dollar amounts listed in all the accounting distribution blocks and the amount listed in the “Total Amount of Agreement” block are the same. If these amounts do not match, the grant agreement will be returned to the program area for correcting.

Common Error D: *The Catalog of Federal Domestic Assistance (CFDA) number is left blank or lists the wrong number.* **Solution:** Ensure that the proper CFDA number is listed in this box for all federal funds that are being used in your grant agreement. Contact your program area’s budget person, or your Federal Grant Coordinator in Financial Management if you are unable to determine which CFDA number you should use.

Common Error E: *Using an incorrect address will cause problems for Financial Management when a vendor number is being created or used. This will delay the return of the grant agreement to the program area from the encumbering process. Using a PO Box is not allowed, there must be a street address listed.* **Solution:** Fill in the Grantee’s name and address using the grantee’s legal business name and street location. If the legal name and address are not clear, the program area should get the correct information before sending the grant agreement to Financial Management for encumbering.

Common Error F: *Tax ID numbers are incorrect.* **Solution:** Be sure the tax numbers are correct or it will slow down the encumbering process and the grant agreement will be sent back to the program area for corrections.

NOTE: There is nothing in statute that says a business’ state or federal tax ID numbers are private or confidential; therefore they are to be treated as public. If a vendor refuses to give you their tax ID numbers, they will not be able to get paid from the state.

If the grantee is an individual, then you will use their Social Security number which is classified as confidential. For this reason be sure to only route the cover page to those who need to see it.

STEP 3: COMPLETING THE WHEREAS STATEMENTS

- Do not fill in the header on page two until after you have received the grant

agreement document back from encumbering.

- Insert the grantee's full legal name and address in the first paragraph. This should be the same as what you entered onto the encumbrance worksheet.
- If you are using a fiscal agent, be sure to list both the fiscal agent's full legal name and street address in addition to the grantee's full legal name and street address. For example: "... Commissioner of Minnesota Department of Health (hereinafter "STATE") and Accountants-R-Us (fiscal agent) and Communities-R-Us (grantee), an independent organization, not an employee of the State of Minnesota, address 123 Main Street, City, ST Zip (fiscal agent address) and 456 Main Street, City, ST Zip (grantee's address), hereinafter "GRANTEE"), witnesseth that:"
- In the 2nd paragraph, insert the legislation that authorized your program to enter into the grant. Then give a brief description of the purpose of the grant agreement.
- In the 3rd paragraph, you may add additional statements, but if you don't have anything to add, you may delete this extra paragraph.

Common Error G: The [] brackets are not deleted from the final document.

Solution: Be sure to remove any instructions in brackets [] and the brackets themselves. These are only to help you and should not be in the final document.

STEP 4: COMPLETING THE GRANTEE'S DUTIES

- This is where you will fill in precisely what activities and services the grantee will perform during the time of the grant agreement. Be sure to provide sufficient detail so the grantee can be held accountable for the work. This can be done by listing the quantities and types of work, the deliverables and completion dates, or by using an exhibit that details the duties and deliverables. Do not rely solely on the grantee's proposal or the RFP as the list of grantee's duties.
- The dates that invoices are due should be clearly stated.
IMPORTANT:
 - If your grant has an end date of June 30th, and has Temporary Assistance for Needy Families (TANF) funds (Fund 315) encumbered in them, you will need to have the final invoice to Financial Management by July 14th.
 - All other grants that have an end date of Jun 30th must have their final invoices to Financial Management by August 1st or the next business day.
- Remember, that if something is not written it into the grantee's duties, the grantee can not be held accountable for it.

Common Error H: Attachments/Exhibits are not labeled correctly. Solution: Be sure all attachments/exhibits referenced in the body of the grant agreement are labeled correctly. If Exhibit A is referenced as the invoice, then the Invoice form should have "Exhibit A" printed on it.

Common Error I: Attachments/Exhibits are not attached to the grant agreement,

or are attached but not in sequential order. Solution: Be sure the attachments/exhibits are attached to the back of the grant agreement and in sequential order. If Exhibit A is the invoice, then the invoice is attached to the back of the grant agreement before Exhibit B.

Common Error J: The grantee's budget listed in the grant agreement does not match the dollar amount listed on the Encumbrance Worksheet. (Note: it is not required to include the grantee budget in the grant agreement.) Solution: If including the grantee's budget in the grant agreement, be sure the amounts listed match the dollar amounts listed on the Encumbrance Worksheet.

STEP 5: COMPLETING THE CONSIDERATION AND TERMS OF PAYMENT

- Be sure to remove any instructions in brackets []. These are only to help you and should not be in the final document.
- Section B, #1 – This is where you will state the due dates of the invoices the grantee will send you. You should list specific dates in this section. Be sure to state that invoices will not be paid for grantees that have late progress reports. One suggestion is to have your progress reports and invoices due at the same time, but that is merely a suggestion.
- Section B, #2 – This is where you will identify the source of any federal funds you are putting into the grant agreement. If you don't know the Title and/or Act that pertains to your federal funds, you should instead list the Catalog of Federal Domestic Assistance (CFDA) number and title of the federal grant. If you are only using state funds, you can delete this paragraph.

Common Error K: The dollar amount listed in Section II. Consideration and Terms of Payment is not written out using words and numerals. Solution: Section A, #1 – This is where you will fill the total amount of the grant agreement. It must be written out in words as well as in numbers.

Common Error L: The dollar amount stated in this section does not match the total dollar amount listed on the Encumbrance Worksheet. Solution: The dollar amount listed in this section must match the amounts listed on the Encumbrance Worksheet. If they do not match, the grant agreement will be sent back to the program area for correcting.

Common Error M: The section about Matching Funds is left in the final document when matching funds are not used. Solution: Section A, #2 – This is where you will fill in any federal matching requirements that you might have. If you are only putting state money into the grant agreement, then you have no federal funds and this entire #2 should be deleted.

STEP 6: CONDITIONS OF PAYMENT

- There is nothing you need to fill in for this section but you are responsible for understanding what is written.

STEP 7: COMPLETING THE TERMS OF AGREEMENT

- Absolutely no work can begin before the grant agreement is fully executed. This is a direct violation of MN Statute §[16A/16C](#). If this happens, you will need to complete a violation form, aka “late letter.”

Common Error N: *Program areas try to write grant agreements and/or amendments to go past five calendar years.* **Solution:** No grant period can be longer than five calendar years. This means the amount of time from the start date of the original grant agreement to the expiration date of the very last amendment can not be more than five calendar years.

Common Error O: *The effective dates of the grant agreement are not correct. They do not correspond with dates listed for progress report, invoices due dates or other deadlines.* **Solution:** Insert the start date and end date of the grant agreement. The actual start date is the date you insert or the date the grant agreement is fully executed, whichever is LATER. The grant agreement ends on date you insert or the date when all obligations are fulfilled, whichever is FIRST.

STEP 8: CANCELLATION

- There is nothing you need to fill in for this section but you are responsible for understanding what is written.

STEP 9: COMPLETING THE AUTHORIZED REPRESENTATIVES

- This is where you will fill in who at MDH has final authority for acceptance of grantee’s services.
- This is where you will fill in who at the Grantee has full authority to represent the grantee in its fulfillment of terms, conditions, and requirement of the grant agreement.
- You may include the phone number of the State and Grantee Authorized Representatives if you wish, but it is not required.

Common Error P: *The State’s Authorized Representative and Grantee’s Authorized Representative is in bold text.* **Solution:** The State and Grantee Authorized Representatives should not be in bold text.

STEP 10: ASSIGNMENT

- There is nothing you need to fill in for this section but you are responsible for understanding what is written.

STEP 11: AMENDMENT

- There is nothing you need to fill in for this section but you are responsible for understanding what is written.
- There is a grant agreement amendment template available on the MDH Intranet that is to be used when amending a grant agreement. See pages 77-86 for more information on Amendments.
- Amendments may only be used when the purpose of the amendment is similar to the purpose of the grant agreement and when the grantee duties are

within the scope of the original request for proposal or notice of grant opportunity.

- Amendments must be done when there are changes to the total obligation, compensation or the expiration date.

STEP 12: LIABILITY

- There is nothing you need to fill in for this section but you are responsible for understanding what is written.
- If the grantee you are working with is the University of Minnesota, please use the [University of Minnesota template](#).

STEP 13: STATE AUDITS

- There is nothing you need to fill in for this section but you are responsible for understanding what is written.

STEP 14: DATA PRACTICES

- There is nothing you need to fill in for this section but you are responsible for understanding what is written.

STEP 15: COMPLETING OWNERSHIP OF EQUIPMENT

- Be sure to remove any instructions in brackets []. These are only to help you and should not be in the final document.
- If you are using any federal funds for this grant agreement, you must keep Option #1 language in the grant agreement and delete Option #2.
- If you are using only State funds for this grant agreement, you must keep Option #2 language in the grant agreement and delete Option #1.

STEP 16: OWNERSHIP OF MATERIALS and INTELLECTUAL PROPERTY RIGHTS

- If the grantee you are working with is the University of Minnesota, please use the [University of Minnesota template](#).
- Your program area does not have to agree to the University optional language. But keep in mind that the optional language provides the state with a very broad, never-ending, and free license to use whatever materials result from the grant agreement. There isn't any reason not to use the optional language unless your program area anticipates being able to license and sell the materials and products that result from the grant agreement.

STEP 17: PUBLICITY

- There is nothing you need to fill in for this section but you are responsible for understanding what is written.
- If the grantee you are working with is the University of Minnesota, please use the [University of Minnesota template](#).

STEP 18: ENDORSEMENT

- There is nothing you need to fill in for this section but you are responsible for understanding what is written.

STEP 19: WORKER’S COMPENSATION

- There is nothing you need to fill in for this section but you are responsible for understanding what is written.

STEP 20: JURISDICTION AND VENUE

- There is nothing you need to fill in for this section but you are responsible for understanding what is written.

STEP 21: OTHER PROVISIONS

- If you do not use any federal funds, you must delete this entire Other Provisions section.
- If you use any federal funds for this grant agreement you must keep all eight of these federal provisions in your grant agreement.
- In item F – Cost Principles, you must chose the appropriate wording to keep in the grant agreement based on the type of grantee you are granting with.
- Be sure to remove any instructions in brackets []. These are only to help you and should not be in the final document.

FINAL CHECKS BEFORE SENDING TO FINANCIAL MANAGEMENT FOR ENCUMBERING:

- Be sure all the pages of the grant agreement, including the encumbrance worksheet and any attachments/exhibits, are stapled together in sequential order
- Be sure the attachments/exhibits are attached to each copy of the grant agreement/amendment being sent to Financial Management and/or the Grantee.
- No acronyms are used.
- All brackets [] and the instructions inside the brackets are removed.
- The Matching Funds language is removed if not needed.
- All start and end dates match throughout the document.
- All dollar amounts match throughout the document.
- No bold text is used in the State and Grantee’s Authorized Representative sections.
- The grantee name, street address and tax ID numbers are correct.
- The grant agreement does not exceed five calendar years.
- All pages are numbered correctly.

STEP 22: GRANT AGREEMENT IS READY FOR ENCUMBERING

MDH Program Area will:

<ul style="list-style-type: none"> • Print out one copy of the error free grant agreement and place it in a file folder. • Complete the Grant Agreement Cover Memo found on the MDH Intranet. Mark it for the encumbering process and attach it to the outside of the file folder. • Send file folder to Financial Management, 2nd Floor Pod C, Freeman Building, St. Paul. Financial Management staff will get the folder to the proper grants staff. <p>Financial Management Staff will:</p> <ul style="list-style-type: none"> • Review the grant agreement for content and errors. If any errors are found, it will be returned to the program area for correcting. • If there are no errors, encumbrance staff will enter the financial information into the Minnesota Accounting and Procurement System (MAPS). • Write the PO number and initial/sign the on encumbrance worksheet. • Return the encumbered grant agreement to the person listed on the grant agreement cover memo within three to five working days. 	
<p><u>STEP 23: GRANT AGREEMENT IS READY FOR GRANTEE SIGNATURE</u></p> <p>MDH Program area will:</p> <ul style="list-style-type: none"> • Make two copies of the encumbered grant agreement. • Flag the pages and appropriate signature blocks where the grantee is to sign. • Send original and two copies to the grantee for their signature. <p>Grantee will:</p> <ul style="list-style-type: none"> • Have the person who is authorized to enter the grantee into legal contracts sign all three copies of the grant agreement in the appropriate place with original signatures. • Return all three copies to the MDH Program. 	
<p><u>STEP 24: GRANT AGREEMENT IS READY FOR STATE SIGNATURE</u></p> <p>MDH Program area will:</p> <ul style="list-style-type: none"> • Ensure that all three copies of the grant agreement were signed in the proper location. • Place all three signed copies in a file folder. • Attach the Grant Agreement Cover Memo marked for the State Signature process to the file folder. • Send to Financial Management. <p>Financial Management staff will:</p> <ul style="list-style-type: none"> • Verify that all three grants have the grantee signature. • Forward to the Accounting Operations Supervisor, or Director of Financial 	

<p>Management, for State signature.</p> <ul style="list-style-type: none">• NOTE: only the Accounting Operations Supervisor and Director of Financial Management are authorized to sign grant agreements for MDH. This means division directors are not authorized to enter MDH into grants of any dollar amount, not even for \$5,000 or less, unless they have a delegation of authority to do so.• Keep one copy of the fully signed grant agreement for Financial Management files.• Return the other two copies of the fully signed grant agreement to the person listed on the Grant Agreement Cover Memo within three to five working days. <p>MDH Program Area will:</p> <ul style="list-style-type: none">• Keep one copy of the fully signed grant agreement for the program files.• Send last copy of the fully signed grant agreement to the Grantee.	
--	--



B

ENCUMBRANCE WORKSHEET REFERENCE PAGE

Minnesota Department of Health Grant Agreement

: (Shaded areas to be completed by Financial Management)

C

Fiscal Year: _____	Total Amount of Agreement: _____
--------------------	----------------------------------

Accounting Distribution: For the period of _____ to _____				Fiscal Year: _____
Fund	Org #	Appr.	Rept. Cat.	Amount
[LIST ALL FEDERAL FUNDS BEFORE LISTING STATE FUNDS]				
CFDA:(federal dollars only): ←D				

Accounting Distribution: For the period of _____ to _____				Fiscal Year: _____
Fund	Org #	Appr.	Rept. Cat.	Amount
[LIST ALL FEDERAL FUNDS BEFORE LISTING STATE FUNDS]				
CFDA:(federal dollars only):				

Accounting Distribution: For the period of _____ to _____				Fiscal Year: _____
Fund	Org #	Appr.	Rept. Cat.	Amount
[LIST ALL FEDERAL FUNDS BEFORE LISTING STATE FUNDS]				
CFDA:(federal dollars only):				

Purchase Order Number/Signature/Date
Encumbrance Data

Vendor # _____

Object Code	Commodity Code	Amount

{Individual signing certifies that funds have been encumbered as required by Minn. Stat. §§16A15 and 16C.05}

NOTICE TO GRANTEE: You are required by Minn. Stat. § 270C.65, Subd. 3, to provide your social security number or federal employer tax identification number and Minnesota tax identification number if you do business with the State of Minnesota. This information may be used in the enforcement of federal and state tax laws. Supplying these numbers could result in action to require you to file state tax returns and pay delinquent state tax liabilities. This Grant Agreement will not be approved unless these numbers are provided. These numbers will be available to federal and state tax authorities and state personnel involved in approving the Grant Agreement and the payment of state obligations.

Grantee Name and Street Address:

←E

Social Security or Federal Employer I.D. No. _____

←F→

Minnesota Tax I.D. No. (if applicable) _____

THIS PAGE OF THE GRANT AGREEMENT CONTAINS PRIVATE INFORMATION. EXCEPT AS DEFINED ABOVE, THIS PAGE SHOULD NOT BE REPRODUCED OR DISTRIBUTED EXTERNALLY WITHOUT EXPRESS WRITTEN PERMISSION OF THE GRANTEE.

Completing and Routing the Grant Agreement AMENDMENT

Overview:

Frequently grant managers will run into situations where an amendment must be considered. Amendments may be done only when the purpose of the amendment is similar to the purpose of the original grant agreement and when the grantee duties are within the scope of the original request for proposal (RFP). If the scope of the grantee's duties has changed significantly, then the program should issue a new RFP and issue new grants.

Objective:

Learners will know when an amendment is appropriate and what common errors to avoid before sending the document to Financial Management.

Examples of when amendments may be used when changing:

- The total obligation of the grant
- The compensation
- The expiration date
- The attachments or exhibits

IMPORTANT: The maximum length of time that a grant agreement can span is five calendar years. Time starts counting from the start date on the original grant agreement, through the expiration date of the last fully executed amendment.

Grant Agreement AMENDMENT Step by Step Checklist

PLEASE READ BEFORE YOU START WRITING THE GRANT AGREEMENT AMENDMENT:

Be sure you are using a grant agreement amendment for an amendment situation and not for a project that requires a new request for proposal process. If you are unsure if an amendment is appropriate for your project, please contact the MDH Grant Coordinator at 651-201-5235.

- You must encumber the funds for your grant agreement amendment *before* you can send it to your grantee for their signature.
- No work should begin on a grant agreement amendment until ALL required signatures are obtained, and the GRANTEE is notified to begin work by the STATE'S Authorized Representative. If you are not able to comply with this rule, please see Page 61 on Late Letters.
- Do not use acronyms in your grant agreement amendment because Financial Management and grantees may not know what they mean.
- Underline any new language that you add to the grant.
- Strike out any language that you are removing or changing in the grant.

Follow this checklist in this order, avoiding the common errors, and you'll have successfully completed the grant agreement amendment in the proper order.

STEP 1: DOWNLOAD THE GRANT AGREEMENT AMENDMENT TEMPLATE

- Download the appropriate amendment form from the [MDH Forms Index](#) to your computer.

Common Error A: Cutting and pasting, or performing a “Save As,” from an old grant agreement amendment to write a new grant agreement amendment.

Solution: MDH program area downloads the current grant agreement amendment template from the [MDH Intranet Forms Index](#).

STEP 2: COMPLETING THE AMENDMENT ENCUMBRANCE WORKSHEET

The program area is responsible for filling in the budget information on the amendment encumbrance worksheet and Financial Management will then encumber the funds according to how the encumbrance worksheet is completed. There are a few differences on the encumbrance worksheet for amendments. The text below in italics describes the blocks that are different from the grant agreement encumbrance worksheet.

- *In the “Fiscal Year” box insert the state fiscal year in which the grant agreement will go into effect. This might not be the same state fiscal year in which you are writing the amendment.*
- *In the “Total Amount of Agreement” box insert the total of the*
- *Purchase Order #: insert the PO# of the grant agreement you are amending.*
- *Grant Agreement Start Date: This date should be the day after the expiration listed in your most recent grant agreement or amendment, or prior.*
- *Original Grant Agreement Expiration Date: Insert the expiration date from the original grant agreement.*
- *Revised Grant Agreement Expiration Date: Insert the new expiration date of the amendment you are writing. This date may not be more than five calendar years from the original start date of the original grant agreement.*
- *Current Amendment Amount: Insert the dollar amount of only the amendment you are writing. If you are not adding any money, just insert 0.*
- *Original Grant Agreement \$: Insert the dollar amount of the original grant agreement only.*
- *Previous Amendments Total: Insert the total dollar amounts of all previous amendments you have written. Do not include the dollar amount of the amendment you are working on.*
- *New Total Grant Agreement Amount: This should be the total of the three lines above and should also be the amount you insert into the Total Amount of Agreement box in the upper right hand corner.*

Please refer to the Amendment Encumbrance Worksheet Reference page when completing the encumbrance worksheet so you can avoid making the common errors listed below.

- Complete the accounting distribution blocks with all requested information. Use one accounting distribution block for each state fiscal year the amendment is being written for.

Task completed & checked for errors

- The dates in the first block will be July 1, 20XX to June 30, 20XX. The second block will be July 1, 20XX of the next year to June 30, 20XX of the next year and so on.
- Be sure to list all federal funds in the top lines of the accounting distribution blocks. List state funds below any federal funds. This ensures that indirect is collected on federal funds, not state funds.
- Do not write anything in the grey boxes. These are reserved for Financial Management staff.
- If using a fiscal agent, insert the fiscal agent's name and street address where it says Grantee's Name and Address instead and change it to say Fiscal Agent Name/Address. Then insert the grantee's name and street address to the right of the fiscal agent's name and address and note that it is the grantee's name and address as in the example below:

Fiscal Agent Name/Address:	Grantee Name/address:
Accountants-R-Us	Communities-R-Us
123 Main Street	456 Main Street
City, ST zip	City, ST zip

- Fill in the Grantee's/Fiscal Agent's Federal Employment ID number and Minnesota Tax ID number. If using a Fiscal Agent, only the fiscal agent's tax numbers need to be listed because they will be the agency receiving the payments.

Common Error B: *The fiscal year listed on the Amendment Encumbrance Worksheet is incorrect.* **Solution:** The Fiscal Year box in the upper left corner should reflect the State Fiscal Year in which the grant agreement amendment will begin, not the fiscal year in which the grant agreement is being filled out.

Common Error C: *The dollar amounts listed in all the accounting distribution blocks do not equal the "Current Amendment Amount" amount listed in the upper right hand corner of the encumbrance worksheet.* **Solution:** Ensure that the dollar amounts listed in all the accounting distribution blocks add up to the amount listed in the "Current Amendment Amount" block are the same. If these amounts do not match, the amendment will be returned to the program area for correcting.

Common Error D: *The Catalog of Federal Domestic Assistance (CFDA) number is left blank or lists the wrong number.* **Solution:** Ensure that the proper CFDA number is listed in this box for all federal funds that are being used in your grant agreement amendment. Contact your program area's budget person, or your Federal Grant Coordinator in Financial Management if you are unable to determine which CFDA number you should use.

Common Error E: *Using an incorrect address will cause problems for Financial Management when a vendor number is being created or used. This will delay the return of the amendment to the program area from the encumbering process.*

Using a PO Box is not allowed, there must be a street address listed. Solution:

Fill in the Grantee's name and address using the grantee's legal business name and street location. If the legal name and address is not clear, program area should get the correct information before sending the grant agreement amendment to Financial Management for encumbering.

Common Error F: Tax ID numbers are incorrect. Solution: Be sure the tax numbers are correct or it will slow down the encumbering process and the grant agreement amendment will be sent back to the program area for corrections.

NOTE: There is nothing in statute that says a business' state or federal tax ID numbers are private or confidential; therefore they are to be treated as public. If a vendor refuses to give you their tax ID numbers, they will not be able to get paid from the state.

If the grantee is an individual, then you will use their Social Security number which is classified as confidential. For this reason be sure to only route the cover page to those who need to see it.

PAGE TWO:

- Do not fill in the header on page two until after you have received the grant agreement amendment back from encumbering.
- The information in the block at the top of page two should be the same as on the Amendment Encumbrance Worksheet.

Common Error G: The [] brackets are not deleted from the final document.

Solution: Be sure to remove any instructions in brackets []. These are only to help you and should not be in the final document.

STEP 3: COMPLETING THE RECITALS

- #1 – Follow the instructions and insert the PO# of the grant agreement you are amending and give a brief description of the services.
- #2 – Explain why the grant is being amended.
- #3 – There is nothing to fill out here.

STEP 4: AMENDING THE GRANTEE'S DUTIES

- Only list any duties that are changing or being added. You do not need to relist them if nothing is changing.
- Underline all new language.
- Strikeout any language that is being deleted.
- If you are adding brand new duties, you should begin numbering them using the previous grant's numbering. So if you ended with five grantee duties in the original and this is your first amendment, the new grantee duties will start at number 6 and go on from there.
- Any duties that are not changed will remain in effect from the original grant agreement or most recent amendment.
- If you are not adding any new duties or changing any of the existing duties,

you do not need to include a Grantee's Duties section at all.

- Be sure to add any attachments as necessary and continue to label them in sequential order.
- Remember, that if something is not written into the grantee's duties, the grantee can not be held accountable for it.

Common Error H: Attachments are not labeled correctly. Solution: Be sure all attachments referenced in the body of the grant agreement amendment are labeled correctly. If Attachment A is being replaced with Attachment D then the grant should state "Attachment A is being replaced by Attachment D" and Attachment D should be attached to the back of the grant agreement amendment.

Common Error I: Attachments are not attached to the grant agreement amendment, or are attached but not in sequential order. Solution: Be sure the attachments are attached to the back of the grant agreement amendment and in sequential order. If Attachment A is being replaced with Attachment D then Attachment D should be attached to the back of the grant agreement amendment.

Common Error J: The grantee's budget listed in the grant agreement amendment does not match the dollar amount listed on the Amendment Encumbrance Worksheet. (Note: it is not required to include the grantee budget in the grant agreement amendment.) Solution: If including the grantee's budget in the grant agreement, be sure the amounts listed match the dollar amounts listed on the Amendment Encumbrance Worksheet.

STEP 5: AMENDING THE CONSIDERATION AND TERMS OF PAYMENT

- Section A1 - If you are amending the dollar amount you will need to strikeout the old dollar amount and then add in the new dollar amount with underlining. Do this in both words and numerals.
Example: ~~ten~~ twenty thousand dollars (~~\$10,000~~ 20,000).
- If you are not changing the dollar amount, you do not need to include section A1 in your amendment.
- Section A2 – If anything is changing with the matching requirements you will need to state it here using underlining for all new language and strikeouts for any language that is being changed.
- If you are not changing the matching requirements you do not need to include Section A2.
- Section B, #1 – This is where you will clearly state the due dates of the invoices the grantee will send you.

IMPORTANT:

- If your grant amendments have an end date of June 30th, and have Temporary Assistance for Needy Families (TANF) funds (Fund 315) encumbered in them, you will need to have the final invoice to Financial Management by July 14th.
- All other grants that have an end date of Jun 30th must have their final invoices to Financial Management by August 1st or the next business

day

- Section B, #2 – If anything has changed in the source of your federal funds you will need to change it here using underlining for all new language and strikeout for any changing information.
- If nothing has changed in your federal funding source, you do not need to include Section B2.

Common Error K: *The dollar amount listed in Section II. Consideration and Terms of Payment is not written out using words and numerals and does not state both the old and new amounts.* **Solution:** Section A, #1 – This is where you will fill in the new totals of the grant. It must be written out in words as well as in numbers and must state both the old and new amounts using underlining and strikeouts.

Common Error L: *The dollar amount stated in this section does not match the total dollar amount listed in the Current Amendment Amount on the Amendment Encumbrance Worksheet.* **Solution:** The dollar amount listed in this section must match the amounts listed in the Current Amendment Amount on the Amendment Encumbrance Worksheet. If they do not match, the grant agreement amendment will be sent back to the program area for correcting.

Common Error M: *The section about Matching Funds is left in the final document when matching funds are not used.* **Solution:** Section A, #2 – This is where you will fill in any federal matching requirements that you might have. If you are only putting state money into the grant agreement, then you have no federal funds and this entire #2 should be deleted.

STEP 6: AMENDING THE TERMS OF AGREEMENT

- If you are amending the time from of your grant, you will need to state it here using underlining for new dates and strikeout for the old dates.
Example: This grant agreement shall be effective on January 1, 2008 or upon...remain in effect until ~~December 31, 2008~~ October 31, 2009 or until...”
- If you are not amending the time frame of your grant, you do not need to include this section in your amendment.

Common Error N: *Program areas try to write grant agreements and/or amendments to go past five calendar years.* **Solution:** No grant period can be longer than five calendar years. This means the amount of time from the start date of the original grant agreement to the expiration date of the very last amendment can not be more than five calendar years.

Common Error O: *The effective dates of the grant agreement are not correct. They do not correspond with dates listed for progress report, invoices due dates or other deadlines.* **Solution:** Insert the start date and end date of the grant agreement amendment. The start date should be the day after the previous grant’s expiration date or prior so that there is no gap in the effective dates of the grant.

The grant agreement amendment ends on the date you insert or until the date when all obligations are fulfilled, whichever is FIRST.

AMENDING OTHER SECTIONS

The amendment template only contains the three sections that are most frequently amended. If you need to amend another section of the grant you may add it in to your amendment using the format of “REVISION X. Clause Y...” that is already in the amendment. Just be sure to keep the numbering in sequential order.

AMENDING AN AMENDMENT

Amending an amendment can get a little tricky because you are now amending the language in the most recent amendment, not the original. However if language from the original was not changed in previous amendments, then it is still in effect. For assistance, please contact the MDH Grant Coordinator in Financial Management.

FINAL CHECKS BEFORE PRINTING AND SENDING TO FINANCIAL MANAGEMENT FOR ENCUMBERING:

- Only items being changed are listed in the amendment.
- Be sure all the pages of the amendment, including the encumbrance worksheet and any attachments/exhibits, are stapled together in sequential order.
- Be sure the attachments/exhibits are attached to each copy of the amendment being sent to Financial Management or the Grantee.
- No acronyms are used.
- All brackets [] and the instructions inside the brackets are removed.
- All start and end dates match throughout the document.
- All dollar amounts match throughout the document.
- No bold text is used in the State and Grantee’s Authorized Representative sections.
- The grantee name, street address and tax ID numbers are correct.
- The amendment does not exceed the five calendar year limit.
- All pages are numbered correctly.

