



Minnesota Management and Budget Statewide Operating Procedure

Minnesota Management and Budget, Budget Division
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Federal Funds Approval

Objective:

Step by step guidance on the five procedures to obtain federal funds approval, listed in order of administrative complexity, lowest to highest.

Procedure 1 - Governor's Recommended Budget: January of odd numbered years		
Agency prepares Federal Fund Summary (FFS)	→ FFS included in Governor's recommended budget	→ Federal Funds approved 20 days after submission, unless a recommendation is received from a legislator for further review
Procedure 2 - Governor's Revised Recommended Budget: March of odd numbered years, if applicable		
Agency revises FFS	→ FFS included in Governor's revised recommended budget	→ Federal Funds approved 20 days after submission, unless a recommendation is received from a legislator for further review
Procedure 3 - Session Submission: March of odd numbered years; Beginning of session of even numbered years; March of even numbered years (if a significant number of requests are submitted). Even numbered years' requests may be considered part of the Governor's Supplemental Budget.		
Agency submits items for session submission	→ MMB forwards session submissions 20 days in advance of final committee deadline	→ Federal Funds approved 20 days after submission, unless a recommendation is received from a legislator for further review
Procedure 4 - 20 Day review: October of even or odd numbered years		
Agency submits items for 20 day submission	→ MMB forwards items to LAC for approval	→ Federal Funds approved 20 days after submission, unless a recommendation is received from a legislator for further review
Procedure 5 - 10 Day review: urgent requests only		
Agency submits items for 10 day review	→ MMB forwards items to LAC for approval	→ Federal Funds approved 10 days after submission, unless a recommendation is received from a legislator for further review

General Procedures for the Governor’s Biennial Budget

Procedure 1: Governor’s Recommended Budget

Step	Action	Responsible Party	Timeline
1.	<p>Anticipated, pending, or awarded federal funds should be included in the Governor’s Biennial Budget. The agency submission for the biennial budget includes:</p> <ul style="list-style-type: none"> a) a federal fund summary (FFS) that details the grants b) the fiscal pages for an agency, which include anticipated federal receipts and expenditures. <p>Specific instructions are included in the biennial budget instructions.</p>	Agency Budget or Finance Director	Deadline for the agency biennial budget submission is typically October 15, but agencies should refer to the biennial budget instructions for a specific date.
2.	<p>For federal fund items submitted through the Biennial Budget:</p> <p>Generally, a state agency may expend funds included in the request twenty days after the Governor’s Biennial Budget Recommendations, that includes a request to spend federal funds, are submitted to the legislature.</p> <p>Unless, within the 20-day period, a member of the Legislative Advisory Commission (LAC) requests further review.</p> <p>If a LAC member requests further review, the agency may not expend the federal funds until:</p> <ul style="list-style-type: none"> a) the request has been satisfied and withdrawn, b) the expenditure is approved in law, or c) the regular session of the legislature is adjourned for the year. 	Agency Budget or Finance Director	20 days after the Governor’s Biennial Budget Recommendations are submitted to the legislature.

Procedure 2: Governor’s Revised Recommended Budget

Step	Action	Responsible Party	Timeline
1.	<p>Revised amounts from the Governor’s budget for anticipated, pending or awarded federal fund receipts and expenditures may be included in the Governor’s revised budget in:</p> <ul style="list-style-type: none"> a) a revised federal fund summary (FFS) that details the grants b) the revised fiscal pages for an agency, which includes anticipated federal receipts and expenditures, if they are being republished. <p>Specific instructions with deadlines will be sent to agencies during the revised recommendation process.</p>	Agency Budget or Finance Director	Typically after the February forecast, with the revised recommendations from the Governor.
2.	<p>Generally, a state agency may expend federal funds included in a revised Governor’s budget request twenty days after the revised recommendations are submitted to the legislature.</p> <p>Unless, within the 20-day period, a member of the Legislative Advisory Commission (LAC) requests further review.</p> <p>If a LAC member requests further review, the agency may not expend the federal funds until:</p> <ul style="list-style-type: none"> a) the request has been satisfied and withdrawn, b) the expenditure is approved in law, or c) the regular session of the legislature is adjourned for the year. 	Agency Budget or Finance Director	20 days after the Governor’s revised budget recommendations are submitted to the legislature.

