Grant Guidelines
Arts and Cultural Heritage Fund Grants
State Fiscal Years 2018-2019

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https://mn.gov/admin/grants/achf/docs
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Section 1: Overview

A. Statutory Authority
Under Minnesota Laws, 2017, Chapter 91, Article 4, Section 2, Subdivision 6, Arts and Cultural Heritage funds have been appropriated to the Department of Administration (State) for grants and purposes specified in the subdivision. The commissioner of administration may use a portion of the appropriation for costs that are directly related to and necessary to the administration of grants in the subdivision.

Grant agreements entered into by the commissioner and recipients of appropriations under the subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding.

B. Priorities

Per the Legislative Guide: Principles for Use and Expected Outcomes of Funds from Dedicated Sales Taxes adopted March 24, 2010, the funding priorities of the Arts and Cultural Heritage Fund (ACHF) include:

1. Investments in public broadcasting should expand Minnesotan’s knowledge, information, and access to arts, and Minnesota’s history and cultural heritage.
2. Investments in arts, history, music and cultural activities that demonstrably help student achievement in schools.
3. A sustainable climate in which artists can live and work.
4. Funded activities can be successful beyond the life of the ACHF.
5. A study of creative skill, a process of using creative skill, a product of the creative skills, or the audience’s experience with the creative skill.
6. Lifelong educational activities meant to impart knowledge, teaching a new creative skill, or further developing an existing skill in any arts discipline.
7. Both tangible and intangible cultural heritage.
8. Historic resources will be preserved for future generations

C. Outcomes

A project or program receiving funding from the arts and cultural heritage fund must include measurable outcomes, and a plan for measuring and evaluating the results. Grantees should reference the Evaluation and Outcomes Guide provided by the Office of Grants management when developing outcomes for a project.

Section 2 Accountability

A. Monitoring and Reporting Schedule

February-May
The Office of Grants Management will notify grantees of monitoring activities in January. Monitoring activities include site visits/desk reviews, and financial reconciliation. Grants $50,000 and higher will be monitored at least once per grant period, and grants $250,000 and higher will be monitored at least once annually. Additional monitoring activities may be conducted at the discretion of the Office of Grants Management.

September-November
Monitoring may also be conducted at this time. Grantees will be notified in August of monitoring activities.

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1 This schedule excludes additional reporting/ documentation, if required, to support and substantiate invoices submitted for payment reimbursement

Updated April 2019
January 15
The Annual Report is due to the Legislature, the Legislative Coordinating Commission and the Department of Administration for the prior fiscal year. The report for State Fiscal Year 2018 is due January 15, 2019.

B. The Annual Report to the Legislature
By January 15 of the applicable fiscal year, or as soon as practicable, whichever comes first, all recipients must submit a report regarding how the previous year’s grant funds were expended directly to the following:

- The Department of Administration
- The Legislative Coordinating Commission
- The chairs and ranking minority members of the Senate and House of Representatives committees and divisions having jurisdiction over Arts and Cultural Heritage Fund policy and finance

The report must contain the following information:

1. The name and description of the project(s)
2. Contact Information including:
   - Grantee Name
   - Telephone number
   - Members of the board or equivalent governing body, and
   - e-mail address of the funding recipient and,
   - Web address where the public can access information on the use of money for the project
3. The amount and source of funding, including the fiscal year of the appropriation
4. The amount and source of any additional funding or leverage
5. The duration of the project(s)
6. The number of full-time equivalents funded under the project(s)
7. The direct expenses and administration costs of the project(s)
8. Actual outcomes and evaluation of the project(s)
9. Specific information for each program produced and broadcast, including:²
   - the cost of production
   - the number of stations broadcasting the program
   - estimated number of listeners

If the programs produced include educational material, the noncommercial radio station must report on these efforts.

Please reference the following statutes when preparing reports:

- M.S. 3.303, Subd. 10
- M.S. 129D.17, Subd. 2 (d)

Past reports may provide guidance on report format. They can be found through a search of the Legislative Reference Library or the Legacy websites.

