

## **Minnesota Department of Administration Office of Grants Management**

Operating Policy and Procedure

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Policy on Single and Sole Source Grants

[Minn. Stat. §16B.97](#)

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Minn. Stat. §16B.97 Subd. 4(a)(1) provides that the Commissioner of Administration shall “create general grants management policies and procedures that are applicable to all executive agencies.”

### **Policy**

It is the policy of the State of Minnesota that grants are to be competitively awarded as much as possible. Single and sole source grants are to be used when only one entity is reasonably able to meet a grant’s intended purpose and objectives, due to their geographic location, specialized equipment, specialized knowledge and/or community relationships, or as a funder designated sub-recipient. If more than one entity is reasonably able to meet the grant’s purpose and objectives, a competitive process must be used.

A single/sole source grant may not be based solely on agency convenience and/or on prior relationships with a potential grantee.

If a single or sole source grant of over \$5,000 is made, state agencies must document why a single/sole source process was the only reasonable option by completing the Single and Sole Source Grant Justification Form.

The Single and Sole Source Grant Justification Form must be reviewed and approved by someone independent of the grant manager.

The Single and Sole Source Grant Justification Form must be signed prior to encumbrance by the grant manager, division director (or designee), and an appropriate contact within the agency’s financial management area (as determined by the granting agency).

Single and Sole Source Grant Justification Forms are to be kept either in the grant file or in a central file.

### **Scope of Coverage**

This policy applies to all executive branch grant-making agencies, boards, committees, councils, authorities, and task forces.

This policy applies to single and sole source grant processes.

Legislatively-named grants, grants under \$5,000, formula grants, grants to individuals, and grants from one state agency to another are not subject to this policy.

### **Scope of Coverage continued**

Grant programs in which the state agency has identified its grantees in a federal grant application are not subject to this policy.

This policy supersedes other state agency policies that concern single and sole source grant awards except when the existing state agency policy is stricter.

Grant programs that seek an exception to this policy must complete a Grants Policy Exception Request and submit it to the Office of Grants Management for the approval of the Commissioner of Administration.

### **Definitions**

#### **Sole and Single Source Grants**

A sole source grant is a type of non-competitive grant that is awarded to an entity because it is the only provider of a particular service.

A single source grant is a type of non-competitive grant that is awarded to an entity that is selected due to specific reasons, such as a geographic location or community knowledge and relationships that make that entity uniquely able to fulfill the intent of the grant.

### **Procedures**

1. State grant-making agencies determine the purpose and objectives of each grant-making process.
2. State grant-making agencies conduct a search by using established contacts in the field, the internet, or other directories to determine whether there are multiple entities that are reasonably able to meet the purpose and objectives of the grant program. If there is more than one provider that is reasonably able to meet the purpose and objectives of the grant, a competitive process must be used.
3. If, after conducting the search, the state grant-making agency determines that there is only one entity that is reasonably able to meet the purpose and objectives of the grant, the state grant-making agency may make a single or sole source grant to that entity.
4. The research and justification for this decision should be documented in a Single and Sole Source Grant Justification Form prior to the grant award that must be signed period to encumbrance by the grant manager, division director (or designee), and appropriate contact within the agency's financial management area (as determined by the granting agency).
5. Completed Single and Sole Source Grant Justification Forms should be kept in the corresponding grant file or in another central file.