Procedure 3: Session Submission

- In odd numbered years: March
- In even numbered years: Beginning of session, March (only if a significant number of requests are submitted).
- Submission may follow the path of the Governor's Supplemental Budget or separately as needed

Step	Action	Responsible Party	Timeline
1.	<p>Anticipated, pending, or awarded federal funds should be included in the Governor's Supplemental Budget or a session submission. The means of submission is a Federal Funds Review Request form (07250-01) for each grant.</p> <p>The forms should be sent to the agency's assigned executive budget officer (EBO) at MMB.</p> <p>Specific instructions with deadlines are sent to agencies during the biennial and supplemental budget sessions.</p>	Agency Budget or Finance Director	Deadline for MMB to submit to the legislature is 20 days before the deadline set by the legislature for action on finance bills.
2.	<p>For federal funds items submitted with a supplemental budget or session submission:</p> <p>Generally, a state agency may expend federal funds included in a Governor's Supplemental Budget or session submission twenty days after they are submitted to the legislature.</p> <p>Unless, within the 20-day period, a member of the Legislative Advisory Commission (LAC) requests further review.</p> <p>If a LAC member requests further review, the agency may not expend the federal funds until:</p> <ul style="list-style-type: none"> a) the request has been satisfied and withdrawn, b) the expenditure is approved in law, or c) the regular session of the legislature is adjourned for the year. <p>Agencies will be sent a summary of the session submission or supplemental budget submitted to the legislature.</p>	Agency Budget or Finance Director	20 days after the session submission or supplemental budget is submitted to the legislature.

Procedure 4: October 1st 20-day Review Process

Step	Action	Responsible Party	Timeline
1.	<p>Anticipated, pending or awarded federal funds not included in the Governor's Biennial or Supplemental budget that need approval to encumber or expend before the next legislative session.</p> <p>Specific instructions with deadlines are sent to agencies in August/September each year.</p>	Agency Budget or Finance Director	Request for review of federal funds is submitted by MMB to the legislature on October 1, as required in statute.
2.	Agencies that have federal funds meeting the above guidelines must submit a Federal Funds Review Request form (07250-01) for each grant to the assigned EBO at MMB by the specified due date.	Agency Budget or Finance Director	The agency deadline is usually 10 – 15 days in advance of this statutory deadline.
3.	<p>The Federal Funds Review forms are submitted to Legislative Advisory Commission (LAC) members on September 30. If, after 20 calendar days, no member of the LAC requests further review, the Commissioner of MMB may prepare and sign an LAC order authorizing spending.</p> <p>It is at the discretion of the Commissioner to approve the request and sign an LAC order; however, an agency may not allot or spend the award until the order is signed.</p>	Commissioner of MMB	20 days after the submission has been sent to the LAC
4.	The signed LAC order is sent to agencies and the LAC as notification of approval to encumber or expend the federal funds.	Commissioner of MMB	20 days after the submission has been sent to the LAC

Procedure 5: 10-Day Review Process

Step	Action	Responsible Party	Timeline
1.	Awarded federal funds not included in the Governor's Biennial, Supplemental budget or October 1 submission, that have an emergency requiring approval to encumber or expend before the next legislative session.	Agency Budget or Finance Director	On an as needed basis when an emergency exists requiring funds to be encumbered or expended before the legislative session or before the annual October 1 20-day review submission.

Step	Action	Responsible Party	Timeline
2.	Agencies that have a federal funds, meeting the above guidelines, must submit a Federal Funds Review Request form (07250-01) to the assigned EBO at MMB as needed.	Agency Budget or Finance Director	As needed
3.	The Commissioner of MMB determines the timing of submitting the federal grant to the Legislative Advisory Commission (LAC) members. If after 10 calendar days no member of the LAC requests further review, the Commissioner of MMB may prepare and sign an LAC order authorizing spending. It is at the discretion of the Commissioner to approve the request and sign an LAC order; however, an agency may not allot or spend the award until the order is signed.	Commissioner of MMB	As needed.
4.	The signed LAC order is sent to the agency and LAC as notification of approval to encumber or expend the federal funds.	Commissioner of MMB	After order authorized.

Forms

[Federal Funds Review Request \(7250-01\)](http://mn.gov/mmb-stat/documents/accounting/forms/7250-01-form.doc) (http://mn.gov/mmb-stat/documents/accounting/forms/7250-01-form.doc)

Related Policies and Procedures

[MMB Statewide Operating Policy 0303-01 Federal Funds](http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-3/0303-01-federal-funds-review-policy.pdf) (http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-3/0303-01-federal-funds-review-policy.pdf)

[MMB Statewide Operating Policy 0306-01 Legislative Advisory Commission \(LAC\) Approval](http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-3/0306-01-lac-approval-policy.pdf) (http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-3/0306-01-lac-approval-policy.pdf)

[MMB Statewide Operating Procedure 0306-01.1 Legislative Advisory Commission \(LAC\) Approval](http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-3/0306-01-01-lac-approval-procedure.pdf) (http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-3/0306-01-01-lac-approval-procedure.pdf)