



DEPARTMENT OF PUBLIC SAFETY OFFICE OF JUSTICE PROGRAMS

GRANT MANUAL

~~February 2023~~ March 2025

~~For subgrantees of federal and state funding~~

This manual serves as a reference for the financial and programmatic requirements/responsibilities for all grants funded through OJP.

I.	INTRODUCTION TO USE	1
II.	GENERAL ADMINISTRATION OF GRANT AGREEMENTS	2
	A. Grantee Responsibilities and Rights.....	2
	B. The Grant Agreement.....	3
	C. Grant Agreement Processing	5
	D. Grant Extensions	6
	E. Certifications and Other Grant Requirements.....	6
	F. Conflict of Interest.....	7
III.	PROGRAM OPERATIONS.....	8
	A. Program and Work Plan Modifications.....	8
	B. Program Reporting	8
	C. Publicity	9
IV.	FINANCIAL MANAGEMENT	9
	A. Financial Management Standards	9
	B. Grant & Client Record Retention	11
	C. Fiscal Agents	13
	D. Audits & IRS Form 990	14
V.	GENERAL ACCOUNTING	14
	A. Cash Management	14
	B. Grant Expenditure Guidelines.....	15
	C. Payroll/Personnel Records	18
	D. Employee vs. Consultant.....	20
	E. Volunteers, Interns and Stipends.....	21
	F. Program Income	22
	G. Purchasing.....	22
	H. Equipment	22
	I. Match.....	24
	J. Non-Supplant Requirement	25
VI.	CONSIDERATIONS FOR ALLOWABLE COSTS	26
	A. Cost Allocation.....	26
	B. Allowable Costs	27
	C. Consultants /Contracted Services	30
	D. Contracting For Services.....	33
	E. Costs Generally Unallowable.....	34
	F. Prior Approval.....	35

VII.	GRANT PAYMENTS	36
A.	Conformance to Budget.....	36
B.	Budget Revisions.....	36
C.	Financial Reporting.....	38
D.	Payment Status	39
E.	Grant Closeouts.....	39
VIII.	GRANT MONITORING	39
IX.	CIVIL RIGHTS GRANTEE RESPONSIBILITY	41
A.	Civil Rights.....	41
B.	Equal Employment Opportunity Plan (EEOP) Certification of Exemption and EEO Utilization Report	43

I. INTRODUCTION TO USE

The Minnesota Office of Justice Programs (OJP) staff wants your program to be successful. This manual is one tool to assist you in reaching that goal. Grant program and administrative staff should review this manual and keep it handy for reference. Grantees are responsible for reading and understanding these requirements. [Numerous links to resources for further information are included throughout the manual.](#)

OJP is responsible for monitoring grantee compliance with federal and state guidelines. This manual applies to all recipients of state and federal funding administered by OJP and provides basic information to properly manage grant funds. Circulars published by the Federal Office of Management & Budget, the Federal OJP Financial Guide and policy memoranda, the Minnesota Office of Grants Management (OGM) policies, as well as other federal and state regulations were used in preparing this manual.

Recipients of federal funding are considered subgrantees/subrecipients of the OJP federal award. The term “grantee” will be used throughout the manual and includes subgrantees/subrecipients.

[For Additional resources to help you manage your OJP grant, see the grant management resources](#) are posted on our [website](#). [MN OJP Grant Management and Resources](#).

SPECIAL FEDERAL CONDITIONS

Grants of federal funds through OJP are governed by this manual and appropriate federal laws, rules, and regulations which supersede this manual if different from this guideline. In general, grants through the U.S. Department of Justice are governed by the Office of Justice Programs (OJP) Financial Guide. In some cases, there are additional conditions that appear in the award document we receive from the federal government. As applicable, we may pass some of those conditions on to recipients of those funds; these will be found in the Program Guidelines referenced in your Grant Agreement.

Guidance may be found in Office of Management and Budget (OMB) Code of Federal Regulations (CFRs) [2 CFR 200](#).

Where a specific federal requirement applies in a topic area, the federal requirement will be highlighted in a box such as this one.

OTHER FEDERAL AND STATE REQUIREMENTS

Current versions of referenced documents are available via the internet at:

- [Minnesota Office of Grants Management Policies, Statutes and Forms](#)
- [U.S. DOJ, Office of Justice Programs Finance Guide](#)
- [2 CFR 200 Code of Federal Regulations – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards-Subpart F: Audit Requirements](#)
- [45 CFR Part 75: U.S. Dept. of Health and Human Services \(on October 1, 2025, DHHS will adopt the 2 CFR 200 regulations\)](#)
- ~~[2 CFR Part 225; Cost Principles for State, Local and Indian Tribal Governments](#)~~

- ~~2 CFR Part 230: Cost Principles for Non-Profit Organizations~~

II. GENERAL ADMINISTRATION OF GRANT AGREEMENTS

A. Grantee Responsibilities and Rights

OJP grants have the overall goal of improving public safety and providing effective services for crime victims. It is important for grantees and grant managers to work together in partnership towards this goal. The grant manager's primary role is to ensure compliance with special conditions and legal requirements and review progress and financial reports to ensure that you receive proper reimbursements. Your grant manager is also a resource for both technical and programmatic information.

State staff is committed to providing respectful and accurate responses. You have the right to the following expectations of OJP staff:

- Familiarity with your project.
- A prompt reply to your requests for information or action.
- Timely processing of your requests for reimbursement.
- Complete and accurate information.
- Assistance which respects your right to best determine needs at the local level.

To ensure a positive working relationship with your grant manager, grantees should:

- Keep grant manager informed of any problems you are having with your grant, especially if problems will affect expenditures or program quality.
- Complete progress and financial reports accurately and on time.
- Read and fully understand your grant agreement contract and related policies.
- Contact your grant manager with any questions or concerns.
- Contact your grant manager immediately in the case of any suspected or identified financial irregularities.
- Notify your grant manager in writing regarding:
 - a change in staff working on the grant.
 - an interruption of program activities.
 - a change in project site or location.
 - a change in contact information for key personnel.
 - any lawsuit filed against a grant funded project or program.
 - a formal allegation of civil rights discrimination made within or against the organization.
 - any change made to bylaws or the board of director's roster.

B. The Grant Agreement

The Grant Agreement is a legal document (contract) which outlines the conditions you must meet to receive funding. The grant agreement consists of the following items:

1. **Grant Agreement** - Signed by the State and grantee and includes, by reference, the application for funding and any OJP program standards or work plan and budget, as well as:
 - Name of grantee
 - Grantee's Authorized Representative
 - State's Authorized Representative
 - Amount and source of funds
 - Dates of grant period
 - Grant number
 - General terms of grant
 - Federal financial assistance listing number (ALN), if applicable
 - Federal award identification number (FAIN), if applicable
 - State funding appropriation information, if applicable
 - Special conditions
2. **Terms and Conditions** - Terms that grantees agree to which are found in your OJP grant management system e-grants file and on our [website](#). These address such items as:
 - Payment terms and conditions
 - Contract and bidding requirements
 - Liability requirements
 - Audits
 - Government data practices
 - Workers' Compensation
 - Termination of grant
 - Data disclosure, etc.
3. **Program Guidelines** - Requirements that grantees agree to which are found in your OJP grant management system e-grants file and on our [website](#). These address requirements specific to your funding such as:
 - Lobbying restrictions
 - Debarment and Suspension
 - Drug-Free Workplace
 - Financial requirements
 - Agreement to comply with Minnesota OJP Grant Manual, the U.S. DOJ Financial Guide
 - Reporting requirements – reports and due dates
 - Federal requirements – grantees with federal funds need to be familiar with these
 - Evaluation
 - If applicable, other details of federal funding
 - Any other requirements

4. **Budget** - The grant agreement is finalized with an approved budget which the budget should include:
- The basis for calculating all costs
 - Project funded activities only, not the overall agency/organization budget
 - Correlate with work plan activities (if applicable).

NOTE: A budget is designed to project costs needed to operate your program. Reimbursement is not guaranteed for all costs outlined in the budget, but only for actual expenditures.

