Office of Grants Management State Fiscal Year 21 Grant Contract Agreement Edit Overview

Purpose:
- Incorporates continuous improvement from encumbrance and contracting improvement process
- Cultivates conditions for compliance and effective grant management for the state enterprise

Phased Implementation Period:
- For use with all new grant contract agreements in State Fiscal Year (FY) 21

Part I: Change Summary:
- All Seven grant contract agreement templates contain these crosscutting edits:
  - Clarifies effective date of grant in Section 1
  - Clarifies responsibility of state agency to customize requirements of federal funds in Section 4
  - Removes 16C from last page (encumbrance signature block)
  - Technical edits - Footer and Referencing Grant Contract Agreement throughout entire document
- Minor edit to Municipality templates:
  - Includes language restricting state grantees from contracting with vendors that are disbarred and references the Office of State Procurement’s disbarred vendor list in Section 4

Part II: Edits by Section in Grant Contract Agreement Templates:

**Edit #1a: Section 1: Effective date**
- **Grantee type**: Municipalities, Nongovernmental Organizations, U of M, Individual
- **Grant process**: Competitive, single/sole source, or formula grant process
  - **Language removed**: Whichever is later
  - **Language added**: The Grantee must not begin work until this grant contract agreement is fully executed and the State’s Authorized Representative has notified the Grantee that work may commence.
- **Purpose**:
  - Clarifies effective date of the grant contract agreement and when the grantee may begin work.
- **Benefits**:
  - Builds in internal control and transparency for granting agency and grantee on when work can begin.
  - Builds in flexibility for the granting agency (based on risk appetite and as grant appropriation(s) allow) on timing of eligible expenditures incurred by the grantee between the time of encumbrance and when the final signature is secured for the grant contract agreement.
  - Removes previous uncertainty and application of potential violation status to 16C.
Part II: Edits by section in Grant Contract Agreement Templates continued:

**Edit #1b: Section 1: Effective date**
- **Grantee type and process:** Legislatively named Municipalities and Nongovernmental Organizations
  - **Language added:** Notwithstanding
- **Purpose:**
  - Clarifies that Minn. Stat. §16B.98 Subd. 11 allows for time frame and conditions for eligible expenditures to be reimbursed after the grant contract agreement is fully executed with all signatures under specific conditions

**Edit #2: Section 4.2b: Consideration and Payment: Federal Funds**
- **All grantee types and processes:**
  - **Language added:** This is boiler plate sample language. State agency should customize to meet the terms and conditions of the federal funds they have authority to externally administer
- **Purpose and Benefit:**
  - Clarifies responsibility of state agency to add language required for external grant-making of federal funds.

**Edit #3: Section 4.3 (b): Consideration and Payment: Contracting and bidding requirements**
- **Grantee type:** Municipalities
  - **Language added:** The grantee must not contract with vendors who are suspended or debarred in MN: http://www.mmd.admin.state.mn.us/debarredreport.asp
- **Purpose and Benefit:**
  - Demonstrates consistency with broader set of grant contract agreement templates

**Edit #4: Encumbrance Certification signature block #1: Encumbrance:**
- **All grantee types and processes:**
  - **Removed:** Citation to 16C
- **Purpose and Benefit:**
  - Removes previous uncertainty and application of potential violation status to 16C.

Part III: FAQ’s

I. What are the seven different grant contract agreement templates?
- **Municipality:** Two Grant process types:
  - Legislatively-named
  - Competitive/Formula/Single and Sole Source

- **Nongovernmental Organization:** Three Grant process types:
  - Legislatively-named
  - Competitive
  - Formula, Single and Sole Source

- **Grantee type: U of M:** One template for all grant processes

- **Grant to Individual:** One template for all grant processes
Part III: FAQ’s continued:

II. Is there a requirement to amend existing grant contract agreements my agency has in place?
   o No

III. My agency started the process to execute new grant contract agreements for State Fiscal Year 21 (FY21) earlier this spring based on previous planning, agency workflow, the number of grant programs our agency has, staffing, etc. Since these grant contract agreement templates were available after our process began, what does OGM recommend for agencies in that situation?
   o In this situation, it’s recommended that agencies:
     ▪ Ensure their processes are documented
     ▪ Establish, document, and communicate a clear timeline for when the new templates and corresponding minimum requirements will begin at their agency.
       • Update information and templates for internal state agency team members
       • Ensure that templates and information for grantees are updated
   o It’s expected and understood that agencies will have a phased implementation period for utilizing the FY21 Grant Contract Agreement templates.