² Public Radio and Public Television Grantees Only
C. Monitoring

It is the policy of the State of Minnesota to conduct at least one monitoring visit per grant period on all state grants of over $50,000 and to conduct at least annual monitoring visits on grants of over $250,000. This requirement is per Office of Grants Management policy 08-10.

State agencies must also conduct a financial reconciliation of grantee’s expenditures at least once during the grant period on grants of over $50,000. For this purpose, the Grantee must make the following available upon request by the state:

- expense receipts
- employee timesheets
- invoices
- Proof of payment (cancelled checks, bank statement etc.)
- any other supporting documents

Requirements listed in this section are the minimum required by Office of Grants Management Policy 08-10. The State may choose to conduct additional monitoring activities. Grantees will be provided notice in advance of any additional monitoring activities. Reporting calendars can be found on the Grantee Documents page of OGM’s website.

D. Publicity

All projects funded by the ACHF must publicly credit the fund, including on the grantee’s website when practicable. Minnesota’s Legacy Website details the publicity and logo guidelines.

E. Audits

The grantee’s 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.

All funds are subject to audit by the Office of the Legislative Auditor (OLA). To see reports of past audits of the Arts and Cultural Heritage fund by the OLA, as well as reports on audits of the other four funds, please see their website.

F. Financial Review

Grantees are required to submit a copy of their most recent certified financial audit before the start of the grant unless an exception has been agreed upon by the Office of Grants Management in advance. Based on the financial condition of an organization, additional conditions or monitoring may be placed in the grant contract.

Section 3. Grant Payments

A. Reimbursement

The Department of Administration pays ACHF grants on a reimbursement basis. Grant payments shall not be made on grants with past due reporting. For more information on grant payments please see OGM policy 08-08.

Please refer to Appendix C of this document for details on requirements for submitting reimbursement request to the Office of Grants Management.
B. Travel Expenses

Travel expenses must comply with the most recently approved budget as specified in the Grant Agreement Exhibit A: Work Plan and Budget. Travel expenses must meet the guidelines specified in the current "Commissioner’s Plan” found on the Minnesota Management and Budget Website.

The Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless the State has provided prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.

Grantees shall document travel related expenses on the Travel Log provided by the Office of Grants Management. Please refer to Appendix D of this document for a list of the required documentation for reimbursement requests involving travel.

C. Payment Schedule

Grantees may submit an invoice for reimbursement no more often than once per month. Grantees may submit invoices less frequently (such as quarterly) based upon their internal schedules or needs.

D. Budget Revisions

Expenses submitted for reimbursement must follow the work plan and budget that has been approved by the Office of Grants Management.

Grantees must obtain prior approval from OGM for all revisions to the work plan and budget document. No revision is necessary for an overage in a budget line item of 10 percent or less. Once approved by OGM, a new reimbursement spreadsheet will be provided to grantees.

It is understood that the total obligation of the State for all compensation and reimbursements to a grantee will not exceed the total obligation listed in the grant agreement.

E. Contracting and Bidding Requirements

Grantees should follow the contracting and bidding requirements found in section four of the grant agreement when making large purchases or contracts with grant funds. Grantees with procurement policies that are stricter than those listed in the grant agreement should follow their own procurement policies.

Grantees must take all necessary affirmative steps to assure that targeted vendors from businesses with activated certifications with any of the following resources are used when possible:

- Department of Administration’s Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List
- Minnesota Unified Certification Program
- Central Certification Program (CERT)

Section 4. Expense Eligibility

A. Eligible Expenses

Arts and Cultural Heritage Fund grants may be spent only for arts, arts education, and arts access and to preserve Minnesota’s history and cultural heritage and all money from the arts and cultural heritage fund must

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3 Ampers stations may alternately choose to follow the Job Posting Requirements attached to their grant contract as Exhibit C
be for projects located in Minnesota. Grant funds may only be spent on activities considered direct and necessary for a specific appropriation.