EXAMPLE: The approved budget may include an estimate for a supervisor to devote 25% of their time (.25 FTE) to a project, but in fact, they actually spend 10% of their time supporting the initiative. Only the 10% of their time spent to support the project are costs eligible for reimbursement.

5. **Additional Documentation of Grant Activities:**

Program Standards - Grant programs such as Violent Crime Enforcement Teams (VCET) and Crime Victims Services (CVS) are required to abide by standard expectations. For example, CVS grants include provisions for the delivery of services, program activities and service philosophy. If program standards apply to the services you deliver, you are required to agree to them as part of your application and they will be referenced in your grant agreement.

If a grantee uses grant funds for activities beyond those required by the standards, an agreed upon work plan will be developed and is part of the grant agreement.

Work Plan - Where activities and standards have not been pre-determined, a grant agreement will require an approved work plan that typically addresses the following:

- Goals and objectives of the program
- Target population
- Number of individuals to be served
- Tasks to be accomplished
- Services to be provided
- Time frames
- Key collaborators
- Responsible parties
- Evaluation strategies.

Your final work plan will be negotiated with your grant manager. It is referenced in your grant agreement and is an official part of the grant file. You are obligated to use grant funds to carry out your approved work plan unless work plan revisions have been approved.

IMPORTANT: The grant agreement specifies that grantees are expected to comply with all applicable federal, state, and local laws, rules, and regulations. Please carefully read the grant agreement and attachments and refer to this manual to ensure you understand the conditions you must meet to manage your project with the funds granted.

C. Grant Agreement Processing

- Grantees need to register as a vendor in the Statewide Integrated Financial Tracking System (**SWIFT**) in order to receive payments from OJP. [Registration information](#)
- Grantees need to register in ~~e-grants~~, the **OJP grant management system**.
- **Pre-award Risk Assessment** - Upon receiving a tentative grant award, OJP staff will complete a Pre-award Risk of Non-Compliance Assessment. This form assures OJP compliance with State of Minnesota Grant Management Policies as well as Federal Office of Management and Budget (OMB) requirements. Based on the applicant's score the [grantee may receive a letter with special conditions, or the](#) grant agreement may contain special requirements such as additional OJP monitoring, training, etc. See: [Risk Assessment Sample form in APPENDIX A](#).
- **Execution of Grant Agreements** - The grant agreement is fully executed (finalized) when the signatures of the authorized individuals from the grantee organization and OJP are obtained, and the final Department of Public Safety review is complete. A copy of the fully executed grant will be uploaded to the grantee's ~~e-grants~~ file [in the OJP grant management system](#).
- **Grant Agreement Authorized Signature** - individuals authorized to sign contracts including grant agreements.

- **Cities and Counties** - State law defines which city and county officials are authorized to sign contracts, including grant agreements, as follows:
 - Statutory Cities: Mayor and City Clerk
 - Charter Rule Cities: As defined in the charter
 - Counties: Board Chairperson (as attested to by the Clerk of the County Board)

If cities or counties wish to designate someone else to sign the grant agreement with OJP, they must pass a council/board resolution. A copy of the resolution must be submitted along with the signed grant agreement to verify the person(s) authorized to sign the grant agreement.

- **Nonprofit organizations** - The officer(s) or employee(s) authorized to sign contracts is typically detailed in the by-laws of the organization. If not specified in the by-laws, or if the organization wishes to have someone else sign, a board resolution is required to designate that person an authorized signer. A copy of the by-laws or resolution must be submitted along with the signed grant agreement to verify the person(s) authorized to sign.
- **Authorized Representative** - The individual named in the grant agreement is the primary contact for the program. If the grantee's authorized representative changes at any time during the grant period, the grantee must immediately notify their grant manager and update member information in [the OJP grant management system. e-grants](#).

NOTE: The individual named as the authorized representative in the grant agreement does not need to be the same person authorized to sign the grant agreement.

- **Beginning of Grant Activities** - Grant activities and related expenditures may not begin until the grantee receives a notice from OJP that work may begin, agreed upon start date of the grant. Expenses incurred before the start date of the grant cannot be reimbursed.
- **Delay in Grant Activities** - If the grant activities do not begin within 30 calendar days of the starting date of the grant agreement an explanation for the delay and the expected beginning date must be submitted in writing to your grant manager.

NOTE: Grants with no activity occurring within 90 calendar days of the start date may be terminated. Delays to the start of project activities do not guarantee an extension to the end date.

D. Grant Extensions

Extensions to the end date of the grant period are potentially allowable. They must be in a written request stating the need for the extension and indicating the additional time required. The request must be submitted to your grant manager at least 40 days before the end date of the grant.

NOTE:

- An extension to a grant period end date is a substantial change that requires an official amendment to the grant agreement with new signatures.
- Retroactive extensions cannot be approved; once the end date has passed, grants cannot be extended.
- The maximum extension for any project is generally 12 months and normally only one extension is granted.
- Approval of extension requests submitted with less than 40 days remaining in the grant period are rare and require OJP supervisor approval.
- In some cases, the grant funding source does not allow for extensions.

E. Certifications and Other Grant Requirements

All federally funded OJP grantees must comply with the following:

- Federal Funding Accountability and Transparency Act of 2006 (FFATA) – data for this federal website will be collected from grantees as part of grant agreement process.
- Active registration in the federal [System for Award Management \(SAM\)](#) system and receipt of a Unique Entity Identification (UEI) number
- Civil Rights Training Acknowledgement Form (see Section [IX-A](#) for more information)
- Equal Employment Opportunity Plan (EEOP) (see Section [IX-B](#) for more information)

F. Conflict of Interest

Federal and state grant management guidelines require adherence to Conflict of Interest policies as follows:

DOJ Financial Guide and Minnesota Office of Grant Management (OGM) Policy 08-01

- You are required to use federal funds in the best interest of your award program. Your decisions related to these funds must be free of hidden personal or organizational conflicts of interest. You are required to disclose in writing any potential conflict of interest to your grant manager. (2 CFR 200.112)
- Conflict in Fact. In the use of award funds (direct or indirect), a grantee should not participate in any decisions, approval, disapproval, recommendations, investigation decisions, or any other proceeding concerning any of the following people or groups:
 - An immediate family member (spouse, domestic partner, parent, sibling, child, in-law, or other relative living in the home)
 - A civil or business partner
 - An organization in which they are serving as an officer, director, trustee, partner, or employee
 - Any person or organization with whom they are negotiating or who has an arrangement concerning prospective employment, has a financial interest, or for other reasons can have less than an unbiased transaction with the grantee
- Conflict in Appearance. In the use of award funds, you and your subrecipients should avoid any action which might result in, or create the appearance of:
 - Using your official position for private gain
 - Giving special treatment to any person
 - Losing complete independence or objectivity
 - Making an official decision outside official channels
 - Negatively affecting negatively the confidence of the public in the integrity of the government or the program
- Typical conflict-of-interest issues include:
 - Less-than-arm's-length transactions -- the act of purchasing goods or services or hiring an individual from a related party such as a family member or a business associated with an employee of the grantee.
 - Not using fair and transparent processes for subrecipient decisions and vendor selection. These processes must be free of undue influence, and fair and transparent. Most procurement requires full and open competition.
 - Consultants can play an important role in award programs; however, as a grantee, you must ensure that their work for you conforms to all regulations governing a fair consultant selection process, reasonable pay rates, and specific verifiable work product.

III. PROGRAM OPERATIONS

A. Program and Work Plan Modifications

Remember that you are obligated to carry out the activities for which you are funded in the approved narrative and/or work plan. However, it may become necessary to modify your work plan as your project is underway. Unsuccessful strategies should not be continued. To modify your work plan, reach out to your grant manager to ~~Please~~ discuss any challenges, barriers, and proposed changes. ~~with your grant manager.~~ Work plan modifications must be approved by your grant manager prior to implementation.

