

Frequently Asked Questions (FAQ)

Update to OGM Policy 08-04: *Use of Grant Contract Agreements and Grant Award Notifications*

Effective July 1, 2025

Legislation was enacted in [Laws of Minnesota 2025, chapter 39, section 40](#) that requires the Office of Grants Management (OGM) to update OGM Policy 08-04: Use of Grant Contract Agreements and Grant Award Notifications and corresponding grant contract agreement templates.

This FAQ is to support agency implementation of the policy which can be found on the OGM website.

1. Are there new requirements in the policy?

Yes.

- Grant contract agreements and grant award notifications must require the grantee to clearly post on the grantee's website the names of, and contact information for, the organization's leadership and the employee or other person who directly manages and oversees the grant for the grantee.
- The policy now reminds that no grant contract agreements or grant award notifications can be entered into with a vendor or grantee that is suspended or debarred from doing business with the State of Minnesota or the federal government.

2. What else changed in the policy?

The policy was updated to clarify requirements that were previously included only by reference, including:

- i. The requirements for grant contract agreements and grant award notifications in Minnesota Statutes, Section 16b.98, Subd. 5a and b are detailed within the policy. These requirements include:
 - The policy now reminds that funding for grant contract agreements and grant award notifications must be encumbered in accordance with [Office of State Procurement \(OSP\) Encumbrance and Contract Execution Policy 21-01](#).
 - The policy now details expectations for document retention of grant contract agreements and grant award notifications. The period to retain a fully executed copy of the grant agreement or grant award notification and accompanying records related to the grant must be kept on file at the granting agency for a minimum of six years from the end date, receipt and approval of all final reports, or the requirement period of time to satisfy all state and program retention requirements, whichever is later.

- The policy now also clarifies the combined duration of grant agreement and amendments must not exceed five years without the specific, written approval of the Commissioner of the Department of Administration.
- ii. Definitions of legislatively named grant and single source grant were added.
- iii. The standard contract terms and conditions required by the policy now include references to clauses that address audits, authorized representatives, suspension and debarment, and termination. Relevant clauses have been updated in the OGM grant contract agreement templates as applicable.
- iv. The policy format was updated to the latest Department of Administration template.

3. What is the effective date of the policy?

The updated policy is effective July 1, 2025. It applies to all grant contract agreements and grant award notifications that result from Requests for Proposals (RFPs) posted on or after July 1, 2025. This policy also applies to any formula grants, single source grants, or legislatively named grants with an effective date on or after July 1, 2025.

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

The policy update does not affect grant contract agreements executed prior to July 1, 2025, or grant contract agreements and grant award notifications that result from RFPs posted before July 1, 2025. Those agreements should comply with Version 1.5 of OGM Policy 08-04: *Use of Grant Contract Agreements and Grant Award Notification*, which is effective April 1, 2024 – June 30, 2025. Agencies should still 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.

5. When do I need to check the grantee’s website to verify compliance with the new contract term requiring the grantee to clearly post the names of, and contact information for, the organization’s leadership and the employee or other person who directly manages and oversees the grant for the grantee?

Agencies can choose at what point in the active grant life cycle process to do this. It can be done during monitoring and OGM recommends checking the grantee’s website before the first payment is issued.

6. What if the grantee doesn’t have a website?

If the grantee does not have a website, the requirement to post names and contact information on the grantee’s website is not applicable.

7. The OGM Tip Sheet on 2025 Legislative Session Grants Related Items that OGM sent to the Grants Governance Committee on June 9, 2025, referenced other legislative changes made that amended [M.S. 16B.98](#), including Subd. 1 (a) and Subd. 5 (4) (f) that address grantee administrative costs and cancellation of funding. Are those specific items updated in the policy?

No. These changes are captured in the updated OGM Grant Contract Agreement templates.

8. What updates have been made in the OGM Grant Contract Agreement templates?

i. Format and Clarifications:

- The Grant Contract Agreement template is updated to the latest Department of Administration template.
- Section 6 is added so that Contracting and Bidding requirements stand on their own. This section includes an updated citation to prevailing wage statutes.
- Sections 7-17 are renumbered.

ii. Substantive changes:

- Clause 4.2: Administrative costs necessary and reasonable. Moved from recitals to Section 4.2.
- Clause 6.2: (In agreements for grantees that are not municipalities) Added that contracts or bids between \$25,000-\$99,999 can be awarded to targeted vendors in lieu of three quotes or bids, consistent with the Equity Select program.
- Clause 7.3: Added requirement for grantee to post on their website the name and contact information for grantee leadership and employee that manage the grant.
- Section 9: Added subcontracting and subcontract payment requirements.
- Clause 9.6: Added grantees and any subrecipients must not contract with suspended or debarred vendors.
- Section 11: Added Attorney General as entity authorized to audit.
- Section 15: Added language to the *Termination by the Commissioner Of Administration* clause to include the Commissioner of Admin can terminate a grant contract agreement if performance is not in the best interest of the State.
- Section 15: Added language to the *Termination for Insufficient Funding* clause to address situations where temporary lack of funding or appropriation allows the State to pause obligations under the grant without terminating.

iii. Exhibits

- The grant contract agreement templates now encourage the use of exhibits to allow for clarity and detailed expectations and agreements.

9. What are the exhibits? Do we have to use them?

Exhibits suggested in the updated grant contract agreement templates include:

i. *Exhibit A: Specifications, Duties, and Scope of Work*

Agencies can choose to detail duties in clause 2 of the grant contract agreement or within the exhibit. The exhibit template provides guidance from OGM on how to ensure a thorough detailing of the project description, deliverables and milestones, performance measures, and any specific conditions.

ii. *Exhibit B: Payment Schedule*

Agencies can choose to detail the invoicing and payment schedules in clause 4 of the grant contract agreement or within the exhibit. The exhibit template provides guidance from OGM about considerations to include to ensure sufficient detail regarding invoicing and payments.

iii. *Exhibit C: Other Provisions, such as special funding requirements or additional grant contract agreement terms, especially those necessary to mitigate risks as identified in the preaward risk assessment.*

Agencies can choose whether this or additional exhibits are required or useful. If the grant contract agreement is a federal subaward, this exhibit can be used to attach the federal flow-down terms. If any risks were identified in the preaward risk assessment or otherwise, this exhibit can be used to incorporate additional conditions of the grant contract agreement to mitigate the risk(s).