STEP 22: GRANT AGREEMENT AMENDMENT IS READY FOR ENCUMBERING

MDH Program area will:

- Print out one copy of the error free grant agreement amendment and place it in a file folder.
- Include copies of the original grant agreement and any previous amendments

<p>in file folder.</p> <ul style="list-style-type: none"> • Complete the Grant Agreement Cover Memo, found on the MDH Intranet, mark it as an amendment for the encumbering process, and attach it to the outside of the file folder. • Send file folder to Financial Management. <p>Financial Management Staff will:</p> <ul style="list-style-type: none"> • Review the grant agreement amendment for content and errors. If any errors are found, it will be returned to the program area for correcting. • If there are no errors, encumbrance staff will enter the financial information into the Minnesota Accounting and Procurement System (MAPS). • Write the PO number and initial/sign the on encumbrance worksheet. • Return the encumbered grant agreement amendment and other file contents to the person listed on the cover memo within three to five working days. 	
<p><u>STEP 23: GRANT AGREEMENT IS READY FOR GRANTEE SIGNATURE</u></p> <p>MDH Program area will:</p> <ul style="list-style-type: none"> • Make two copies of the encumbered grant agreement. • Flag the pages and appropriate signature blocks where the grantee is to sign. • Send original and two copies to the grantee for their signature. <p>Grantee will:</p> <ul style="list-style-type: none"> • Have the person who is authorized to enter the grantee into legal contracts sign all three copies of the grant agreement amendment in the appropriate place with original signatures. • Return all three copies to the MDH Program. 	
<p><u>STEP 24: GRANT AGREEMENT AMENDMENT IS READY FOR STATE SIGNATURE</u></p> <p>MDH Program area will:</p> <ul style="list-style-type: none"> • Ensure that all three copies of the grant agreement amendment were signed in the proper location. • Place all three signed copies in a file folder still containing the copies of the original grant agreement and all previous amendments. • Attach the Grant Agreement Cover Memo marked for the State Signature process to the file folder. • Send to Financial Management. <p>Financial Management staff will:</p> <ul style="list-style-type: none"> • Verify that all three grants have the grantee signature. • Forward to the Accounting Operations Supervisor, or Director of Financial Management, for State signature. 	

- NOTE: only the Accounting Operations Supervisor and Director of Financial Management are authorized to sign grant agreements for MDH. This means division directors are not authorized to enter MDH into grants of any dollar amount, not even for \$5,000 or less, unless they have a delegation of authority to do so.
- Keep one copy of the fully signed grant agreement for Financial Management files.
- Return the other two copies of the fully signed grant agreement amendment to the person listed on the [Grant Agreement Cover Memo](#) within three to five working days.

MDH Program area will:

- Keep one copy of the fully signed grant agreement amendment for the program files.
- Send last copy of the fully signed grant agreement amendment to the Grantee.

**B****AMENDMENT ENCUMBRANCE WORKSHEET REFERENCE PAGE**

Minnesota Department of Health Grant Agreement – Amendment

Note: (Shaded areas to be completed by Financial Management)

C

Fiscal Year: _____	Total Amount of Agreement: _____
--------------------	----------------------------------

Purchase Order #:	+Current Amendment Amount: \$
Grant Agreement Start Date:	+Original Grant Agreement: \$
Original Grant Agreement Expiration Date:	+Previous Amendment(s) Total: \$
Revised Grant Agreement Expiration Date:	=New Total Grant Agreement Amount: \$

Accounting Distribution: For the period of _____ to _____				Fiscal Year: _____
Fund	Org #	Appr	Rept Cat	Amount
[LIST ALL FEDERAL FUNDS BEFORE LISTING STATE FUNDS]				
CFDA:(federal dollars only):				←D

Accounting Distribution: For the period of _____ to _____				Fiscal Year: _____
Fund	Org #	Appr	Rept Cat	Amount
[LIST ALL FEDERAL FUNDS BEFORE LISTING STATE FUNDS]				
CFDA:(federal dollars only):				

Accounting Distribution: For the period of _____ to _____				Fiscal Year: _____
Fund	Org #	Appr	Rept Cat	Amount
[LIST ALL FEDERAL FUNDS BEFORE LISTING STATE FUNDS]				
CFDA:(federal dollars only):				

_____ Purchase Order Number/Signature/Date Encumbrance Data
--

Vendor # _____		
Object Code	Commodity Code	Amount

{Individual signing certifies that funds have been encumbered as required by Minn. Stat. §§16A15 and 16C.05}

NOTICE TO GRANTEE: You are required by Minn. Stat. § 270C.65, Subd. 3, to provide your social security number or federal employer tax identification number and Minnesota tax identification number if you do business with the State of Minnesota. This information may be used in the enforcement of federal and state tax laws. Supplying these numbers could result in action to require you to file state tax returns and pay delinquent state tax liabilities. This Grant Agreement Amendment will not be approved unless these numbers are provided. These numbers will be available to federal and state tax authorities and state personnel involved in approving the Grant Agreement and the payment of state obligations.

Grantee Name and Address: _____	Social Security or Federal Employer I.D. No. _____	←F
_____	Minnesota Tax I.D. No. (if applicable) _____	←F

THIS PAGE OF THE GRANT AGREEMENT AMENDMENT CONTAINS PRIVATE INFORMATION. EXCEPT AS DEFINED ABOVE, THIS PAGE SHOULD NOT BE REPRODUCED OR DISTRIBUTED EXTERNALLY WITHOUT EXPRESS WRITTEN PERMISSION OF THE GRANTEE.

Statutes Pertaining to Grants

Below is a list of [Minnesota statutes](#) that pertain to grants. This list was compiled by the [Minnesota Attorney General's office](#).

<p><u>16B.97</u></p>	<p>GRANTS MANAGEMENT. Provides the statutory definition of a grant agreement and identifies the responsibilities and discretionary powers of the Commissioner of Administration for enterprise grants management.</p>
<p><u>16B.98</u></p>	<p>GRANTS MANAGEMENT PROCESS.</p> <p>Subdivision 1. Limitation. As a condition of receiving a grant from an appropriation of state funds, the recipient of the grant must agree to minimize administrative costs. The granting agency is responsible for negotiating appropriate limits to these costs so that the state derives the optimum benefit for grant funding.</p> <p>Subd. 2. Ethical practices and conflict of interest. An employee of the executive branch involved directly or indirectly in grants processes, at any level, is subject to the code of ethics in section 43A.38.</p> <p>Subd. 3. Conflict of interest. (a) The commissioner must develop policies regarding code of ethics and conflict of interest designed to prevent conflicts of interest for employees, committee members, or others involved in the recommendation, awarding, and administration of grants. The policies must apply to employees who are directly or indirectly in the grants process, which may include the following: (1) developing request for proposals or evaluation criteria; (2) drafting, recommending, awarding, amending, revising, or entering into grant agreements; (3) evaluating or monitoring performance; or (4) authorizing payments. (b) The policies must include: (1) a process to make all parties to the grant aware of policies and laws relating to conflict of interest, and training on how to avoid and address potential conflicts; and (2) a process under which those who have a conflict of interest or a potential conflict of interest must disclose the matter. (c) If the employee, appointing authority, or commissioner determines that a conflict of interest exists, the matter shall be assigned to another employee who does not have a conflict of interest. If it is not possible to assign the matter to an employee who does not have a conflict of interest, interested personnel shall be notified of the conflict and the employee may proceed with the assignment.</p> <p>Subd. 4. Reporting of violations. A state employee who discovers evidence of violation of laws or rules governing grants is encouraged to report the violation or suspected violation to the employee's supervisor, the commissioner or the commissioner's designee, or the legislative auditor. The legislative auditor shall report to the Legislative Audit Commission if there are multiple complaints about the same agency. The auditor's report to the Legislative Audit Commission under this section must disclose only the</p>

number and type of violations alleged. An employee making a good faith report under this section has the protections provided for under section [181.932](#), prohibiting the employer from discriminating against the employee.

Subd. 5. Creation and validity of grant agreements. (a) A grant agreement is not valid and the state is not bound by the grant unless: (1) the grant has been executed by the head of the agency or a delegate who is party to the grant; and (2) the accounting system shows an encumbrance for the amount of the grant in accordance with policy approved by the commissioner. (b) The combined grant agreement and amendments must not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless the commissioner determines that a longer duration is in the best interest of the state. (c) A fully executed copy of the grant agreement with all amendments and other required records relating to the grant must be kept on file at the granting agency for a time equal to that required of grantees in subdivision 8. (d) Grant agreements must comply with policies established by the commissioner for minimum grant agreement standards and practices. (e) The attorney general may periodically review and evaluate a sample of state agency grants to ensure compliance with applicable laws.

Subd. 6. Grant administration. A granting agency shall diligently administer and monitor any grant it has entered into.

Subd. 7. Grant payments. Payments to the grantee may not be issued until the grant agreement is fully executed.

Subd. 8. Audit. (a) A grant agreement made by an executive agency must include an audit clause that provides that the books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate, for a minimum of six years from the grant agreement end date, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. If a grant agreement does not include an express audit clause, the audit authority under this subdivision is implied.

(b) If the granting agency is a local unit of government, and the governing body of the local unit of government requests that the state auditor examine the books, records, documents, and accounting procedures and practices of the grantee or other party according to this subdivision, the granting agency shall be liable for the cost of the examination. If the granting agency is a local unit of government, and the grantee or other party requests that the state auditor examine all books, records, documents, and accounting procedures and practices related to the grant, the grantee or other party that requested the examination shall be liable for the cost of the examination.

Subd. 9. Authority of attorney general. The attorney general may pursue

	<p>remedies available by law to avoid the obligation of an agency to pay under a grant or to recover payments made if activities under the grant are so unsatisfactory, incomplete, or inconsistent that payment would involve unjust enrichment. The contrary opinion of the granting agency does not affect the power of the attorney general under this subdivision.</p> <p>Subd. 10. Grants with Indian tribes and bands. Notwithstanding any other law, an agency may not require an Indian tribe or band to deny its sovereignty as a requirement or condition of a grant with an agency.</p>
<u>16B.483</u>	<p>INTELLECTUAL PROPERTY. Before executing a contract or license agreement involving intellectual property developed or acquired by the State, a state agency shall seek review and comment from the Attorney General on the terms and conditions of the contract or agreement.</p>
<u>3.736</u>	<p>TORT LIMITATIONS. This sets the limitations of the State's financial responsibility by an act or omission for injury to or loss of property or personal injury or death caused by a state employee acting within his/her employment. The limitations are the following:</p> <ul style="list-style-type: none"> (a) \$400,000 when the claim is one for death by wrongful act or omission and \$400,000 to any claimant in any other case, for claims arising on or after January 1, 2008, and before July 1, 2009; (b) \$500,000 when the claim is one for death by wrongful act or omission and \$500,000 to any claimant in any other case, for claims arising on or after July 1, 2009; (c) \$1,200,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 2008, and before July 1, 2009; or (d) \$1,500,000 for any number of claims arising out of a single occurrence, for claims arising on or after July 1, 2009.
<u>13.599</u>	<p>GRANTS DATA PRACTICES.</p> <p>Subdivision 1. Definitions. For purposes of this section, the following terms have the meanings given them.(a) "Completion of the evaluation process" means that the granting agency has completed negotiating the grant agreement with the selected grantee. (b) "Grant agreement" has the meaning given in section <u>16B.97, subdivision 1</u>. (c) "Grantee" means a person that applies for or receives a grant. (d) "Granting agency" means the state agency that provides the grant.(e) "Opened" means the act that occurs once the deadline for submitting a response to a proposal to the granting agency has been reached.(f) "Request for proposal" means the data outlining the responsibilities the granting agency wants the grantee to assume.(g) "Response" means the data submitted by a grantee as required by a request for proposal.</p> <p>Subd. 2. Request for applications. Data created by a granting agency to create a request for proposal is classified as nonpublic until the request for proposal is published. To the extent that a granting agency involves persons outside the granting agency to create the request for proposal, the data</p>

	<p>remain nonpublic in the hands of all persons who may not further disseminate any data that are created or reviewed as part of the request for proposal development. At publication, the data in the request for proposal is public.</p> <p>Subd. 3. Responses to request for proposals. (a) Responses submitted by a grantee are private or nonpublic until the responses are opened. Once the responses are opened, the name and address of the grantee and the amount requested is public. All other data in a response is private or nonpublic data until completion of the evaluation process. After a granting agency has completed the evaluation process, all remaining data in the responses is public with the exception of trade secret data as defined and classified in section 13.37. A statement by a grantee that the response is copyrighted or otherwise protected does not prevent public access to the response. (b) If all responses are rejected prior to completion of the evaluation process, all data, other than that made public at the opening, remain private or nonpublic until a resolicitation of proposals results in completion of the evaluation process or a determination is made to abandon the grant. If the rejection occurs after the completion of the evaluation process, the data remain public. If a resolicitation of proposals does not occur within one year of the grant opening date, the remaining data become public.</p> <p>Subd. 4. Evaluation data. (a) Data created or maintained by a granting agency as part of the evaluation process referred to in this section are protected nonpublic data until completion of the evaluation process at which time the data are public with the exception of trade secret data as defined and classified in section 13.37. (b) If a granting agency asks individuals outside the granting agency to assist with the evaluation of the responses, the granting agency may share not public data in the responses with those individuals. The individuals participating in the evaluation may not further disseminate the not public data they review.</p>
<p><i>MN Const. art. XI, § 1 and MN Stat. 16A.138</i></p>	<p>OBLIGATION WITH NO APPROPRIATION. The State cannot agree to a financial obligation without an appropriation. This section forbids the State from indemnifying another party and holding another party harmless without an appropriation. In contracts where the other party insists on the State indemnifying it and the State has additional responsibility besides just paying the other party, the following compromise liability language may be used: Each party will be responsible for its own acts and behavior and the results thereof. The Minnesota Tort Claims Act, Minn. Stat. § 3.736 and other applicable laws govern the State’s liability.</p>
<p>16A.013</p>	<p>GIFT ACCEPTANCE. Any gift, bequest, devise, or endowment by will, deed, gift or otherwise for the benefit of the State must be approved by the Department of Finance.</p>
<p>16A.065</p>	<p>PREPAYMENTS. The State cannot make prepayments except for software or software maintenance services, for sole source maintenance agreements where it is not cost effective to pay in arrears, for exhibit booth space, for newspaper,</p>

	magazine and other subscription fees.
<u>16A.124, subd. 5(b)</u>	LATE PAYMENT. The State can pay no more than 1½ percent per month interest for any undisputed billings the agency has not paid within thirty days of receiving the invoice.
<u>16A.15, subd. 3</u> <u>16C.05, subd.2</u>	16A/16C VIOLATIONS. A contractor cannot begin work until the contract is fully executed pursuant to Minn. Stat. § 16C.05, subd. 2, which includes encumbering the funds for the contract amount. If a state employee knowingly authorizes a contractor to begin work prior to the funds being encumbered for the contract amount, the employee can be terminated. An agency that violates this statute is required to write an explanation of why the violation occurred and what action will be taken so the violation does not occur again.
<u>15.994</u>	INTERNET GRANT INFORMATION. A state agency with an Internet site must provide information on grants available through the agency and must provide a link to any grant application under section <u>16E.20</u> .
<u>16E.20</u>	ELECTRONIC CONDUCT OF STATE BUSINESS. The chief information officer shall develop and implement a system under which: (1) state business can be conducted and permits or licenses obtained through electronic communication with the appropriate state agencies; and (2) applications for grants can be made electronically to state agencies when feasible.
<u>16C.04</u>	CONFLICT OF INTEREST POLICY. These policies are designed to present conflicts of interest for employees involved in the acquisition of goods, services, and utilities. The policies apply to employees who are directly or indirectly involved in the acquisition of goods, services, and utilities, developing requests for proposals, evaluating bids or proposals, drafting and entering into contracts, selecting final vendors, awarding contracts, evaluating performance under these contracts, and authorizing payments under these contracts. See also, Minn. Stat. §§ 10A.071, 15.47 and 43A.38, which contain conflict of interest provisions that apply to purchasing.
<u>16C.05, subd. 5</u>	AUDIT CLAUSE. Any contract or pass-through disbursement of public funds to a vendor of goods or services or a grantee must expressly or implicitly contain an audit clause that provides that the books, records, documents, and accounting practices and procedures of the vendor or other party relevant to the contract are subject to examination by the contracting agency and either the Legislative Auditor or State Auditor, whichever is appropriate, for a minimum of six years. The exception to this requirement is when a contract is for the purchase, lease or license of software and data from the State.
<u>116L.66</u>	JOBS REGISTRATION. Grants or loans from the State to business or private enterprise in grants or loans in excess of \$200,000 must contain a provision requiring the grantee to register vacant or new positions with Department of Employment and Economic Development.

<u>201.162</u>	VOTER REGISTRATION. Community based public or nonprofit agencies that contract with the State must provide voter registration services for employees.
<u>270C.65</u>	TAXPAYER ID NUMBER. Contractor is required to provide its Social Security number, Fed I.D. number or MN Tax I.D. number. These numbers are available to federal and state tax authorities and state personnel involved in the payment of federal and state obligations.
<u>412.201</u>	STATUTORY CITIES AUTHORITY. Every contract executed by a statutory city must be executed by the mayor and clerk of that city with the corporate seal affixed (if any) pursuant to authority from the city council.
<u>466.02</u>	MUNICIPAL TORT CLAIMS ACT. This sets the limitations of a municipality's financial responsibility by an act or omission for injury to or loss of property or personal injury or death caused by a municipal employee acting within his/her employment. "Municipality" is defined under Minn. Stat. § 466.01. The limitations are: (a) \$400,000 when the claim is one for death by wrongful act or omission and \$400,000 to any claimant in any other case, for claims arising on or after January 1, 2008, and before July 1, 2009; (b) \$500,000 when the claim is one for death by wrongful act or omission and \$500,000 to any claimant in any other case, for claims arising on or after July 1, 2009; (c) \$1,200,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 2008, and before July 1, 2009; or (d) \$1,500,000 for any number of claims arising out of a single occurrence, for claims arising on or after July 1, 2009.

Common Errors on Grant Agreements

Overview:

Grant agreements frequently arrive in Financial Management with errors. Financial Management staff will notify the program of the errors and program staff will have the opportunity to fix the errors. Time and duplication of effort can be saved by programs thoroughly reviewing all grant agreements prior to sending them to Financial Management.

Objective:

Learners will be able to send grant agreements and other grant documents to Financial Management with minimal to zero errors.

Please use this checklist to ensure that your grant agreement documents contain minimal errors before sending them to Financial Management. These common errors are also included in the Completing and Routing the Grant Agreement Step by Step Checklist and Completing and Routing the Grant Agreement Amendment Step by Step Checklist.

<p align="center">Common Errors on Grant Agreements Checklist</p>	<p align="center">Checked</p>
<p align="center"><u>PLEASE READ BEFORE YOU START WRITING THE GRANT AGREEMENT:</u></p> <ul style="list-style-type: none"> • Be sure you are using a grant agreement for a grant situation and not for a project that should be a Professional Technical contract or an Annual Plan. The definition of a grant is: <p style="margin-left: 40px;">Grants are financial assistance paid or services furnished by a state agency via a third party to an eligible recipient who is not employed by the State. The state agency making the grant RECEIVES no direct benefit as a result of making the grant. The state is not actually getting anything with a grant it is paying for someone else to get something.</p> <p style="margin-left: 40px;">Grants always involve three parties:</p> <ul style="list-style-type: none"> • the state agency with authority to make the grant • the outside entity who will administer the grant or deliver the service • the final recipient of the service <p style="margin-left: 40px;">If you are unsure if your project is a grant or a professional/technical contract, please contact the MDH Grant Coordinator at 651-201-5235.</p> • You must encumber the funds for your grant agreement <i>before</i> you can send it to your grantee for their signature. • No work may begin on this grant agreement until all signatures have been obtained, or until the date listed as the start date whichever is later. If you are not able to comply with this rule, please see the page on Late Letters. 	

<ul style="list-style-type: none"> Do not use acronyms in your grant agreement. Financial Management and the grantee may not know what the acronyms stand for. 	
<p>Common Error A: Cutting and pasting, or performing a “Save As,” from an old grant agreement to write a new grant agreement.</p> <p>Solution: Download the current grant agreement or amendment template from the MDH Intranet Forms Index.</p>	
<p>Common Error B: The fiscal year listed on the Encumbrance Worksheet is incorrect.</p> <p>Solution: The Fiscal Year box in the upper left corner should reflect the State Fiscal Year in which the grant agreement will begin, not the fiscal year in which the grant agreement is being filled out.</p>	
<p>Common Error C: The dollar amounts listed in all the accounting distribution blocks do not equal the “Total Amount of Agreement” amount listed in the upper right hand corner of the encumbrance worksheet.</p> <p>Solution: Ensure that the dollar amounts listed in all the accounting distribution blocks and the amount listed in the “Total Amount of Agreement” block are the same. If these amounts do not match, the grant agreement will be returned to the program area for correcting.</p>	
<p>Common Error D: The Catalog of Federal Domestic Assistance (CFDA) is wrong.</p> <p>Solution: Contact your program’s budget person or Federal Grants person in Financial Management to get the correct CFDA number for your funds. It should also be found in your federal Notice of Grant Award or Notice of Cooperative Agreement.</p>	
<p>Common Error E: Using an incorrect address will cause Minnesota Management and Budget to send paper payments to the wrong address and could lead to multiple vendor numbers in MAPS.</p> <p>Solution: Fill in the Grantee’s name and address using the grantee’s legal business name. If the legal name and address is not clear, program area should get the correct information before sending the grant agreement to Financial Management for encumbering or it may be returned to the program for correcting.</p> <p>NOTE: PO Boxes are not sufficient for addresses. Financial Management will need a street address in order to encumber the funds.</p>	
<p>Common Error F: Tax ID, or Social Security, numbers are incorrect.</p> <p>Solution: Be sure the tax or Social Security numbers are correct or it will slow down the encumbering process and the grant agreement may be sent back to the program area for corrections.</p>	

<p>Common Error G: The [] brackets are not deleted from the final document.</p> <p>Solution: Be sure to remove any instructions in brackets [] and the brackets themselves. These are only to help you and should not be in the final document.</p>	
<p>Common Error H: Attachments/Exhibits are not labeled correctly.</p> <p>Solution: Be sure all attachments/exhibits referenced in the body of the grant agreement are labeled correctly. If Exhibit A is referenced as the invoice, then the Invoice form should be labeled as “Exhibit A.”</p>	
<p>Common Error I: Attachments/Exhibits are not attached to the grant agreement, or are attached but not in sequential order.</p> <p>Solution: Be sure the attachments/exhibits are attached to the back of the grant agreement and in sequential order. Exhibit A should be attached to the back of the grant agreement before Exhibit B.</p>	
<p>Common Error J: The grantee’s budget listed in the grant agreement does not match the dollar amount listed on the Encumbrance Worksheet.</p> <p>Note: it is not required to include the grantee’s budget in the grant agreement.</p> <p>Solution: If including the grantee’s budget in the grant agreement, be sure the amounts listed match the dollar amounts listed on the Encumbrance Worksheet.</p>	
<p>Common Error K: The dollar amount listed in Section III. Consideration and Terms of Payment is not written out using words.</p> <p>Solution: Section A, #1 – This is where you will fill the total amount of the grant agreement. It must be written out in words as well as in numbers.</p>	
<p>Common Error L: The dollar amount listed in Section III – Consideration and Terms of Payment does not match the total dollar amount listed on the Encumbrance Worksheet.</p> <p>Solution: The dollar amount listed in this section must match the amounts listed on the Encumbrance Worksheet. If they do not match, the grant agreement will be sent back to the program area for correcting.</p>	
<p>Common Error M: The section about Matching Funds is left in the final document when matching funds are not used.</p> <p>Solution: Section A, #2 – This is where you will fill in any federal matching requirements that you might have. If you are only putting state money into the grant agreement, then you have no federal funds and this entire #2 should be deleted.</p>	
<p>Common Error N: Program areas try to write grant agreements and/or amendments to go past five calendar years per MN Statute §16B.98.</p>	

<p>Solution: No grant period can be longer than five calendar years. This means the amount of time from the start date of the original grant agreement to the expiration date of the very last amendment can not be more than five calendar years.</p>	
<p>Common Error O: The effective dates of the grant agreement are not correct. They do not correspond with dates listed for progress report, invoices due dates or other deadlines.</p> <p>Solution: Insert the start date and end date of the grant agreement. The actual start date is the date you insert or the date the grant agreement is fully executed, whichever is LATER. The grant agreement does not end until the date you insert or until the date when all obligations are fulfilled, whichever is FIRST.</p>	
<p>Common Error P: The State’s Authorized Representative and Grantee’s Authorized Representative is in bold text.</p> <p>Solution: The State and Grantee Authorized Representatives should not be in bold text.</p>	



COMMON ERRORS REFERENCE PAGES
Minnesota Department of Health Grant Agreement

B

C & L

Accounting Information (shaded areas to be completed by Financial Management)

Fiscal Year: _____	Total Amount of Agreement: _____
--------------------	----------------------------------

Accounting Distribution: For the period of _____ to _____				Fiscal Year: _____
Fund	Org #	Appr.	Rept. Cat.	Amount
[LIST ALL FEDERAL FUNDS BEFORE LISTING STATE FUNDS]				
CFDA:(federal dollars only):				←D

Accounting Distribution: For the period of _____ to _____				Fiscal Year: _____
Fund	Org #	Appr.	Rept. Cat.	Amount
[LIST ALL FEDERAL FUNDS BEFORE LISTING STATE FUNDS]				
CFDA:(federal dollars only):				

Accounting Distribution: For the period of _____ to _____				Fiscal Year: _____
Fund	Org #	Appr.	Rept. Cat.	Amount
[LIST ALL FEDERAL FUNDS BEFORE LISTING STATE FUNDS]				
CFDA:(federal dollars only):				

Purchase Order Number/Signature/Date Encumbrance Data

Vendor # _____						
<table border="1" style="width:100%"> <tr> <th style="width:25%">Object Code</th> <th style="width:25%">Commodity Code</th> <th style="width:50%">Amount</th> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table>	Object Code	Commodity Code	Amount			
Object Code	Commodity Code	Amount				

{Individual signing certifies that funds have been encumbered as required by Minn. Stat. §§16A15 and 16C.05}

NOTICE TO GRANTEE: You are required by Minn. Stat. § 270C.65, Subd. 3, to provide your social security number or federal employer tax identification number and Minnesota tax identification number if you do business with the State of Minnesota. This information may be used in the enforcement of federal and state tax laws. Supplying these numbers could result in action to require you to file state tax returns and pay delinquent state tax liabilities. This Grant Agreement will not be approved unless these numbers are provided. These numbers will be available to federal and state tax authorities and state personnel involved in approving the Grant Agreement and the payment of state obligations.

Grantee Name and Address:

←E

Social Security or Federal Employer I.D. No. _____ **←F→** Minnesota Tax I.D. No. (if applicable) _____

THIS PAGE OF THE GRANT AGREEMENT CONTAINS PRIVATE INFORMATION. EXCEPT AS REPRODUCED OR DISTRIBUTED EXTERNALLY WITHOUT EXPRESS WRITTEN PERMISSION

G AS ABOVE, THIS PAGE SHOULD NOT BE REPRODUCED OR DISTRIBUTED EXTERNALLY WITHOUT EXPRESS WRITTEN PERMISSION OF THE GRANTEE.
↓
Individuals/offices signing this grant

If you circulate this grant agreement internally, only offices that require access to the tax identification number should have access to this page.

[INSTRUCTIONS: FILL IN ALL BLANKS AND DELETE ALL INSTRUCTIONS. INSTRUCTIONS ARE IN BLOCK PRINT WITHIN [BRACKETS]].

Minnesota Department of Health Grant Agreement

THIS GRANT AGREEMENT, and amendments and supplements thereto, is between the State of Minnesota, acting through its Commissioner of Minnesota Department of Health (hereinafter "STATE") and [INSERT GRANTEE'S FULL LEGAL NAME], an independent organization, not an employee of the State of Minnesota, address [INSERT GRANTEE'S ADDRESS], (hereinafter "GRANTEE"), witnesseth that:

WHEREAS, the STATE, pursuant to Minnesota Statute §[INSERT THE AUTHORIZING STATUTE OR LEGISLATION] is empowered to [GIVE A BRIEF DESCRIPTION OF THE PURPOSE OF THIS GRANT PROGRAM]; and

WHEREAS, _____, and

WHEREAS, GRANTEE represents that it is duly qualified and w **G** to perform the services set forth herein.

NOW, THEREFORE, it is agreed:

I. GRANTEE'S DUTIES [ATTACH ADDITIONAL PAGE IF NECESSARY WHICH IS INCORPORATED BY REFERENCE AND MADE PART OF THIS AGREEMENT] GRANTEE shall:

II. CONSIDERATION AND TERMS OF PAYMENT

A. Consideration for all services performed by **K & L** pursuant to this grant **K & L** paid by the STATE as follows:

1. Compensation. The total obligation of **K & L** all compensation at **K & L** to GRANTEE shall not exceed [AMOUNT IN WORDS] dollars [\$(AMOUNT IN NUMERALS)].

2. Matching Requirements. [IF APPLICABLE INSERT THE CONDITIONS OF MATCHING REQUIREMENT. IF NOT APPLICABLE, PLEASE DELETE THIS ENTIRE MATCHING PARAGRAPH] **M** GRANTEE certifies that the following matching requirement, for the grant will be met by GRANTEE:

B. Terms of Payment

1. Payments shall be made by the STATE promptly after GRANTEE'S presentation of invoices for services performed and acceptance of such services by the STATE'S Authorized Representative pursuant to Clause VI. Invoices shall be submitted in a form prescribed by the STATE and according to the following schedule:

2. FEDERAL FUNDS [IF APPLICABLE] Payments are to be made from federal funds obtained by the STATE through Title _____ of the Act of _____ (Public law and amendments thereto.) If at any time such funds become unavailable, this grant agreement shall be terminated immediately upon

written notice of such fact by the STATE to the GRANTEE. In the event of such termination, GRANTEE shall be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

III. CONDITIONS OF PAYMENT All services provided by GRANTEE pursuant to this grant agreement shall be performed to the satisfaction of the STATE, as determined at the sole discretion of its Authorized Representative, and in accord with all applicable federal, state, and local laws, ordinances, rules and regulations. GRANTEE shall not receive payment for work found by the STATE to be unsatisfactory, or performed in violation of federal, state or local law, ordinance, rule or regulation.

