

OGM 08-07: Single Source Grants

Version: 2.0

Effective Date: November 21, 2025

Policy Statement and Rationale

Grants must be competitively awarded whenever possible to promote fair and open competition. When competition is not possible due to a determination, after conducting a search, that only one entity is reasonably able and available to meet the purpose and objectives of a grant, a granting agency may award a single source grant. Granting agencies may develop stricter agencywide standards for justifying and approving the use of single source grants.

A granting agency may only award a single source grant after conducting a search to validate there is only one entity reasonably able and available to meet the intended purpose and objectives of the grant. If more than one entity is reasonably able and available to meet the grant's purpose and objectives, an agency must use a competitive process to award the grant. A single source grant award should not be the result of inadequate advance planning, personal or agency preference or perception that the proposed grantee is the only available or best qualified, based solely on an existing relationship, or utilized for the purposes of securing the services of a preferred provider.

If the granting agency determines there is only one entity reasonably able and available to meet the intended purpose and objectives of the grant, a granting agency must complete the Single Source Grant Justification Form. The form must describe:

- a. The purpose of the grant.
- b. Why it is necessary to award the grant in a noncompetitive manner.
- c. How the grant amount was determined and that it is reasonable to meet the intended purpose of the grant.
- d. What steps were taken to search and validate there is only one entity reasonably able and available to perform the grant activities.

The completed Single Source Grant Justification Form must be reviewed and approved prior to encumbrance. Approval must be given by the grant manager, division director (or designee), and the agency head (or designee) who is separate and independent of the preparer and other approvers.

Single Source Grant Justification Forms and any relevant search documentation must be retained in accordance with applicable record retention schedules.

To obtain an exception to this policy, granting agencies must seek approval of a policy exception from the Office of Grants Management. Agencies may submit a Grant Policy Exception Request to the Office of Grants Management for review and approval by the Commissioner of Administration.

Applicability

This policy applies to grantmaking at all executive branch agencies, boards, committees, councils, authorities, and task forces that make grants.

This policy applies to grants over \$5,000 for which the agency validates there is only one entity reasonably able and available to meet the purpose and objectives of the grant.

This policy does not apply to grants where the recipient is named in law, formula grants, or noncompetitive federal grants because the recipient designation is made by legislative or regulatory mechanisms rather than through an agency search and validation process.

The policy does not apply to grants where the state agency designates subrecipients as part of an application for a federal funding award. State agencies should follow federal requirements for documenting and justifying subrecipient selection.

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.

Definition

- **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

- [OGM Form 07.01: Single Source Grant Justification Form](#)
- [Minnesota Statutes, section 16B.97](#)
- [Minnesota Statutes, section 16B.98](#)

History and Updates

| Version | Description | Date |
|---------|---------------------|-------------------|
| 1.0 | Initial Publication | July 15, 2008 |
| 1.1 | Revision | June 18, 2012 |
| 2.0 | Revision | November 21, 2025 |

Policy Owner/Contact

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

Policy Contact: Office of Grants Management, Policy and Agency Support Team