

Frequently Asked Questions (FAQ): Update to OGM 08-07: *Policy on Single Source Grants* effective November 21, 2025

This FAQ supports agency implementation of updates to OGM Policy 08-07: Single Source Grants.

1. Are there new requirements in the policy?

Yes. The policy introduces more robust requirements for the search, justification, and documentation of grants awarded without a competitive process. The policy formalizes a more rigorous requirement for agencies to search and validate that only one entity is reasonably able and available. “Reasonably available” is a new criterion. Agencies must detail the purpose, explain the necessity of the noncompetitive award, justify the award amount, and document specific steps taken to search for and validate the need for the noncompetitive award.

The policy further requires approval and certification from the agency head or their designee for any single source awards, and that the approver be separate and independent of the preparer.

2. Why are changes being made to Policy 08-07?

The Office of Grants Management (OGM) is updating the policy and accompanying Single Source Grant Justification Form as part of a strategic effort to mitigate risks, improve accountability and transparency, streamline and simplify terminology, and to refine the scope and application of the policy. The update also provides guidance on what constitutes an adequate search, serving as a follow-up to recommendations in the [Program Evaluation Report](#) issued by the Office of the Legislative Auditor in April 2024.

3. What does “reasonably able and available” mean in the context of this policy?

“Reasonably able and available” requires that an entity must have both: the necessary capabilities, expertise, and resources to accomplish the intended purpose of the grant; and be accessible and ready to perform the work within the required timeframe and circumstances. A single source award is justified when only one entity meets both criteria. If multiple entities are reasonably able and available, a competitive process must be used.

4. What else changed in the policy?

- The distinction of “sole source” was eliminated. This is consistent with Office of State Procurement standard and definition.
- The definition of single source grant was updated and is now defined as: a grant awarded in a noncompetitive manner because, after a search to validate, only one entity is determined to be reasonably able and available to meet the intended purpose and objectives of the grant. The definition removes references to geographic location, community knowledge, and relationships.
- The policy clarifies that legislatively-named, formula grants, and noncompetitive grants are single source grants due to their noncompetitive designation and requires that the Single Source Grant Justification Form must be completed for those grant types.
- The policy describes that when a federal grant application requires a granting agency to designate a specific entity or entities to receive a grant, the granting agency may use the Single Source Grant Justification Form to document the search, justification, and internal agency approval before submitting the federal application.
- The policy describes specific exemptions for capital and general obligation grants.
- The policy format was updated to the latest Department of Administration template.

5. What is the effective date of the policy?

The updated policy is effective November 21, 2025. It applies to all single source grants with grant contract agreements executed on or after November 21, 2025.

6. How does the effective date of the policy impact any current grant contract agreements?

The policy update does not affect single source grant contract agreements executed prior to November 21, 2025. Agencies should always check the [list of suspended and debarred vendors](#) to ensure no grant contract agreements or grant award notifications are entered into with a vendor or grantee that is suspended or debarred by the State of Minnesota or the federal government.

7. What updates have been made in the Single Source Justification Form?

The Single Source Justification Form updates reflect that of the policy. Agencies are required to use the form to thoroughly document the search, justification, and approval of any single source award.

- The form requires agencies explicitly detail the purpose, explain the necessity of the noncompetitive award, justify the award amount, and document specific steps taken to search for and validate the need for the noncompetitive award.
- The Justification section includes options for identifying the rationale for issuing the grant as a single source, including cases where a grantee entity is named in law, identified as a recipient in a federal application, formula grant, or other funding award.
- The form requires the agency to reference documents that are included in the grant file.
- The Financial Management Signature block was replaced with Agency Head or Designee Signature block.

- The format was updated as a fillable and accessible PDF with the ability for electronic signature.
- The form has three sections:
 - Grant Information, Justification, and Approval
- The SWIFT Grant Contract Number/Purchase Order number block has been moved to the last page with a prompt that it can be completed after the grant is awarded.