NOTE: The following changes are considered substantial and should be submitted in writing to your grant manager for approval prior to implementation:

- Expanding your geographic area
- Changing organizations involved in activities (expansion, contraction, or revision)
- Revising activities and timelines
- Amending the number of activities or number of individuals you propose to serve
- Revising your target population

EXAMPLE: Your diversion project proposed to serve one hundred 16 to 18-year-old, first-time juvenile offenders. The high school is a key partner/service deliverer in your program. Three months into your project, you find that most of the youth who need this service are 12 to 14-year-old middle-school students. To better fit the need of your community, you may propose to change both your target population and one or more of your key partners. This would require a discussion with your grant manager and a possible work plan update.

B. Program Reporting

OJP is required to submit reports to the Minnesota State Legislature and the U.S. Departments of Justice and Health and Human Services that detail the types of projects funded and their demonstrated effectiveness. We gather information for these reports from grantees' narrative and statistical progress reports.

Progress reports also provide:

- A basis for monitoring discussions with your grant manager.
- Detail on the progress you have made in achieving the program goals and objectives in your work plan.
- Information on the successes and challenges you are experiencing.

NOTE: A sample of a progress report can be obtained from your grant manager.

Different grant programs have different required timelines for progress ~~their~~ reports. These requirements are detailed in the Program Guidelines for your grant.

Additional federal reporting: Federal DOJ funding requires reporting in their federal online reporting systems. [Reporting requirements are in the Program Guidelines.](#) ~~Performance Management Tool (PMT)~~

NOTE: You are encouraged to submit any information at any time that speaks to the success of your program. Publicity (news articles, awards, etc.), survey results and letters of support are always useful to your grant manager in understanding the impact of your project.

IMPORTANT: Be sure to submit reports on time. Due dates are listed in the Program Guidelines. Expenditures will not be [approved for reimbursement until](#) ~~if~~ progress reports [due at the same time are also submitted.](#) ~~are overdue.~~

Notice of Non-compliance: [Grantees with late reporting may receive a Notice of Non-compliance. Notices are tracked by OJP and impact the score of the Pre-award Risk Assessment. \(See page 5 for more about the Risk Assessment.\)](#) [Risk Assessment](#)

C. Publicity

Grantees are encouraged to promote the positive activities and outcomes of their programs. All materials published or resulting from award activities, such as posters, fliers, press releases, videos, etc., must contain an acknowledgement of the awarding agency support (verbal or printed). See [the](#) grant Terms and Conditions and Program Guidelines for specific citation requirements.

IV. FINANCIAL MANAGEMENT

A. Financial Management Standards

Grantees are responsible for spending public funds in accordance with the public trust and congressional and legislative intent. The grantee must establish and maintain accounting systems and financial records that accurately account for all grant funds provided by OJP, the total cost of the program or project being funded, the amount of program costs supported by other sources and any other records required to document the goods and/or services purchased for the funded program.

An adequate system for carrying out the administrative, financial, and program aspects of the grant award includes good communication between the board of directors, administrative and financial staff, and the program staff. Management should pay particular attention to the budget and expenditure process of the grant award. Fiscal and program staff are responsible for ensuring that the project is implemented successfully. Therefore, it is important that all staff ~~(s)~~ involved with grants are familiar with both the fiscal and programmatic requirements.

Grantees are responsible for quickly reporting any potential financial irregularities discovered or suspected. Failure to report known irregularities may result in termination of the grant contract and/or other action on the part of OJP.

Fiscal control and accounting procedures must be sufficient to prepare required reports and allow for the tracking of funds that ensures funds have been used according to applicable laws, rules and regulations. Financial management systems must therefore meet the following standards (based on 2 CFR 200.302):

- **Financial Reporting** - Accurate, current, ~~and~~ complete, and compliant with all financial reporting requirements of your grant.
- **Accounting Records** - Grantees must maintain records which adequately identify the source and use of funds for grant-funded activities. Records must contain information about the grant award and authorizations, obligations, unobligated balances, assets, expenditures, income, and interest and be supported by source documentation.
- **Source Documentation** – All ~~expenses financial transactions~~ must be supported with accurate source documentation such as cancelled checks, invoices, payroll records, time ~~tracking logs, and effort records~~, contracts, etc.
- **Internal Control** - Effective control over, and accountability for, all funds, property, and other assets. Grantees must adequately safeguard all assets and assure that they are used solely for authorized purposes. See [2 CFR 200.303 Internal Controls](#)
- **Budget Control** – ~~Actual expenses must correlate with a specific budget line item. Actual expenditures must be compared with budgeted amounts.~~ If actual expenses are significantly different from ~~the~~ projected ~~budget~~, budget revisions may be necessary.
- **Allowable Cost** - Agency program regulations and the terms of grant contracts, as well as [2 CFR 200 subpart E – Cost Principles](#) will be followed in determining whether costs are allowable.
- **Commingling of Funds** - Federal (and state) agencies do not require physical segregation of cash deposits. However, funds specifically budgeted and/or received for one project may not be used to support another. ~~An individual grant may include multiple sources of funds. Grantees should have separate account codes in their accounting system to track different grant awards (and each source of funding in that award), and revenue sources. Expenditures must directly tie back to specific funding sources. Accounting systems must be able to completely and accurately account for grant award funds separately.~~
- **Tracking of Federal Fund Award Year** – ~~Each federal award year is distinct and must be tracked separately in the grantee’s accounting system with unique account codes. For example, a two-year grant that includes VOCA 2022, VOCA 2023, and state funds must have three account codes for accounting both income and expenses.~~

- **Tracking of State Funds** - State funds within the same grant do not need to be tracked by state fund award year. For example, a grant that includes State FY2022 and FY2023 funds could be tracked under the same “State” account code. For multiple grants that include state funds, each state allocation must be tracked separately by grant.)
- **Expenditure Reports** - A separate expenditure tracking document (such as a spreadsheet) is not sufficient for tracking federal award years. The grantee must be able to run a report that shows which expenditures were charged to each federal fiscal award. See [Grant Management Resources](#) on the OJP website for examples of ledger coding and account codes.
- **Management Objectives** - Accounting staff often view their role only as ensuring conformance with grant requirements. However, it is important to remember that grant management staff need accurate and timely financial information to assist in planning, monitoring and evaluating the program for efficient and effective operation, such as needing to know if the supplies budget is fully spent.
- **Accounting Basis** - Cash basis and accrual basis are the two accounting methods for recording financial operations.
 - **Cash basis** - recognizes income when cash is received, and expenses are recorded when cash is paid.
 - **Accrual basis** - recognizes income when earned and expenses are recognized when incurred.

NOTE: Grantees must be consistent and cannot switch between cash and accrual during the contract period.

- **Guidance for Cash Basis Accounting at Grant End** - Grantees that use cash basis accounting can claim expenses incurred before the end of the contract period but not paid until after the end date in a similar way to agencies which use accrual basis accounting. The grantee must be able to prove that the expense(s) was incurred, and obligation(s) created prior to the end of the contract. Acceptable documentation ~~includes would be~~ written invoices, work orders, etc., which show the actual date that the expense was incurred.

Office of the Inspector General (OIG) Fraud Hotline
Grantees should report any allegations of fraud, waste, and abuse regarding grant funds to the ~~Inspector General (OIG)~~ [OIG](#) Fraud Hotline ~~or~~ [at](tel:1-800-424-5454) 1-800-424-5454.

B. Grant & Client Record Retention

Federal requirements (as described in [2 CFR 200.334](#) ~~333~~) related to this topic also govern state requirements and are described as follows:

- **Record Retention** - The retention requirement extends to original source documentation supporting accounting transactions, including:

- General and subsidiary ledgers and journals
 - Personnel and payroll records (including time tracking logs and effort reports)
 - Invoices or time tracking logs and effort reports for any consultants
 - Bank statements and canceled checks
 - Copies of all awards, applications and required grantee financial and narrative reports
 - All other records pertinent to the award
- **Length of Time** - The records of the grantee and any subcontractor(s), must be retained for a period of six (6) years after the end of the grant period. The six-year retention period starts from the date of the submission of the closure of the single audit report which covers the grant period (if applicable), or from the day that the grantee submits its final expenditure report for the award period. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the six (6) year period, the records must be retained until resolution of all issues which arise from it or until the end of the regular six-year period, whichever is later.

NOTE: The federal retention period is three years, but the state requires a six (6) year period.