In determining appropriate grant funded projects please see Section 1. B. “Priorities” of this document, as well as the 2010 House Legislative Guide. In addition appropriate grant expenses are those that align with the intended outcomes of grant funded projects. Please see the Evaluation and Outcomes Guide provided by the Office of Grants Management for guidance on grant outcomes.

B. Work Plan and Budget
The Arts and Cultural Heritage fund grant may only be used for expenses outlined in the work plan and budget approved by the Office of Grants Management. This document was approved at the start of the grant agreement, and is attached to the Grant Agreement as Exhibit A. The work plan and budget is considered a part of the grant agreement.

C. Salaries
Grant budgets that include salaries and benefits are required to include salary detail. This detail can be found in the work plan and budget document and incorporated into the grant agreement as Exhibit B.2. The following is required for all position funded by the ACHF grant.

- Job title or position name
- Number of FTE's funded by the grant
- Rate of pay for each position
- Salary/fringe associated with the position, and billed to the grant
- Any other staff costs included in the Salary and Benefits line item

Employees who perform work funded by the ACHF grant should be tracking and certifying their own time using timesheets, or using an electronic timekeeping system. Additionally, employee time billed to the grant must also be reviewed and approved by a supervisor.

D. Indirect Costs
Arts and Cultural Heritage Fund grants must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. See the Minnesota Management and Budget Guidance to Agencies on Legacy Fund expenditures for more on indirect and administrative costs.

E. Fundraising
Fundraising is an ineligible expense for ACHF grants. Legacy grants must not be used to generate a profit for the grantee. Some examples of activity that could be considered fundraising include selling items/services paid for with the grant for a profit, and charging admission to a grant funded event in order to make a profit.

Charging for admission to an ACHF grant funded event is allowed to recover costs not charged to the grant. However this is discouraged. Grantees who charge admission to ACHF events to recover non grant costs must document their total revenues and losses from the event to demonstrate that a profit was not earned. This documentation must be maintained by the grantee with other relevant documentation per the audit clause of the grant agreement.

Grantees are permitted to obtain voluntary donations ("pass the hat") or to solicit voluntary memberships at an event that is funded by the grant.
F. Suspended and Disbarred Vendors
Grantees should not use ACHF grants to do business with vendors who have been suspended/disbarred from doing business with the state of Minnesota. A list of business can be found at:
http://www.mmd.admin.state.mn.us/debarredreport.asp

G. Other Ineligible Costs
Ineligible expenses include but are not limited to:

- Taxes, except sales tax on goods and services
- Lobbyists, political contributions
- Alcohol
- Bad debts, late payment fees, finance charges, or contingency funds
- Parking or traffic violations
- Out of state transportation and travel expenses without prior approval from the Department of Administration

Additionally please reference the following documents as guidance on eligible costs:

- MMB Guidance to Agencies on Legacy Fund Expenditure
- Uniform Administrative Requirements
- Legislative Guide: Principles for Use and Expected Outcomes of Funds from Dedicated Sales Taxes adopted March 24, 2010
Appendices

A. Reference Links

Arts and Cultural Heritage Fund Appropriation for State Fiscal Years 2018-2019

Grantee Documents

Department of Administration Grantee Documents

Laws and Statutes

Minnesota Laws, 2017, Chapter 91, Article 4, Section 2, Subdivision 6
https://www.revisor.mn.gov/laws/?year=2017&type=0&doctype=Chapter&id=91

Minnesota Statutes 3.303 Legislative Coordinating Commission
https://www.revisor.mn.gov/statutes/?id=3.303

Minnesota Statutes 16B.97 Grants Management
https://www.revisor.mn.gov/statutes/?id=16B.97

Minnesota Statutes 129D.17 Arts and Cultural Heritage Fund
https://www.revisor.mn.gov/statutes/?id=129D.17

