POLICY AND PROCEDURE

Minnesota Office of Justice Programs Grants Administration

Re: Current Financial Document Requirement for OJP Grantees and Applicants
Effective Date: January 1, 2026
Date Issued/Published: 10/13/2025
Date Revised: N/A
Date Communicated to OJP Staff: 10/13/2025
Review Frequency: Every Two Years
Policy Owner and Contact: Nathan Wilson

Scope

This policy applies to all grants the Office of Justice Programs (OJP) administers.

Intended Audience

External: all OJP grantees and applicants.

Purpose

This policy defines current and out-of-date financial documents for the purposes of grant application risk assessments and the management of grants throughout their lifecycle.

To protect the interest of the State and to ensure the effective and timely delivery of publicly funded grant programs and services, agencies must ensure that entities that receive grants are financially and operationally capable of performing all duties required of the grant.

Definitions

Financial Document: A financial document is defined as a single audit, certified financial audit, IRS form 990, or Board of Directors reviewed financial statement used by OJP to monitor the financial health of an entity prior to awarding a grant and during the lifecycle of a grant.

Single Audit: Refers to audits carried out in accordance with Subpart F – Audit Requirements of 2 CFR 200. The deadline for submission to the Federal Audit Clearinghouse is in 2 CFR 200.512 (a)(1).

Certified Financial Audit: A certified financial audit is a review of an organization's financial statements by an independent Certified Public Accountant (CPA) or CPA firm to determine if the statements were prepared in accordance with Generally Accepted Accounting Principles (GAAP). Minnesota nonprofit organizations are required to have a certified financial audit completed for any fiscal year in which they have total revenue of more than $750,000. Deadlines for submission are located on the Minnesota Attorney General's website (soliciting charities columns).

IRS Form 990: An IRS Form 990 is a federal tax return for nonprofit organizations. A nonprofit organization recognized as exempt from federal income tax must file an annual information return or notice (990-N) with the IRS, unless an exemption applies. Deadlines for submission are located on the IRS' website.

Board of Directors Reviewed Financial Statement: Refers to a financial statement that has been reviewed and approved by an entity's Board of Directors (or equivalent) as accurate and complete. It is used only when an entity does not meet the requirements to file a single audit, certified financial audit, or IRS form 990 as described in Minnesota Office of Grants Management Policy 08-06. As financial statements are part of the annual report due to the Minnesota Attorney General's Office in accordance with Minnesota Statutes 309.53, the deadline for submission is the same as the certified financial audit.

Fiscal Year: "Fiscal year" means the 12-month period on which an entity keeps its financial records.

Political Subdivision: A political subdivision is a municipality as defined in Minnesota Statutes, section 471.345: a county, town, city, school district or other municipal corporation or political subdivision of the state authorized by law to enter into contracts.

Inter/Intra Agency Entity: Refers to another Minnesota state government agency (e.g. Department of Corrections) or another Department of Public Safety division (e.g. Bureau of Criminal Apprehension).

Nonprofit Organization: A charitable organization that is formed for the purpose of fulfilling a mission to improve the common good of society rather than to acquire and distribute profits.

- A nonprofit organization must be incorporated under Minnesota Statutes, chapter 317A or Minnesota Statutes, chapter 322C.1101.
- Nonprofits may have tax exempt status from the Internal Revenue Service, with the most common type being a 501(c)(3).
- Organizations that solicit contributions from individuals for a "charitable purpose" are defined as "charitable organizations" and are governed by the Minnesota Attorney General's office under Minnesota Statutes, Chapter 309.5 – 309.715.

Policy

It is the policy of the Office of Justice Programs (OJP) to obtain and review financial documents from each entity's most recent fiscal year as part of the pre-award risk assessment that is completed before awarding a grant. It also the policy of OJP to obtain and review financial documents throughout the lifecycle of the grant as part of grant monitoring. OJP requires current financial documents to provide a current or accurate view of the entity's financial health and internal control risks. Current financial documents are also required for nonprofit entities to retain their IRS tax exempt status.

For the purposes of this policy, a financial document is considered out-of-date if the entity has not provided the completed document to OJP within one calendar year of the end of its fiscal year. The entity is considered out of compliance with the requirement for current financial documentation the calendar day after the last day of the entity's fiscal year. For instance, if an entity's fiscal year ends on 6/30, they must submit their completed fiscal year 2024 financial document by 6/30/2025. If they do not do so, they will be considered out of compliance on 7/1/2025. See Appendix A for a table with more examples and Appendix B for a table with a breakdown of what type of financial document is required for each type of organization.