IV. TERMS OF AGREEMENT This grant agreement shall be effective on _____, 20____, or upon the date that the final required signature is obtained by the STATE, pursuant to Minnesota Statute §16 Subdivision 2, whichever occurs later, and shall remain in effect until _____, 20____, or until the obligations set forth in this grant agreement have been satisfactorily fulfilled, whichever occurs first. GRANTEE understands that NO work should begin under this grant agreement until ALL required signatures have been obtained, and GRANTEE is notified to begin work by the STATE'S Authorized Representative. ←N & O

V. CANCELLATION

A. If the GRANTEE fails to comply with the provisions of this grant agreement, the STATE may terminate this grant agreement without prejudice to the right of the STATE to recover any money previously paid. The termination shall be effective five business days after the STATE mails, by certified mail, return receipt requested, written notice of termination to the GRANTEE at its last known address.

B. The STATE or GRANTEE may cancel this grant agreement at any time, with or without cause, upon thirty (30) days written notice to the other party.

VI. STATE'S AUTHORIZED REPRESENTATIVE The STATE'S Authorized Representative for the purposes of administration of this grant agreement is _____. The GRANTEE'S Authorized Representative shall have final authority for acceptance of GRANTEE'S services and if such services are accepted as satisfactory, shall so certify on each invoice submitted pursuant to Clause II, paragraph B. The GRANTEE'S Authorized Representative for purposes of administration of this grant agreement is _____. The GRANTEE'S authorized Representative shall have full authority to represent GRANTEE in its fulfillment of the terms, conditions and requirements of this grant agreement. ←P ←P

VII. ASSIGNMENT GRANTEE shall neither assign nor transfer any rights or obligations under this grant agreement without the prior written consent of the STATE.

VIII. AMENDMENTS Any amendments to this grant agreement shall be in writing, and will not be effective until it has been fully executed by the same parties who executed the original grant agreement, or their successors in office.

There are no more Common Error Reference Pages.

GRANT PAYMENTS

Invoice Process

Overview:

There are certain items Financial Management staff look for when processing an invoice. Knowing the process will help you submit invoices with all the necessary information and allow you to assist your grantees when they have issues regarding payments.

Objective:

Learners will know the process an invoice goes through when submitted for payment.

Procedure:

Process Steps:	Statute/Policy Sources:
<p>1. Financial Management will look for an approval of the invoice from someone at the program level. This involves four items:</p> <ul style="list-style-type: none"> • Grant manager’s signature • The date the invoice was approved • PO # from which to pay the invoice • Any notation that it is a “Final Invoice” if appropriate <p>If the invoice is missing any of the first three bullets above, Financial Management will not pay the invoice and will contact you for resolution.</p>	
<p>2. Financial Management will process the invoice within three to five business days and issue payment to the Minnesota Management and Budget (MMB).</p>	
<p>3. The MMB will issue the actual payment the next business day after MDH processes it.</p>	
<p>4. Grantees who are signed up for Electronic Fund Transfer (EFT) will see their payment in their accounts the same day MMB issues it.</p> <p>Grantees who do not utilize EFT, should receive a paper check within one to two weeks after MMB issues payment. If your grantee moves to a new location, Financial Management will need to be notified so that the new address information can be put into the system from which payments are generated and any checks can be mailed to the proper location.</p>	
<p>EFT is encouraged for all grantees. It eliminates paper checks, the opportunity for fraud, and shortens the time it takes for money to get into the grantee’s bank account. The EFT form must be returned to MMB, not MDH.</p> <p>Grantees who utilize EFT can check the following website to see when payment will arrive in their bank account. Payments appear on this website one business day before the funds will be in the grantee’s account. https://www2.mainserver.state.mn.us/vendorpmts/login.html</p>	

Invoice Approval

Overview:

Grantees will submit invoices on a regular schedule that should be defined in the grant agreement. Most common is the monthly or quarterly schedule of invoicing. Community Health Boards (CHB) frequently utilize the 1/12th option where payments equal to 1/12 of the award are made monthly without an invoice being submitted. This is only available to the CHB's. The schedule of some payments may be stated in legislation and that will supersede any other payment schedule.

Objective:

Learners will know what to look for on an invoice and either approve it or contact the grantee for more information so that it can be approved.

Procedure:

Process Steps:	Statute/Policy Sources:
1. Grantee submits invoice within time frame as defined in the grant agreement.	
2. MDH staff reviews the invoice and looks for: <ul style="list-style-type: none"> • Reasonable costs given the grantee's activities • Staffing changes • Equipment purchased • Indirect or Administrative Costs calculated correctly • Activities match the work plan • Unallowable costs not eligible for reimbursement • Reconciliation of any advances <p>If you find discrepancies in the calculations or unallowable costs, you will need to contact the grantee for a corrected invoice.</p> <p>One thing to keep in mind is that MDH cannot prepay expenses that go into the next State fiscal year with current State fiscal year funds. Nor can MDH prepay expenses that go past the end of the Federal grant budget period with current budget period Federal funds.</p>	
3. Assign the appropriate PO #(s), sign and date the invoice.	
4. Make a copy of the invoice for your files.	
5. Send original invoice to Financial Management for payment.	

Final Invoice

Overview:

Grant managers need to inform Financial Management when the very last invoice is submitted for a grant agreement that is ending or not being amended. This notification will trigger Financial Management staff to automatically un-encumber any remaining funds still encumbered in the particular PO# that is written on the invoice. See page 136 for more information on encumbering funds.

This simple notification eliminates the need for Financial Management staff to contact program staff at the end of the fiscal year to confirm that no more invoices will be submitted for the PO#. Financial Management staff will not release any funds unless the program confirms that all invoices have been submitted.

Objective:

Learners will know what to do when submitting the final invoice and the actions that will result in such notification.

Procedure:

Process Steps:	Statute/Policy Sources:
<p>1. When a grantee submits the very last invoice for a grant agreement period and that grant agreement is not going to be amended, the grant manager should write FINAL INVOICE across the top of the invoice. This should be written in a manner that Financial Management staff will notice it.</p>	
<p>2. Financial Management staff will pay the invoice and release any remaining funds in that particular PO# associated with that grant agreement.</p> <p>If the invoice is not marked as FINAL INVOICE, any remaining funds encumbered in that PO# will remain encumbered, regardless of the amount.</p>	
<p>3. Program staff does not need to take any further action.</p>	

Incorrect Payments

Overview:

There are times when a grantee will receive a payment for an amount that is different than the invoice that was submitted. Typically this is an easy fix needing just a few e-mails or phone calls to Financial Management.

The causes for incorrect payments can vary from a simple data entry error to more complex situations. For example, a grantee that has multiple grants with MDH, or with other state agencies, may submit their various invoices around the same time. [Minnesota Management and Budget](#) (MMB) may then combine those multiple invoice amounts into one payment with no notation that two invoices were paid in one lump sum.

Objective:

Learners will know who to contact and what to do if a grantee's payment is different than the submitted invoice amount.

Procedure:

Process Steps:	Statute/Policy Sources:
1. The grant manager should look in the grantee's file to confirm that an invoice was: <ul style="list-style-type: none"> • Received • Processed at the program level • Was for the proper amount • Verify that Financial Management received the invoice 	
2. The grant manager should obtain the Contracts & Grants Info report from Crystal Reports or FIS to confirm if a payment was issued from the State or not.	
3. The grant manager should notify Financial Management that there was a payment error. The grant manager will need the following information from the report obtained in Step #2: <ul style="list-style-type: none"> • Grantee name • PO# • The month/quarter of the invoice • Amount on invoice • Amount of payment actually received • Date of payment received • Payment voucher number from Crystal Report or FIS. 	
4. If the amount the grantee received was lower than the submitted invoice, the grantee may submit a supplemental invoice or add the difference onto the next invoice. If the amount that the grantee was	

<p>underpaid is a significant amount, the grantee can submit a supplemental invoice.</p> <p>If the grantee was overpaid, the difference can be deducted from the next invoice to reconcile the overpayment.</p>	
<p>5. Communications between Financial Management and the grant manager should continue until the situation is resolved. Corrections may take several days to a couple weeks depending on the circumstances involved.</p> <p>Steps for dealing with missing payments can be found on page 101.</p>	

Missing Payments

Overview:

Occasionally a grantee may not receive their payment. The reasons may be as simple as an invoice being lost in the mail to more complex situations. It is the goal of both the programs and Financial Management to pay grantees as promptly as possible.

Objective:

Learners will know what to do and who to contact to rectify missing payments.

Procedure:

Process Steps:	
<p>1. If a grantee contacts you to say they have not received an expected payment, first look in the grantee’s file to confirm that an invoice was:</p> <ul style="list-style-type: none"> • Received - if it wasn’t, have the grantee resend. • Processed at the program level – if it wasn’t, process and send to Financial Management. • Sent to Financial Management – if it wasn’t, send to Financial Management 	
<p>2. If it appears a payment was made by Minnesota Management and Budget (MMB) but the grantee has not received it, you should obtain the Grants and Contract Info report from Crystal Reports or FIS to gather the following data:</p> <ul style="list-style-type: none"> • date of payment • voucher number of payment in question 	
<p>3a. Grantees with EFT (direct deposit) who are missing a payment</p> <p>The grant manager should give the grantee the payment date and voucher number from the previous step. The Grantee will need to talk with their banking institution to track down the deposit.</p> <p>If it appears that no payment was ever issued from MMB, you should work with Financial Management to resubmit payment to MMB.</p>	<p>3b. Grantees without EFT who are missing a payment:</p> <p>Financial Management can request a “stop payment” on the issued check if it has been at least two weeks since the original check was issued. There are two scenarios that must be taken into consideration when knowing how to solve a missing payment for grantees that receive checks.</p> <p>If the address that the check was mailed to was incorrect, the grantee will need to:</p> <ol style="list-style-type: none"> 1. Obtain an affidavit form from Financial Management. 2. Complete the affidavit 3. Have the affidavit notarized 4. Return affidavit to Financial Management 5. Financial Management will request a new check be issued. This can take one to two weeks.

	<p>If the payment was issued in one state fiscal year (example: May 2008) but the grantee doesn't notify MDH that the payment is missing until the next fiscal year (example: July 2008) the grantee will need to:</p> <ol style="list-style-type: none">1. Obtain an affidavit form from Financial Management.2. Complete the affidavit3. Have the affidavit notarized4. Return affidavit to Financial Management5. Financial Management will request a new check be issued from MMB. This can take one to two weeks.
<p>EFT is encouraged for all grantees. It eliminates paper checks, the opportunity for fraud, and shortens the time it takes for money to get into the grantee's bank account.</p> <p>The EFT form must be returned to the MMB, not MDH:</p> <p>Grantees who utilize EFT can check the following website to see when payment will arrive in their bank account. Payments appear on this website one business day before the funds will be in the grantee's account. https://www2.mainserver.state.mn.us/vendorpmts/login.html</p> <p>Steps for dealing with incorrect payments can be found on page 99.</p>	

MONITORING THE GRANT

Risk Assessments

Overview:

[MDH Policy 215.03](#) requires that you evaluate a grantee’s chances of being successful with their grant using a Risk Assessment. This tool can help you monitor your grantee’s progress and discover areas with which your grantee may need technical assistance.

Objective:

Learners will know where to find the Risk Assessment tool and how to interpret its results.

Procedure:

Process Steps:	Statute/Policy Sources:
1. Complete the Risk Assessment form at to determine the level of risk for your grantee.	MDH Policy 238
2. Assess the results of the risk assessment. <ul style="list-style-type: none"> • If your grantee has a low or medium risk score, a monitoring visit to the grantee’s location is recommended, but not required. • If your grantee has a high risk score, a grant monitoring visit to the grantee’s location is required. See page 105 for more information on monitoring your grantee’s performance.	
3. Take correction action or provide technical assistance as appropriate.	
4. Maintain a copy of any risk assessment documentation in the grantee’s file.	

Monitoring Grantee Performance

Overview:

It is the responsibility of a grant manager to be aware of the performance of the grants that they manage throughout the grant period. Having a plan for evaluating a grant's performance will enable both the grantee and the grantor to make the most of evaluation information and to use it to improve performance.

Key components necessary to evaluate a grantee's performance on a grant are:

- The grant agreement
- Grantee financial reports
- Grantee progress reports
- Monitoring visit
- Invoices and requests for reimbursement
- Correspondence, emails and telephone calls concerning the grant

Objective:

Learners will be able to collect key information about a grant's performance throughout the grant period and use it to draw conclusions about the grant's impact.

Procedure:

Process Steps:	Statute/Policy Sources:
1. Familiarize yourself with the monitoring plan for your grant program. If one does not exist, discuss creating one with your supervisor and others on your team.	
2. Discuss the monitoring plan with the grantee so that they know what to expect.	
3. If a monitoring visit is required for your grant, determine when and how the visit will take place. Although you do not have to formalize a date, it's a good idea to let the grantee know when, in general, they can expect the monitoring visit to take place.	MDH Policy 238
4. Make notes of conversations that you have with the grantee and keep copies of correspondence so that you have a record of how the grant is progressing and any problems or issues that arise.	
5. Closely review progress and financial reports as soon as you receive them. If you have questions or concerns, discuss them with the grantee right away. Make notes of your conversations.	MDH Policy 215
6. If you are conducting a monitoring visit, send the grantee a written notice, allowing at least two weeks of lead time. Identify the people that you would like to meet with. Before the visit, review the grant file and	

prepare questions that you'd like to ask.	
7. During and after the monitoring visit, make notes of what you learned. After the visit, document your findings and share them with the grantee.	
8. Review the results of the financial reconciliation that was completed for this grant. Are the expenditures all documented appropriately?	MDH Policy 215
9. If at any time during the grant period, you become concerned that the grantee is not on track to reach their outcome goals, it is your responsibility to bring your concern to their attention and to work with them to create a plan to address the issue. You will need to decide how to communicate your concern to the grantee; the severity of the situation will determine the formality of your approach. Discuss the situation with your supervisor and the rest of your grant team to ensure that your reaction is consistent with how others on your team would respond and in keeping with any federal regulations.	
9. When the grant period has ended, compile all of the information that you have to assess the overall performance of the grant. To what extent were the outcomes met? Were the terms of the grant agreement met? Were the grant funds well-managed? Prepare your closeout evaluation of the grant.	MDH Policy 238.01

Monitoring Grantee Expenditures

Overview:

It is important to monitor a grantee's spending to watch for overspending and/or underspending. It is equally important to monitor which funds are being spent to ensure that the oldest money is being spent first. Using Crystal Reports and spreadsheets can help you monitor your grantee's expenditures.

Objective:

Learners will know how to use financial information and spreadsheets to ensure that their grantees spend their funds at a reasonable rate and in a timely manner.

Procedure:

Process Steps:

CRYSTAL REPORTS

A Crystal Report that can be helpful when monitoring spending is the Contract and Grants Information report. This report shows you:

- how much money has been encumbered for that PO#
- the amount of each payment made
- the date the payments were made
- what fiscal year the payment was made in
- which org# the payments came from
- how much is left to be paid

This report can be run for as many PO#'s as you need. Each PO# will generate its own report; they are not combined. You should obtain this report on a regular basis depending on how often grantee submits invoices. If your grantee invoices monthly, you should get this report monthly.

In the Contract and Grants Information report you can look to see how much has been spent to date and how much is left to be spent. Using that information along with how far along in the grant period the grantee is will tell you if spending is on track or not. If only one quarter has passed and the grantee has spent over half their funds already, this could indicate overspending and you should talk to the grantee about it.

If your grantee is nine months into their 12 month grant period and they still have over 50% of their funds left, this would indicate underspending and you should talk to the grantee about it.

As you progress through the grant period it is advisable to communicate the grantee's remaining balance to them. That gives them an opportunity to see if their records match yours and also lets them know that you are paying attention. It also helps to keep them informed so when you reach the end of the grant period, there won't be any surprises.

For example, you could let the grantee know that they have X amount of

months to spend Y amount of dollars. This is especially important if the grantee has funds that will expire during or at the end of their grant period.

If you are tracking federal funds, it will be helpful for you to know the beginning and ending dates of the [Federal Reporting Categories](#) (FRC) your funds are under.

ALWAYS SPEND THE OLDEST MONEY FIRST!

If you aren't sure which of your federal funds are the oldest and should be spent first, please check with your program's budget person, or contact your federal grants contact person in Financial Management for assistance.

If you aren't sure which of your state funds are the oldest and should be spent first, please check with your programs budget person, or Financial Management for assistance.

SPREADSHEETS

Another way to monitor expenses is to set up a spreadsheet and enter the information from the invoices that you receive. Be sure to check with your budget person to see if they already have a spreadsheet you could copy.

You can use simple mathematical formulas in Excel to track the totals spent, the amount remaining in the grant and the percentage of funds spent compared to the percentage of time left in the grant period. If you aren't proficient in Excel you can sign up for free classes through the [MDH Training and Development](#).

It is suggested that you compare the entries into any Excel spreadsheet against the Contracts & Grants Information report to make sure the payment information matches.

A sample of a [12 month grant cycle spreadsheet](#) is available on the MDH Intranet.

Another spreadsheet that will show more in depth information on a grantee is a [ratio worksheet](#) based on a training conducted by Nonprofits Assistance Fund. This worksheet is on the MDH Intranet and requires information from a grantee's Income Statement/Statement of Activities, Balance Sheet, and Statement of Functional Expenses.

Progress Reports

Overview:

In order to be able to monitor a grantee’s progress, grantees are required to submit written progress reports at least annually, or as specified in the grant agreement, until all funds are expended and all the terms of the agreement are met. Progress reports will help you monitor your grantee’s progress and may help you discover areas where your grantee may need technical assistance.

Objective:

Learners will know what is required in the progress reports and be able to monitor grantee activities through the progress reports.

Procedure:

Process Steps:	Statute/Policy Sources:
1. All reporting requirements must be listed in detail in the grant agreement. The information that should be covered in the progress reports includes, but is not limited to: <ul style="list-style-type: none"> • Goals and objectives • Grant activities for a given period • Successes and challenges the grantee has faced in completing their activities • Lessons learned • Financial information 	MDH 215
2. The grantee will submit the progress reports by the established deadlines in the grant agreement.	
3. MDH staff review the progress reports in a timely manner and respond to the grantee with any questions or concerns, and to let the grantee know that you’ve read their report.	
4. No payments/invoices are to be made to any grantee that is late in submitting their progress report unless you have given them a written extension.	
5. Keep all documentation about progress reports in the grantee’s files.	MDH Policy 238

Crystal Reports

Overview:

Crystal Reports is the software that MDH and many other state agencies use for their financial reporting. The data is accurate as of close of business the previous day.

Most MDH staff utilizes what is called Compiled Crystal Reports. This is a large set of pre-made financial reports and does not allow for creating your own report. The information a grant manager will need to monitor their grantee's budgets can be found in one or more of these pre-made reports.

Objective:

Learners will know how to get Crystal Reports installed on their computer and what reports to use for monitoring their grantee's budgets.

Procedure:

Process Steps:	Statute/Policy Sources:
1. Submit an ISTM Helpdesk request to have Crystal Reports installed on your computer.	
2. Currently there is no MDH staff person designated for training users on crystal reports. If you are having trouble understanding a Crystal report and you're working with federal funds, please feel free to contact your Federal Grants staff person.	

Some of the more useful reports for grant managers are:

Category 1. Basic Reports for a State Year Org – **These reports are for State funds**

- All-In-One Report for a state year org: This shows you how state funds were budgeted, encumbered, expended, amount remaining and the percentage spent and all the details of every transaction for the org # you specify.
- Budget (MFR [Managers Financial Report]) for state year org: This shows you how state funds were budgeted, encumbered, expended, amount remaining and the percentage spent for the org# that you specify. This report does not show you any details of any transactions.
- Expenditures for a state year org: This shows you only the expenditures of state funds that have occurred for the org #'s you specify.
- Open PO's for a state year org: This shows you only the PO's that are open for state funds in the org # that you specify.

Category 2. Basic Reports for a Reporting Category – **These reports are for Federal funds**

- All-in-One Report for Rep Category: This shows you how federal funds were budgeted, encumbered, expended, amounts remaining and the percentage spent and all the details of every transaction for the org# you specify.
- Budget (MFR) for Rep Category: This shows you how federal funds were budgeted, encumbered, expended, amounts remaining and the percentage spent for the org # that you specify. This report does not show you any details of any transactions.
- Open & Closed PO's for Rep Category: This shows you only the open and closed PO's for the federal funds in the org # you specify.

Category 3. Purchase Orders, Reqs, Grants & Contracts.

- Contract & Grants Info: This shows you details of the transactions that have occurred for the PO#'s you specify. If your grantee has more than one PO#, be sure to run this report for all PO#'s so that you can verify that the oldest money is being, or has been spent first.
- **CAUTION:** Expenditure Corrections are not reflected on this report and therefore the PO# will appear to be over-encumbered.
- **CAUTION:** If old money has been lost due to not being used in time, it will not be reflected in this report and the PO# may appear to be over-encumbered.

Subgranting

Overview:

Sometimes MDH grantees subgrant with another organization to perform part of the grantees duties. The work that the other organization is doing meets the definition of a grant, thus it's subgranting. There is currently no MDH policy or language in the grant agreement template about subgranting so the information provided here should be considered best practices.

At a minimum, grant managers should be aware of a grantee's intent to subgrant and other relevant information (see Step #1 below). Aside from that, each MDH program can determine the extent to which they want to be involved in their grantee's subgranting process. Any involvement or requirements by the program in subgranting should be stated clearly in the grant agreement language.

The grantee is responsible for holding any subgrantee to the same standards required of the grantee. The restrictions that grantee's have with state and federal money flows down to the subgrantee level.

Objective:

Learners will know the process and best practices for when grantees intend to subgrant.

Procedure:

Process Steps:	Statute/Policy Sources:
<p>1. Any grantee that intends to subgrant should submit a written notification to MDH at least ten working days prior to the subgrant start date and include the following specifics:</p> <ul style="list-style-type: none"> • Who the subgrant will be • The amount of the subgrant • The dates of the subgrant • The rationale for subgranting • How the grantee is going to monitor the subgrantee • What duties the subgrantee will be performing <p>This information can be in the form of an email or grantees can use the Grantee Notice of Intent to Subcontract form which can be found on page 116.</p>	
<p>2. The Grant Manager will review the notification.</p> <p>a. If the grant agreement did not contain language that requires the grantee to obtain prior written permission to subgrant, then the grant manager will remind the grantee that they are responsible for holding any subgrantee to the same standards required of the grantee and then file the notification in the grantee's file.</p>	

<p>b. If the grant agreement does contain language that requires the grantee to obtain prior written consent to subgrant, then the grant manager has the option to approve, approve with restrictions, deny the request or ask for additional information if a decision is pending.</p> <p>The grant manager will:</p> <ul style="list-style-type: none">• Notify the grantee of the final decision• Remind the grantee that they are responsible for holding any subgrantee to the same standards required of the grantee• File all documentation regarding the notification to subgrant in the grantee's file.	
--	--

Subcontracting

Overview:

Sometimes MDH grantees subcontract with another organization to perform part of the grants duties. The other organization is doing work for the grantee and getting paid for that work. It meets the definition of a contract, thus it's subcontracting. There is currently no MDH policy or language in the grant agreement template about subcontracting so the information provided here should be considered best practices.

At a minimum, grant managers should be aware of a grantee's intent to subcontract and other relevant information (see Step #1 below). Aside from that, each MDH program can determine the extent to which they want to be involved in their grantee's subcontracting process. Any involvement or requirements by the program in subcontracting should be stated clearly in the grant agreement language.

The grantee is responsible for holding any subcontractor to the same standards required of the grantee. The restrictions that grantee's have with state and federal money flows down to the subcontractor level.

Objective:

Learners will know the process and best practices for when grantees intend to subcontract.

Procedure:

Process Steps:	Statute/Policy Sources:
<p>1. Any grantee that intends to subcontract should submit a written notification to MDH at least ten working days prior to the subcontract start date and include the following specifics:</p> <ul style="list-style-type: none"> • Who the subcontract will be • The amount of the subcontract • The dates of the subcontract • The rationale for subcontracting • How the grantee is going to monitor the subcontractor • What duties the subcontractor will be performing <p>This information can be in the form of an email or grantees can use the Grantee Notice of Intent to Subcontract form which can be found on page 116.</p>	
<p>2. Grant Manager will review the notification.</p> <p>c. If the grant agreement did not contain language that requires the grantee to obtain prior written permission to subcontract, then the grant manager will remind the grantee that they are responsible for holding any subcontractor to the same standards required of the grantee and then file the notification in the grantee's file.</p>	

<p>d. If the grant agreement does contain language that requires the grantee to obtain prior written consent to subcontract, then the grant manager has the option to approve, approve with restrictions, deny the request or ask for additional information if a decision is pending.</p> <p>The grant manager will:</p> <ul style="list-style-type: none">• Notify the grantee of the final decision• Remind the grantee that they are responsible for holding any subcontractor to the same standards required of the grantee• File all documentation regarding the notification to subcontract in the grantee's file.	
---	--



Grantee Notice of Intent to Subgrant/Subcontract

This form must be submitted to **[INSERT MDH PROGRAM NAME/MDH CONTACT PERSON]** a minimum of 10 working days prior to subgrant/subcontract start date. If the subgrantee/subcontractor is not known at this time, the GRANTEE must provide the MDH the subgrantee/subcontractor name and address in writing at the time the subgrant/subcontract is awarded.

*****The GRANTEE is responsible for holding any subgrantee/subcontractor to the same standards required of the GRANTEE.*****

Grantee Information

Grantee Agency Name	
Grantee Phone	
Grantee Address	
MDH PO#	

Subcontractor Information

Subgrantee/subcontractor Name			
Subgrantee/subcontractor Address			
Total Subgrant/subcontract \$			
Subgrant/subcontract Start Date:		Subgrant/subcontract End Date:	
List the <u>each specific</u> grant duty <u>by number</u> that the grantee intends to obtain outside-professional or technical assistance in fulfilling.			
Provide the rationale for subgranting/subcontracting.			
Explain the process that will be used to monitor the subgrantee's/subcontractor's progress in accomplishing the grant duties within grant deadlines.			
Other factors grantee considered in determining the need to obtain outside professional or technical assistance. <i>(For example: hiring freeze, medical leave, short term project or other special circumstances)</i>			

Certification: This Notice of Intent to Subgrant/subcontract reflects the Grantee Agency's intended use of grant funds received under **[LIST GRANT NAME, CFDA # and/or MN STATUTE]** for the grant period of XX/XX/XX-XX/XX/XX.

Authorized Official	Name (please print)	Title (please print)
Authorized Signature		
Date		

This box should only be used if there is language in the grant agreement that requires the grantee to obtain written consent to subgrant/subcontract from the State.

MDH Grant Management	
<input type="checkbox"/> Approved <input type="checkbox"/> Pending	<input type="checkbox"/> Approved <u>with restriction</u> <input type="checkbox"/> Denied
Grant Manager: _____	Date: _____

If You Suspect Grant Funds Are Being Mismanaged

Overview:

Throughout the course of grants management duties, you may suspect or receive allegations from a third party that grant funds are being mismanaged. If you suspect that grant funds are being mismanaged, understanding your responsibilities and potential actions as a grant manager will help you deal with the situation as quickly, directly and fairly as possible. Because instances of potential financial mismanagement are always unique situations; you will need to seek your supervisor's input and guidance frequently.

Objective:

Learners will be able to investigate suspected grant funds mismanagement quickly, competently and fairly.

Procedure:

Process Steps:	Statute/Policy Sources:
1. When you suspect that grant funds are not being managed in compliance with grant requirements; it is important to discuss the situation with the grantee as soon as possible. Relay your questions and concerns in writing in an objective, non-accusatory manner. Ask the grantee to address the concerns in writing.	
2. If the grantee's response to your questions is satisfactory and assures you that the grant funds are being properly managed, there is nothing left to do. A satisfactory response to this type of concern will typically require some sort of documentation.	
3. If, after hearing the grantee's response you continue to have concerns, you should do a financial reconciliation for part of the grant period or a full financial audit of the grant. The amount of money in question, the amount of time involved and the seriousness of the situation will help you determine which approach to use. Please contact the review analyst in financial management to help with or conduct the financial reconciliation.	
4. Before doing the financial reconciliation, give the grantee ample written notice and a list of the documents that you will review so that they can be prepared for your visit.	
5. If you find evidence of financial mismanagement it is important to make your supervisor and appropriate financial management staff aware of the situation. This will ensure the best decision-making and coordinated action. Once you have reason to believe that there is financial mismanagement of the grant, there are two options for next steps:	

<p>a) You can put the grantee on a corrective action plan and hold subsequent invoices for payment until the issue is resolved, or b) You can terminate the grant.</p> <p>The decision will depend on the severity of the situation, the amount of money involved, and the grantee's reaction to the situation. Whatever option you choose, the grantee must pay back any funds that were not used in compliance with the grant agreement.</p>	
<p>6. After you have completed the financial reconciliation, send the grantee a letter outlining your findings, as well as next steps.</p>	
<p>7. If the grantee is required to reimburse the State, financial management will take steps to recover the money.</p>	
<p>8. Make sure that all documentation is kept in the grant file.</p>	

Grant Manager Resources and Tools

Overview:

MDH has a variety of tools available to grant managers. They may be in the form of policies, procedures, or forms.

