

OGM 08-04: Use of Grant Contract Agreements and Grant Award Notifications

Version: 1.6

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Policy Statement and Rationale

Granting agencies must use a written grant contract agreement or a grant award notification for all grants awarded by the agency. Granting agencies may develop agencywide stricter standards than listed below for grant contract agreements and grant award notifications.

At a minimum, grant contract agreements and grant award notifications must meet the following requirements:

1. Agencies must not award a grant to a vendor or grantee that is suspended or debarred from doing business with the state of Minnesota or with the federal government.
2. Grant contract agreements or grant award notifications must be executed by the agency head or a delegate who is party to the grant.
3. Grant contract agreements or grant award notifications must be approved by the commissioner of the Department of Administration.
4. Grant funds must be encumbered in accordance with applicable laws and the [Office of State Procurement \(OSP\) Encumbrance and Contract Execution Policy 21-01](#).
5. Grant contract agreements or grant award notifications must specify the period of time for which the grant is valid:
 - a. Effective dates must be in accordance with either Minnesota Statutes, section 16C.05, subdivision 2, or 16B.98, subdivisions 5 and 7, as determined by the granting agency.
 - b. The combined duration of grant agreement and amendments must not exceed five years without specific, written approval of the commissioner of the Department of Administration.
6. Grant contract agreements or grant award notifications must cite the agency's authority to make grants and the authority for the grant program.
7. Grant contract agreements or grant award notifications must specify the scope and timeline for the work, the grantee's duties in carrying out the grant, and the disbursement of grant payments.
8. Grant contract agreements or grant award notifications must contain standard contract terms and conditions, including clauses regarding audits, authorized representatives, liability, government data practices, intellectual property, contracting and bidding requirements that include use of targeted vendors, worker's compensation, suspension and debarment, termination, and provisions concerning federal funds, as applicable.
9. Grant contract agreements or grant award notifications must incorporate requirements such as work plan and budget by reference and as an exhibit.

10. Grant contract agreements or grant award notifications must contain additional provisions to mitigate risk or otherwise protect the interests of the state, in accordance with Minnesota Statutes, section 16B.981, subdivision 5.
11. Grant contract agreements or grant award notifications must contain a provision for the grantee to clearly post on the grantee's website the names of, and contact information for, the grantee organization's leadership and employee or other person(s) who directly manages and oversees the grant for the grantee.

A fully executed copy of the grant agreement or grant award notification and accompanying records relating 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 required period of time to satisfy all state and program retention requirements, whichever is later.

Per [OGM Policy 08-12: Grant Amendments](#), any changes to the terms or conditions of a grant contract agreement or grant award notification must be made through a fully executed amendment.

Applicability

This policy applies to all executive branch agencies, boards, committees, councils, authorities, and task forces that make grants. This policy applies to competitive, legislatively named, formula, and single and sole source grants.

This policy does not apply to general obligation grants as defined by Minnesota Statutes, section 16A.695, capital project grants to political subdivisions as defined by section 16A.86, or capital project grants otherwise subject to section 16A.642.

Definitions

- **Competitive Grant:** A competitive grant is a grant that is awarded through an application process in which multiple grant applications are solicited through a request for proposal and reviewed by the state agency. In a competitive grants process, grants are awarded to those applicants that most closely meet the selection criteria identified by the granting agency, based on the availability of grant funds.
- **Formula Grant:** A formula grant refers to:
 - Allocations of money to states or their subdivisions in accordance with distribution formulas prescribed by law or administrative regulation, for activities of a continuing nature not confined to a specific project.
 - Noncompetitive awards based on a predetermined formula awarded to eligible entities or individuals based on an allocation determined by a program's authorizing legislation or administrative regulation.

Formula grants are typically based on entitlements or reimbursement of specified costs.

- **Grant:** Per Minnesota Statutes, section 16B.97, subdivision 1 (a), "grant" refers to the transfer of cash or something of value to a recipient to support a public purpose authorized by law.
- **Grant Award Notification:** The state's official notice of a grant award that is issued after a corresponding grant application process has been completed. The grant award notification is issued as a result of the following:

- Grant application materials include the standard grant contract language and assurances including, as applicable, notice of pre-award risk assessment of potential grantees as described in [OGM Policy 08-06: Preaward Risk Assessment](#).
- Applicants accept the terms and conditions of the grant funds based on their signature and submission of application materials.
- State agency completes the grant application review process.
- As applicable, state agency completes pre-award risk assessment of the potential grantee as described in [OGM Policy 08-06:Preaward Risk Assessment](#) and decides to award the grant.

The grant award notification incorporates the approved application materials, including the assurances accepted by the grant applicant, and officially notifies grantees that they may begin work on the grant. Signature steps are conducted in an order that results in an expedited process with a legally binding agreement.

- **Grant Contract Agreement:** As defined in Minnesota Statutes, section 16B.97, subdivision 1 (a): A grant agreement is a written instrument or electronic document defining a legal relationship between a granting agency and a grantee when the principal purpose of the relationship is to transfer cash or something of value to the recipient to support a public purpose authorized by law instead of acquiring by professional or technical contract, purchase, lease, or barter property or services for the direct benefit or use of the granting agency.
- **Legislatively Named Grant:** A legislatively named grant is a grant in which the amount, purpose of a grant, and grantee organization is named in law.
- **Single Source Grant:** 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.

Resources and Related Information

- [Suspended/Debarred Vendor List](#)
- [Minnesota Statutes, section 16B.97](#)
- [Minnesota Statutes, section 16B.98](#)
- [Minnesota Statutes, section 16B.981](#)
- [Minnesota Statutes, section 16A.15](#)
- [Minnesota Statutes, section 325L.07](#)
- [OSP Encumbrance and Contract Execution Policy 21-01](#)
- [See the OGM website for grant contract agreement templates.](#)

History and Updates

Version	Description	Date
1.0	Initial Publication	July 15, 2008

Version	Description	Date
1.1	Revision	August 29, 2014
1.2	Revision	September 15, 2017
1.3	Revision	June 30, 2020
1.4	Revision	November 24, 2020
1.5	Revision	April 1, 2024
1.6	Revision	July 1, 2025

Policy Owner/Contact

Policy Owner: Enterprise Grants Managing Director, Office of Grants Management

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