

<b>Policy Area</b>	<b>Updated Policy</b> Single Source Grants (Version 2.0 effective 11.21.2025)	<b>Old Policy</b> Policy on Single and Sole Source Grants (Version 1.1 Rev. 2012)	<b>Rationale for Change</b>
<b>Title and Terminology</b>	Single Source Grants	Policy on Single and Sole Source Grants	Streamlining and modernizing terminology, including making it consistent with Office of State Procurement standards and definitions.
<b>Core Principle</b>	“Grants must be competitively awarded to promote fair and open competition.”	“Grants are to be competitively awarded as much as possible.”	Strengthening language to emphasize that competition is mandatory.
<b>Justification</b>	<ol style="list-style-type: none"> <li>Four-part standard, including: <ul style="list-style-type: none"> <li>Purpose</li> <li>Necessity</li> <li>Cost reasonableness</li> <li>Search validation</li> </ul> </li> <li>Expanded prohibition including inadequate planning, personal preference, and securing a preferred provider, in addition to convenience and prior relationships.</li> </ol>	<ol style="list-style-type: none"> <li>General requirement to document the reason for the single/sole source award.</li> <li>Prohibition against convenience and prior relationships as justifications.</li> </ol>	Enhanced accountability and transparency, as well as consistent justification standards throughout the state enterprise. This is consistent with Office of State Procurement standards.
<b>Approval Authority</b>	Grant manager, division director, and agency head (or designee).	Grant manager, division director, and financial management contact.	Elevated oversight is necessary because single source grants bypass the safeguards of competitive processes.
<b>Approver Independence</b>	Agency head (or designee) must be separate and independent of the preparer and other approvers.	No explicit requirement.	This is a key internal control that can prevent conflicts of interest.

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<b>Record Retention</b>	Agencies must retain Single Source Grant Justification Forms and any relevant search documentation in accordance with applicable record retention schedules.	Agencies must keep Single Source Justification Forms in the grant file or in a central file.	Alignment with statewide records management and compliance requirements, as well as emphasizing the importance of documentation to support the search validation and justification.
<b>Applicability</b>	<p>The policy applies to all 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.</p> <p>Specific exemptions for:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Grants where the state agency designates subrecipients as part of an application for a federal funding award.</li> <li>• Capital and general obligation grants.</li> </ul>	<p>General exemptions for:</p> <ul style="list-style-type: none"> <li>• Legislatively named grants</li> <li>• Grants under \$5,000</li> <li>• Formula grants</li> <li>• Grants to individuals</li> <li>• Grants from one state agency to another</li> <li>• Grant programs in which the state agency has identified its grantees in a federal grant application.</li> </ul>	This refinement provides clarity, transparency, and accountability.