Objective:

Learners will be able to find the various tools available to MDH grant managers easily and will be able to use them effectively.

Listed in no particular order
Grant Agreement Templates http://fyi.health.state.mn.us/fadmin/forms/index.html#G
Grant Agreement Cover Memo http://fyi.health.state.mn.us/fadmin/forms/word/grantcovermemo.doc
Accounting System and Financial Capability Questionnaire http://fyi.health.state.mn.us/fadmin/forms/word/acctsysfincapa.doc
Conflict of Interest Form http://www.admin.state.mn.us/documents/Grants_conflict_of_interest_disclosure_form.pdf
Internet Information for Grants and Loans http://fyi.health.state.mn.us/fadmin/forms/word/grantloaninfo.doc
Grant Application Score Sheet http://fyi.health.state.mn.us/fadmin/forms/word/grantscore.doc
<u>MDH Policy 215</u> - Grant Agreements with Local Agencies http://fyi.health.state.mn.us/policies/policy.cfm?policy=215.02
MDH Policy 212 - Grant Applications – Applying for Non-State funds http://fyi.health.state.mn.us/policies/policy.cfm?policy=212.05
MDH Policy 238 – Grantee Monitoring http://fyi.health.state.mn.us/policies/policy.cfm?policy=238.01

<p>Office of Grants Management Policies</p> <p>http://www.admin.state.mn.us/ogm_policies_and_statute.html</p>
<p>Master Grant Contract Numbers</p> <p>http://fyi.health.state.mn.us/fadmin/grants/chbmastergrantagreenum.xls</p>
<p>Single Source Justification Form</p> <p>http://www.admin.state.mn.us/documents/grants_single_source_justification_form.doc</p>
<p>OMB Circulars (for Federal funds)</p> <p>http://www.whitehouse.gov/omb/circulars/</p>
<p>Grant Policy Exception Form for Admin</p> <p>http://www.admin.state.mn.us/documents/grants_grant_program_exception_request_form.doc</p>
<p>16A.15/16C.05 form (a.k.a. Late Letter)</p> <p>http://www.mmd.admin.state.mn.us/doc/16a16cmemo.doc</p>
<p>Excel Spreadsheets – take a class if you’re not skilled in Excel already. It will help you manage your grantee’s budgets.</p> <p>MDH Training & Development Office: http://fyi.health.state.mn.us/fadmin/hrm/training/registration/bulletin.cfm</p>
<p>Single Audit Information:</p> <p>http://www.whitehouse.gov/omb/circulars/a133/a133.pdf</p> <p>MDH Single Audit Policy http://fyi.health.state.mn.us/policies/policy.cfm?policy=202.02</p>

If you have any other suggestions for this page, please contact the MDH Grant Coordinator at 651-201-5235.

Grantee Resources

Overview:

There are times when grantees will ask their grant manager for assistance that MDH cannot provide. This page gives grant managers information that they can pass on to their grantees.

Objective:

Learners will have a list of resources they can refer to when trying to assist a grantee.

<p>The Chronicle of Philanthropy www.philanthropy.com 1255 23rd St. N.W., Suite 700 Washington, D.C. 20037 Phone: 202-466-1200 Email: help@philanthropy.com</p>	<p>The Chronicle of Philanthropy is the newspaper of the nonprofit world. It is the No. 1 news source, in print and online, for charity leaders, fund raisers, grant makers, and other people involved in the philanthropic enterprise.</p>
<p>Council on Foundations www.cof.org 2121 Crystal Drive, Suite 700 Arlington, VA 22202 Phone: 703-879-0600 Email: Xchange@cof.org.</p>	<p>The Council on Foundations is a Washington, DC, area-based nonprofit membership association of more than 2,100 grantmaking foundations and corporations. The assets of Council members total more than \$307 billion. As the voice of philanthropy, the Council works to create an environment in which the movement can grow and thrive, and to provide Council members with the products and services they need to do their best work.</p>
<p>Fieldstone Alliance http://www.fieldstonealliance.org 60 Plato Boulevard East, Suite 150 St. Paul, MN 55107 Phone: 651-556-4500 Fax: 651-556-4517</p>	<p>Fieldstone Alliance provides consulting, publishing, training, and research and demonstration projects that help nonprofits, funders, networks, and communities achieve greater impact.</p> <p>They help organizations, collaborations, networks, and other joint efforts become more effective and increase impact. Customers include grant makers and grant making affinity groups, large-scale initiatives, intermediaries, networks, associations, and collaboratives.</p>

<p>Foundation Center www.foundationcenter.org 79 Fifth Avenue/16th Street New York, NY 10003-3076 Phone: 212-620-4230 Fax: 212-807-3677</p>	<p>Foundation Center is the nation's leading authority on philanthropy, connecting nonprofits and the grant makers supporting them with tools they can use and information they can trust. The Center maintains the most comprehensive database on U.S. grant makers and their grants. It also operates research, education, and training programs designed to advance philanthropy at every level.</p>
<p>MAP for Non-Profits http://www.mapfornonprofits.com/ 2314 University Avenue West, Suite 28 St. Paul, MN 55114 651-647-1216</p>	<p>MAP is a 'management service' organization that provides service and consulting to other nonprofits. Their mission is to provide critical management consulting services that significantly enhance the abilities of nonprofit organizations to increase their community impact. Each year, MAP helps more than 500 nonprofit organizations.</p>
<p>McKnight Foundation Nonprofit Management Toolkit http://www.mcknight.org/resources/toolkit.aspx 710 South Second Street, Suite 400 Minneapolis, MN 55401 Phone: 612-333-4220 Fax: 612-333-3833</p>	<p>The McKnight Foundation seeks to improve the quality of life for present and future generations through grant making, coalition-building, and encouragement of strategic policy reform. The Foundation makes grants in support of children and families, the arts, the environment, region and communities, and select international and scientific research efforts. For more than 50 years, its primary geographic focus has been the state of Minnesota.</p> <p>The tool kit has a variety of selected online resources in nonprofit management, linked by topic area.</p>
<p>Metropolitan Alliance for Connected Communities (MACC) http://www.maccalliance.org 414 South Eighth Street Minneapolis, MN 55404-1081 612-339-9101 - phone</p>	<p>MACC is a strategic partnership of now 27 community organizations that have joined together to leverage their collective resources and voice. MACC's unique alliance honors the individual identities and histories of its member agencies and forges innovative partnerships among members and with</p>

	<p>nonmember agencies, businesses and leaders. MACC members share the goals of serving individuals, families and various communities that are defining the future.</p>
<p>Minnesota Council on Foundations www.mcf.org 100 Portland Avenue South, Suite 225 Minneapolis, MN 55401-2575 Phone: 612-338-1989 Fax: 612-337-5089 Email: info@mcf.org</p>	<p>A community of grant makers that works actively to strengthen and expand philanthropy and improve the vitality and health of our communities. The Council is a regional membership association of family and private foundations, community and other public foundations, and corporate foundations and giving programs.</p>
<p>Minnesota Council of Non-Profits http://www.mncn.org/ 2314 University Ave. #20 St. Paul, MN 55114 Phone: 651-642-1904 Fax: 651-642-1517 Greater MN: 1-800-289-1904 Email: info@mncn.org</p>	<p>The Minnesota Council of Nonprofits was founded in 1987 to meet the increasing information needs of nonprofits and to convene nonprofits to address issues facing the sector. MCN is the statewide association of more than 1,850 member nonprofit organizations. Through its Web site, resource publications, workshops and events, cost-saving programs and advocacy, MCN continually works to inform, promote, connect and strengthen individual nonprofits and the nonprofit sector.</p>
<p>Minnesota Non-Profit Assistance Fund http://www.nonprofitsassistancefund.org/ 2801 21st Avenue South, Suite 210 Minneapolis, MN 55407 Phone: 612-278-7180 Fax: 612-278-7181</p>	<p>Nonprofits Assistance Fund is a national pioneer in the area of lending to nonprofits and is a premier financial management resource for the nonprofit community. Their mission is to foster community development and vitality by building financially healthy nonprofit organizations.</p>
<p>Neighborhood Health Care Network – for clinics only http://www.nhcn.org 2610 University Avenue West, Suite 400 St. Paul, MN 55114 (651) 644-6555 – phone (651) 649-0725 – fax</p>	<p>The Neighborhood Health Care Network is a shared management services organization that supports community health clinics in serving economically and ethnically diverse populations in the Minneapolis-St. Paul metropolitan area. By working together member clinics have access to more of the</p>

<p>Email: info@nhcn.org</p>	<p>financial resources, services and technology they need to provide high-quality care to more people.</p>
<p>Non Profit Finance Fund (NFF) http://www.nonprofitfinancefund.org/ 70 West 36th Street, 11th Floor New York, NY 10018 Phone: 212-868-6710 Fax: 212-268-8653 Email: NY@nffusa.org</p>	<p>Nonprofit Finance Fund (NFF) is a national leader in financing nonprofits, strengthening their financial health and improving their capacity to serve their communities. NFF serves both nonprofits and their funders, offering an integrated package of financial and advisory services, including facilities and working capital loans and lines of credit; asset-building programs; intensive workshops; Nonprofit Business Analyses, and other consultations to help nonprofit management understand the impact on their finances of management and program decisions.</p>
<p>Non Profit Management Library Free Management Library http://managementhelp.org/</p>	<p>The Library provides easy-to-access, clutter-free, comprehensive resources regarding the leadership and management of yourself, other individuals, groups and organizations. Content is relevant to the vast majority of people, whether they are in large or small for-profit or nonprofit organizations. Over the past 10 years, the Library has grown to be one of the world's largest well-organized collections of these types of resources.</p>
<p>Office of Grants Management Kristin Batson, Director Minnesota Department of Administration 50 Sherburne Avenue St. Paul, MN 55155 651-201-2525 http://www.admin.state.mn.us/ogm.html</p>	<p>The mission of the Office of Grants Management (OGM) is to standardize, streamline and improve state grant making practices and to increase public information about state grant opportunities. Information and resources available on this website for state employees involved in grant making.</p>
<p>OMB Circulars http://www.whitehouse.gov/omb/circulars/</p>	<p>The three main circulars that MDH grant staff should be aware of are:</p> <p>OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments</p>

	<p>OMB Circular A-102, Grants and Cooperative Agreements With State and Local Governments</p> <p>OMB Circular A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations</p> <p>OMB Circular A-122, Cost Principles for Non-Profit Organization</p> <p>OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations</p>
<p>University of St. Thomas Center for Nonprofit Management http://www.stthomas.edu/business/centers/nonprofit/default.html Terrance Murphy Hall 153 1000 LaSalle Avenue Minneapolis, MN 55402 Phone: 651-962-4300 cbe@stthomas.edu</p>	<p>The Center for Nonprofit Management develops and provides leadership and management resources and services to help nonprofits achieve higher impact.</p> <p>The Center's key strategic focus areas are to:</p> <ul style="list-style-type: none"> ○ Expand signature programs in leadership and management throughout Minnesota and selected regions of the country ○ Provide research grants on impact measures, alternative nonprofit financial models, and cross sector governance and leadership ○ Convene forums to share research and develop knowledge ○ Promote "leadership investment philanthropy"

If you have other suggestions for this page, please contact the MDH Grant Coordinator at 651-201-5235.

Grantee File Contents

Overview:

Proper documentation of grant activities is essential and beneficial to all parties if a program is audited. Items that are essential to building a complete file include the grant agreement and all amendments, invoices, progress reports, risk assessment, site visit documentation, budgets and any revisions, work plan and any revisions, communications regarding grant activities, materials developed for project use such as brochures, posters, and any grant closeout documentation.

Financial Management uses the [General Records Retention Schedule](#) that the [Minnesota Management and Budget](#) (MMB) created which states records pertaining to grant agreements must be retained for six (6) years after the expiration date of the grant. Programs are encouraged to keep records pertaining to grant agreements for at least the same time as Financial Management.

Objective:

Learners will be able to include all the pertinent documents in the grantee files for the recommended amount of time.

Procedure:

Process Steps:	Statute/Policy Sources:
1. Review the appropriate records retention schedule and determine what documents are required by the schedule to be included.	Program specific records retention schedule
2. Determine any additional documents that should be retained in the grantee’s file. <i>It is recommended that all documents be in paper format and not on electronic storage media for record retention purposes.</i> At a minimum the file should include: <ul style="list-style-type: none"> • Grant agreement • All amendments • Copies of all invoices • All progress reports • All site visit documentation • Any risk analysis conducted • The work plan and any requested and/or approved revisions • The grantee’s budget and any revisions requested and /or approved • Any items that were required in the Grantee’s Duties section of the grant agreement • Any sub-grants the grantee executed • Award letters 	MDH Policy 238

<ul style="list-style-type: none"> • Any Institutional Review Board documents, if applicable • Any other documents required by the federal awarding agency • Copy of application, if appropriate • Any correspondence regarding the grantee and any grant activities • Crystal Reports / FIS reports • Grant Closeout information on Grantee’s performance that should be considered for future funding requests. 	
<p>3. Obtain copies of any missing items and place in file.</p> <ul style="list-style-type: none"> • Copies of invoices, grant agreement, and amendments may be obtained from Financial Management. • Consult with the grantee for any copies they may be able to provide for the files. 	
<p>4. Be sure to secure any confidential or identifying information according to the program’s records retention schedule and Minnesota Data Practices Act so that data security is not compromised. Visit the MDH Records Management Policy and Procedures for more information.</p>	
<p>5. Once the file has all materials, the file is complete. Notify your records retention person that the file is ready for retention.</p>	

Terminating a Grant Agreement

Overview:

From time to time, the State will need to terminate a grant agreement before it has expired. Understanding grant termination issues and procedures for terminating a grant will help you take action more confidently when these infrequent situations arise.

State grant agreements specify that the State may cancel a grant agreement at any time, with or without cause, upon 30 days' written notice to the grantee. Upon termination, the grantee is entitled to payment, determined on a pro rata basis, for services satisfactorily performed. The State is also entitled to repayment by the grantee of any unspent grant funds.

Objective:

Learners will be able to recognize instances in which a grant should be terminated and will have an understanding of process steps.

Procedure:

Process Steps:	Statute/Policy Sources:
<p>Common reasons for terminating a grant include, but are not limited to:</p> <ol style="list-style-type: none"> 1. The grantee has materially failed to comply with the terms and conditions of the grant agreement. 2. The State made a decision to award a grant based on information in the grant application that is incorrect or untrue. 3. The State and the grantee mutually agree to terminate the grant. 4. The funding for the grant program has been reduced or terminated. 5. The grantee decides to terminate the grant. 6. The State has other reasonable cause. 	
<p>1. The first step in the grant termination process is to discuss the issue with your supervisor and team members. This will ensure that the decision to terminate this grant is consistent with similar decisions made by your grant program.</p>	
<p>2. Whenever possible, the decision to terminate a grant should not come as a surprise to the grantee. The issues precipitating the termination of the grant should be discussed with the grantee before any action is taken and the grantee should know that grant termination is a possibility.</p>	
<p>3. Once the decision to terminate the grant has been made, the State must provide the grantee 30 days' written notice that the grant is being terminated. If possible, the reason for termination and the end date for the grant should be clearly identified in the written notice.</p> <p>In the written notice to the grantee, they should be informed that they are</p>	

<p>entitled to payment, determined on a pro rata basis, for all services satisfactorily performed through the grant's end date.</p> <p>If the grantee retains a balance of unspent advanced grant funds after the grant period has ended, they should be informed that they must be repay the funds to the State before the grant is closed.</p> <p>A copy of the written notice should remain in the grant file and another copy of the cancellation letter should be sent to Financial Management for their files.</p>	
<p>4. Once the termination date has passed, state agency staff should work with the grantee to ensure that final payment is made and that the grant is closed out as quickly as possible.</p>	
<p>5. Ensure that all necessary documentation is included in the grantee file.</p>	

**FINANCIAL
MANAGEMENT
INFORMATION**

Federal Fiscal Years

Overview:

A fiscal year is a 12-month period over which an entity budgets its spending. The federal fiscal year is October 1 of any given year, to September 30 of the next year, though there can be different project periods and budget periods within that fiscal year.

Project period: the amount of time during which the federal program is occurring. This can be anywhere from one to five years or longer. With each new project period a competitive application is usually required by the Federal agency awarding the funds.

Budget period: This is usually a twelve-month time period within a project period for which MDH programs submit a non-competitive application and budget. Carryover may be allowed between budget periods depending on the Federal agency that awarded the funds, but carryover is never allowed in the last budget period of a project period. Each budget period will have its own federal reporting category. **NOTE: The federal agency awarding the funds may sometimes extend a budget period instead of starting a new one in which case the Federal Reporting Category (FRC) would remain the same.**

Objective:

Learners will have an understanding of what a federal fiscal year is and the implications of a federal fiscal year and budget period on a grantee's federal funds.

Any federal funds that MDH receives must:

- Be encumbered within the budget period or it will go back to the federal agency at the end of the budget period.
- Have a reasonable expectation of delivery of the product by the end of the budget period or shortly after. If the budget period is also the end of the project period, then the time to encumber and spend the funds is more restrictive. Always work with your programs [federal grant staff](#) person in Financial Management.

After federal funds are encumbered, there are a variety of situations that dictate how much more time the program/grantee has to actually spend the funds.

- These situations depend on which federal agency awarded the funds
- Whether or not it is the last year of a project period.
- An exception may be when a program requests to carryover all or part of the remaining federal funds to the next fiscal year funds.

A program/grantee could lose funds if the encumbering is not done and the spending is not done within the appropriate timeline. Grant managers and program budget staff who assign the PO#s on invoices will need to keep this in mind so that this does not happen.

Always spend the oldest money first

- Use the Grants and Contract Information report in Crystal Reports to see what funds a grantee has left to spend for a particular PO#.

- If a grantee has more than one PO# assigned to them, be sure to run the report for each PO# so you can see all the funds for that grantee.
- Federal Reporting Categories (FRC's) are assigned to specific federal years so knowing which FRC's corresponds with which year will help you determine which money is oldest.

You can also run an “All-In-One” report for a reporting category to find any outstanding encumbrances that might need to be spent. Always be sure to check previous fiscal years in addition to the current fiscal year to see all funds that are encumbered for your grantees.

Financial Management is available to assist grant managers in monitoring the funds, but it is the responsibility of each program to make sure the funds are spent appropriately.

State Fiscal Year (SFY)

Overview:

Minnesota's state fiscal year is July 1 of any given year to June 30 of the next year. Any funds that are State funds are on this fiscal year, regardless of when they are actually granted or disbursed. There are no variations in funding years with state funds like there can be with federal funds. State fiscal years are named for the year they end in. Example SFY08 ended June 30, 2008.

Objective:

Learners will have an understanding of what a state fiscal year is and when it occurs. They will also know the implications of a State fiscal year on a grantee's state funds.

Once State funds are encumbered in the fiscal year, there are a variety of situations that dictate how much more time the program/grantee has to actually spend the funds. These situations depend on what type of appropriation the funds are in and what part of the biennium budget we are in. See page 137 for more information on Appropriations and page 138 for more information on Biennium Budget Year.

Funds that remain unencumbered throughout the fiscal year in which they were issued are assumed to be not needed and can be, and have been, taken away from programs if the State is facing a budget short fall.

A program/grantee could lose funds if the encumbering and spending are not monitored and done within the appropriate timeline. Grant managers and other budget staff who assign the PO#s to invoices will need to know when funds are no longer available for encumbering and/or spending so that this does not happen.

One important phrase to remember is “**Always spend the oldest money first.**” This will help to prevent the loss of funds. Using the Grants and Contract Information report in Crystal Reports can show you what funds a grantee has left to spend for a particular PO#. If a grantee has more than one PO# assigned to them, be sure to run a report for each PO# so you can see all the funds for that grantee.

You can also run an All-In-One report for a state fiscal year to find any outstanding encumbrances that might need to be spent. Always be sure to check previous state fiscal years in addition to the current fiscal year to see all funds that have been encumbered for your grantees.

Financial Management is available to assist grant managers in monitoring the funds, but it is the responsibility of each program/grant manager to make sure the funds are spent appropriately.

Organizational (Org) Numbers

Overview:

Organization (org) numbers are four digit numbers used to represent budget control points, meet legal accountability requirements and to provide management reporting needs for state agencies. They are part of the accounting string that defines a funding source and are required for all MAPS transactions.

Objective:

Learners will understand what an org number is and how to use it in their grant manager duties and in conversations with Financial Management.

All the org numbers for various sections in a division will begin with the same number. The second digit will be specific to a particular section. The remaining two digits will be specific to the funding source for that Section.

Org numbers can be added or changed by both MDH and the Minnesota Management and Budget (MMB), depending on the situation. They are not necessarily in consecutive order. Org numbers can, and do, change depending on what is happening with budgets and funding sources.

The list of all MDH org numbers can be found on the MDH Intranet at:

http://fyi.health.state.mn.us/fadmin/finance/dsp_orgbdgtrptpickfy.cfm

It is important for grant managers to know about org numbers for several reasons.

- They must be written on the encumbrance sheet of a grant agreement.
- They are required for running certain Crystal Reports, or FIS reports.
- Any grant manager who communicates with Financial Management staff regarding the budgets of their grantees will need to know what org numbers are and how to refer to them.

Federal Reporting Categories (FRC)

Overview:

A reporting category is a budget term that denotes which federal year the federal funds originated in. The reporting category is most often composed of the three numbers that are the appropriation number plus one letter that specifies which federal year the money originated in, for example appropriation 354 + R (Fed fiscal year 2007) = 354R. 2007 federal funds use letter R, 2008 federal funds use letter S and so on. The letters I and O are not used because they are too similar to numbers 1 and 0. There may be deviations from this numbering if the federal funds are extended from a 12 to a 24 month cycle.

Objective:

Learners will recognize reporting categories and identify which fiscal year the reporting category represents.

The various reporting categories and their end dates can be found on Financial Management's website at: http://fyi.health.state.mn.us/fadmin/finance/dsp_repcat.cfm

It is important for grant managers to know about the FRC's because they are written on the encumbrance sheet of a grant agreement, provided there is federal money being used. They are also used when running Crystal Reports, or FIS reports. Any grant manager who communicates with Financial Management staff regarding the budgets of their grantees that have federal funds will need to know what an FRC is.

Encumbering Grant Funds

Overview:

The term “encumbered” refers to when funds are set aside for a specific purpose, such as a grant agreement. Financial Management staff currently use a computerized system called Minnesota Accounting and Procurement System (MAPS) to generate a reference number for the amount of money being encumbered.

The encumbered funds will remain encumbered until: 1) they are spent completely; 2) the final invoice is submitted. See page 104 for more information on Final Invoices; or 3) the program notifies Financial Management that it is ok to un-encumber, or release, the funds.

When funds are un-encumbered they are then available to be spent on any other appropriate expenses for that org number.

Objective:

Learners will understand what is meant by encumbered and will know how it applies to grant funds.

Procedure:

Process Steps:	Statute/Policy Sources:
<p>1. Financial Management receives grant agreements and if there are no errors the funds are entered into MAPS and a Purchase Order number (PO#) is generated. The PO# is also referred to as the Grant Number.</p> <p>NOTE: All funds must be encumbered prior to the grant agreement being sent to the grantee for signature.</p>	<p>MDH Policy 215</p>
<p>2. Financial Management writes the PO# on the encumbrance sheet of the grant agreement.</p>	
<p>3. Financial Management returns encumbered grant agreements to program within five working days.</p> <p>Programs should make note of the PO# as it will be used frequently during the life of the grant and must be written on any invoices that are sent to Financial Management.</p>	
<p>4. Programs should then continue routing the grant agreements through the routing process until the grant agreement is fully executed.</p>	

Appropriations

Overview:

An appropriation is a way to categorize funds that are set aside in the state budget for a specific purpose. Appropriated funds can be stated in session law or state statutes.

Objective:

Learners will be able to effectively manage their state funds by knowing the various types of appropriations.

It is important to know the appropriation of your funds because it will dictate when your program funds expire. There are currently five types of appropriations.

01 - Regular Appropriations: State funds with this appropriation that are not encumbered by June 30th of the fiscal year in which they are available, will go back into the General Fund after July 1 of that same year and will then be redistributed for other state projects in future State fiscal years.

02 - Continuing Appropriations: State funds with this appropriation are available until the end date stated in the legislation that allowed for the funds.

03 - Special Appropriations: State funds with this appropriation automatically roll forward to the next fiscal year. These are Special Revenue funds coded as fund 200.

05 - Biennial Appropriations: State funds with this appropriation are automatically moved forward from the first year of the biennium to the second year of the biennium. At the end of the biennium, these funds expire.

06 - Open Appropriations: State funds with this appropriation never expire. These are funds that are collected from a particular action and the amount distributed to the program is not consistent.

An example of an open appropriation is the MDH Brain Injury program. The funds for that program are the fines that are collected from citizens who pay for Driving While Intoxicated tickets. The amount that the MDH Brain Injury program receives varies every month. In order to prevent the Brain Injury program from carrying a negative balance, they have open appropriations and their money never expires.

Funds that are not encumbered during the fiscal year in which they were issued are assumed to be not needed and can be, and have been, taken away from programs if the state is facing a budget short fall.

Biennium, Fiscal Biennium, and Biennium Budget

Overview:

Biennium

A biennium is a two-year period.

Fiscal Biennium

A fiscal biennium is a fiscal period made up of two fiscal years. Fiscal biennium's for the State of Minnesota begin on July 1 of odd-numbered years and end on June 30 of odd-numbered years. Fiscal bienniums are referred to by their fiscal year names. For example, July 1, 2003, is the beginning of the 2004-2005 biennium.

Biennial Budget

A biennial budget is a two-year spending plan. The focus of the biennial budget for the State of Minnesota is to determine desired levels of appropriations to state agencies. On the fourth Tuesday in January in odd-numbered years, the Governor issues what he or she believes should be the budget for the following biennium. If a new Governor has just been elected, the release may be delayed until the third Tuesday in February.

Objective:

Learners will know the difference between the various biennium terms.

Since the Minnesota Constitution prohibits borrowing beyond the end of a biennium to pay operating expenses, biennial budgets must be balanced. If a deficit is forecast for any fund for the next biennium, the Governor must reduce spending and/or increase revenues by a) reducing direct appropriations from their base levels, b) amending statutes to reduce statutory appropriations, c) amending statutes to reduce amounts forecast to be spent under statutory spending formulas, or d) amend statutes that cause revenues to go into the fund (taxes, fees and other payments) to increase revenues. The General Fund is the most important fund because it is the largest fund and because its use is more flexible than other funds.

During the odd-numbered year's legislative session (usually January through May) the House and Senate separately amend the Governor's proposed budget (based on revised forecast information and public testimony) and pass budget bills to conference committees. After conference committees work out the differences between the two bills, the House and Senate re-pass the agreed upon version and send the bills to the Governor. The Governor may veto the whole bill or individual appropriations within the bill. When the Governor signs the bills, they become law.

In even-numbered years, emergency or supplemental changes may be made to the budget adopted in the previous odd-numbered year.

Single Audit Requirement

Overview:

Any grantee that spends \$500,000 or more of federal funds during their fiscal year is required to comply with the Single Audit Requirements as stated in OMB Circular A-133. There is language in the grant agreement template that addresses this requirement.

It is MDH’s responsibility to have a process in place that monitors the submission of required audits and appropriate resolution of audit findings in grantee audit reports. The [Office of the State Auditor](#) and [Minnesota Management and Budget](#) (MMB) also play a role in monitoring grantees for compliance.

Objective:

Learners will be knowledgeable about the Single Audit Requirement and how it relates to their grantees.

Grantees that spend \$500,000 or more in federal funds during their fiscal year must submit audits to these agencies within the timelines stated below:	
<p>Within 30 days of an audit being issued a copy of that audit must go to:</p>	<p>Attn: Single Audit Clearinghouse Bureau of the Census Data Preparation Division 1201 East 10th Street Jeffersonville, Indiana 47132</p>
<p>Within nine (9) months of the grantee’s fiscal year end, an audit must go to these three agencies:</p>	<ol style="list-style-type: none"> 1) The federal agency that provided the assistance. (Example: Centers for Disease Control [CDC]) 2) The state agency that granted the funds. Financial Management Section Minnesota Department of Health 625 North Robert Street PO Box 64975 St. Paul, MN 55164-0975 3) Attn: Single Audit Division Office of the State Auditor 525 Park Street, Suite 500 St. Paul, MN 55103

Process Steps	Statute/Policy Sources:
<p>Twice each year (January and July) MDH receives reports from Minnesota Management and Budget (MMB) as to which grantees have spent over \$500,000 or more in federal funds during the most recent twelve month period (either January through December or July through June) and which grantees MDH will be responsible for following up on.</p> <p>The Cognizant Agency is the state agency that has granted the largest sum of federal funds to a grantee and will be responsible for following up on Single Audit compliance.</p> <p>Example: The Department of Natural Resources will be responsible for agency X because they granted agency X \$1,400,000 while MDH only granted agency X \$800,000.</p> <p>Exceptions:</p> <ul style="list-style-type: none"> • The Department of Education is the Cognizant Agency for all school districts regardless of how much money other state agencies may have granted to the school districts. • The Department of Human Services is the Cognizant Agency for all counties. 	
<p>The Office of State Auditor releases a report on Federally Assisted Programs of Subrecipients of the State of Minnesota around March of each year. This report reviews grantee audits for grantees that spent \$500,000 or more in federal funds during their fiscal year.</p>	
<p>Financial Management staff will review all the reports and determine which grantees have not complied with submitting an audit, have questioned costs, findings or federal grant non-compliance issues.</p> <p>A letter will then be sent to those grantees requesting the grantee to come into compliance on any issues. The MDH program manager and Authorized Representative will be carbon copied on any letters sent to their grantees. Financial Management staff will inform program staff if any action is required on the program's part.</p>	
<p>MDH will forward all audits and documentation received in response to the letters to the Office of the State Auditor as well as maintains a file copy for MDH records.</p>	

Roles and Responsibilities of Grant Personnel

Overview:

This page will provide all grant staff a clear picture of who is responsible for the various aspects of grants.