Guidance Documents

Legislative Guide: Principles for Use and Expected Outcomes of Funds from Dedicated Sales Taxes adopted March 24, 2010
http://www.legacy.leg.mn/sites/default/files/resources/HouseLegislativeGuide.pdf

Minnesota Management and Budget Commissioner’s Plan

Minnesota Management and Budget Guidance to Agencies on Legacy Expenditure

Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Targeted Group Vendor Lists

Department of Administration’s Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List
http://www.mmd.admin.state.mn.us/process/search/

Minnesota Unified Certification Program
https://mnucp.metc.state.mn.us/

Central Certification Program (CERT)

Other Resources for Grantees

Minnesota’s Legacy Website
https://www.legacy.mn.gov/

Office of the Legislative Auditor
http://www.auditor.leg.state.mn.us/

Minnesota State Council on Disability
http://www.disability.state.mn.us/
B. OGM Policies

One role of the Office of Grants Management is to develop comprehensive grants management policies per Minnesota Statute 16B.97 sub. 4 (a)(1). The following grants management policies are applicable to grants by all Executive Branch agencies, boards, commissions, councils, authorities and task forces.

Policy 08-01: Grants Conflict of Interest
Policy 08-02: Rating Criteria for Competitive Grant Review
Policy 08-03: Publicizing Grants Notices and Requests for Proposal
Policy 08-04: Use of Grant Agreements
Policy 08-05: Public Comments Concerning Fraud and Waste in State Grants
Policy 08-06: Financial Review of Nongovernmental Organizations
Policy 08-07: Single and Sole Source Grants
Policy 08-08: Grant Payments
Policy 08-09: Grant Progress Reports
Policy 08-10: Grant Monitoring
Policy 08-11: Legislatively Mandated Grants
Policy 08-12: Policy on Grant Amendments
Policy 08-13: Grant Closeout Evaluation
C. Reimbursement

To begin the reimbursement process, grantees must submit a reimbursement request. Reimbursement requests may be emailed or sent by mail to the Office of Grants Management. The OGM prefers email submissions, with all requests submitted to Lul Osman at lul.osman@state.mn.us

Each reimbursement request requires, at minimum, two documents: an invoice and a reimbursement spreadsheet. Both documents must be complete and correct in order for reimbursement to occur.

Invoice

A formal invoice must be used to request payment and should include the following information:

- Grant Contract number – this number is provided by the State and can be found on the Signature page of the grant contract.
- Invoice date – This is the day that the invoice is submitted to the Office of Grants Management.
- Reimbursement Payment Request Number – This number is based on how many reimbursement requests have been submitted previously to the State for this grant contract.
- Period Covered by invoice – This includes the start and end dates that services were performed or work was incurred. This period should not overlap with previous reimbursement requests. If you have an expense from a previous payment period that has not yet been billed to the grant, please describe the expense in the reimbursement request submission email.
- Invoice amount – This is the amount requested for reimbursement by the State. This number must match the “Current Invoice” total in the Reimbursement Spreadsheet.

Reimbursement Spreadsheet

The reimbursement spreadsheet is an Excel spreadsheet template provided by the Office of Grants Management. Grantees fill out the spreadsheet detailing expenditures by budget line item. The total in the cell “Current Invoice” must match the invoice amount.

There is an allowable 10% overage for each budget line item. If a reimbursement request will exceed the allowable overage, please submit a budget revision for approval before requesting reimbursement.

Payment will not be processed if the reimbursement spreadsheet contains math errors.

You may check on the status of your reimbursement request through SWIFT4. The Office of Grants Management works to promptly pay grantee reimbursement requests within 30 days. The 30 day window does not begin until the reimbursement documents are complete and correct.

In some cases, additional documentation may be necessary. If grantees are requesting reimbursement for travel costs, the guidelines in Appendix D must be followed. If a grant contract includes language around extra backup documentation, then grantees may need to provide invoices, timesheets and proof of payment for grant expenses in order to be reimbursed.