- **Maintenance** - Grantee records should be maintained for each award period in a manner that facilitates the easy retrieval of information required.
- **Access** - Records are to be made available to OJP staff, federal auditors, awarding agency personnel, the Office of the Legislative Auditor or any other authorized agent of the state or federal government. The right of access is not limited to the required retention period but shall last as long as the records are maintained.
- **Grant Records** - Other documents included under this six (6)-year retention requirement:
 - Grant Agreement
 - Grant Agreement amendments
 - Quarterly statistical reports
 - All narrative progress reports
 - ~~Other progress reports (e.g., VAWA Annual Report)~~
 - Supporting documentation that links demographic and service data reported on the quarterly statistical reports and federal performance reports to an individual client
 - Direct Client Assistance records and corresponding receipts
- **Client Records** - Your grant manager may request to view a sample client file when conducting a site visit or service review. Personally identifiable information (PII) of clients must be kept confidential. Client records should ~~not~~ be identifiable ~~by name but~~ by a unique client identifier such as a client number. Grantees will be given an opportunity to redact identifying information prior to review.

NOTE: OJP suggests grantees consult with their legal counsel for guidance on retention of confidential victim information including case notes and other data not listed for their own purposes.

C. Fiscal Agents

A fiscal agent is an organization that agrees to accept and be responsible for funds on behalf of another organization that will operate the grant program. When an organization uses a fiscal agent, it is the fiscal agent organization with whom the grant agreement contract is executed. In effect, the fiscal agent sponsors the entity operating the program. Generally, a fiscal agent arrangement is used when the operating entity does not have legal status, is not an eligible applicant, or does not have demonstrated capacity in meeting the many requirements associated with government grant dollars.

IMPORTANT: There is no process to change fiscal agents during a grant term. In most cases ~~You should assume~~ if the relationship between the fiscal agent and the operating agency does not work well, the grant agreement will be terminated.

- **Responsibilities of the Fiscal Agent** - The agency assumes full responsibility for the fiscal management and award conditions of the grant funds.
This includes:
 - All programmatic and financial reports as detailed within the contract.
 - Ensuring that all activities are accomplished and reported according to the terms of the grant agreement.
 - Monitoring the line-item budget, making sure the budget is followed according to the terms of the grant agreement, and retaining all required documentation.
 - Complying with audit requirements (as applicable).
 - Being the official liaison between the state and any subcontractors, collaborators, and/or contract agencies that may actually be responsible for carrying out activities.
 - All other conditions spelled out in the grant agreement.
- **Responsibilities of the Office of Justice Programs** - OJP will strive to keep all parties to the grant activities notified of grant manager decisions and grant status. It is our policy to address all official correspondence to the fiscal agent and to copy the program contact of the operating agency. Official requests for state action can be completed by the operating agency, but should be reviewed, approved, and submitted by the fiscal agent.
- **Fees** - Costs that the fiscal agent incurs in administering the grant are allowed and may be part of the approved budget. In this case, fiscal agents must keep clear records documenting time and other costs charged against the grant. The use of an administrative fee or percentage approach must be negotiated with the grant manager prior to final budget approval.

- **Written Agreements** - A fiscal agent (grantee) and operating entity must have a written agreement to clarify the expectations that each party has of the other. These agreements need to be submitted to OJP.

D. Audits & IRS Form 990

All audits (and accompanying management letters if applicable) and IRS Form 990s MUST be submitted to your grant manager upon finalization and acceptance from the organization's board. Grantees must stay up to date with completions of audits and IRS 990s.

IRS 990 Forms - Tax-exempt organizations with revenue over \$50,000 must file annual 990 forms.

Audit Requirements for Certified Audits and Single Audits - (Also see [Allowable](#) and [Unallowable](#) Costs sections). ~~As new audits are completed, they should be sent to your grant manager.~~

- **Grants funded with state funds** – MN Statute 309.53 states that charitable organizations which have received total revenue in excess of \$750,000 for the 12 months of operation covered by the statement shall have an audited financial statement, (a Certified Audit), prepared in accordance with generally accepted accounting principles that has been examined by an independent certified public accountant for the purpose of expressing an opinion. ~~A copy of the audit should be submitted to OJP.~~

- **Grants funded with federal funds** - 2 CFR 200.501 states that non-federal entities that expend \$750,000 or more during their fiscal year in federal award funds must submit a **Single Audit** to the Federal Audit Clearinghouse within 30 days after receipt of the audit report or 9 months after the end of the audit period.

As of October 1, 2024, the threshold for a Single Audit requirement increased from \$750,000 to \$1 million in federal expenditures for active grants receiving U.S. DOJ federal funds.

NOTE: Grantees who sub-grant funds must require subgrantees to follow the same audit guidelines applicable to the primary grantee.

V. GENERAL ACCOUNTING

A. Cash Management

- **Petty Cash** - Petty cash funds should not be used unless a project requires small items which require immediate payment by cash. If a petty cash fund is maintained, it must follow these guidelines:

- The maximum amount of petty cash on hand should not exceed \$200.
 - Invoices/vouchers must be on file to support cash disbursed from the petty cash fund.
 - **At all times**, the amount of cash on hand plus invoices/vouchers paid out must equal the pre-established level of the petty cash fund.
 - Access to the actual fund and the records of the fund should be limited to authorized staff.
 - A staff person not involved in distributing the petty cash should reconcile the account on a random, but regular basis.
 - Petty cash should not be used for employee reimbursement. Employee reimbursement must follow an internal policy and include an appropriate reimbursement form.
- **Cash Depositories** - Grantees should deposit funds in a financial institution (bank, credit union, etc.) ~~bank~~ with FDIC/NCUA coverage and follow these guidelines:
 - Funds received should be recorded in the journal on the date received.
 - Funds should be deposited as quickly as possible to ensure adequate control and safekeeping – normally within one (1) business day of receipt.
 - Receipts should be deposited intact to ensure an audit trail exists from the original receipt to the amount deposited with the financial institution ~~bank~~.
- **Checking Account** - A checking account should be maintained for the purpose of paying all bills and follow these guidelines:
 - The financial institution ~~bank~~ must have on file all signatures of persons authorized to sign checks.
 - Checks are not to be made payable to “CASH.”
 - Checking accounts must be reconciled monthly by an individual not involved with preparing, approving, or signing checks.
 - All canceled checks and ~~bank~~ statements must be retained for documentation and audit purposes. See Section IV-B Grant and Client Record Retention for retention requirements.
 - All voided checks must be retained with the signature portion mutilated and “VOID” marked clearly on the face of the check.
 - **Cash Controls** - The grantee should maintain a cash receipts journal. In accordance with administrative requirements for government and non-governmental entities; grantees are encouraged to use minority financial institutions ~~banks~~ (~~which are~~ owned at least 50% by minority group members).

A list of minority-owned financial institutions ~~banks~~ may be obtained from the Minority Business Development Agency, Department of Commerce, Washington, D.C. 20230.

B. Grant Expenditure Guidelines

- All expenses must correlate with a line item in your approved grant budget. OJP encourages grantees to consult with their grant manager before incurring questionable expenses. If the grant manager approves a questionable expense, documentation of the approval must be retained by the grant

~~manager. Do not ask for reimbursement for costs that are questionable until you have approval from your grant manager.~~

- All expenditures must be supported by source documentation that provides a description of the expense, the date, and the payee. This could include paystubs, invoices, receipts, or vouchers.
- Staff should only purchase supplies and/or materials with personal funds in the case of an emergency. When/if this occurs, original receipts must be attached to an employee reimbursement request form.
- For goods taken from “central stores” (goods stored for use by all agency programs) ensure that there is a record of the goods utilized, and the costs associated with the goods.
- If grant funds are only being used to pay a portion of an invoice/voucher, mark the invoice to clearly indicate the portion of the invoice paid with grant funds.
- All invoices/vouchers must be retained and filed in a way that provides easy access for OJP financial ~~reconciliation desk review~~ and possible audit verification, for a minimum of six years from the grant agreement end date, receipt and approval of all final reports. See your specific grant Terms and Conditions document.
- Separate sets of files must be maintained for each grant and each grant period.
- To prevent duplicate payments, invoices/vouchers must be clearly marked “PAID” when a check is issued. Record the check number and date on the face of the invoice/voucher when paid. The source of funds should be clearly marked on each invoice.
- Items such as bus cards and vendor cards for gas, etc., are not considered an expenditure until they are given out to program participants. Grantees must be able to demonstrate that participants accepted the item for use. Only then can this expense be submitted for reimbursement. (Exception: single-use bus tokens/passes may be purchased in bulk and billed at the time of purchase. Grantees should not make a bulk purchase of bus tokens at the end of the grant period to use up funding.) See Vendor Card Usage Policy
- The value of donated items should not be reported as match until the item is used or distributed to program participants.
- To provide sufficient documentation of expenditures by funding source, for each expenditure the grantee should ~~document maintain a disbursements journal which indicates~~ the amount spent, the payee, the date, the check number, the purpose of the disbursement and the funding source.