Objective:

Learners will know exactly who is responsible for managing the various aspects of grants.

Grant Related Task	Program Area /Grant Managers	Financial Management
<i>Request for Proposal Process</i>		
• Write the RFP	X	
• Post RFP information on MDH Internet (at a minimum) and/or State Register (MDH Policy 215)	X – complete form and send to MDH Grant Coordinator	X – Posts on Intranet
• Bidder’s conference/Informational Meeting	X	
• Receive applications noting date and time received*	X	
• Verify 501(c)3 status of applicant if applicable	X	
• Reviews grant application budgets	X	X – financial staff may be available to assist in reviewing budgets
• Reviews financial documentation for non-governmental applicants that are applying for \$25,000 or more. (MDH Policy 215)	X	X – financial staff may be available to assist in reviewing financial documentation
• Review committee – recruit and train*	X	
• Conflict of Interest – ensure every reviewer has completed a form (OGM Policy 08-01)*	X	
• Score applications using standardized score sheet from MDH intranet (MDH Policy 215)*	X	
• Make final funding recommendations*	X	
• Notify applicants of award status (award letters, phone calls, etc.)*	X	
<i>Grant Agreement Process</i>		
• Download the appropriate grant agreement template from MDH Intranet. (MDH Policy 215)	X	

*Some of this information may be public per MN Statute 13.37 and 13.599.

• Maintain grant agreement templates		X
• Writing the grant agreement including advance language (MDH Policy 215) and negotiating the Grantee's Duties	X	
• Complete the encumbrance sheet	X	
• Complete 16A.15/16C.05 form (late letter) if applicable	X	
• Proof grant agreement before sending to Financial Management	X	
• Encumber funds for grant agreement and return to the program area		X
• Send Grant Agreement to grantee for signature	X	
• Send documents to Financial Management for state signature	X	
• Provide state signature and return to program		X
• Send grantee copy of fully executed grant agreement	X	
<i>Grant Monitoring Process</i>		
• Receive, review, approve invoices and send to Financial Management for payment	X	
• Pay approved invoices		X
• Monitor grantee expenditures	X	
• Conduct grant monitoring activities for grants over \$50,000 (MDH Policy 238)	X	
• Conduct financial reconciliation on grants over \$50,000 (MDH Policy 238)	X	X
• Missing Payments – program and Financial Management work together to correct problem	X	X
• Incorrect Payments/Invoices – program and Financial Management work together to correct problem	X	X
• Amending the grant agreement (MDH Policy 215.03)	X	
• Final Invoice	X – denotes invoice as final invoice	X – pays and releases remaining funds in that PO#
• Final file contents including grant closeout evaluation (MDH Policy 238)	X	
• Maintaining Common Grantee list		X

Financial Management Roles and Responsibilities

Overview:

This is a list of services [Financial Management](#) provides pertaining to grant agreements and the contact person.

Objective:

Learners will be able to easily find the appropriate staff person in FM for each service.

Service	Contact Person
Annual Plan Agreements	Encumbrance Staff, (651) 201-5234 Encumbrance Staff, (651) 201-5239
Audits from Grantees	Review Analyst, (651) 201-3539
Common Grantees	MDH Grant Coordinator, (651) 201-5235
Crystal Reports	IS&TM (651) 201-5555 or http://fyi.health.state.mn.us/open/helpdesk/
Data Practices regarding Grants	MN Statute §13.599 :
Encumbrance Process	Encumbrance Staff, (651) 201-5234 Encumbrance Staff, (651) 201-5239
Expense Corrections	Accounts Payable Supervisor (651) 201-5224
Financial Reconciliations	Review Analyst, (651) 201-3539
Grant Agreements	Accounting Operations Supervisor, (651) 201-5238
Grant Manager's Workgroup	MDH Grant Coordinator (651)201-5235
Grant Project Agreement for Community Health Boards	Accounting Operations Supervisor, (651) 201-5238
Income Contracts	Federal Grant Coordinator, (651) 201-4643
Informal Solicitations	Encumbrance Staff, (651) 201-5234 Encumbrance Staff, (651) 201-5239
Interagency Agreements	Accounting Operations Supervisor, (651) 201-5238
Invoice Questions	Accounts Payable Staff, (651) 201-5231
Joint Power Agreements	Financial Management Director, (651) 201-5238
Master Grant Contracts for Community Health Boards	MDH Grant Coordinator (651)-201-5235

Memo of Understanding	Accounting Operations Supervisor, (651) 201-5238
PO Adjustments (moving money) for agreements/contracts	Encumbrance Staff, (651) 201-5234 Encumbrance Staff, (651) 201-5239
Records Retention	Records Coordinator, 651-201-5005
Request for Proposal	MDH Grant Coordinator (651) 201-5235
Single Audits	MDH Grant Coordinator (651) 201-5235
State Register Publishing	Buyer, (651) 201-4625

Definitions

These are terms that a grant manager may encounter in their daily work. These terms deal with activities in all stages of granting, from the Request for Proposal (RFP) to closing out a grantee's files.

Accounting System and Financial Capability Questionnaire	A form for use by MDH staff to assess a grantee's ability to appropriately manage grant funds. This form was developed in response to the best practices listed in the January 2007 Office of the Legislative Auditor's report on state grant making. It can be found listed alphabetically under the Forms link on the MDH intranet home page.
Administrative Costs	These are the grantee's costs of doing business. Examples are phone bills, postage, rent, insurance costs, supplies, utility bills, and internet service.
Advance	Money given to a grantee before any costs are incurred. It is used to help grantees get an infrastructure in place before work on the grantee's duties begins. It is frequently used for purchasing computers, phones or for obtaining work space.
Amendment	See Grant Agreement Amendment
Applicant	An entity that submits an application for funding. An applicant can be an individual, tribal government, for profit or non-profit, educational institution, city or county government agency.
Application	The document that is submitted when an applicant applies for funds. It may consist of forms, narratives, budgets and other documentation. It is the document that will determine if an applicant is awarded funds. It is also referred to as a proposal.
Appropriation	Funds that are set aside in the state budget for a specific purpose. Appropriated funds can be stated in session law or state statutes. See page 143 for descriptions on the different appropriations.
Asset	Something owned such as cash, or something that could be sold or collected to turn into cash like equipment or a receivable.
Attachment	<p>A document that is attached to the end of, and becomes part of, the grant agreement/amendment. It must be referenced in the grant agreement language. Attachments vary by programs. Examples of attachments are invoices, budget plans, surveys or data collection forms.</p> <p>An attachment can also refer to documents included in a grant application.</p>
Audit	A review of the grantee's financial statements, fiscal policies and control procedures to determine if the financial statements fairly represent the grantee's financial position and if organizational procedures are in accordance with Generally Accepted Accounting Principles (GAAP).

Award Letter	The letter to the applicant that states that the applicant is being awarded funding.
Balance Sheet	A financial statement that summarizes an organization's assets, liabilities and shareholder's equity at a specific point in time. It has three segments (assets, liabilities, investments) and together they show what the company owns, owes and invests.
Bidders Conference	An informational meeting where potential applicants can ask questions regarding the RFP and funding opportunity. Sometimes referred to as an RFP Informational Meeting.
Biennium	A two year time period.
Biennial Budget	A two year spending plan that is used by the State of Minnesota and is made up of two fiscal years.
Budget	The financial plan of action for how a grantee will spend its funds. The budget is included in the application but is sometimes revised during grant agreement negotiations.
CFDA number	The number assigned to a Federal program in the Catalog of Federal Domestic Assistance.
Certified Financial Audit	A review of an organization's financial statements, fiscal policies and control procedures by an independent third party to determine if the financial statements fairly represent the organization's financial position and if organizational procedures are in accordance with Generally Accepted Accounting Principles (GAAP). Minnesota nonprofit organizations are required to have a certified financial audit completed for any fiscal year in which they have income of more than \$350,000.
Common Grantee	A grantee that has grant agreements with more than one program within MDH.
Conflict of Interest	A conflict of interest, actual or perceived, occurs when a person has actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A conflict of interest exists even if no unethical, improper or illegal act results from it.
Contract	A legal document that awards funds to an entity in exchange for some end product. The types of contracts the State uses are professional/technical contracts, service contracts, annual plan agreement, joint powers agreement, interagency agreements and memorandum of understanding.
Crystal Reports	The standard financial reporting system used by MDH. Crystal Reports provides invaluable information to Financial Management, MDH programs, and grant managers as to the spending patterns of a grantee's funds. Program staff have compiled crystal reports which means they can use the reports that are already created, they can not modify reports. Financial Management staff have full access and can modify reports.

Encumbrance	The tool used for setting money aside using a Purchase Order number (PO#) for a specific grantee and fiscal year.
Encumbrance Worksheet	The page that is attached to the front of the grant agreement that contains the financial information from which Financial Management encumbers the funds for a grant agreement. It is not officially a part of the grant agreement and it can contain private information such as social security numbers. It should only be shared with the people, both inside and outside MDH, who really need to see it.
Encumbered	When funds are set aside for a specific grantee and fiscal year.
Exhibit	A document that is attached to and is referenced within a grant agreement. It is the same as an attachment.
Expenditure	It is an expense. It is money that is actually spent.
Expenditure Correction	A tool that Financial Management can utilize to correct when funds were paid towards the wrong PO#. These corrections do not show up on the “Contracts and Grants Information” Crystal report. They do show up on the Expenditure reports and are noted with “EC”.
Financial Management (FM)	The office within MDH that provides all financial related services to MDH programs and staff.
Financial Statements	Standard reports usually including an income statement, a balance sheet and a statement of changes in financial position.
Fiscal Biennium	A time frame that contains two fiscal years. Fiscal biennium’s for the State of Minnesota begin on July 1 of the odd numbered year and end on June 30 of odd numbered years. Fiscal bienniums are referred to by their fiscal year names. For example, July 1, 2003 is the beginning of the 2004-2005 biennium.
FIS	Fiscal Information System – an additional financial system like Crystal Reports. Not all programs in MDH have access to FIS or use FIS.
Fiscal Year	The 12 month period of time during which revenues and expenses are tallied. This period of time does not have to correspond with the calendar year. The State fiscal year is July 1, XXXX to June 30 of the next year. The Federal fiscal year is October 1, XXXX to September 30 of the next year.
Fully Executed	Money is encumbered and all authorized signatures are obtained on a grant agreement document. Work on a grant agreement can only begin after a grant agreement is fully executed.
Fund	The number assigned to funds that describes where the money originated. Fund 051 indicates Drinking Water Revolving Fund Fund 100 indicates General Fund (State) funds Fund 170 indicates State Government Special Revenue Fund 190 indicates Health Care Access Special Revenue Fund 200 indicates Special Revenue Funds

Fund 300 indicates Federal Funds
 Fund 315 indicates Federal Temporary Assistance for Needy Families (TANF)
 Fund 561 indicates Medical Education and Research
 Fund 690 indicates Gift Fund

Fund Balance	It is the difference between assets and liabilities. Also known as Net Assets, or “the bottom line.”
Grant	<p>A grant is financial assistance paid or services furnished by a state agency via a third party to an eligible recipient. The state agency receives no direct benefit as a result of making the grant. The state agency is not actually getting anything with a grant, it is paying for someone else to get something.</p> <p>Grants always involve three parties: 1) the state agency with authority to make the grant, 2) the outside entity who will administer the grant or deliver the service, and 3) the final recipient of the service.</p>
Grant Agreement	A legal document used for granting money to a variety of entities. Those entities can include non-profit organizations, city or county governments, for-profit organizations, higher education institutions, tribal governments and individuals.
Grant Agreement Amendment	A legal document used for changing the dollar amount, dates, or grantee’s duties of an original grant agreement or previous amendment. An amendment can not be used to change the scope of the original grant agreement or to deviate from what the original RFP stated.
Grant Agreement Cover Memo	The MDH form that program areas and Financial Management use to help properly route the grant documents back and forth to each other. The form has two sections. One is used for sending the grant agreement to Financial Management for encumbering. The other is used for sending the grant agreements to Financial Management for State signature.
Grant Manager	The MDH staff person with the programmatic expertise and who is the point of contact for the grantee. It is sometimes the same as the State’s Authorized Representative listed in the grant agreement document, but not always.
Grant Project Agreement for County Health Boards	A grant agreement that was designed specifically for County Health Boards that lists the specific grantee duties. It must reference the Master Grant Agreement number assigned to the county board with which MDH is granting. These were designed along with the Master Grant Agreement (see below) to be a time saving process.
Grantee	The entity that is awarded funds and agrees to and signs the grant agreement document.
Grantee Monitoring Form	A standardized form that is to be used to conduct a programmatic and fiscal review of the grantee’s progress. This form was developed in response to the best practices listed in the January 2007 Office of the Legislative Auditor’s report on state grant making.

Grantee's Authorized Representative	The grantee staff person listed in the Grant Agreement as the person authorized to enter the grantee agency into contracts.
Grantee's Duties	The detailed list of tasks and responsibilities in the grant agreement that the grantee must perform.
Income Statement	A financial statement whose purpose is to report a company's earning to investors over a specific period of time. The important thing to remember about an income statement is that it represents a period of time. This contrasts the balance sheet, which represents a single moment in time. This also reflects funding sources compared against program expenses, administrative costs, and other operating commitments. It is also referred to as a Statement of Activities for charitable organizations.
Independent Auditor	A person qualified to perform audits that are not connected in anyway to the grantee or the State.
Indirect Costs	The expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the activities it performs. Typical indirect costs include the costs of operating and maintaining facilities, equipment, and grounds; depreciation or use allowances; and administrative salaries and supplies. This is often referred to as administrative costs.
Indirect Cost Rate	The ratio, expressed as a percentage, of an organization's total indirect costs to its direct cost base (commonly direct salaries and wages). When a rate is established for a specific program the rate represents the ratio of the total indirect costs allocated to the activity or program to the direct base costs of the activity or program.
Indirect Cost Rate Agreement	A document that is negotiated with and approved by a federal agency that details which items can be charged as indirect costs and at what percentage. If an agency does not have an indirect cost rate agreement, they can not charge indirect, instead it would be referred to as administrative costs.
Interagency Agreement	This is the legal document, or contract, that state agencies use to enter into agreements with each other.
Internal Controls	Various methods to safeguard assets, ensure reliability of accounting data and comply with management policies and funding conditions. Internal controls are an integral part of managing funds. One example of internal controls is that the person who signs the payroll checks and pays the organization's bills should not be the same person who makes the deposits.
Internet Information for Grants and Loans form	The form that is used in order to get your funding opportunity or RFP posted on the MDH external website. This is the minimum action required of each state agency per the Office of Grants Management policy 08-03, MN Statute §15.994.

Invoice	The document the grantee uses to receive payment for activities and expenses incurred as part of the grant activities. While invoices are not standardized across MDH, programs often have their own invoice form and will attach it to the grant agreement as an Attachment or Exhibit. Grant Managers are responsible for approving or denying payment of invoices.
IRS Form 990	An IRS Form 990 is a federal tax return for nonprofit organizations. Nonprofit organizations that are recognized as exempt from Federal income tax must file a Form 990 or Form 990 EZ if it has averaged more than \$25,000 in annual gross receipts over the past three tax years.
“Late Letter”	Also known as the 16A.15/16C.05 form. This document is required to be filled out and signed when a grantee incurs expenses for activities in their grant agreement before the funds are encumbered, and/or before the grant agreement is fully executed (has both grantee and state signatures).
Liability	Something owed, such as a payment to a vendor, or a mortgage on a building.
Master Grant Agreement	A legal document that is written for a five (5) year period between MDH and each County Health Board that acts as an umbrella grant that contains the boilerplate language that each County Health Board must comply with. Each Master Grant Agreement is assigned a specific identification number and that number is then referenced in the Grant Project Agreement for County Health Boards (see above). The specific grantee’s duties are not listed in the Master Grant Agreement.
Minnesota Accounting & Procurement Systems (MAPS)	This is the electronic accounting system used by the State. Staff in Financial Management have access to this system and use it on a daily basis to pay bills, invoices, encumber funds, etc.
Net Income	The result after all revenues and expenses are accounted for, also known as the "bottom line."
Non-award letter	The letter sent to applicants who werenot chosen to receive funding.
Non-Profit	A non-profit corporation is a special type of corporation that has been organized for educational or charitable reasons and meets specific tax-exempt purposes. The corporation’s shareholders or trustees do not benefit financially. To qualify for non-profit status, a corporation must be formed to benefit (1) the public, (2) a specific group of individuals or (3) the membership of the non-profit.
Office of Grants Management (OGM)	This is the office within the Minnesota Department of Administration that was created by legislation in 2007 as part of the Drive to Excellence initiative and as a response to a January 2007 program evaluation by the Office of the Legislative Auditor regarding state grant making. This office strives to standardize, streamline and improve state grant making practices and to increase public information about state grant opportunities.
Office of Management and	Office of Management and Budget – The federal agency that oversees

Budget (OMB)	and approves financial data and forms for the government. It is also the agency that issues the circulars that pertain to federal funding.
Org Number	Organizational Number - A four digit number assigned to a Program.
Overspending	Incurring expenses at a rate that if continued will expend all of the grant funds before the grant agreement expires.
Pass Through Agency	An agency, such as a State agency, that receives funds from a federal agency or from the State Legislature and then passes it on to another entity through some form of legal document (contract or grant agreement).
Purchase Order Number (PO#)	A number that is assigned through Minnesota Accounting and Procurement System (MAPS) when funds are set aside for a particular grantee's activities.
Professional/Technical Contract	A type of state contract that is used for securing services that are intellectual in character including consultation, analysis, evaluation, prediction, panning, programming, or recommendation and result in the production of a report or the completion of a task. These are not the same as grants.
Progress Report	A report that grantees submit to the grant manager that details the accomplishments, challenges, and programmatic work of the grantee at specified intervals.
Project Period	This is the time frame in which a grant from the federal government is valid for. Some project periods are only 12 months long while others are five years long.
Proposal	The document that is submitted when an applicant applies for funds. It may consist of forms, narratives, budgets and other documentation. It is the document that will determine if an applicant is awarded funds. It is also referred to as an application.
Reporting Category	Federal budget term that denotes which federal year funds originated in. 2006 was Q, 2007 was R, 2008 is S. The letters I and O are not used as they resemble the number 1 and 0 too closely.
Request for Proposals (RFP)	The public solicitation that notifies grant seeking agencies about opportunities to apply for grant funds.
Requisition #	The number that is assigned when a Request to Incur Special Expense form is processed by Financial Management.
Revenue	Money received from the sale of products or services before expenses are taken out.
Review Committee	A panel made up of individuals who are uniquely qualified to read, evaluate and score grant applications. The individuals chosen to be on the review committee can be government (state, county or city) employees, community members, members of the target populations, staff and faculty from higher

educational institutions, and anyone else that has experience and/or expertise in the subject matter of the RFP.

Risk Assessment	A tool that is used by grant managers to assess the stability of a grantee's program and/or financial health.
Ruling Year	The year that the IRS granted an organization 501 (c) 3 status.
Score Sheet	The standardized scoring sheet that MDH has developed for use by all MDH programs that issue RFP's to review/score applications. The development of this sheet was in response to the best practices listed in the January 2007 Office of the Legislative Auditor report on state grant making.
Single Audit	Any Grantee that expends more than \$500,000 in Federal funds during a year is required to conduct a Single Audit. The State is required to follow up on those Grantees to ensure that the audit is performed and that any findings are followed up on.
State Register	The statewide publication that lists all grant opportunities. It is available online and is published every week.
State's Authorized Representative	The person listed in the Grant Agreement as the State's Authorized Representative. It is often the same person as the Grant Manager but not always.
Statement of Activities	A financial statement whose purpose is to report a company's earning to investors over a specific period of time. The important thing to remember about an income statement is that it represents a period of time. This contrasts the balance sheet, which represents a single moment in time. This also reflects funding sources compared against program expenses, administrative costs, and other operating commitments. It is also referred to as an Income Statement.
Subcontract / Subcontractor	An agency that a grantee contracts with to perform some or all of the grantee's duties listed in the grant agreement between the grantee and the State.
Underspending	The result of a grantee spending less money than was budgeted at a rate that will not allow them enough time to spend the entire allotted funds. It is the program's discretion as to whether or not allow grantees to carry forward any unspent funds from one year of the grant to another, assuming it's a multiple year grant and it complies with all other policies or rules.
Unrestricted Net Assets	It is the difference between assets and liabilities. Also referred to as Fund Balance.
Vendor Number	The unique number assigned to each entity that does business with the State.
Voucher #	A number that is assigned a transaction such as a payment to a grantee. It is similar to a confirmation number and allows for tracking of payments.

Workplan

The descriptive plan of how a grantee will achieve grantee's duties for a specific time period as stated in the grant agreement. The work plan frequently includes specific activities, goals and outcomes.

501(c)3

The designation issued by the Internal Revenue Service that officially gives an organization non-profit status. The non-profit must have an exempt purpose, a specific organizational structure and follow certain IRS guidelines.

**Family Planning Special Projects
Grant Program Application
July 1, 2009 – June 30, 2011
Information and Materials**

Minnesota Department of Health
Division of Community and Family Health
January 2009

PLEASE NOTE

After publication of this Request for Proposal, the Minnesota Department of Health received a ruling from the Minnesota Attorney General's office regarding Form F, *MDH Evidence of Compliance with Worker's Compensation Requirements*.

The Attorney General's office stated that grantees do not need to provide proof of worker's compensation insurance unless they will be doing construction. By signing the grant agreement the grantee is certifying that they have the required worker's compensation insurance.

The Minnesota Department of Health communicated with potential applicants that Form F was no longer required by posting this ruling on the Minnesota Department of Health "Family Planning" web page and by an e-mail notice.

Table of Contents

	Page
Program Overview	1
Program Summary	5
Project Narrative and Work Plan	6
I. Agency Information	
II. Linkages and Collaboration	
III. Statement of Need	
IV. Family Planning Special Projects Work Plan (Form B)	
Budget Section	12
Required Forms	15
Form A Application Face Sheet with Instructions	
Form B FPSP Work Plan	
Form C Budget Summary with Instructions	
Form D Administrative Cost Allocation and Worksheet	
Form E Checklist of Source of Non-FPSP Funds	
Form F MDH Evidence of Compliance with Worker’s Compensation Requirements	
Form G Application for Greater Minnesota Need Funds	
Appendices	26
Appendix A MN Statutes §145.925, Minnesota Family Planning Grants Act	
Appendix B Minnesota Rules 4700.1900-2500, Family Planning Special Projects (FPSP)	
Appendix C Map of Minnesota Family Planning Regions	
Appendix D Criteria for Scoring FPSP Grant Proposals	
Appendix E 2008 HHS Poverty Guidelines	
Appendix F Information Relating to a Joint Application	
Appendix G Inventory of Existing Family Planning Service Agencies	
Appendix H Information and Data on Conducting a Needs Assessment	
Appendix I Sample Work Plan	
Appendix J Sample Budget Justification	

Program Overview

Introduction

This document provides the forms and instruction you will need to complete the Family Planning Special Projects (FPSP) grant application. These documents are available on the MDH Family Planning web site, <http://www.health.state.mn.us/divs/fh/mch/familyplanning/index.html>.

The Minnesota Department of Health (MDH) will be available to provide consultation and guidance during the application process. For assistance, please contact Gary Greenfield, Family Planning Special Projects Coordinator, at 651-201-3743 or gary.greenfield@state.mn.us. Please note that MDH staff will not be able to help with the actual writing of the application or critique drafts.

There will be two technical assistance workshops to assist you in writing your application. You do not need to attend the workshop to submit an application. However, if you are new to the FPSP grant application process or you have questions about the grant application, you are encouraged to participate.

The workshops will be held using Web Ex technology so that you can participate at your desk using your computer with an internet connection and a phone line. The training dates on WebEx will be:

- **Thursday, February 5 from 1:30 to 3:30 p.m.**
- **Tuesday, February 10 from 9:30 to 11:30 a.m.**

If you choose to attend a workshop, please pre-register by going to the following website <https://health-state-mn-ustraining.webex.com/mw03051/mywebex/default.do?siteurl=health-state-mn-ustraining&service=7>.

Once the Webpage has launched, click on the “Upcoming” tab to search for the 2 sessions called “*FPSP Request for Proposals*”. Scroll until you find the correct session and date and time. Click on Register and enter the required information. Once your registration has been approved you will receive an email invitation to attend the session.

Program Description

FPSP Grant Program

The Minnesota Department of Health (MDH) implemented the Family Planning Special Projects (FPSP) in 1979 as authorized by the 1978 Minnesota Legislature. MN Statute §145.925 authorizes the Commissioner of Health to award grants to eligible organizations to reduce the incidence of unintended pregnancy and increase the number of low-income, high-risk people having access to family planning services. Minnesota Rule 4700.1900 to 4700.2500 provides detailed guidance for how family planning services are carried out.

Family planning information and services help individuals maintain their overall health and improve family and community health by supporting men and women to have children when their health, financial conditions, and personal situations are optimal. Access to family planning services is an important factor in planning for healthy pregnancies. Research indicates approximately half of all pregnancies are unintended at the time of conception. Unintended pregnancy is increasingly regarded as a critical public health problem with serious consequences for children, parents and families. A woman's ability to avoid an unintended pregnancy is related to her level of risk for pregnancy, her choice of methods, the strength of her motivation to avoid pregnancy and her pattern of contraceptive use.

These factors, in turn, are often associated with a woman's demographic and socioeconomic background, characteristics of her sexual partnerships, and her experiences with and attitudes toward pregnancy and contraception.

While slightly more than half of unintended pregnancies occur among women who were not using any method of contraception in the month they conceived; more than four in 10 occur among women who were using a contraceptive method the month they conceived. Issues related to inconsistent or incorrect use of method were the primary reason they conceived. Research indicates that the most effective birth control method is the method the client is the most comfortable with. Client understanding of various methods and comfort with the one they choose is best accomplished with non-directive counseling and education and from a family planning provider that they trust. Family planning providers aim at increasing the percentage of clients who use their chosen method consistently and correctly.

Purpose of FPSP Funds

FPSP funds **must** be used to provide effective pre-pregnancy family planning services statewide to populations that are at greater risk of unintended pregnancy due to non-use or inconsistent use of family planning methods. High risk populations include individuals who have difficulty accessing family planning services because of poverty, race, ethnicity, age, culture, lack of insurance, or concerns about confidentiality.

Use and Non-Use of FPSP Funds

Statute §145.925 *Minnesota Family Planning Grants Act* defines the Family Planning Special Projects program and is further described in the *Minnesota Rules 4700.1900—2500 Family Planning Special Projects*. **It is important to review these documents found as Appendices A and B for complete information.**

The Rule dictates that FPSP funds can be used for six purposes related to family planning for high-risk populations including: 1) Public information activities, 2) Outreach, 3) Counseling, 4) Method provision, 5) Referral and 6) Follow-up. For the remainder of this document these services will be referred to as the “family planning components”. The Rule states that an applicant is not required to provide all six components to be eligible for funding.

Agencies receiving FPSP grant funds are required to provide an annual report with data on the number of clients served and information on those clients including age, gender, race and ethnicity, income level, and methods provided. Agencies whose applications are funded will be monitored for compliance through an annual reporting process and on-site monitoring visits.

MN Statute §145.925, states FPSP Funds can not be used for:

- Abortion services
- To provide any family planning services to unemancipated minors in a school building.

Available Funding

Grant awards will be made for a two-year time period (7/1/09 through 6/30/11) and the Minnesota Department of Health may consider extending the awards for an additional two years. Grants, if extended, will be contingent upon the funding available and the grantee's satisfactory performance, including execution and fulfillment of proposed work plan, achievement of objectives, and appropriate use of the awarded funds. Funding available for each year of the two-year grant cycle is \$4,862,000 with an additional \$491,000 available each year to family planning clinics serving greater Minnesota that demonstrate financial need. The amount of money available beginning July, 2009 is subject to any changes made by the 2009 state legislature.

Note: Applicants proposing to serve the non-metro area who wish to apply for the Greater Minnesota Need Funds, must complete Form G. Applicants must be able to demonstrate financial need and produce documentation thereof if requested by MDH.