The following exceptions apply:

- ***Single Audit Extension.*** If an entity has received an extension to file their single audit in accordance with 2 CFR 200.512(a)(1), their previous single audit is considered current until the day after the extended deadline. The entity must provide evidence of the approved extension that includes the extended deadline date.
- ***OMB Extension***. The federal Office of Management and Budget (OMB) may provide extensions that broadly apply to federal recipients and subrecipients. These extensions are posted on the Federal Audit Clearinghouse in the OMB Announcements page.
- ***Certified Financial Audits and IRS Form 990s.*** Exceptions for extensions to deadlines of certified financial audits and IRS form 990s do not exist in this policy because the extended deadline for both of those documents is eleven months from fiscal year end.
- ***Inter/Intra Agency Entities.*** OJP does not collect financial documents of other Minnesota state government agencies or other Department of Public Safety divisions.

Consequences of Out-of-Date Financial Documents: If an applicant is found to have an out-of-date financial document at the time of application and cannot provide an up-to-date document within a reasonable timeline, their application will be denied. Non-competitive, renewal grant applications will be processed only if an up-to-date financial document is provided within a reasonable timeline.

If an entity is found to have an out-of-date financial document during the lifecycle of a grant and cannot provide an up-to-date document upon request within a reasonable deadline, OJP will hold payment of Financial Status Reports until the entity submits current documents and OJP receives, reviews, and deems the documents satisfactory.

Grantees must provide up-to-date certified audits and 990s for each year of the entire grant period and must maintain their 501(c)(3) status. If a 501(c)(3) is revoked by the IRS, OJP will hold payment of all Financial Status Reports until the entity can provide up-to-date IRS 990 filings.

Exceptions to Policy: The Deputy Director of Programs or a Grant Unit Director must approve exceptions to this policy. The approval and justification for the exception must be documented and retained in the grant file or in the RFP documentation saved in the H: Drive.

Appendix A

Type of Financial Document	*Required for*	*Due Date for Calendar Year Fiscal Year January 1, 2024-December 31, 2024*	*Due Date for Minnesota State Fiscal Year July 1, 2024-June 30, 2025*	*Due Date for Other Fiscal Years e.g. Federal Fiscal Year October 1, 2024-September 30, 2025*
Single Audit	Any non-state government entity with Federal Expenditures of $1M or more	December 31, 2025	June 30, 2026	September 30, 2026
Certified Financial Audit	A non-profit organization with Annual Revenue over $750,000, but less than $1M in Federal Expenditures	December 31, 2025	June 30, 2026	September 30, 2026
IRS Form 990	A non-profit organization with Annual Revenue between $50,000-$750,000	December 31, 2025	June 30, 2026	September 30, 2026
Board of Directors Reviewed Financial Statement	A non-profit organization with Annual Revenue under $50,000	December 31, 2025	June 30, 2026	September 30, 2026

Appendix B

Type of Financial Document	*Required for*	*Requirement Citation*
Single Audit	Any political subdivision or non-profit organization with Federal Expenditures of $1M or more	Federal Regulation: with 2 CFR 200, Subpart F – Audit Requirements
Certified Financial Audit Report	A non-profit organization with Annual Revenue over $750,000, but less than $1M in Federal Expenditures	State Statute MS Chapter 309.5 – 309.715 State Policy: OGM 08-06
IRS Form 990	All non-profit organizations.	State Statute: MS 16B.981, subd 2 State Policy: OGM 08-06
Board of Directors Reviewed Financial Statement	A non-profit organization with Annual Revenue under $50,000 or A non-profit organization that has not been in existence long enough or is not required to file a Form 990 or Form 990-EZ	State Statute: MS 16B.981, subd 2 State Policy: OGM 08-06
Proof of the IRS determination that the nonprofit is not required to submit any 990 forms	A non-profit organization with Annual Revenue under $50,000 or A non-profit organization that has not been in existence long enough or is not required to file a Form 990 or Form 990-EZ	State Statute: MS 16B.981, subd 2 State Policy: OGM 08-06