NOTE: ~~The disbursements journal does not take the place of a~~ Appropriate source documentation must be retained for all expenditures made with grant funds.

Costs Eligible for Reimbursement - Project costs charged to the grant award must be in the OJP approved budget and be:

- **Allowable** - Permitted as a direct cost under the terms of the grant.
- **Direct** - Unless indirect/overhead costs are authorized by OJP, all costs charged to the grant must be for direct expenses. No administrative fees or allocated central costs may be charged to the grant without specific approval.
- **Allocable** - Costs can be allocated to the grant to the extent that they support grant funded activities. Grant funds cannot provide general support to the operations/programs of the organization receiving funding.
- **Actual** - Only actual expenses may be charged to the grant. Charges cannot be based upon budgeted or estimated amounts.

EXAMPLE: The project budget anticipates that the portion of the rental space to be occupied by project staff will cost \$900/month. Actual monthly charges are \$873.00. The actual and not budgeted cost is the amount that can be charged to the grant.

NOTE: This is a particularly important concept when considering the portion of employee time that can be charged to the grant. See [Section V-C Payroll/Personnel Records Expenses-section and the website](#) for more information.

- **Reasonable** - A cost is considered reasonable if the nature of and the price paid for the goods or services reflects the action that a practical person would have taken given the circumstances. In determining the reasonableness of a particular cost, OJP staff will consider the following criteria:
 - In accordance with generally accepted accounting principles and business practices
 - An “arm’s length” transaction ([a sale or transaction between two parties acting as strangers even if they know each other – the transaction should closely match the fair market value](#))
 - Consistent with established practices of the grantee
 - Consistent with market prices for comparable goods or services in your area
 - Necessary to achieve the outcomes established for the program.
- **Within the Period of the Grant Award** - Only costs/obligations for activities that occur within the approved award period can be reimbursed by the grant. No prepayments for costs after the award period are allowable. Charges where a portion of the charge is not within the period of the grant award need to be prorated.

EXAMPLE #1: Program supplies are ordered on December 15, 2023, and the grant start date is January 1, 2024. This is not an allowable grant expense even if payment is made during the grant period because the order was made before the grant started.

EXAMPLE #2: The payroll for an employee charged to the grant covers the period December 24, 2023 – January 6, 2024. The grant begins January 1, 2024. In this case, only the hours worked on the grant on or after January 1, 2024 may be charged to the grant.

NOTE: There may be instances where it is necessary to pay for grant related expenses after the period of the grant (and programmatic activities have stopped) such as evaluation contracts or audits. In such a case, speak with your grant manager before the end date of your grant so your grant period can be extended, if possible. See Section [II-D](#) related to grant extensions.

C. Payroll/Personnel Records

Grantees must comply with all U.S. Wage and Hour Rules regarding the earning and payment of overtime by employees. The state will not participate in any monetary settlements, judgments, or claims levied against a grantee due to noncompliance with laws, rules, or regulations governing employer/employee payments. Access information from the [U.S. Dept. of Labor Employment Standards Administration Wage & Hour Division](#).

Personnel Policies: Grantees must have written personnel policies and written policies which govern payroll functions. At a minimum, personnel policies should address the following:

- Hiring procedures
- New employee orientation
- Work schedules
- Compensation
- Timekeeping and leaves
- Benefits
- Worker's compensation
- Performance appraisal
- Data privacy
- Separation from employment
- Complaint and grievance procedures

Personnel Guidelines - For all grants funded with state and/or federal funds:

- **Timesheet definition:** a written or electronic timekeeping record of an employee's daily hours worked and paid time off (PTO, such as holiday and sick/vacation time). This record is submitted to finance personnel to generate paychecks.
- **Timesheet procedures:**
 - Non-salaried employees paid with grant funds must maintain timesheets. Salaried employees paid with grant funds must maintain timesheets if required by the funded organization.
 - Timesheets must indicate days and hours worked.

- Timesheets must be signed and dated by employee. Electronic signatures are acceptable if allowed by agency policy.
 - Timesheets must be signed and dated as approved by supervisor after the work is completed and prior to payment. ~~on or before date of payment.~~ Exception: Timesheets may be signed early if necessary for processing payroll around holidays.
 - The Executive Director's timesheet must be signed and dated by a Board member on or before the date of payment.
- **Daily time tracking logs/record definition:** a written or electronic record that details the hours worked on OJP grant projects ~~for each funding source~~ each day.
 - **Time Tracking (also known as time and effort) requirements:**
 - Required for all staff working on an OJP program that are paid with more than one funding source. OJP recommends a minimum of 15 or 30 minute increments of time when tracking.
 - Administrative staff salaries and wages that are not providing direct services can be billed through indirect or cost allocation without the need for time tracking logs.
 - Can be in written or electronic form.
 - Time must be tracked for each OJP grant and by each funding source (if a grant contains multiple funding sources). For example, if your OJP grant contains federal and state funds you must track time under each separately. ~~and must show the hours worked under EACH OJP grant EACH DAY.~~
 - If non-OJP ~~other~~ funding sources do not require time tracking, you may put all non-OJP hours under a non-OJP header in the tracker.
 - Regular hours worked should not include paid time off (PTO) and/or holiday hours. (PTO includes but is not limited to vacation and sick time.) For example, if an employee regularly works 8-hour days and that person uses 4 hours of vacation time, the time tracking log would show 4 hours worked under the funding source(s) and 4 hours as vacation time.
 - If the timesheet mentioned above allows for this detail, no time tracking log is needed.
 - Time tracking logs ~~The timesheet~~ must be signed and dated by the employee and the supervisor after the work is completed and prior to payment. ~~by both the employee and supervisor at the end of the pay period and before the pay date.~~ Electronic signatures are acceptable if allowed by agency policy.
 - PTO and/or holiday hours must be billed proportionately to the regular hours worked under each funding source.
 - Each funding source should be billed according to the hours worked on said time tracking logs.
 - Per 2 CFR 200.430, budget estimates may be used as an interim basis for billing wages provided that:
 - You have a system that produces reasonable approximations of the activity performed used as budget estimates.
 - Significant changes in the related work activity are promptly identified and entered into the records.

- You perform periodic after-the-fact reviews of wages billed using this method to ensure that all necessary adjustments are made so that the final amount charged to the award is accurate, allowable, and properly allocated.
- **Job Descriptions** - Signed and dated job descriptions that accurately reflect the functions and activities performed by the employee must be kept on file.
- **Rate of Pay** - Employee files must indicate the approved current rate of pay.
- **Paid Time Off (PTO)** - Records must be maintained to track all paid time off balances, such as sick, vacation, etc. PTO costs should be charged proportionate to the salary costs and based on time tracking (when needed). ~~of that pay period.~~ Employees should have access to their PTO balances without needing to ask.
- **Negative PTO** - Boards of Directors may approve the use of negative PTO but this is not an eligible grant expense.
- **Payroll taxes and fringe benefit costs**
 - Payroll taxes (FICA, Unemployment, Worker’s Compensation) and fringe benefits (health, dental, life, etc.) should be allocated in the same manner as salaries and wages.
 - If, for some reason, you want to charge payroll taxes and fringe benefit costs in a disproportionate manner, consult your grant manager.
 - While it is allowable to use a percentage estimate in initial budget calculations, only actual expenses can be charged to the grant – not percentages. Actual expenses may be allocated across the entire organization if done in a reasonable and consistent manner.
- **Grant Requirement or Licensing Provisions** - Some grant programs require grantee organizations to have appropriate screening policies in place for staff that will be working with children or vulnerable adults. Resources are available to assist you in developing and employing appropriate screening techniques. Please contact your grant manager for further information.