The FPSP Rule (MN Rule 4700.2410), allocates funds as follows: \$100,000 per year is allocated for the Family Planning Hotline and the remainder is allocated to the eight family planning regions of the state as defined in the rule (See Appendix C for a map of the regions). The rule provides a needs-based distribution formula for determining the allocation for each region. The Regional Funding Allocations for the two-year grant cycle of July 1, 2009 through June 30, 2011 are as follows:

Central	\$1,568,960
Metro	\$5,390,911
Northeastern	\$658,487
Northwestern	\$427,580
South Central	\$583,929
Southeastern	\$1,051,509
Southwestern	\$452,388
West Central	\$372,236

Required Application Components

Each application must contain the following items in the order listed:

- ❑ Signed Application Face Sheet - Form A
- ❑ Copy of 501(c) 3 (if applicable)
- ❑ Copy of IRS 990 or Certified Financial Audit (if applicable)
- ❑ Table of Contents with page numbers
- ❑ Project Narrative – **Agency Information** (Limit 4 pages)
- ❑ Sliding Fee scale (if applicable)
- ❑ Project Narrative – **Linkages and Collaboration** (Limit 3 pages)
- ❑ Project Narrative – **Statement of Need** (Limit 5 pages)
- ❑ FPSP Work Plan – Form B (Limit 12 pages)
- ❑ Budget Summary – Form C
- ❑ Budget Justification Narrative
- ❑ Administrative Cost Allocation Worksheet – Form D
- ❑ Checklist of Source of Funds – Form E
- ❑ Evidence of Compliance – Form F
- ❑ Signed application for Greater Minnesota Need Funds – Form G (if applicable)

Application Submission Requirements

- ❑ Narrative portions of the application must be written in 12-point font, single spaced with one-inch margins, The Work Plan (Form B) can be in 11 point font.
- ❑ All pages must be numbered consecutively.
- ❑ **One signed unbound original and 6 copies of the complete application must be submitted.**
- ❑ Applications must meet application deadline requirements. **Late applications will not be reviewed.**
- ❑ Applications must be complete and signed where noted. Incomplete applications will not be reviewed.
- ❑ **Faxed or e-mailed applications will not be accepted.**
- ❑ If you are a single agency submitting an application in more than one region, you must submit a separate application for each region.

The deadline for submission of proposals is Wednesday, March 18, 2009. To meet the deadline, proposals must:

1. Be hand delivered to the address below before 4:30 p.m., Wednesday, March 18, 2009; or
2. Have a legible postmark from the U.S. Post Office or a private carrier dated on or before March 18, 2009. Postmarks from private, in-office metering machines are not acceptable.

The complete application (one original unbound and six (6) copies) should be sent to:

Street Address (hand or courier delivery)	US Postal Service Mailing Address
Gary Greenfield, FPSP Grants Coordinator Minnesota Department of Health Division of Community and Family Health 85 E. Seventh Place, Suite 220 St. Paul, MN 55101	Gary Greenfield, FPSP Grants Coordinator Minnesota Department of Health Division of Community and Family Health P.O. Box 64882 St. Paul, MN 55164-0882

Late applications, applications lost in transit by courier, faxed or e-mailed applications will not be considered for review.

Except for the Family Planning Hotline, an additional copy of the application must be submitted for review and comment to the/all Community Health Board(s) **for the proposed geographic service area**. Contact information for Community Health Boards can be found at the following web site <http://www.health.state.mn.us/divs/cfh/ophp/system/administration/counties.html>. Community health board comments do not have to be received prior to or submitted with the FPSP application.

Application Review and Award Process

FPSP is a competitive grant application. Only complete applications received or mailed on or before the deadline will be reviewed competitively. Proposals will be reviewed and scored according to the *Criteria for Scoring FPSP Grant Proposals (Appendix D)*. Reviewers will determine which applications best meet the criteria as outlined within each of the eight family planning regions.

Reviewers may include staff from MDH and other state agencies with grants management expertise; and individuals from other organizations that represent a broad range of professionals with experience in program planning and project management, knowledge of family planning and other reproductive health issues, and experience with grant writing and reviewing grants. Reviewers will be required to identify any conflicts of interest and will not review a proposal if they have a direct relationship with the applicant.

Staff from the Community and Family Health Division of MDH will develop final funding recommendations based on the scores and comments from reviewers. These funding recommendations will be forwarded to the Commissioner of Health for final approval.

Program Summary

Eligibility for Grant Funds	Agency is eligible under Minn. §145.925, i.e. agency is a board of health, unit of government or 501(c) 3.
Total Funds Available Per Year	\$4,762,000 plus an additional \$491,000 available to family planning clinics serving greater Minnesota that demonstrate financial need. \$100,000 per year is allocated for the Family Planning Hotline.
Grant Cycle	Two years. The Minnesota Department of Health may consider extending the award an additional two years.
Grant Purpose	To reduce the incidence of unintended pregnancy and increase the number of low-income, high-risk people having access to family planning services.
Application Requirements	<ul style="list-style-type: none"> <input type="checkbox"/> Narrative portions of the application must be in at least 12-point font with one-inch margins <input type="checkbox"/> All pages should be numbered consecutively <input type="checkbox"/> One signed unbound original and 6 copies must be submitted.
Order for Completed Application Submission	<ul style="list-style-type: none"> <input type="checkbox"/> Signed Application Face Sheet (Form A) <input type="checkbox"/> Copy of 501(c) 3 if applicable <input type="checkbox"/> Copy of IRS 990 or Certified Financial Audit (if applicable) <input type="checkbox"/> Table of Contents <input type="checkbox"/> Project Narrative, including sliding fee scale if applicable <input type="checkbox"/> Project Work Plan (Form B) <input type="checkbox"/> Budget Summary (Form C) <input type="checkbox"/> Budget Justification Narrative <input type="checkbox"/> Administrative Cost Allocation Worksheet (Form D) <input type="checkbox"/> Checklist of Source of Funds (Form E) <input type="checkbox"/> Evidence of Compliance (Form F) <input type="checkbox"/> Signed application for Greater Minnesota Need Funds (Form G) <p>Incomplete applications will not be considered for review.</p>
Application Deadline	<p>All applications must be received by MDH no later than 4:30 p.m. on March 18, 2009, or have a legible postmark from the U.S. Post Office or a private courier dated on or before March 18, 2009.</p> <p>Faxed or e-mailed applications will not be accepted. Late applications will not be considered for review.</p>

Applications Sent:	<p><i>Delivery Address:</i> <i>Gary Greenfield, FPSP Grants Coordinator</i> Minnesota Department of Health Division of Community and Family Health 85 East Seventh Place , Suite 220 St. Paul, MN 55101</p> <p>Mailing Address: Gary Greenfield, FPSP Grants Coordinator Minnesota Department of Health Division of Community and Family Health P.O. Box 64882 St. Paul, MN 55164-0882</p>
Beginning Grant Agreement Date	July 1, 2009, or date upon which all signatures to the agreement are obtained, whichever is later
Statutory Authority	M.S. 145.925

Project Narrative and Work Plan

The project narrative and work plan describes your organization and what you intend to accomplish. To assist you, we have provided detailed instructions on what information should be included and what grant reviewers will be reviewing in each proposal. The Project Narrative is broken out into four distinct sections and should be submitted in the same sequence as listed below:

- I. Agency Information
- II. Linkages and Collaboration
- III. Statement of Need
- IV. Work Plan: Goals, Objectives, and Strategies (Form B)

I. Agency Information

- Please keep this section to 4 or fewer pages. If you submit a joint application, the limit is 4 pages per organization. Remember to use 12-point font with one-inch margins for this portion.

A. Background Information on Applicant Agency

1. Briefly summarize your agency history
2. Briefly describe the administrative structure of your agency
3. Briefly explain what current programs and services your agency provides

B. Agency Capacity

1. Describe your organization's primary clientele or target population (average age; race/ethnic group)
2. Describe which of the six family planning service components (Public Information, Outreach, Counseling, Method, Referral, and Follow-up) you currently provide, how you provide these services, and whether you currently receive FPSP funds.
3. Describe other key elements that show organizational capacity to provide family planning services:
 - Adequate Facilities;
 - Readiness to use funds;
 - Capacity to serve the targeted population.
4. Describe the procedure(s) used to determine payment for family planning services. Include the sliding fee scale or other procedure(s) used to ensure that no person will be denied services because of inability to pay. A sliding fee scale may be attached here and does not count toward the page limit. (See Appendix E for 2008 HHS Federal Poverty Guidelines).

C. Training and Experience of Persons Providing Services

Provide a summary of the relevant training and/or experience of the key persons who will provide the family planning services in your proposed project. If you use sub-contractors, provide a brief description of each sub-contracting agency.

D. Joint Application

If submitting a joint application, describe the organizations' relationships and how services are provided jointly. Be sure to designate a lead agency to serve as the fiscal and contractual agent. (See Appendix F for more information).

Criteria for Grant Review: The Agency Information section of the application will be reviewed and scored according to the following criteria (15 Points):

- Does the description give a clear picture of the history, structure, services provided, and clientele served by the agency?
- Does the agency have a successful history of providing family planning services?
- Does the agency have the capacity (infrastructure, facilities, staffing, cultural competency) to deliver proposed family planning services?

II. Linkages and Collaboration

➤ Please keep this section to 3 or fewer pages.

The FPSP Rule (MN Rule 4700.2210) states that all funded projects must establish linkages to facilitate access to outreach, counseling, and other component services for service recipients. Linkages are defined as “*formal or informal arrangements between the applicant and other family planning providers including contracts, reciprocal referral arrangements, and committees.*” (MN Rule 4700.2000, subp. 10). The Minnesota Department of Health emphasizes the importance of collaboration between agencies within communities.

Describe your links or collaborative efforts to coordinate family planning services with other organizations in the geographic area to be served, such as social service agencies and other health care providers. Describe plans for or descriptions of collaborative activities with other family planning services in the geographic area. Provide the name of the partner agency and describe the details of the working relationship.

Reasons for coordination between family planning services include but are not limited to facilitating access to services for clients, directing clients to other sources of funding for services, purchasing supplies at a lower cost, sharing medical staff, or sharing health education resources. Agencies may also participate on task forces, committees, etc. Include linkages with those who are not necessarily family planning providers, but with whom significant working relationships exist.

Criteria for Grant Review: The Linkages and Collaboration section will be reviewed and scored according to the following criteria (7 Points):

- Does the applicant provide a clear description of linkages with a) other family planning providers and b) other agencies in their geographic area to assure access to services for project clients?
- Are these collaborative relationships effective, well-established, and likely to assure coordination?

III. Statement of Need

- Please keep this section to 5 or fewer pages.
- Please Review Section 4700.2100, Letters A and B of the FPSP Rule (Appendix B) before completing this section.

A. Assessment of Unmet Need in the Geographic Area

- Briefly describe the geographic area that your organization serves and note any other providers of family planning services in the geographic area. (If funded, you should have a copy of a complete inventory of these providers available upon request by MDH. You can use the form provided in Appendix G).
- Identify barriers to accessing family planning services in your area such as prohibitive distance, services not specifically designed for age of clients, limited or inconvenient hours, language barriers, or lack of confidentiality.
- Detail any racial and ethnic health disparities related to family planning that exist in your area.
- Explain any adolescent health disparities related to family planning services that exist in your area.
- Determine if there are underserved or unserved high-risk populations in your area and identify those who are at high risk for unintended pregnancy.
- Cite sources used in making the needs assessment.

There is more information on conducting a needs assessment in Appendix H.

B. Statement of Need

Based on the assessment of unmet need, provide a statement about the problem(s) your grant project will address. In the statement:

- Detail the need for one or more of the six family planning components in the geographic area.
- Propose solutions to overcome the barriers identified if funding is obtained.
- List which of the six components your agency will provide if funded. You will list Goals and Objectives for each component when you complete the Work Plan.

Note: Not all six components need to be addressed by your organization but clients must have access to each component. Please describe how your organization will accommodate clients' needs for the components you do not provide.

C. Target Population

Describe the target population your agency will serve with FPSP funds. You will be asked to list your target population for each component when you complete the Work Plan. Discuss how your choice of target population relates to the identified unmet needs and why your agency is suited to provide services to the identified target audience.

Criteria for Grant Review: The Statement of Need section of the application will be reviewed and scored according to the following criteria (15 Points):

- Does the applicant provide a clear description of the geographic area they intend to serve including barriers to family planning services and those at highest risk for unintended pregnancy?
- Does the applicant give a strong Statement of Need for providing family planning services and propose solutions to overcome the identified barriers to these services?
- Does the applicant clearly identify their target population and why they are suited to provide services to that target population?

IV. Family Planning Special Projects Work Plan

- Complete all of the following on Work Plan Form B. Please limit the complete Work Plan to 12 or fewer pages. (If you are submitting a joint application, the 12 page limit is for each agency.)

Note: If your application is approved and funded at the level requested, the Work Plan (Form B) will be incorporated into MDH's contract with the grantee agency as contractor's duties. Work Plans must be completed according to directions so they can be separated easily from the rest of the application. (See Appendix I for a sample work plan.)

A. Work Plan for Each Component

Create the number of pages needed in Form B for each Family Planning component you plan to offer with FPSP funds. In this section, please describe only the work you will be doing using FPSP funds – not your agency's entire family planning work plan. For uniformity, we ask each applicant to complete the work plan pages **in the following order as they are listed in the FPSP Rule:**

Public Information
Outreach
Counseling
Method
Referral
Follow-Up

According to the FPSP Rule, if you do Counseling and Method, you must also include Referral and Follow-up components in your plan.

B. Work Plan: Goals by Component

Provide the goal for each family planning component you will provide with FPSP funds by listing the goal on the Work Plan form directly under the Component name.

A goal describes the purpose toward which your efforts are directed. Goals indicate the desired outcomes for the community's health status. Goals are long-range and broad in scope. A goal may or may not be measurable.

C. Work Plan: Objectives

On the Work Plan, list your intended Objectives to meet your goals for each component. Write Objectives for the two year period July 1, 2009 through June 30, 2011.

Objectives are tangible, measurable and achievable outcomes specific to the proposed family planning activities and budget. Objectives describe changes observed within the target population when the goal is partially or completely achieved.

Objectives contain three common elements:

1. A time frame (by “when”)
2. The target population/clients (“who”) and
3. The amount of measurable change expected in the target population (“what”)

D. Work Plan: Target Population

For each Objective, list the Target Population. You could have different Target Populations under the same component. For example, under Outreach, one target could be teens at risk for pregnancy and another target could be parents of teens. One objective could be to target a specific cultural group or males.

For all components except Public Information, the target population is selected by the applicant agency and should include the specific group(s) and estimated numbers that you propose to serve. The target population may differ for some components. However, **each target population should be selected from high-risk populations as identified in the needs assessment.**

For the **Public Information** component, the Target Population is defined in the FPSP Rule (MN Rule 4700.2210) as “the general population of the geographic area.”

E. Work Plan: Activities and Strategies

On the Work Plan, list the activities you will use to meet your objectives directly across from the objectives you plan to meet. For each activity, state the number of clients you are proposing to serve with FPSP funds. List the activities in logical sequence.

Make sure to clearly state how your activities are designed to reach your target population. All activities should be evidence-based and reflect best practices. Method activities should adhere to generally accepted protocols.

When preparing the proposed activities, read carefully the FPSP Rule, (MN Rule 4700.2210) which lists the minimum standards for each component.

F. Work Plan: Activity Rationale

For each activity, briefly describe on the work plan form why the activity was chosen. **Clearly state how your activities are designed to reach your stated target population.** Indicate if the activities are culturally appropriate and likely to be effective with the target population, Use documentation from past history of the agency or

evidence reported in the professional literature to demonstrate they are likely to be effective.

G. Work Plan: Evaluation

In the Evaluation column of the Work Plan, clearly state outcome measures that you will use to evaluate progress toward meeting each of your stated objectives. Describe how those measures will be monitored.

Evaluation criteria and processes should:

- Determine the effectiveness of the program in reaching the objectives you established and in addressing the stated need. Did you make progress toward meeting the needs?
- Determine if changes or adjustments are needed in the program as it proceeds;
- Establish quantitative standards by which a project activity's success can be assessed (e.g., "90% of participants in the educational programs will score 75% or more correct on the post test.");
- Collect data to evaluate program according to the above established standards.

Evaluation measures *at a minimum* must include the following information:

- **Number of people served by one-to-one and group outreach activities;**
- **Number of group sessions convened;**
- **Number of clients receiving family planning counseling services by age, sex, race, ethnicity, and income level;**
- **Number of clients receiving medical family planning methods services by age, sex, race, ethnicity, and income level.**

Annual statistical report forms will require the above minimum evaluation measures. In the annual narrative report, grantees will discuss additional evaluation measures they have chosen. The current FPSP Statistical Report Form can be found at: <http://www.health.state.mn.us/divs/fh/mch/familyplanning/spec-proj/statform.xls>.

H. Work Plan Suggestions for Components

Public Information

- Public Information is different than Outreach. The FPSP rule defines **Public Information** as "*specific activities designed to inform **the general population** about family planning and how to obtain information on all family planning service components available in the geographic area.*"
- Examples of Public Information would be: Web pages, ads in phone directories or newspapers, ads on TV and radio, posters at area businesses, brochures given out to general population, and attendance at festivals or fairs that are not just for the target population, e.g. Hmong New Year, county fairs.

Outreach

- Outreach is defined as "*specific activities designed to inform **members of the target population** about family planning and all the family planning service components*"

available in the geographic area. Outreach activities shall include one-to-one or small group contacts with the target population.”

- Some Outreach activities may **not** involve face to face activity but are designed for the target audience. For example, staffing a booth at a college orientation and giving out brochures with clinic information; hanging posters in staff lunch rooms of businesses where young women without insurance might work, having family planning information in every WIC packet; producing a TV or radio ad that only runs in Somali (or other targeted languages) or on stations listened to by a certain age group.
- Other Outreach efforts are face-to-face and educational in nature geared toward the target audience. Some examples are classes on family planning and healthy sexuality at juvenile detention centers, county jails, chemical dependency group homes, classes for the deaf and hard of hearing, or seminars at a community college. Reminder: no family planning services may be provided to any unemancipated minor in an elementary or secondary school building.

Counseling and Method

- The FPSP rule stipulates an applicant must document that counseling took place prior to selection of method, The FPSP rule defines counseling as, “*using non-directive techniques in a decision-making format that allows individuals to consider alternatives and outcomes.*” In the Work Plan include a description of how your agency provides counseling and by whom. Describe how your agency insures service to clients who speak a language other than English.
- In the Method section of the Work Plan, applicants can state that they provide Method services according to MN Rule 4700.2210 D, but you do not have to list all of the items under D in your work plan.
- Applicants should include hours and locations that counseling and methods are provided by your agency in this section of the Work Plan.
- Applicants should list the specific birth control methods that the agency will provide to clients and which methods are referred to other agencies.

Criteria for Grant Review: The FPSP Work Plan section of the application will be reviewed and scored according to the following criteria (48 points):

- Does the applicant clearly describe the family planning components they propose to provide?
- Does the applicant provide clear goals for each proposed component?
- Are the proposed Objectives for each component clearly described, measurable, and realistic?
- Are the proposed activities/strategies for each Objective consistent with the cultural and socioeconomic characteristics of the target population and demonstrate cultural appropriateness?
- Are the proposed activities/strategies for each Objective proven or likely to be effective with the target population? (Documented by past history, or as proven and reported in the appropriate professional literature?)
- To what extent do the proposed evaluation criteria effectively measure the project’s progress toward meeting their objectives?

- To what extent is the project likely to meet its objectives in the grant cycle?
- Overall, is the Work Plan sufficiently detailed, clear and easy to understand and does it demonstrate a clear relationship between the identified problem and the goals, objectives, and activities?

I. Budget Section

A. Budget Summary (Form C)

- Complete Budget/Expenditure Form (Form C) for Family Planning Special Projects Grant for the grant period July 1, 2009 through June 30, 2011.
- Complete and include the Checklist Source of Funds form in your application (Form E). The information on the checklist **MUST** match the Budget/Expenditure *Other Sources of Income* you are submitting with your application (See Form C).
- Budget all Family Planning Special Project grant funds in the column headed *Total Budget* under *Source of Project Controlled Funds*.
- Expenses by line item must be identified on the budget expenditure form:
 - Salaries and fringe
 - Contraceptives
 - Contractual
 - Instate Travel
 - Supplies and expenses (Includes telephone, postage, print, copy, and equipment under \$5,000.)
 - Other (list them separately)
 - Indirect/Administration Costs (**MUST** complete Form D to request this expense)
 - Total of all expenses.
- All non-FPSP grant funds budgeted for activities that relate* to this Family Planning Special Project and that are controlled by the applicant agency should be budgeted in the column under *Other Sources*. If some of this funding is identified in the row headed *Other Grantee****, the source of these funds must be identified in the ****List Sources and amounts* section of the form. If needed, a supplemental page may be added. A match is not required, but applicants are scored on “*showing evidence of the use of third-party sources of funding whenever possible.*”
 (*Related activities include: the same or other components of the family planning program serving the same clientele in the same geographic area as that which is funded by FPSP grant funds).

Reminder:

- Provide one budget for the budget period from July 1, 2009 through June 30, 2011.
- For all non-FPSP sources of funds, only the total amount must be identified, not the line items.
- Total all lines and columns. Check for mathematical accuracy.

- Assure that the total FPSP request for the grant is consistent with the amount noted in number 4 on the Application Face Sheet (Form A)

B. Budget Justification

For each of the cost items on the budget form for which grant funds are requested, provide a rationale and details relative to how the budgeted cost items were calculated. This concise narrative should be labeled “Budget Justification” and be attached to the budget form. (See Appendix K for a Sample Budget Justification.)

- Salaries and Fringe Benefits (Administrative, Clinical and Contracted Medical) – For each proposed position to be paid from this project grant, provide the position title, total salary, FTE, and fringe benefits. Include a description of the activities of each position as it relates to the project including the percent of time to be spent on project activities and the amount of salary to be funded by the project budget.
- Contraceptives Provide information on type, cost per person and the number needed during the grant cycle.
- Contractual Services Provide the name of the contractors, type of services being provided and at what cost.
- In State Travel Provide information on instate travel, number of miles, purpose for the travel and cost per mile. The current federal rate is .55/per mile.
- Supplies and Expenses This item includes, telephone, postage, print, copy, and equipment under \$5,000.
- Other Whenever possible, include proposed expenditures in the categories listed above. If it is necessary to include expenditures in this general category, include a detailed description of the activities as it relates to the project.
- Indirect/Administration Form D must be completed in order to have expenses in this category. Administrative costs are defined as “costs that represent the expenses of doing business that are not easily identified with a particular grant, contract, project, function, or activity but are necessary for the general operation of the organization and the conduct of activities it performs.” Examples of these expenses include salaries of support staff in accounting, reception and administration; costs to operate and maintain facilities, such as phone service and rent; and common office supplies and services, such as paper and copying. Remember that nothing specifically charged to the grant-funded activity can be included in calculating Administrative costs.
- Total Provide the total budget for FPSP grant dollars, and total dollars obtained from Other Sources of Income.
- Other Sources of Income List other sources of income anticipated to the support the FPSP program.

C. Special Situations

- Agencies submitting a joint application must submit a budget for the entire project and also separate operating agency budgets for each agency that is a party to the joint application.

- A single agency that applies in more than one region must submit a separate budget for each region in which it proposes to provide services.
- Applicant agencies that subcontract services to other agencies: Supplement your total applicant agency budget with a line item budget for each operating agency, using the Budget/Expenditure Form for Family Planning Special Projects Grant.

D. State of Minnesota Policy on Financial Review of Nongovernmental Organizations

It is the policy of the State of Minnesota to make grants to nongovernmental organizations that are financially stable enough to carry out the purpose of the grant. Before awarding a grant of over \$25,000 to a nongovernmental organization, Minnesota state agencies must assess a recent financial statement from that organization. Items of significant concern must be discussed with the grant applicant and resolved to the satisfaction of state agency staff before a grant is awarded.

State agency staff must review at least one of the following documents before awarding a grant: an internal financial statement, an IRS Form 990, or a certified financial audit. Agency staff shall note which document was reviewed for each grant applicant, whether there were significant operating or fund balance (net asset) deficits, how the grant applicant addressed the concern, and what the final granting decision was. These notes are to be kept in the grant file.

Certified financial audit:

A certified financial audit is a review of an organization's financial statements, fiscal policies and control procedures by an independent third party to determine if the statements fairly represent the organization's financial position and if organizational procedures are in accordance with Generally Accepted Accounting Principles (GAAP). Minnesota nonprofit organizations are required to have a certified financial audit completed for any fiscal year in which they have income of more than \$350,000.

IRS Form 990:

An IRS Form 990 is a federal tax return for nonprofit organizations. Nonprofit organizations that are recognized as exempt from Federal income tax must file a Form 990 or Form 990 EZ if it has averaged more than \$25,000 in annual gross receipts over the past three tax years.

Required documentation

- Grant applicants with annual income of under \$25,000 or who have not been in existence long enough to have a completed IRS Form 990 or audit must submit their most recent board-reviewed financial statements with the application.
- Grant applicants with annual income of under \$350,000 must submit their most recent IRS Form 990 with the application.

- Grant applicants with annual income of over \$350,000 must submit their most recent certified financial audit with the application..

This policy on Financial Review of Nongovernmental Organizations can be found at:
http://www.admin.state.mn.us/ogm_policies_and_statute.html

Criteria for Grant Review: The Budget Section of the application will be reviewed and scored according to the following criteria (15 points):

- Are Budget Form C and the Budget Justification complete?
- Do the amounts on Budget Form C match what is in the Budget Justification?
- Do they show evidence on Forms C and E that the use of third-party sources of funding, such as the Minnesota Family Planning Program (MFPP), will be employed whenever possible?
- Is the information contained in the Budget Justification consistent with what is proposed in the Work Plan?
- Are the projected costs reasonable and sufficient to accomplish the proposed activity?

Required Forms

Form A	Application Face Sheet with Instructions
Form B	FPSP Work Plan
Form C	Budget Summary with Instructions
Form D	Administrative Cost Allocation and Worksheet
Form E	Checklist of Source of Non-FPSP Funds
Form F	MDH Evidence of Compliance with Worker's Compensation Requirements
Form G	Application for Greater Minnesota Need Funds

Application Face Sheet - Form A
Family Planning Special Projects Grant Program

1. Legal name and address of the applicant agency with which grant agreement would be executed:		
2. Minnesota Tax I.D. Number: _____	Federal Tax I.D. Number: _____	
3. Non-Profit Status – 501(c) 3 Copy Attached <input type="checkbox"/> Yes <input type="checkbox"/> Not Applicable		
4. Requested funding for the total grant period (7/1/09 – 6/30/11):		\$ _____
5. Director of applicant agency Name, Title and Address: _____ E-Mail Address: _____ Telephone Number: () _____ FAX Number: () _____		
6. Fiscal management officer of applicant agency Name, Title and Address: _____ E-Mail Address: _____ Telephone Number: () _____ FAX Number: () _____		
7. Operating agency (if different from number 1 above) Name, Title and Address: _____ E-Mail Address: _____ Telephone Number: () _____ FAX Number: () _____		
8. Contact person for operating agency (if different from number 5 above) Name, Title and Address: _____ E-Mail Address: _____ Telephone Number: () _____ FAX Number: () _____		
9. Contact person for further information on grant application Name, Title and Address: _____ E-Mail Address: _____ Telephone Number: () _____ FAX Number: () _____		
10. Copies of This Application Have Been Sent to the Following Community Health Boards for Review <i>(Not Applicable for Community Health Board(s) if the Board is the Applicant)</i>		
<u>Agency Name</u>	<u>Date Sent</u>	
11. Certification I certify that the information contained herein is true and accurate to the best of my knowledge and that I submit this application on behalf of the applicant agency.		
_____ Signature of Authorized Agent for Grant Agreement	_____ Title	_____ Date

Application Face Sheet Instructions

Please type or print all items on the Application Face Sheet.

1. **Applicant Agency**
Legal name of the agency authorized to enter into a grant contract with the Minnesota Department of Health
2. **Applicant Agency's Minnesota and Federal Tax I.D. Number**
3. **Non-Profit Status – 501(c) 3 Copy Attachment**
Check appropriate answer. Agencies other than a governmental unit are required to file a 501(c) 3 form with the application as evidence the agency is a non-profit institution, corporation or organization
4. **Requested Funding for the Total Grant Period**
Amount the applicant agency is requesting in grant funding for the grant period (7/1/09 – 6/30/11)
5. **Director of the Applicant Agency**
Person responsible for directing the applicant agency.
6. **Fiscal Management Officer of Applicant Agency**
The chief fiscal officer for applicant agency who would have primary responsibility for grant agreement and grant funds expenditure and reporting.
7. **Operating Agency**
Complete only if other than the applicant agency listed in number 1 above.
8. **Contact Person for Operating Agency**
Person who may be contacted concerning questions about implementation of this proposed program. Complete only if different from the individual listed in number 5.
9. **Contact Person for Further Information**
Person who may be contacted for detailed information concerning the application, or the proposed program.
10. **Copies of this Application Have Been Sent to the Following Community Health Boards for Review**
Provide copies of this application and any subsequent revisions to the appropriate community health boards as required by the individual instructions.
11. **Signature of Authorized Agent of Applicant Agency for Grant Agreement**
Provide original signature of the Authorized Agent of the applicant agency and the date signed.

FPSP Work Plan

Component: _____

Form B

Goal: _____

<i>OBJECTIVES</i>	<i>TARGET POPULATION</i>	<i>ACTIVITIES</i>	<i>ACTIVITY RATIONALE</i>	<i>EVALUATION</i>



**BUDGET
FOR FAMILY PLANNING SPECIAL PROJECTS GRANTS**

Form C

Grantee Agency:
Street Address:
City, State, Zip:
Contact Person:
Phone :
E mail address:

SOURCE OF PROJECT CONTROLLED FUNDS

BUDGET BY LINE ITEM

FPSP Funds:	
Line Items	Total
Salaries and Fringe	
Contraceptives	
Contractual	
In state travel	
Supplies and Expenses**	
Other (provide detail below)	
Indirect/Administration Costs (attach Form D)	
TOTAL	0

Other Sources of Income:	
Other Sources	Total Dollars
LPHA	
MFPP	
Other DHS	
Other State	
Other 3rd Party	
Client Fees	
Other Grantee***	
TOTAL	0

**Includes telephone, postage, print, copy, and equipment under \$5,000.00

J. ***List Sources and amounts of "other grantee funds (e.g., local tax, fees., in kind donations, foundations, ect.	
	\$0
	\$0
	\$0
TOTAL	\$0

Note: An Excel version of this form is available separately on the web at <http://www.health.state.mn.us/divs/fh/mch/familyplanning/index.html>

Instructions Form C:

Complete Budget Form C for Family Planning Special Projects Grant for the grant period July 1, 2009 through June 30, 2011.

