

**Minnesota Department of Administration
Office of Grants Management
Operating Policy and Procedure
Issue Date: 7/15/08
Revised 8/29/14
Policy Number: 08-04
Policy on the Use of Grant Agreements**

Statutory References

Minn. Stat. 16B.97-Grants Management

Minn. Stat. 16B.98-Grants Management Process

Minn. Stat. 16A.15- Accounting System; Allotment and Encumbrance

Policy

Minn. Stat. 325L.07 – Legal Recognition of Electronic Records, Electronic Signatures, and Electronic Contracts

Minnesota Statutes 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.” Minnesota state agencies must use a written grant agreement for all grants made by the agency. Grant agreements must conform to Minnesota Statute 16 B.98 subd. 5 “Creation and Validity of Grant Agreements.”

In addition, grant agreements must:

- Cite the agency’s statutory authority to make grants and the authority for that particular grant program
- Specify the scope and timeline for the work, the grantee’s duties in carrying out the grant and information about how grant payments will be made
- Contain standard contract language and assurances, including but not limited to clauses regarding liability, data practices and intellectual property, Worker’s Compensation, and provisions concerning federal funds. If lengthy grant requirements are incorporated into the grant agreement by reference, it should be done in such a manner that the requirement can be easily identified and located by the grantee.
- Contain the name and phone number of the agency’s project manager as well as the grantee’s Authorized Representative
- Incorporate all attachments

Any changes made to the terms of the grant agreement must be made via a fully-executed amendment or other legally-approved method.

Scope of Coverage

This policy applies to grant-making at all executive branch agencies, boards, committees, councils, authorities and task forces that make grants. This policy applies to competitive, Legislatively-named, formula, single and sole source grants. This policy does not apply to grant programs that have been provided a statutory exemption to the contract procedures of the Commissioner of Administration or Minnesota Statute Chapters 16A, 16B, or 16C. This policy supersedes other state agency policies that concern grant agreements and contracts 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

Grant Agreement:

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.

Grant:

For the purposes of this policy, “grant” refers to the transfer of cash or something of value to a recipient to support a public purpose authorized by law.

Procedures

1. The grantee is selected through a process identified by the state grant-making agency or by the legislature.
2. The state grant-making agency creates a grant agreement. Templates for grant agreements can be found at the Minnesota Department of Administration website at <http://www.mn.gov/admin/government/grants/policies-statutes-forms/index.jsp>
3. Grant funds must be encumbered prior to the execution of the grant agreement.
4. The grant agreement must be signed by the parties. Grant agreements are not considered to be in effect until they are signed by the Authorized Representatives of the granting agency and the grantee. Agencies are encouraged to conserve resources and streamline the process by utilizing electronic signatures and electronic documents as referenced in Minn. Stat. [325L.07](#): Legal Recognition of Electronic Records, Electronic Signatures, and Electronic Contracts.