D. Employee vs. Consultant

Grantees must be careful to follow the Fair Labor Standards Act (FLSA), which differentiates a contractual relationship from an employment relationship. An employment relationship under the Fair Labor Standards Act (FLSA) is different from a strictly contractual relationship and personnel must be classified according to the FLSA.

Employee:

- Does not control how, when or where they he/she works
- Has no personal risk and is covered by workers’ compensation
- Day-to-day work is important to the agency

- Uses agency resources

Consultant:

- Controls every aspect of how, when and where the work will be done
- Assumes all risk and is not covered by agency's insurance
- Not important for daily workflow
- Uses own resources to complete the job

To determine whether control exists in an employee-employer relationship, the IRS uses [Common Law Rules](#).

NOTE: [IRS Publication #15a](#) addresses the classification of employees vs. independent contractors. If you are unable to make a determination based upon reviewing available material, you are encouraged to consult an employment law specialist.

If you determine that a position/person must be classified as an employee you should use your agency's guidelines to determine their employment status (permanent, temporary, full-time, part-time, on-call, overtime, etc.) and calculate wages, taxes, and available benefits accordingly.

When grantees contract with independent consultants to perform direct service activities, these contracts fall under the Consultant requirements [in Section VI-C listed on page 28](#) with pre-approval of contracts and maximum hourly rates applied.

E. Volunteers, Interns and Stipends

Volunteers can be a great resource for grantees. However, grantees that utilize volunteers and/or use grant funds to provide training programs such as internships need to be aware of the labor laws that may apply to them. Refer to the [FLSA Advisor](#) for the legal definitions of volunteers and trainees.

Stipends/Nominal Fees – [The](#) IRS defines a stipend as a fixed sum of money paid periodically for services or to defray expenses. The U.S. Department of Labor 29 CFR 553.100-106 states that a volunteer may only be paid expenses, reasonable benefits, or a nominal fee, or any combination thereof. A nominal fee is something that is not tied to productivity and does not exceed 20% of what an employee would be paid for the same activity.

Examples of expenses include reimbursement for out-of-pocket expenses, such as transportation or a payment to provide materials, such as supplies.

According to the Department of Labor, if a volunteer or intern is paid a stipend of over \$500 a year or exceeds 20% of what an employee would be paid, then they are considered an employee and subject to laws that govern employees.

NOTE: Some federal grant programs do not allow use of stipends.

F. Program Income

Program-related income is defined as income earned by the grantee during the grant period as a direct result of grant program activities. Records of the receipt and disbursement of program-related income must be maintained by the grantee and is separate from financial status reporting. [See the website for further information.](#)

Program income:

- Must be added to the funds committed in the grant agreement and may be used as matching funds.
- Must be used for the same purposes as the grant for allowable program costs.
- Can be used as earned to expand the project, continue the project or obtain equipment or other assets needed for the project.

Examples of program income include:

- Training registration or membership fees
- Asset seizures and forfeitures including cash received from the Federal Equitable Sharing Program (for law enforcement investigative grants)
- Income from grant-related products and services

Federally funded projects that earn program income will need to complete a separate program income reporting form on a regular basis along with the submission of the FSR Form [in the OJP grant management system.](#)

NOTE: If the grant project does not generate program income or is solely funded by state dollars, this additional reporting may not be required. Contact your grant manager to discuss whether program income reporting will be required for your grant.

G. Purchasing

All purchases must be part of an approved grant budget and must be carried out, to the maximum extent practical, with open and free competition. Non-competitive or other practices which could be interpreted to be a conflict of interest must be avoided. Records must be maintained detailing the procurement.

Generally, grantees may use their own procurement procedures and regulations provided that the procurement conforms to applicable public law (and the Procurement Standards section of [2 CFR 200 – Subpart D.320](#)). Contract and bidding requirements for state funds are included in the Terms and Conditions.

H. Equipment

Grantees are required to be prudent in the purchase and management of equipment. Purchase of new equipment will be considered an unnecessary expenditure when suitable equipment is already available. Grantees purchasing equipment with grant funds must maintain systems for the effective management of the equipment.

Equipment - OJP follows the federal government definition which is, “Tangible personal property (including information technology systems) having a useful life of more than one

year and an acquisition cost of \$5,000 or more per unit.” As of October 1, 2024, for DOJ federal funds, the equipment threshold has been raised to \$10,000 or more per unit.

NOTE: Allowability of equipment costs varies by grant fund.

- **Purchase** - In reviewing equipment budgets and requests, the following principles apply:
 - The equipment is essential to the operation of the project and the cost is reasonable.
 - No other equipment owned by the grantee is suitable for or available to the effort.
 - Funds cannot be used as reimbursement for the purchase of equipment already owned by the grantee.
 - Equipment purchased and used commonly for two or more programs will be appropriately prorated to each activity.

- **Title** - OJP will use the following standard for all equipment purchased with grant funds:
 - Title to equipment purchased under a grant belongs to the grantee.
 - The equipment must be used in the program for which it was acquired as long as needed.
 - When it is no longer needed for the original program, it may be used in other activities currently or previously supported by grant funds.
 - When acquiring replacement equipment, the original equipment may be used as a trade-in or may be sold with the proceeds used for the replacement equipment.

- **Care of Equipment** - Grantees are responsible for replacing or repairing property which is lost, stolen, damaged or destroyed. Any loss, damage or theft of equipment must be investigated and fully documented and made part of the official grant contract records. Stolen property must be reported promptly to the appropriate law enforcement agency and a copy of the report retained in the program files.

- **Inventory** - Grantees shall maintain the following types of documentation for equipment purchased with grant funds:
 - Copies of the purchase order(s) and invoice(s).
 - A current inventory system which includes the following items:
 - Description of property
 - Manufacturer’s name, model, and serial number
 - Acquisition date, cost, and vendor name
 - Amount and source of grant funds used for purchase
 - Percentage of Federal/State support of the cost
 - Inventory Control number
 - Location of property
 - Date of disposal or sale (and price)

NOTE: A physical inventory must be taken at least every two years. It is recommended that all equipment be permanently marked showing ownership.

I. Match

Some OJP grants require match to the grant dollars received. “Match” is defined as the portion of a project's cost that is not paid for by the granting agency's funds. If a match is required, you will know this at the time of application for grant funds and the match requirement will be part of your grant agreement and budget. Some grant programs allow grantees to submit a match waiver request; if so, this will be part of the RFP.

Match to federal funds is subject to the same restrictions as federal funds. If it is not allowable with federal funds, it is not allowable as match.

If match is required, the following guidelines apply:

- **Hard Match (cash)** - Includes cash spent for project-related costs. Allowable cash match includes costs which are allowable with grant funds. Hard match may come from:
 - Funds from the states and local units of government that have committed matching funds for programs or projects provided that the grantee certifies that the funds used as match are in addition to funds that would otherwise be made available for the program.
 - Funds from: Housing and Community Development Act of 1974 (subject to restrictions)
 - Forfeited assets from the Equitable Sharing Program or program income funds earned from seized assets and forfeitures (as state law permits)
 - Funds from private sources
 - Program income and the related interest earned on that income generated from other projects

IMPORTANT: Federal funds may not be used as match for federal funds nor may the same match source be used as match for more than one grant.

- **Soft Match (in-kind)** - Includes, but is not limited to, the valuation of in-kind services. “In-kind” is the value of something received or provided that does not require spending of cash.

EXAMPLE: The value of donated services could be used as soft match.