Complete and include the Checklist Source of Funds form in your application (Form E). The information on the checklist MUST match the Budget Other Sources of Income on Form C you are submitting with your application..

Budget all Family Planning Special Project grant funds in the column headed Total Budget under Source of Project Controlled Funds.

Expenses by line item must be identified on the budget expenditure form:

- Salaries and fringe
- Contraceptives
- Contractual
- Instate Travel
- Supplies and expenses (Includes telephone, postage, print, copy, and equipment under \$5,000.)
- Other (list them separately)
- Indirect/Administration Costs (MUST complete form D to request this expense)
- Total of all expenses.

All non-FPSP grant funds budgeted for activities that relate* to this Family Planning Special Project and that are controlled by the applicant agency should be budgeted in the column under Other Sources. If some of this funding is identified in the row headed Other Grantee***, the source of these funds must be identified in the ***List Sources and amounts section of the form. If needed, a supplemental page may be added. A match is not required, but credit is given for evidence of maximization of alternative sources of funding under Other Sources of Income.

*Related activities include: the same or other components of the family planning program serving the same clientele in the same geographic area as that which is funded by FPSP grant funds.

- Provide one budget for the budget period from July 1, 2009, through June 30, 2011.
- For all non-FPSP sources of funds, only the total amount must be identified, not the line items.
- Total all lines and columns. Check for mathematical accuracy.
- Assure that the total FPSP request for the grant is consistent with the amounts noted on the Project Information Form.

Administrative Cost Allocation for MCH Section Grants – Form D

Grantee Agency Name: _____

MCH Program: Family Planning Special Projects

Please check one of the four options:

1. **Not applicable**
No charges to MCH grant program are for administrative-indirect cost.
2. **Indirect Cost Rate Agreement**
A Federal negotiated fixed rate is to be charged against all participating programs, including MCH grant program.

A signed agreement from covering the current Federal fiscal year is attached.

3. **Approved Cost Allocation Process:**
Option 1: Administrative - indirect costs are allocated to the agency's programs using worksheets developed by the agency for this purpose.

Agency worksheets and supporting documents are attached which are in compliance with the requirements of the OMB Circular A-87 "Cost Accounting Principles for State, Local, and Indian Tribal Governments", and the Federal award(s) for which they apply.

4. **MCH Grant Program - Approved Cost Allocation Process:**
Option 2: Administrative - indirect costs are allocated to the agency's programs using the optional Administrative – Indirect Cost Allocation Worksheets on the following page.

Worksheets and supporting documents are attached which are in compliance with the requirements of the OMB Circular A-87 "Cost Accounting Principles for State, Local, and Indian Tribal Governments", and the Federal award(s) for which they apply.

NOTE: Budgets will not be approved until all required supporting documents have been submitted and accepted.
--

Administrative Cost Allocation Worksheet

1. Cost item included in the administrative-indirect rate on this worksheet:

[Examples include rent, telephones, supplies, etc.]

2. Total cost of items in 1. to the agency: _____

3. The MCH grant program share of the total cost is calculated through use of (check one):

<input type="checkbox"/>	a.	MCH grant program percent of the total agency staff hours or full-time employees (FTE's) (Can not use staff salary dollars)
<input type="checkbox"/>	b.	MCH grant program percent of the total square feet of space occupied by the agency.
<input type="checkbox"/>	c.	Other – specify: and is in compliance with the requirements of the OMB Circular A-87 “Cost Accounting Principles for State, Local, and Indian Tribal Governments”, and the Federal award(s) for which they apply.

4. Calculation of the MCH grant program percentage:

Programs operated by the agency.	Each program's staff hours , FTE's , (can not use staff salary dollars) square feet , or other (can not use total program dollars) (circle the criteria you are using)	Calculation of each program's percent of the total (calculated to the nearest tenth percent, e.g., 5.2%)
TOTAL:		100%

5. MCH grant program proportionate amount: _____

Checklist of Source of Funds Use of Non-FPSP Funds – Form E

Please complete the form for non-FPSP funds used by your agency for its family planning program. This information does not need to be addressed in the narrative.

Source of Funds	If using, briefly describe use
Local Public Health Act Funding	
MFPP Reimbursement - Minnesota Family Planning Program	
DHS Reimbursement - Medical Assistance, Minnesota Care, C&TC	
Other State Funds	
Other Third Party Reimbursement	
Client Fees	
Other Federal Funds	
Local Tax Dollars	
Private Foundation Funds	
Individual Donations	

 Please Type or Print

**Minnesota Department of Health
Evidence of Compliance**

State law forbids the Commissioner of Health from entering into any grant contract until the Commissioner receives acceptable evidence of compliance with worker’s compensation insurance coverage requirements from the grantee. The exception to this requirement is a self-employed grantee who has no employees. An employee, as defined by M.S. 176.011, subd. 9, is any person who performs services for another for hire, including minors and family members.

If you do not fall within the exception and you wish to enter into a grant contract with the Commissioner of Health, you must furnish acceptable evidence of compliance with worker’s compensation coverage in any one of the following four ways:

1. Attach a certificate of insurance (supplied by your workers= compensation carrier) to this Evidence of Compliance form; or
2. If you are self-insured, attach to this Evidence of Compliance form, a written order from the Minnesota Commissioner of Commerce allowing you to self-insure; or
3. If you are self-insured and you are a state agency or a municipal subdivision of the state, pursuant to M.S. 176.181, subd. 2, and are not required to obtain a written order from the Commissioner of Commerce, **circle this entire statement and sign and date the form below in the space provided;** or
4. Fill in the information for each item below and sign and date the form in the space provided.

Name and Address of Grantee=s Insurance Carrier:	Grantee=s Insurance Policy Number:

*I affirm that all of the employees of _____
(Grantee’s Name)
are covered by the workers’ compensation insurance policy listed above.*

Signed By	Title	Date

Application for Greater Minnesota Need Funds

Applicant hereby certifies that the following statement reflects the current financial status of the Applicant.

_____ Applicant can demonstrate financial need and Applicant maintains documentation that demonstrates this financial need.

By checking the above, Applicant acknowledges understanding that they must make available, upon request to MDH, any documentation related to financial need.

Signature
Director of Applicant Agency

Date

Appendices

- Appendix A MN Statutes §145.925, Minnesota Family Planning Grants Act
- Appendix B Minnesota Rules 4700.1900-2500, Family Planning Special Projects (FPSP)
- Appendix C Map of Minnesota Family Planning Regions
- Appendix D Criteria for Scoring FPSP Grant Proposals
- Appendix E 2008 HHS Poverty Guidelines
- Appendix F Information Relating to a Joint Application
- Appendix G Inventory of Existing Family Planning Service Agencies
- Appendix H Information and Data Related to Conducting a Needs Assessment
- Appendix I Sample Work Plan
- Appendix J Sample Budget Justification

Minnesota Statute §145.925 Family planning grants.

Subd. 1. **Eligible organizations; purpose.** The commissioner of health may make special grants to cities, counties, groups of cities or counties, or nonprofit corporations to provide pre-pregnancy family planning services.

Subd. 1a. **Family planning services; defined.** "Family planning services" means counseling by trained personnel regarding family planning; distribution of information relating to family planning, referral to licensed physicians or local health agencies for consultation, examination, medical treatment, genetic counseling, and prescriptions for the purpose of family planning; and the distribution of family planning products, such as charts, thermometers, drugs, medical preparations, and contraceptive devices. For purposes of sections 145A.01 to 145A.14, family planning shall mean voluntary action by individuals to prevent or aid conception but does not include the performance, or make referrals for encouragement of voluntary termination of pregnancy.

Subd. 2. **Prohibition. The commissioner shall not make special grants pursuant to this section to any nonprofit corporation which performs abortions. No state funds shall be used under contract from a grantee to any nonprofit corporation which performs abortions. This provision shall not apply to hospitals licensed pursuant to sections 144.50 to 144.56, or health maintenance organizations certified pursuant to chapter 62D.

Subd. 3. **Minors.** No funds provided by grants made pursuant to this section shall be used to support any family planning services for any unemancipated minor in any elementary or secondary school building.

Subd. 4. **Parental notification.** Except as provided in sections 144.341 and 144.342, any person employed to provide family planning services who is paid in whole or in part from funds provided under this section who advises an abortion or sterilization to any unemancipated minor shall, following such a recommendation, so notify the parent or guardian of the reasons for such an action.

Subd. 5. **Rules.** The commissioner of health shall promulgate rules for approval of plans and budgets of prospective grant recipients, for the submission of annual financial and statistical reports, and the maintenance of statements of source and application of funds by grant recipients. The commissioner of health may not require that any home rule charter or statutory city or county apply for or receive grants under this subdivision as a condition for the receipt of any state or federal funds unrelated to family planning services.

Subd. 6. **Public services; individual and employee rights.** The request of any person for family planning services or the refusal to accept any service shall in no way affect the right of the person to receive public assistance, public health services, or any other public service. Nothing in this section shall abridge the right of the individual to make decisions concerning family planning, nor shall any individual be required to state a reason for refusing any offer of family planning services.

Any employee of the agencies engaged in the administration of the provisions of this section may refuse to accept the duty of offering family planning services to the extent that the duty is contrary to personal beliefs. A refusal shall not be grounds for dismissal, suspension, demotion,

or any other discrimination in employment. The directors or supervisors of the agencies shall reassign the duties of employees in order to carry out the provisions of this section.

All information gathered by any agency, entity, or individual conducting programs in family planning is private data on individuals within the meaning of section 13.02, subdivision 12.

Subd. 7. **Family planning services; information required.** A grant recipient shall inform any person requesting counseling on family planning methods or procedures of:

- (1) Any methods or procedures which may be followed, including identification of any
- (2) which are experimental or any which may pose a health hazard to the person;
- (3) A description of any attendant discomforts or risks which might reasonably be expected;
- (4) A fair explanation of the likely results, should a method fail;
- (5) A description of any benefits which might reasonably be expected of any method;
- (6) A disclosure of appropriate alternative methods or procedures;
- (7) An offer to answer any inquiries concerning methods or procedures; and
- (8) An instruction that the person is free either to decline commencement of any method or procedure or to withdraw consent to a method or procedure at any reasonable time.

Subd. 8. **Coercion; penalty.** Any person who receives compensation for services under any program receiving financial assistance under this section, who coerces or endeavors to coerce any person to undergo an abortion or sterilization procedure by threatening the person with the loss of or disqualification for the receipt of any benefit or service under a program receiving state or federal financial assistance shall be guilty of a misdemeanor.

Subd. 9. **Amount of grant; rules.** Notwithstanding any rules to the contrary, including rules proposed in the State Register on April 1, 1991, the commissioner, in allocating grant funds for family planning special projects, shall not limit the total amount of funds that can be allocated to an organization. The commissioner shall allocate to an organization receiving grant funds on July 1, 1997, at least the same amount of grant funds for the 1998 to 1999 grant cycle as the organization received for the 1996 to 1997 grant cycle, provided the organization submits an application that meets grant funding criteria. This subdivision does not affect any procedure established in rule for allocating special project money to the different regions. The commissioner shall revise the rules for family planning special project grants so that they conform to the requirements of this subdivision. In adopting these revisions, the commissioner is not subject to the rulemaking provisions of chapter 14, but is bound by section 14.386, paragraph (a), clauses (1) and (3). Section 14.386, paragraph (b), does not apply to these rules.

HIST: 1976 c 9 s 2; 1977 c 305 s 45; 1978 c 775 s 1; 1981 c 311 s 39; 1981 c 356 s 176; 1982 c 545 s 24; 1983 c 289 s 115 subd 1; 1Sp1985 c 9 art 2 s 16; 1986 c 444; 1987 c 309 s 25; 1991 c 199 art 2 s 1; 1991 c 292 art 2 s 32; 1997 c 187 art 5 s 19; 1997 c 203 art 2 s 15
Copyright 2002 by the Office of Revisor of Statutes, State of Minnesota.

****Note: Subd. 2 was declared unconstitutional**

Family Planning Rule 4700.1900

PURPOSE, SCOPE, AND APPLICABILITY.

The purpose and scope of parts 4700.1900 to 4700.2500 is to prescribe requirements applicable to family planning special project grants, to establish minimum standards for family planning services supported in whole or in part by family planning special project grant funds, and to provide criteria for the review of family planning special project grant applications.

Minnesota Statutes §145.925, contains a provision prohibiting use of these funds for abortions, and for family planning services to unemancipated minors in an elementary or secondary school building; requiring notice to parents or guardians of unemancipated minors to whom abortion or sterilization is advised, except as provided in MN Statutes §144.341 and §144.342; and prohibiting coercing anyone to undergo an abortion or sterilization.

STAT AUTH: MS s 144.05; 144.12; 145.925

HIST: 12 SR 1562; 16 SR 170
Current as of 05/12/97

4700.2000 DEFINITIONS.

Subp. 1. Scope. For purposes of parts 4700.1900 to 4700.2500, the following terms have the meanings given them in this part.

Subp. 2. Approvable application. "Approvable application" means an application which meets the criteria for award, as specified in part 4700.2300.

Subp. 3. Community health board. "Community health board" means a board of health established, operating, and eligible for a subsidy under MN Statutes §145A.09 to §145A.13.

Subp. 4. Current award. "Current award" means the amount of family planning special project grant funds received in the year immediately preceding the one for which a new grant of family planning special project funds is requested.

Subp. 5. Current recipient. "Current recipient" means an agency receiving family planning special project grant funds in the year immediately preceding the one for which a new grant of family planning special project funds is requested.

Subp. 6. Family planning. "Family planning" means voluntary planning and action by individuals to attain or prevent pregnancy.

Subp. 7. Family planning methods. "Family planning methods" means agents and devices for the purpose of fertility regulation prescribed by a licensed physician, and other agents and devices for the purpose of fertility regulation including, spermicidal agents, diaphragms, condoms, oral contraceptives, intrauterine devices, natural family planning methods, sterilizations, and the diagnosis and treatment of infertility by a licensed physician, which can be paid for in whole or in part by family planning special project grant funds.

Subp. 8. Family planning services components. "Family planning services components" means the public information, outreach, counseling, method, referral, and follow-up categories under which all

services provided by family planning service providers must be described. The minimum standards in part 4700.2210 serve to define these components.

Subp. 9. High risk person. "High risk person" means an individual whose age, health, prior pregnancy outcome, or socioeconomic status increases her chances of experiencing an unplanned pregnancy or problems during pregnancy. High risk persons include, but are not limited to, women under 18 or over 35; women who have experienced premature labor and delivery; women with existing health problems such as diabetes, anemia, and obesity; and persons whose individual or family income is determined to be at or below 200 percent of the official income poverty line as defined by United States Code, title 42, section 9902, and as published by the Federal Office of Management and Budget and revised annually in the Federal Register. A copy of the most current guideline is available from the Office of Planning and Evaluation, Department of Health and Human Services, Washington, D.C., 20201, (202) 245-6141.

Subp. 10. Linkages. "Linkages" means formal or informal arrangements between the applicant and other family planning providers including contracts, reciprocal referral agreements, and committees.

Subp. 11. New applicant. "New applicant" means an agency which did not receive family planning special project funds in the year immediately preceding the one for which a grant of family planning special project funds is requested.

Subp. 12. Provide. "Provide" means to directly supply or render or to pay for in whole or in part.

Subp. 13. Publicly subsidized. "Publicly subsidized" means funded by federal, state, county, or city tax dollars, but does not include title XIX of the Social Security Act medical assistance funds.

Subp. 14. Region. "Region" means that group of counties represented by a single person on the executive committee of the State Community Health Advisory Committee. The counties in each region are as follows:

<u>Northeastern</u>	<u>Northwestern</u>	<u>West Central</u>
Aitkin	Becker	Clay
Carlton	Beltrami	Douglas
Cook	Clearwater	Grant
Itasca	Hubbard	Otter Tail
Koochiching	Kittson	Pope
Lake	Lake of the Woods	Stevens
Saint Louis	Mahnomen	Traverse
	Marshall	Wilkin
	Norman	
	Pennington	
	Polk	
	Red Lake	
	Roseau	

<u>Central</u>	<u>Metro</u>	<u>South Central</u>
Benton	Anoka	Blue Earth
Cass	Carver	Brown
Chisago	Dakota	Faribault
Crow Wing	Hennepin	Le Sueur
Isanti	Ramsey	McLeod
Kanabec	Scott	Martin
Mille Lacs	Washington	Meeker
Morrison		Nicollet
Pine		Sibley
Sherburne		Waseca
Stearns		Watsonwan
Todd		
Wadena		
Wright		

<u>Southeastern</u>	<u>Southwestern</u>
Dodge	Big Stone
Fillmore	Chippewa
Freeborn	Cottonwood
Goodhue	Jackson
Houston	Kandiyohi
Mower	Lac Qui Parle
Olmsted	Lincoln
Rice	Lyon
Steele	Murray
Wabasha	Nobles
Winona	Pipestone
	Redwood
	Renville
	Rock
	Swift
	Yellow Medicine

STAT AUTH: MS s 144.05; 144.12; 145.925

HIST: 12 SR 1562; 16 SR 170

Current as of 05/12/97

4700.2100 CONTENT OF APPLICATION.

The application shall identify the geographic area to be served by the applicant and shall provide the following required information:

- A. An inventory of existing family planning services provider agencies in the geographic area served by the applicant. The inventory shall include, for each provider agency, at least the agency name; addresses of all agency service sites; the target

population served, including total number served if available (if unavailable, estimates will be acceptable); and the family planning service components provided.

B. An assessment of unmet needs of the geographic area to be served by the applicant. The assessment of unmet needs must, at least, identify unavailable family planning service components or unserved or underserved populations. A description of the method used in making the assessment shall be provided by the applicant.

C. A description of the family planning service components to be provided by the applicant. Each component to be provided with family planning special project funds must meet the standards for that component described in part 4700.2210. The application must include a budget and budget justification and summary of applicable training or experience of persons providing services relevant to these components. Also, for each component provided, the application must describe:

- (1) the goals;
- (2) the population to be served (target population);
- (3) the specific objectives to be achieved during the funding period;
- (4) the methods by which each objective will be achieved; and
- (5) the criteria to be used to evaluate the progress towards each objective.

D. A description of the linkages between the applicant and other family planning services in the geographic area.

E. A description of fees to be charged individuals for any family planning services. Fees must be charged for services to individuals and must be in accordance with a sliding fee schedule for services and supplies based on the cost of such services or supplies and on the individual's ability to pay as determined by income, family size, and other relevant factors. Services shall not be denied based on ability to pay as specified in item H.

F. Assurance that services will be provided in accordance with state and federal laws and rules.

G. Assurance that the use of third-party sources of funding will be employed whenever possible.

H. Assurance that services will be provided without regard to age, sex, race, religion, marital status, income level, residence, parity, or presence or degree of disability except as otherwise required by law.

I. Assurance that arrangements shall be made for communication to take place in a language understood by the family planning service recipient.

J. Assurance that the privacy of the service recipient will be maintained in accordance with law.

K. Original signature on face sheet and budget forms.

STAT AUTH: MS s 144.05; 144.12; 145.925

HIST: 12 SR 1562; 16 SR 170

Current as of 05/12/97

4700.2200 [Repealed, 12 SR 1562]
Current as of 05/12/97

4700.2210 MINIMUM STANDARDS FOR FAMILY PLANNING SERVICE COMPONENTS.

An applicant is not required to provide all components to be eligible for funding. However, the applicant must make available the names and addresses of other family planning services provider agencies in the geographic area, if any, who offer components and services not offered by the applicant.

All funded projects must establish linkages to facilitate access to outreach, counseling, and other component services for service recipients.

Procedures for referral and follow-up must be incorporated into all services that are provided by the applicant on a one-to-one basis.

The provision of all service components except public information shall include information on family planning services available from the applicant.

Service components to be provided by the applicant shall be defined by, and shall meet or exceed, the following minimum standards:

A. Public information must include specific activities designed to inform the general population about family planning and how to obtain information on all family planning service components available in the geographic area.

B. Outreach must include specific activities designed to inform members of the target population about family planning and all the family planning service components available in the geographic area. Outreach activities shall include one-to-one or small group contacts with the target population.

Outreach must be conducted at times and places convenient to the target population. Persons conducting outreach shall have training or experience in family planning services.

C. Counseling must include utilization of nondirective techniques in a decision-making format which enables individuals to voluntarily determine their participation in family planning services and their family planning method of choice, if any. "Nondirective techniques" means techniques that employ open-ended questions to enable individuals to consider their feelings, attitudes, and values about alternatives and outcomes. A decision-making format means a format that allows individuals to consider alternatives and outcomes, weigh advantages and disadvantages, and make choices.

When individuals are seeking to prevent pregnancy, counseling shall include the provision and explanation of factual information on all family planning pregnancy prevention methods in a nonjudgmental manner. "Nonjudgmental manner" means a manner in which the counselor's personal values and beliefs do not interfere with the client's choices.

When individuals are seeking to attain pregnancy, counseling shall include the provision and explanation of factual information on infertility diagnosis and treatment and services for pregnant women available in the geographic area.

Counseling shall be available to any individual in the target population and shall be conducted at times and places convenient to the target population.

Counseling shall include documentation that information required in MN Statutes §145.925, has been provided. Counseling shall be conducted by persons with training or experience in counseling and family planning services.

D. Method must include the provision to a service recipient of the recipient's family planning method of choice. Provision of any family planning method must include:

(1) procedures which document that the service recipient participated in counseling prior to selecting a family planning method to prevent pregnancy;

(2) voluntary selection of the family planning method by the service recipient;

(3) information on the advisability of females obtaining a gynecological examination with Pap smear prior to initiating any family planning method;

(4) education on the use of the selected family planning method, including the risks and benefits of the method; and

(5) medical/laboratory services prior to the provision of a family planning method when the selected method requires medical intervention for prescription, fitting, insertion, or for surgical or diagnostic procedures. When the selected method does not require medical intervention, as described herein, the applicant shall encourage service recipients to obtain medical/laboratory services, but provision by the applicant is not required. Medical/laboratory services shall include:

(a) social and medical/surgical history with emphasis on the reproductive system;

(b) height, weight, and blood pressure measures;

(c) bimanual pelvic examination for females;

(d) breast examination and instruction on self-examination for females;

(e) hemoglobin or hematocrit;

(f) urinalysis for sugar and protein;

(g) Pap smear; and

(h) when indicated by history or symptoms, for both male and female as appropriate, diagnosis and curative treatment of venereal disease, diagnosis and treatment of vaginitis, diagnosis of pregnancy, and for females, as appropriate, provision of rubella immunization.

Medical services shall be rendered by licensed physicians, or professional nurses with documentable training in gynecological care conducted under the supervision of a licensed physician, or nurse midwives certified by the American College of Nurse Midwifery, or physician's assistants, under the supervision of a licensed physician. Laboratory tests shall be conducted by personnel trained to conduct such tests.

E. Referral must include the provision, in writing, of information to service recipients which enables them to participate in family planning and other needed health and human services. Documentation of referrals must be maintained.

F. Follow-up must include specific procedures of continuing care designed to encourage safe and consistent utilization of family planning and other needed health and human services, using protocols based on accepted professional standards of care.

STAT AUTH: MS s 145.925 subd 5; 144.05 para (f)

HIST: 12 SR 1562
Current as of 05/12/97

4700.2300 CRITERIA FOR AWARD OF FAMILY PLANNING SPECIAL PROJECT GRANTS.

Subpart 1. Application criteria. Applications which meet the requirements of law and parts 4700.1900 to 4700.2500 shall be deemed approvable applications and eligible for award according to the notice of availability and the following criteria.

Subp. 2. [Repealed, 16 SR 170]

Subp. 3. Quality and content. Applications will be evaluated on the basis of:

A. the extent the funds will be used to meet unmet needs in the geographic area as identified in the application;

B. the extent the application proposes an identifiable expansion in the scope of the family planning service system in the geographic area to be served by the applicant;

C. the extent the application proposes to coordinate family planning services with organizations, agencies, and individual providers in the geographic area to be served;

D. the extent the application proposes to serve high risk persons;

E. the extent the application proposes to maximize use of alternative sources of funding; and

F. the extent the application proposes to provide family planning methods according to part 4700.2210, item D.

Subp. 4. Agency. When equivalent and competing applications are submitted for a geographic area, award priorities will be in accordance with the following:

A. first priority will be given to community health boards; and

c. second priority will be given to eligible nonprofit corporations.

Subp. 4a. Priority. Current recipients of family planning special project funds will not be accorded any priority over new applicants.

Subp. 5. Review and comment by community health board. Before submission to the commissioner, the applicant shall submit the proposal to the community health board responsible for the geographic area in

which the applicant proposes to provide its services, for the community health board's review and comment. The community health board's comments shall address the application based on the criteria in subpart 3. Any comments of a community health board shall be submitted to the commissioner within 45 days of the date the proposal was received by the community health board.

STAT AUTH: MS s 144.05; 144.12; 145.925

HIST: L 1977 c 305 s 39; 12 SR 1562; L 1987 c 309 s 24; 16 SR 170

Current as of 05/12/97

4700.2400 [Repealed, 16 SR 170]

Current as of 05/12/97

4700.2410 ALLOCATION SCHEME.

Subpart 1. Family planning hotline grant. Five percent of the total annual funds available or \$100,000 per year, whichever is less, must be allocated for a statewide family planning hotline. Applications must contain identifiable plans and budget allocations for both the operation of the hotline and its promotion statewide. If the grant award is not for the full amount of funds allocated under this subpart, the funds remaining must be reallocated for distribution under subpart 2.

Subp. 2. Family planning services grants. The portion of the total funds remaining after the distribution made under subpart 1 must be allocated according to this subpart. Except as provided in part 4700.2420, subpart 4, the family planning special project grant funds must be allocated on a regional basis according to the following needs-based distribution formula.

A. Determine the regional need by totaling the following three factors:

(1) the number of resident women within the region who are 12 to 18 years of age, determined by using Department of Health data from the most recent year for which it is available;

(2) the number of resident women within the region 19 to 34 years of age who are on medical assistance as determined by using Department of Human Services data from the most recent year for which it is available; and

(3) the number of resident women within the region who are 35 to 44 years of age as determined by using Department of Health data from the most recent year for which it is available.

B. Compute the regional proportion of the total state need for services by totaling the three factors in item A for each region and dividing each regional total by the sum of the three factors for the entire state.

C. Calculate the amount of family planning special project grant funds available for each region by multiplying its regional proportion by the total amount of money available for family planning special projects under this subpart.

STAT AUTH: MS s 144.05; 144.12; 145.925

HIST: 16 SR 170

Current as of 05/12/97

4700.2420 FAMILY PLANNING SERVICES GRANT FUNDING.

Subpart 1. Funding limit. An applicant, other than an applicant for a family planning hotline grant, shall be limited to an annual application request of \$75,000 per region. Two or more agencies may submit a joint application; each agency that is a party to it shall be limited to an annual application request of \$75,000 for each region covered by the joint application.

Subp. 2. Grant allocations. The applications, other than those for a family planning hotline grant, must be ranked in order within each region from highest to lowest based on the criteria for award in part 4700.2300. The applications must be funded in rank order from highest to lowest until all available funds for the region are allocated.

Subp. 3. Funding awards. If the amount requested by any applicant is more than that reasonably required to provide the proposed services, or if the proposed services are not based on part 4700.2210 or 4700.2300, the commissioner must either deny funding or award less than the amount the applicant requested. When the commissioner decides to award less than requested, the applicant must submit a revised description of the target population, methodologies, budget, or budget justification as required by the commissioner to receive funding.

Subp. 4. Contingency funding. If any of the conditions in items A to D exist, the commissioner shall redistribute the funds according to this subpart.

A. If funds remain available in a region after all approvable applications are funded according to this part, the commissioner shall redistribute the funds to the other regions, proportional to their share of funding need, based upon the process stated in part 4700.2410, subpart 2. The redistributed funds shall be awarded according to subpart 2.

B. Funds remaining available after all approvable applications are funded at the funding limit in subpart 1, and awarded according to subpart 2, will be proportionally distributed to all applicants with approvable applications. In order to receive additional funds, an applicant with an approvable application must submit a revised description of the target population, objectives, methodologies, budget, and budget justification to the commissioner within 60 days after receiving notice of the availability of additional funds.

C. If the department funds for family planning special project grants are increased after awards have been made under part 4700.2410, subpart 1, or 4700.2420, subparts 2 to 4, funds must first be allocated to the family planning hotline grant recipient within the funding limits specified in part 4700.2410, subpart 1. Remaining funds must then be distributed to the regions proportional to their share of funding need as determined according to part 4700.2410, subpart 2, and awarded according to part 4700.2420, subparts 2 to 4.

D. If department funds for family planning special project grants are reduced after awards have been made under this subpart or subpart 2 and part 4700.2410, subpart 1, all awards must be reduced proportionate to the department's reduction in these funds. A grant award recipient must submit a revised description of the target population, objectives, methodologies, budget, and budget justification to the commissioner within 60 days after receiving notice of reduced awards.

STAT AUTH: MS s 144.05; 144.12; 145.925

HIST: 16 SR 170
Current as of 05/12/97

4700.2500 USE OF STATE FUNDS AVAILABLE FOR FAMILY PLANNING SPECIAL PROJECT GRANTS.

Family planning special project grant recipients may not replace funds from other sources, such as existing federal, state, or local funds which the recipient uses for family planning information or services and over which the recipient exercises discretion, with family planning special project grant funds. Recipients are not required to match funds available under family planning special project grants.