4 For SWIFT help, please see Minnesota Management and Budget’s website for contact information.

https://mn.gov/mmb/accounting/swift/vendor-resources/

Updated April 2019
D. Travel

Travel expenses must be a previously approved part of the grant budget before grantees may request reimbursement for travel expenses. Travel expenses must meet the guidelines specified in the current “Commissioner’s Plan” found on the Minnesota Management and Budget Website:

- [Commissioner’s Plan](Section 15 – Expense Reimbursement)

Grantees will not be reimbursed for travel expenses incurred outside Minnesota unless OGM has provided prior written approval for out of state travel.

Travel-related expenses must be documented on a Travel Log Report. An Excel spreadsheet template will be provided by the Office of Grants Management. For each travel expense (mileage, parking, meals, etc), grantees must demonstrate which project on the work plan is associated with the expense. The following expenses must be included on the Travel Log:

- **Date** – This is the date that the travel occurred.
- **Time** – This must be included if meal costs are being submitted for reimbursement.
- **Destination** – This should include the destination for traveling employees, and which project from the work plan is associated with the expense.
- **Mileage** – Mileage is reimbursed at the Federal IRS mileage rate.
- **Parking** – Parking costs are reimbursed as long as they are reasonable and consistent with the facilities available.
- **Lodging** – Lodging costs are reimbursed as long as they are reasonable and consistent with the facilities available. Lodging costs eligible for reimbursement include hotels, motels, and campsites.
- **Meals**
  - **Breakfast** – Reimbursements for breakfast may be claimed if the employee leaves their temporary or permanent work location before 6:00 am or is away from home overnight.
    - Maximum reimbursement including tax and gratuity is $9.00 per person.
  - **Lunch** – Reimbursements may be claimed if the employee is in travel status more than 35 miles from their temporary or permanent work location and work extends over the normal noon lunch hour period.
    - Maximum reimbursement including tax and gratuity is $11.00 per person.
  - **Dinner** – Reimbursements may be claimed if the employee is in travel status after 7:00 pm or requires an overnight stay.
    - Maximum reimbursement including tax and gratuity is $16.00 per person.
- **Number of Travelers** – This must be included if lodging or meals are being claimed for reimbursement.
- **Other costs** – Additional costs eligible for reimbursement should be previously agreed upon with OGM and may include public transportation expenses or taxis.

Backup documentation (receipt, proof of payment, etc) must be submitted for reimbursement for parking and lodging expenses, and expenses listed as “Other costs.” No backup documentation is necessary for mileage and meals.

Per the audit clause of the grant contract, supporting documentation for all travel expenses (invoices, receipts, employee time records, proof of payment, etc.) shall be maintained on file by the Grantee and available upon request by the State.
E. Glossary

**Authorized Representative (Grantee)** - The individual at the grantee organization who has authority to enter into a contract. The signer on the grant contract.

**Budget** - Details the budget categories for grant spending. Exhibit B of the grant contract.

**Grant Contract** - Also called the grant agreement. Contains the terms and conditions of the grant award.

**Grant Payment** - Refers to the processing of a request for reimbursement to the grantee.

**General Fund Grant** - Refers to another grant managed by the Department of Admin. Also known as Community Service and Equipment, or Matching and Equipment.

**Legacy Grant** - Another term for the Arts and Cultural Heritage Fund (ACHF) grant.

**Payment Invoice** - The invoice provided by the grantee with a request for reimbursement.

**Primary Contact** - The individual at the grantee organization who has the most interaction with the State.

**Reimbursement Spreadsheet** - An excel worksheet provided by OGM to be submitted with each reimbursement request.

**Salary Detail** - Details about the salaries charged to the Legacy grant, part of the grant budget.

**Travel Log Report** - An excel worksheet provided by OGM to provide travel detail with reimbursement requests.

**Work Plan** - Details the work to be completed with the Legacy grant. Appended to the contract as Exhibit A.

*Broadcasting Grantees Only*