- **Volunteer Time** - When volunteer time is used as in-kind match it should be included in this budget category with an assigned hourly rate. Grantee must provide documentation as to how the hourly rate was calculated. We recommend the use of on-line valuations such as: [The Value of Volunteer Time - Independent Sector](#). Volunteer sign-in logs must be kept showing dates and hours worked.
- **Timing of Matching Contributions** - Matching contributions do not need to be applied at the exact time or in proportion to the obligation of the grant funds. However, full match must be reported before final grant funds are disbursed. If full match cannot be provided, the grant amount may be reduced proportionate

to the amount of match. Time phased matching may be required.

- **Records for Match** - Grantees must maintain records which show the source, the amount and the timing of all matching contributions. If an approved grant budget includes more than the required matching portion, the grantee must account for that additional match in the same manner as it does the grant funds and required match.
- **Changes in Match** - Grantees must revise their budget to add or update match sources that change during the grant period.

J. Non-Supplant Requirement

All federal funds, and some state funds, have a “non-supplant” requirement. Federal funds must be used to **supplement** existing funds for program activities and **not replace** those funds which have been appropriated for the same purpose.

Federal Supplant Definition: A state or unit of local government reduces state or local funds for an activity specifically because federal funds are available (or expected to be available) to fund that same activity. ~~To deliberately reduce or reallocate state, local, or agency funds due to the availability of the federal funds.~~

This provision applies primarily to states, counties and local units of government where funds are appropriated for specific criminal justice purposes. If appropriated non-federal resources are reduced, agencies will be required to demonstrate that the reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.

Possible cases where the non-supplant requirement is met:

- Non-federal funds were appropriated for a limited period of time and projects are discontinued or would be discontinued without the awarding of federal funds.
- Federal funds may allow an organization to expand activities beyond what local resources have been appropriated for; either by adding additional activities, expanding a service area or serving a larger number of individuals.

NOTE: Both of these cases would require sufficient documentation to be approved for federal funds.

SUPLANT EXAMPLE:

Scenario: Anderson County Attorney’s Office has a crime victim services program funded with \$50,000 in county funds. The funding covers salary, payroll taxes & fringe benefits and some training costs for a part-time victim coordinator. Anderson County Attorney’s Office would like to apply for a \$70,000 grant from OJP for prosecutorial based general crime victim services. The funding would be a combination of state and federal funds.

Supplanting: Anderson County Attorney's Office would be supplanting if they used the \$70,000 grant to replace – not add to – the \$50,000 that the county currently budgets for the crime victim services program and then used that \$50,000 for a different purpose (not for crime victim services).

Not Supplanting: Anderson County Attorney's Office would not be supplanting if they used the \$70,000 grant to enhance the programming provided already with the \$50,000 in county funds. The victim services program would now have a \$120,000 budget and would be able to add staff and/or hours for the current coordinator to increase the capacity of the program.

VI. CONSIDERATIONS FOR ALLOWABLE COSTS

A. Cost Allocation

Cost allocation is the process of identifying, aggregating, and assigning costs by program or funding source. Cost allocation is used for financial reporting purposes to spread common costs among programs.

Direct Costs - If a cost solely benefits one purpose or project and the full cost of the good or service is included in the grant budget, the cost should be charged entirely to that purpose or project.

Your OJP grant is negotiated for specific projects or activities with specific budgets. Most grantees also conduct related activities that are supported by other sources of funding.

EXAMPLE: Your OJP grant of federal and state funds supports 100% of your youth intervention program. ~~shelter operations as well as 50% of the operation of an advocacy program. You also receive grant funds from a local foundation for another program not related to youth intervention. You also receive funds from The Women's Foundation, to operate 100% of a batterer's intervention program.~~ In this example, 100% of youth intervention program expenses could be charged to the OJP grant. No expenses from the other unrelated programming ~~batterer's intervention program~~ could be included in the OJP grant budget.

Allocated Costs - An expenditure that is shared across programs or benefits more than one purpose. Examples of costs that could require an allocation are office space, internet services, janitorial, and administrative costs.

Allocated Costs:

- Must be charged in the same proportions as the benefits received by the different purposes.
- Should be based upon reasonable methods of determining the benefit that each purpose receives.
- Have a documented method showing how they were determined and why the measure (FTE, square footage, hours, etc.) was chosen to determine relative benefit.

- Should be reviewed on a periodic basis and certainly when a significant change in operations occurs.

NOTE: The division of the cost cannot be split based upon available funding.

The following are some examples of cost allocation methods:

- **Allocation based upon usage** - the cost of your copier supplies might be based upon how many copies are made by each of your programs.
- **Allocation based upon number of hours** - this method is typically used to allocate the costs of personnel.
- **Allocation based upon the number of clients served** - your advocacy program is designed to serve non-English speaking clients that represent an average percentage of the total clients you serve.
- **Allocation based upon square footage** - this measure is typically used to allocate the costs of renting, operating or maintaining the site that you use to provide services.

EXAMPLE: You pay \$1,000/month for a cleaning contract for your entire building of 2,000 square feet. Your funded purpose is to provide advocacy services. The waiting room area and advocate's office occupies 400 square feet or 20% of your building. Twenty percent 20% of the cleaning costs have a benefit for this purpose and could be charged to the grant.

Allocation based upon FTEs - This method is typically used to allocate services that support the work of employees.

EXAMPLE: You have 20 employees working on site and each employee has their own phone. Of the total employees, 10 are assigned to outreach services, the purpose for which you have received funding. So, 50% of your employees are paid for by grant funds. You receive one phone bill for local service. Fifty percent 50% of the phone bill could be billed to your outreach program.

B. Allowable Costs

Generally, budgeted costs which are necessary, reasonable, and essential to the administration and operation of a program are allowable. Grantees are not guaranteed the full grant amount; you must have eligible expenses to collect the full grant amount awarded.

Costs expressly unallowable or not in the approved budget should be excluded from any reimbursement request. In funding programs, OJP may determine the types of costs it is willing to fund. In some cases, OJP may choose to not allow costs that may be allowable under the rules of a federal grant program.

OJP ~~Crime-Victim Services grantees~~ should also refer to the documents in their application materials on budget development guidelines and allowable and

unallowable costs in the appropriate Budget Allocation Guide <https://dps.mn.gov/divisions/ojp/forms-documents/Documents/CVS/BudgetAllocationGuide2024.pdf> (if applicable).

Costs generally allowable are:

- **Personnel Services and Fringe Benefits** - Personnel paid for with grant funds must work directly with the grant-funded program. Actual costs paid by the grantee are allowable. Accruals for future use of fringe benefits such as health insurance are unallowable. Normal and reasonable severance pay for terminated direct service staff may be allowable (contact your grant manager).
- **Consultant and Technical Services** – See Section [VI-C](#)
- **Staff Training and Development**
- **Travel** - Travel costs for employees who are on official business. Grantees should use their own travel policies as long as they do not exceed the current Commissioner’s Plan (Commissioner of Employee Relations for the State of Minnesota.) In the absence of an established travel policy grantees should use the current [Commissioner's Plan](#). ~~in Appendix G.~~ If your organization chooses to reimburse your employees at a higher per diem and/or mileage rate than stated in the Commissioners Plan, you may do so but will NOT be reimbursed the difference using grant funds and cannot apply the difference as Match.
- **Out-of-State Travel** - Out-of-State travel is allowable if no similar training is available in-state, costs are reasonable, and training is connected to achieving grant objectives. Grantees should use their own travel policies as long as they do not exceed the current [Commissioner's Plan](#) (Commissioner of Employee Relations for the State of Minnesota.) In the absence of an established travel policy grantees should use the Commissioner’s Plan. Some grants may require pre-approval – check with your grant manager.
- **Transportation Costs** - For program participants or mileage reimbursement for staff for the use of a personal vehicle in providing services related to the grant objectives.
- **Insurance (including professional liability insurance)** ~~If self-insured no federal grant funds can be used for insurance reserves, except for tribal grantees.~~
- **Space** - For occupancy in privately or publicly owned buildings used for the benefit of the program where the total cost of space may not exceed the rental cost of comparable space for privately-owned buildings in the same locality. Includes:
 - **Rental Cost** - Space in a privately owned building, or the cost of ownership where “rental rate” systems or the equivalent that adequately reflects actual costs, are employed. Such charges shall be based upon actual cost (including depreciation based on the useful life of the building, operation and maintenance, and other allowable costs).