STAT AUTH: MS s 144.05; 144.12; 145.925

HIST: 12 SR 1562; 16 SR 170

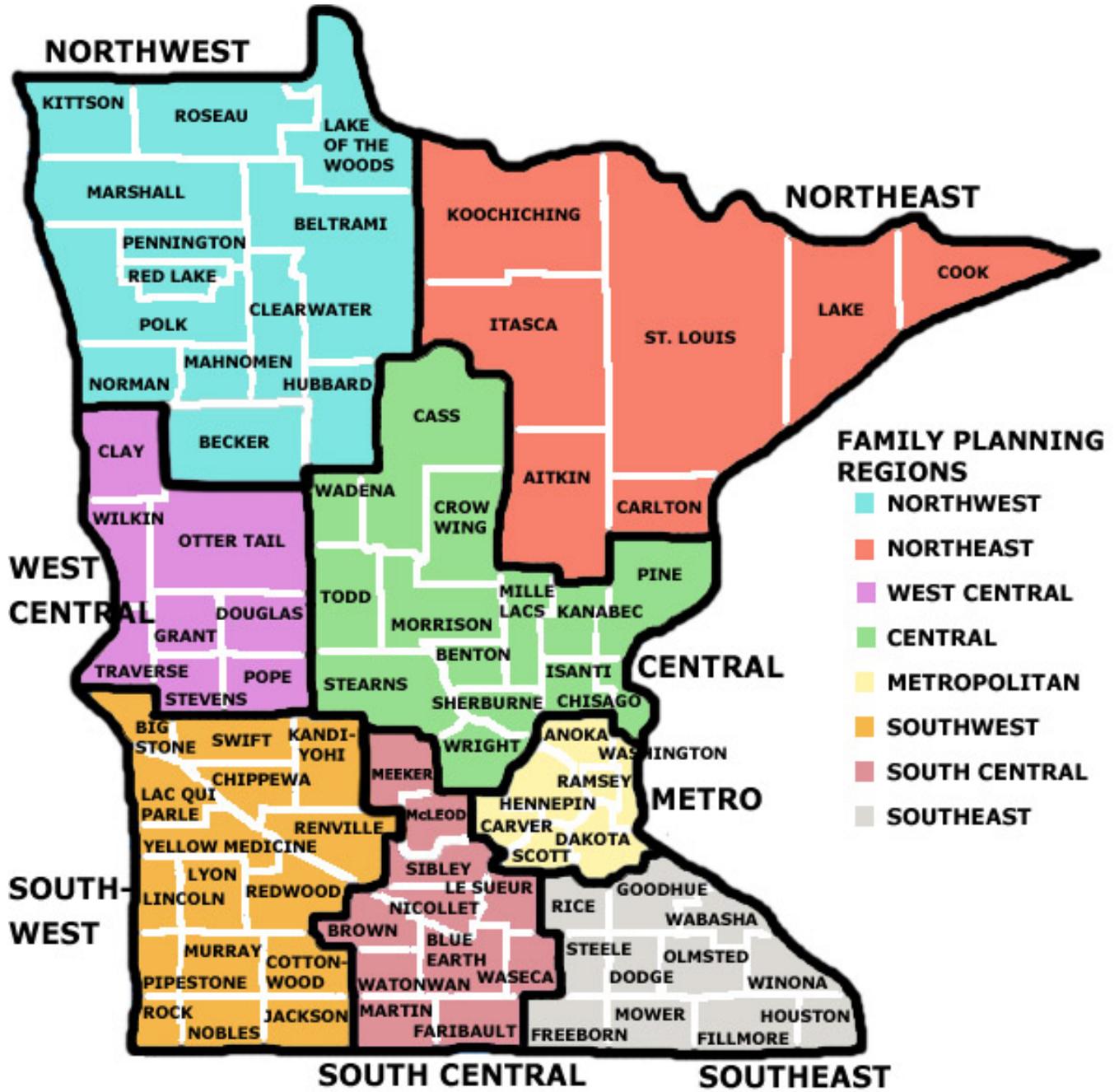
Current as of 05/12/97

4700.2550 [Repealed, 16 SR 170]

Current as of 05/12/97

MINNESOTA

Eight FPSP Regions As Defined by MN Rule 4700.2000, subp. 14



CRITERIA FOR SCORING FPSP GRANT PROPOSALS

Agency Information narrative (15 Points)

- Does the description give a clear picture of the history, structure, services provided, and clientele served by the agency?
- Does the agency have a successful history of providing family planning services?
- Does the agency have the capacity (infrastructure, facilities, staffing, cultural competency) to deliver proposed family planning services?

Linkages and Collaboration narrative (7 points)

- Does the applicant provide a clear description of linkages with a) other family planning providers and b) other agencies in their geographic area to assure access to services for project clients?
- Are these collaborative relationships appropriate and well-established?

Statement of Need narrative (15 points)

- Does the applicant provide a clear description of the geographic area they intend to serve including barriers to family planning services and those at highest risk for unintended pregnancy?
- Does the applicant give a strong Statement of Need for providing family planning services and propose solutions to overcome the identified barriers to these services?
- Does the applicant clearly identify their target population and why they are suited to provide services to that target population?

The FPSP Work Plan section – Form B (48 points)

- Does the applicant clearly describe the family planning components they propose to provide?
- Does the applicant provide clear goals for each proposed component?
- Are the proposed Objectives for each component clearly described, measurable, and realistic?
- Are the proposed activities/strategies for each Objective consistent with the cultural and socioeconomic characteristics of the target population and demonstrate cultural appropriateness?
- Are the proposed activities/strategies for each Objective proven or likely to be effective with the target population? (Documented by past history, or as proven and reported in the appropriate professional literature?)
- To what extent do the proposed evaluation criteria effectively measure the project's progress toward meeting their objectives?
- To what extent is the project likely to meet its objectives in the grant cycle?
- Overall, is the Work Plan sufficiently detailed, clear and easy to understand and does it demonstrate a clear relationship between the identified problem and the goals, objectives, and activities?

Budget Section (15 points)

- Are Budget Form C and the Budget Justification complete?
- Do the amounts on Budget Form C match what is in the Budget Justification?
- Do they show evidence on Forms C and E that the use of third-party sources of funding, such as the Minnesota Family Planning Program (MFPP), will be employed whenever possible?
- Is the information contained in the Budget Justification consistent with what is proposed in the Work Plan?
- Are the projected costs reasonable and sufficient to accomplish the proposed activity?

2008 HHS Poverty Guidelines

Persons in Family or Household	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$10,400	\$13,000	\$11,960
2	14,000	17,500	16,100
3	17,600	22,000	20,240
4	21,200	26,500	24,380
5	24,800	31,000	28,520
6	28,400	35,500	32,660
7	32,000	40,000	36,800
8	35,600	44,500	40,940
For each additional person, add	3,600	4,500	4,140

SOURCE: *Federal Register*, Vol. 73, No. 15, January 23, 2008, pp. 3971–3972

Information Relating to a Joint Application

Appendix F

1. Definition of “joint application”

A “joint application” is a single application submitted by two or more agencies. The application shall specify the unmet needs which each agency identifies for its target population and the geographic area it proposes to serve, and shall state how it will address those unmet needs. However, in a joint application, one or more (but not all) of the unmet needs identified by one agency may be met by another agency that is a party to the joint application and in doing so may use an appropriate portion of the first agency’s grant. Each agency entering into a joint application shall perform at least one component service under the application. A lead agency must be appointed to serve as the fiscal agent

2. Application:

- a. There must be one lead agency. A contract between all agencies that are a party to the joint application must be submitted with the application.
- b. The application will need to specifically address the responsibilities of each operating agency.
- c. There must be one needs assessment covering the entire geographic area the applicant proposes to serve.
- d. The section of the application pertaining to goals, target population, objectives, and methodologies must be separate and correspond to each operating agency’s request for funds.
- e. There must be a budget for the entire project and also separate budgets to correspond with the request for funds by each agency that is a party to the joint application

3. Contract:

- a. There will be one contract with the Minnesota Department of Health.
- b. A contract between all agencies that are a party to the joint application must be submitted with the application. (MN Stat. 145A.04, Subd. 5 provides the authority for two or more Community Health Boards to contract with each other). This must be a legally binding agreement between the parties. It must include the following information:
 - (1) It must authorize the agencies to submit a joint application and enter into a joint grants contract with the Minnesota Department of Health.
 - (2) It must name a lead agency and state that this agency will be the fiscal agent for the project.
 - (3) It must state that the agencies agree to perform services and divide funds in the manner specified in the joint application.
 - (4) It must state that all agencies agree, should the Minnesota Department of Health approve and fund the application, to comply with and be bound by the provisions of the grants contract executed between the Department and the lead agency.

4. Scores:

There will be one score and one ranking for the entire project proposed by the joint application.

5. Fiscal accountability:

There will be one fiscal agent; one quarterly expenditure report will be submitted for the entire project. The final report for each year will contain expenditure reports:

- a. For the entire project as represented in the joint application.
- b. For each operating agency that is a party to the joint application.

6. Program accountability:

The lead agency must submit on an annual basis a narrative report for:

- a. The entire project as represented in the joint application.
- b. Each operating agency that is a party to the joint application.

Proposed FPSP Geographic Area

FPSP proposed geographic area(City(ies) and/or County(ies)) _____

City(ies) in which applicant proposes to provide Method services directly _____

City(ies) in which applicant proposes to provide method services through subcontract _____

Inventory of Existing Family Planning Service Agencies in Proposed Geographic Area That Provide Subsidized Family Planning Services

Providers (name, address)	Components of Family Planning Services					Referral Check if Yes	Sliding Fee Check if Yes	Low Income (≤ 200% FPL) Check if Yes	# Served*
	Public Info Check if Yes	Out Reach Check if Yes	Counseling All Methods Check if Yes	Method Check if Yes	Follow Up Check if Yes				

*# Served is the number of clients receiving one-to-one family planning services (method/counseling)

Information and data related to conducting a needs assessment

DATA: There are two basic classes of data that can be collected for the needs assessment: quantitative and qualitative.

- Quantitative data refers to information that is measurable and can be stated as a quantity or amount, such as the number of births to women less than 20 years old.
- Qualitative data refers to information that reflects the quality or nature of things that cannot be measured, such as beliefs or attitudes.

DATA SOURCES

FPSP funding will go to agencies that provide services that reduce the incidence of unintended pregnancy in high-risk populations. You need to assess the need in your area for the populations that you plan to serve, such as women and men who have difficulty accessing family planning services because of poverty, race, ethnicity, age, culture, lack of insurance, or concerns about confidentiality. The following are sources of data that can be used to evaluate the unmet need for family planning services in your community. If you do not have web access, most libraries in MN provide access and assistance. Or you may call the family planning staff at (651) 201-3743 and we can send or fax you the information you need.

Population data about populations in need can be found at the following sites:

- Current vital statistics (live births, fertility, infant mortality, and fetal deaths, marriage, divorce, population) for the state and by county and are available at www.health.state.mn.us/stats.html.
- Detailed information on Insurance coverage is available at <http://www.health.state.mn.us/health/economics>. Also check <http://www.health.state.mn.us/divs/hpsc/hep/chartbook/index.html> and <http://www.health.state.mn.us/divs/hpsc/hep/publications/coverage/inscov2007.pdf>
- A guide to collecting data for a community health assessment is available at <http://www.health.state.mn.us/divs/cfh/ophp/system/planning/chaap/docs/dataguide.pdf>
- Unintended pregnancy rates as indicated by abortion data can be found in the “Report to the Legislature: Induced Abortions in Minnesota January 2007-December 2007” at <http://www.health.state.mn.us/divs/chs/abrpt/2007abrpt.pdf>
- Kaiser Family Foundation has Health data for each state at <http://www.statehealthfacts.org/> on items such as health insurance, health costs, etc.
- Data on a variety of reproductive health topics can be found at the Alan Guttmacher Institute website at <http://www.guttmacher.org/sections/index.php?page=sheets>. In particular, see “*Improving Contraceptive Use in the United States*” at <http://www.guttmacher.org/pubs/2008/05/09/ImprovingContraceptiveUse.pdf>; “*Facts on Publicly Funded Contraceptive Services in the United States*” at http://www.guttmacher.org/pubs/fb_contraceptive_serv.pdf and “*Facts on Contraceptive Use*” at http://www.guttmacher.org/pubs/fb_contr_use.pdf
- Statistics relating to adolescent sexuality can be obtained at the Minnesota Organization Of Adolescent Pregnancy, Prevention and Parenting (MOAPPP) at <http://www.moappp.org> under “Data and Fact Sheets.”

NEEDS ASSESSMENT

Needs assessments conducted by the applicant agency are good ways to assess the community's readiness for a new family planning program, or the need to expand an existing program. For existing agencies, the assessment can include an analysis of clinic services and/or patient surveys. The existence of a waiting list would indicate a need for additional services.

To do a need assessment, you need to collect data that shows the need among the populations you will serve for the project or services you want to provide. In your application, provide a description of the population you are going to serve, the method you used to identify the need(s), the data you collected and the source of the data. The data you've collected alone can indicate need. For example, if you did a survey that was mailed to a random population of 100 households in the county and the results indicated that 95% of the people know what family planning is and 90% believe that more counseling for family planning is needed in the county, that data alone indicates the need for a counseling program in your county. Collected data can also be compared to other indicators to help determine the unmet need in your community. For example, you can collect data on the racial or ethnic minorities in your community and compare it to the numbers served at your agency. If you are not serving these populations, that may indicate a need for outreach to these communities.

Some information that you can use for comparison is:

- **Public Health Goals:** you can compare the status of your community with Minnesota Public Health goals or the Year 2010 Objectives for the nation.
- **Geographic differences:** you can make comparisons on a city, county or statewide basis. For example, if the abortion rate is higher in your county than the statewide average, or higher than an area with better family planning services, that would indicate a need.
- **Differences over time:** you can do a trend analysis-- that is, comparing data from one time period to another to determine if there have been any changes. If insurance coverage has decreased over time in the area you are proposing to serve, that can be an indication that the target population might not have good access to family planning services.

RISK CATEGORY: POPULATIONS

Your needs assessment should focus on those populations at risk of unintended pregnancy. Certain populations are at higher risk from unintended pregnancy because they experience greater health, social, and/or economic consequences. The following groups may be considered high-risk populations in need of family planning services:

- **Populations at risk of unintended pregnancy because of age or income**
- **Racial and ethnic minorities with high rates of unintended pregnancy**
- **Women with significant health risks or those with previous poor pregnancy outcomes**

Answering the following questions may assist you in determining the proportion of the population that is at highest risk of adverse outcomes because of unintended pregnancy.

- What does the socioeconomic status of the population you wish to serve indicate about their risk of experiencing an unintended pregnancy?
- How many individuals are members of an ethnic or racial minority that experiences health disparities compared to the white population?
- What percentage of the population in your area is young and unmarried?
- How many individuals have an increased risk of poor pregnancy outcome because of their pregnancy history or socioeconomic status? Premature births? Babies with low birth weight? How many have not had early or adequate prenatal care?

- How many women have an increased risk of poor pregnancy outcomes because of their health? How many have existing health problems such as diabetes, anemia, and obesity that may increase their risk of poor pregnancy outcome?

RISK CATEGORY: ACCESS BARRIERS

Remember that your needs assessment should focus on those populations at risk of unintended pregnancy. Certain populations are at higher risk of unintended pregnancy because they have barriers that keep them from seeking services. The following groups may be considered high-risk populations in need of family planning services because they have access barriers:

- **Persons who must travel great distances to access family planning services**
- **Persons with difficulties accessing services because of cultural or language barriers**
- **Uninsured or under-insured women and men**
- **Persons with difficulties accessing services because of physical or learning disabilities**
- **Populations with difficulty accessing services because of confidentiality concerns**
- Individuals who are homeless, abuse chemicals or are in detention

Answering the following questions may assist you in determining the proportion of the population that is at risk of unintended pregnancy because of difficulty accessing family planning information and services. Using the inventory of services in your area for comparison can help you determine whether there are access barriers.

- How far away from the populations of need in your area are services that can help them avoid and unintended pregnancy?
- Are there populations of racial or ethnic minorities in your area that are not being served? What barriers to information and services exist because of their culture? Language?
- How many persons are uninsured or underinsured? Do they have access to low cost services that can help them avoid an unintended pregnancy?
- Are there large numbers of young people in your area that are not being served? Why?
- Are the services offered in your area designed to meet the age or cultural requirements of the populations in your area? Are bi-lingual staff available?
- Are there services designed to meet the special needs of those with disabilities

Component: Outreach

Appendix I

Goal: To increase the awareness of adolescents and young adults who are at high risk of unplanned pregnancy about the availability of low-cost, accessible, family planning services

OBJECTIVES	TARGET POPULATION	ACTIVITIES	ACTIVITY RATIONALE	EVALUATION
1. By 6/30/11, 1,500 Incarcerated juveniles will receive education about family planning and STI's in 250 sessions with the Okawville Clinic Health Educator	1. Young adults 13 – 20 who are at high risk for unintended pregnancy in Macoupin County area.	1. Educators will work with juveniles in small groups using hands on exercises from the Streetwise to Sexwise curriculum.	1. Youth surveyed at the Macoupin County detention center indicated that they learn best from hands on activities and using models to demonstrate birth control methods.	1. Verbal participation surveys are administered after every class.
2. By 6/30/11, Okawville Clinic Health Educators will reach 500 students at Slippery Slope College to inform them about MFPP and other resources.	2. Young adults 18 to 24 who are at high risk for unintended pregnancy in Macoupin County area.	2. Okawville Clinic staff is invited to have a table at new student orientation days as well as their annual health fair with information on clinic hours and providing free condoms.	2. From surveys done, many students are unaware of the services provided at Okawville Clinic and many do prefer to go to a off-campus clinic site.	2. Data will be kept documenting the date of the sessions at the college and the number of students coming into the clinic who report they heard about the clinic from these sessions.
3. By 6/30/11, Okawville Clinic Educators will educate 600 parents about adolescent sexual behavior and skills to communicate with their teens.	3. Parents of adolescents in Macoupin County area.	3. Okawville educators will provide small group parenting sessions using “Parents as Sexuality Educators” curricula.	3. Research supports the essential role parents play in the healthy sexual and emotional development of their teen.	3. Educators record number and length of parenting sessions and parent surveys are given to a random sample of participants.
4. By 6/30/11, 100% of the 25 identified professionals who work directly with the Hispanic Community will receive information on family planning services at Okawville clinic	4. Women and men aged 13-44, particularly Latina migrant workers who are below 200% of the federal poverty level	4. Packets of information will be sent to at least 25 community agencies informing them of our services. Posters in Spanish will be placed in businesses frequented by Latina community.	4. The best way to reach new members of the target audience is to advertise at places in the community they frequent.	4. Numbers of businesses reached and number of professionals counted. In clinic, we will survey new clients to see how they found out about our services.

Component: Method

Appendix I

Goal: To provide a range of family planning methods to men and women ages 13-44 in Macoupin County at high risk for unintended pregnancy so that they will be successful in achieving their family planning goals

OBJECTIVES	TARGET POPULATION	ACTIVITIES	ACTIVITY RATIONALE	EVALUATION
<p>1. By 6/30/11, Okawville Clinic will provide 1,000 new and 500 returning clients with their chosen family planning method.</p>	<p>1. All men and women ages 13-44 in Macoupin County at risk for unintended pregnancy.</p>	<p>1. Okawville Clinic will be open at times accessible to teens and young adults. Methods will be available Monday 1 - 5 p.m. Tuesday, 9:30 a.m. - 7 p.m. Wednesday 1-5 p.m. Thursday 1 - 8 p.m. Friday 9:30 a.m. – 3 p.m. Saturday 10 a.m.- 1 p.m. Every effort will be made to accommodate walk-in appointments.</p> <p>Okawville clinic offers Oral Contraceptives, Ortho-Evra patch, Depo-Provera, NuvaRing, IUD’s, Implanon, and Plan B.</p>	<p>1. Research shows that family planning services must be provided at times accessible to the target population. For many working poor this necessitates a variety of possible times including evenings and weekends.</p>	<p>1. Tracking will be done on methods selected, number of clients seen, age, race, and income. Client surveys will also be used..</p> <p>95% of family planning clients will report comfort with their chosen method.</p> <p>85% of clients will report using their method correctly at follow-up visits.</p> <p>Of those clients that started a contraceptive method, less than 5% will return for an unintended positive pregnancy test within 1 year of start.</p>
<p>2. The number of homeless youth receiving family planning services at the We Care drop-in center will increase from 100 to 250 youth by 6/30/11.</p>	<p>2. Homeless youth ages 13 to 23 who are at high risk for STI’s and unintended pregnancy</p>	<p>2. Okawville Clinic Nurse Practitioners staff the clinic at the center 2 afternoons a week.</p>	<p>2. Research shows that homeless youth are less likely to access services in mainstream settings.</p>	<p>2. We will track number of clients receiving services.</p>
<p>3. By 6/30/11, 250 males will be seen for family planning services at Okawville Clinic.</p>	<p>3. Males ages 13 to 26 in Macoupin County</p>	<p>3. Services to males will include dispensing of condoms and testing for STI’s. Males are encouraged to attend with their partner.</p>	<p>3. Sexual health begins when both partners are afforded confidential services. Informing males is vital to preventing infection for both partners.</p>	<p>3. Clinic records will be used to document the numbers of males receiving services. Client surveys will be used to assess males comfort with coming to Okawville clinic.</p>

SAMPLE OF A BUDGET JUSTIFICATION

Appendix J

AGENCY NAME _____

LINE ITEM

TWO YEAR TOTAL

SALARIES & FRINGE BENEFITS

Executive Director 6,030

(\$60,299/yr x .05 FTE x 2)

This position is responsible for the overall administration of the agency and clinic services. FPSP funds are requested for staff supervision, program planning, administration activities, program assessment, evaluation and reporting. Requested hours are based on past experience.

Clinic Director / Nurse Practitioner 41,704

(\$52,130/yr x .4 FTE x 2)

This position is responsible for coordination of clinic sessions including direct client care, health education, referrals, follow-up contacts regarding test results, birth control education and patient instruction regarding correct use of contraceptive methods of choice. Supervises and trains medical staff and the Volunteer Coordinator. Administrative duties include updating and adhering to regulations and protocol, tabulating statistics and auditing charts to ensure adherence to quality assurance standards. This position is also responsible for staffing two clinic sessions per week including client assessments, exams and treatments.

Clinic/Charge Nurse 88,234

(\$44,117/yr x 1.0 FTE x 2)

This position serves as clinic nurse at four clinic sessions per week and charge nurse at one clinic session per week. Responsibilities include patient scheduling, telephone triage and education, coordination of clinic sessions, direct client care including health education, referrals, and client instruction regarding correct use of contraceptive method of choice. This position provides direct lab services to patients as well as abnormal pap and negative pregnancy test follow-up. Time requested is based on actual experience.

Clinic Assistant 21,903

(\$21,903/yr x .5 FTE x 2)

This position is responsible for scheduling patients, preparing

patient charts for appointments, placing reminder calls, organizing collection of patient forms and intake at front desk.

Health Educator 12,005

(\$40,015/yr x .15 FTE x 2)

This position is responsible for pregnancy test follow-up and referral for all patients and individual non-directive counseling for patients at one clinic session per week. Educator also facilitates a birth control education class one day per month and acts as a substitute birth control educator as necessary. Provides outreach services to high-risk youth and youth professionals in the community and at Health Fairs. Time requested is based on actual experience.

Volunteer Coordinator 25,459

(\$31,824/yr x .4 FTE x 2)

This position is responsible for recruiting, training and supervising volunteer physicians, nurses, birth control educators and receptionists. This includes orientation to clinic, and individual review to reinforce use of educational materials, non-directive counseling techniques and clinic procedures, observation of volunteer performance with clients. Time requested is based on actual experience.

Salary Sub total 195,335

25% Fringe Benefits 48,834

Includes health insurance 12% , Retirement 5%, FICA 6.2%, Medicare 1.45%, and Workers Compensation .35%

SALARIES AND FRINGE SUBTOTAL 244,169

CONTRACTUAL

Medical Director 75,096

(\$187,740/yr x .2 FTE x 2)

This position is responsible for staffing two clinics per week at each clinic, supervising clinical staff, providing leadership with quality assurance, reviewing policies and protocols, and serving as a representative to the community.

CONTRACTUAL SUBTOTAL 75,096

IN STATE TRAVEL

(1,500 mi/yr @ .55/mile x 2) 1,650

Funds are requested to cover the cost of transportation expenses incurred by Volunteer Coordinator and Health Educator.

Family Planning Special Projects RFP 208

IN STATE TRAVEL SUBTOTAL	1,650
<u>SUPPLIES & EXPENSES</u>	
Telephone & Postage ($\$750/\text{yr} \times 2$) Funds are requested to cover the postage costs associated with volunteer recruitment and provision of service to 1150 clients/year.	1,500
Disposable Medical Supplies ($1,150 \text{ patients/yr} \times \$2.75 = \$3,163/\text{yr} \times 2$) We estimate the cost of disposable medical supplies for 1,150 clients/year at \$2.75 per client.	6,325
Health Education Materials Materials requested include videos for use in waiting room and various family planning educational brochures.	1,000
SUPPLIES & EXPENSES SUBTOTAL	8,825
<u>CONTRACEPTIVES</u>	
Oral Contraceptives ($180 \text{ patients/yr} \times \$60 = \$10,800/\text{yr} \times 2$) 21,600 Oral contraceptive supplies are requested for 180 patients per year. This represents the 40% of our OC patients who will not be covered by MFPP.	24,000
($120 \text{ ECP patients/yr} \times \$10 = \$1,200/\text{yr} \times 2$) 2,400 Emergency Contraception Pills (Plan B) are requested for 120 patients per year. This represents the 40% of our ECP patients who will not be covered by MFPP.	
NuvaRing ($120 \text{ patients/yr} \times \$204 = \$24,480/\text{yr} \times 2$) NuvaRing supplies are requested for 120 patients per year. This represents the 40% of our NuvaRing patients who will not be covered by MFPP.	48,960
Foam, Condoms & Contraceptive Film Foam, Condoms and Contraceptive Film supplies are requested to provide a free back-up method for 1,150 total clients. In addition, condom supplies are requested for free distribution to 375clients/year at Health Fairs.	800
Depo Provera ($40 \text{ patients/yr} \times \$36 = \$1,440/\text{yr} \times 2$) Depo Provera supplies are requested for 40 patients per year.	2,880
Family Planning Special Projects RFP	209

This represents the 40% of our Depo patients who will not be covered by MFPP.

CONTRACEPTIVES SUBTOTAL 76,640

SUBTOTAL EXPENSES 406,380

INDIRECT/ADMINISTRATION

(51% of \$40,885/yr [2.5 Medical Program FTEs] = \$20,851/yr x 2) 41,702

Administrative allocation includes bookkeeping, accounting, audit, database management, legal services, administrative office supplies, space costs, liability insurance, etc. Administrative Cost Allocation for MCH Section Grants is attached.

INDIRECT/ADMINISTRATION SUBTOTAL 41,702

TOTAL 2 YEAR REQUEST 448,082

INDEX

	<u>Page</u>
Accounting System and Financial Questionnaire Form	29
Accounting System and Financial Questionnaire Interpretation	26
Administration Cost Allocation Worksheet.....	33
Advance Payments.....	43
Amendment Encumbrance Worksheet Reference Page	78
Appropriations	133
Award Letters.....	36
Biennium, Fiscal Biennium and Biennium Budget	135
Common Errors on Grant Agreements	85
Common Error Reference Pages.....	89
Completing and Routing a Grant Agreement	58
Completing and Routing a Grant Agreement AMENDMENT	69
Crystal Reports.....	107
Debarment.....	25
Definitions.....	142
E-Verify	37
Encumbering Grant Funds	133
Encumbrance Worksheet Reference Page	68
Family Planning and Special Projects RFP	151
Federal Fiscal Years.....	128
Federal Reporting Categories	132
Final Invoice	95
Financial Management Roles and Responsibilities	140
Grant Agreement Attachments	45
Grant Agreement Template Language.....	46
Grant Agreement Timeline Guidance.....	41
Grant Application Deadlines.....	7
Grant Manager Resources and Tools.....	116
Grantee File Contents	123
Grantee Resources	118
Grievances.....	38
Grievance Response Letter Sample	39
If you Suspect Grant Funds are Being Mismanaged	114
Incorrect Payments.....	96
Indirect Costs vs. Administration Costs.....	31
Invoice Approval	94
Invoice Process	93
Issuing an RFP for Grants.....	10
Late Letters	54
Missing Payments	98
Monitoring Grantee Expenditures.....	104
Monitoring Grantee Performance	102
Negotiations	40
Open Meeting Law	22
OMB Circulars that Pertain to Grants.....	57
Organizational (Org) Numbers	131
Progress Reports	106
Recruiting/Selecting a Review Committee.....	15

RFP Informational Meetings.....	13
RFP Timeline Guidance.....	1
Reviewing Grant Application Budgets	31
Risk Assessments.....	101
Roles & Responsibilities of Grants Personnel.....	138
Scoring a Grant Application	23
Single Audit Requirement.....	136
State Fiscal Year	130
Statutes Pertaining to Grants.....	79
Subcontracting	111
Subgrant/Contract Form.....	113
Subgranting.....	109
Terminating a Grant Agreement.....	125
Training Review Committee Members.....	17
University of Minnesota Alternate Language.....	53
Verifying an Organizations Non-Profit Status.....	24
WebEx.....	19
What is Public Information During the Grants Process.....	11
Writing a Request for Proposal.....	3