- **Maintenance and Operation** - The cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, normal repairs and alterations, and the like where they are not included in the rental charge or other charges for space.
- **Depreciation** - ~~When specifically approved, for Buildings and or~~ equipment required to support grant activities must be and when accompanied by an inventory and depreciation schedule. Depreciation must be specifically approved by OJP staff and may be allowable with state funds only.
- **Conferences and Workshops (sponsored by grantee agency)** - Allowable costs may include conference or meeting arrangements, publicity, registration, salaries of personnel, rental of staff offices, conference space, recording or translation/interpretation services, postage, telephone charges, ~~and~~ travel expenses (including transportation and subsistence for speakers or participants), and honorariums for speakers who are not members of the staff or consultants to the project.

NOTE: Federally funded ~~Crime Victim Services~~ grants must follow [Federal Guidelines](#) for conference costs; see contact your grant manager for clarification.

- **Printing, ~~Copying, Duplication,~~ Publication**
- **Equipment** See Section [V-H](#).
- **Accounting**
- **Certified Audit** - In state funded grants, only if determined allowable at the time of budget negotiation. In all cases, only a properly prorated portion of the cost is allowable.

● **Single Audit** - ~~As of October 1, 2024, for In-F~~ federally funded grants, Single Audits are required only if the grantee expends \$1,000,000 \$750,000 or more in federal funds in its fiscal year. Federal grant funds must be prorated across all federal funds received when paying for a Single Audit.

- **Indirect Costs** - Subject to some restrictions depending on the grant program being funded. Allowability of indirect costs is detailed in each Request for Proposals.
- **Office, Postage and Program Supplies**
- **Security**

- **Food & Beverage** - Food for program clients and participants is allowable only for **some** grant programs; **otherwise, generally not allowable**. Please consult your grant manager.
- **Program Activities** - Reasonable cost of activities for program participants that are detailed in the approved work plan.
- **Telephone Expenses**
- **Participant Transportation** - Such as ~~bus tokens~~, bus cards, Uber, and/or Lyft are allowable for some grant programs; expense can only be claimed upon distribution of cards, not upon bulk purchase. Cards must be purchased and used within the grant period.
- **Vendor cards** - The use of vendor cards is allowed in some grant programs. Vendor cards include all pre-paid means to purchase goods or services at a specific vendor (e.g., Target, gas station, grocery store) or through any vendor accepting a universal pre-paid card (e.g., Visa card) when specific vendor cards cannot be used. Grantees must have written policies and procedures detailed for purchase, storage, approval for use, and distribution of vendor cards. Cards must be purchased and used within the grant period. Expenses can only be claimed upon distribution of the cards, not original purchase. See [Vendor Card Usage Policy](#) for more guidance.

C. Consultants /Contracted Services

This includes services provided to the project by outside contractors who are under contract with the grantee. Federal/state regulations require grantees to procure professional and personal services through competitive, good faith negotiations. When procuring contractor or consultant services, grantees must follow the [Documentation of Bidding Process](#).

First, the program must determine whether they are using consultants or contractors.

Consultants: Consultants are experts or people who hold special knowledge or skills, or who give professional or legal advice directly to the program. Consultants are hired on a contractual basis to provide business services and are not employees of your agency.

Contractor: Contractors provide goods and services, some of which are routine and recurring, and others that occur 3 times or less in a given grant period. ~~within normal business operations.~~ Contractors provide similar goods and services to different purchasers; operate in a competitive environment; and provide goods and services that are not directly linked to direct client services or program services.

Budgeting Consultants & Contractors <i>(Updated September 2024)</i>	Consultants	Contractors (that are not considered routine and recurring)	Routine & Recurring Contractors
Budget Category in grant budget	<i>Contract Services*</i>	<i>Contract Services*</i>	Other applicable budget categories such as <i>Office & Program Expenses</i> or <i>Building Expenses</i> .
Definition	Experts or people who hold special knowledge or skills, or who give professional or legal advice related to the grant program. They are not employees of the agency.	Provide goods and general business services <u>that are not</u> routine and recurring, being provided on less than 3 occasions during the year.	Provide goods and general business services <u>that are</u> routine and recurring on 3 or more occasions during the year.
Examples	Project evaluation, security personnel, psychological consultation, legal services, trainers, and therapists.	Website development, audit, interpreters and special repair or maintenance.	Accounting, payroll processing, IT services, grounds/building maintenance, linen cleaning, interpreters and ongoing database management.
Contract (or written agreement) required to be on file at grantee	Yes, a contract is required for all consultants used.	Yes, a contract is required for all contractors used.	Yes, a contract is required for all contractors used.
Contract (or written agreement) should be included in application and must be approved by grant manager before grant reimbursement can be considered	Yes, <u>all consultant contracts</u> should be submitted with application, if available, but <u>must</u> be submitted to grant manager before grant reimbursement can be considered.	Yes, if <u>total</u> contract is \$10,000 or more, it should be submitted with application, if available, but <u>must</u> be submitted to grant manager before grant reimbursement can be considered.	If using a standard vendor contract, no. If not using a standard vendor contract** and total contract is \$10,000 or more, it should be submitted with application, if available, but must be submitted to grant manager before grant reimbursement can be considered.

<p>The \$81.25/hour (\$650/day) maximum is applicable and therefore the Request to Exceed Federal Consultant Rate process may also apply</p>	<p>Yes, this request should be submitted with your application, if available, but <u>must</u> be submitted to grant manager before grant reimbursement can be considered.</p>	<p>No, the consultant rate maximum does not apply to contractors, however, rates should be reasonable in the competitive market.</p>	<p>No, the consultant rate maximum <i>does not</i> apply to contractors, however, rates should be reasonable in the competitive market.</p>
<p>The Documentation of Bidding Process is required for non-governmental applicants/grantees</p>	<p>Yes, if <u>total</u> contract is \$10,000 or more, it should be submitted with application, if available, but <u>must</u> be submitted to grant manager for approval before grant reimbursement can be considered.</p>	<p>Yes, if <u>total</u> contract is \$10,000 or more, it should be submitted with application, if available, but <u>must</u> be submitted to grant manager before grant reimbursement can be considered.</p>	<p>Yes, if <u>total</u> contract is \$10,000 or more; however, the form only needs to be submitted with application (or before first reimbursement if not available at application) if you are not using a standard vendor contract. ** Costs may be disallowed if proper bidding processes are not in place.</p>

*A service that is provided once, is short-term (a matter of minutes or a few hours), and doesn't have a contract should be budgeted under Office & Program Expenses (example: one-time interpretation for 90 minutes)

** Standard vendor contract refers to a standard agreement template that a vendor might use for all their contracting.

Consultant	Contractor
<p>Maximum rate applies (\$81.25 per-hour/\$650 per day)</p>	<p>Rate must be reasonable and allocable</p>
<p>Expenses include but are not limited to</p> <ul style="list-style-type: none"> ● Project evaluation ● Security personnel ● Psychological consultation ● Legal services ● Interpreters ● Trainers ● Therapists 	<p>Expenses include but are not limited to</p> <ul style="list-style-type: none"> ● Database and management ● Audit ● Accounting ● Payroll processing and reporting ● IT services ● Website development

The rate must be reasonable (as determined by OJP) and consistent with that paid for similar services in the marketplace. The maximum rate for consultants is generally \$650 (for an eight-hour day) or \$81.25/hour. An eight-hour day may include preparation, evaluation, and travel time in addition to the time required for actual performance. The \$81.25/hour rate will not be reasonable for all services. All consultant contracts require pre-approval by your Grant Manager.

Expenses for Consultants and Contractors must be supported by a valid, signed contract between the Grantee and the Consultant/Contractor, and by detailed invoices from the consultant/contractor, which have been approved for payment by the program's authorized approver. These invoices must include the dates, time, and types of services provided.

The grantee must not award any contract to any individual or organization that is debarred or proposed for debarment from participation in federal or state assistance programs. The grantee must check to see that any contract to any individual or organization is not on the [Minnesota Suspended/Debarred Information](#) and the [Federal Exclusion List](#)

Any consultant costs in excess of \$81.25/hour or \$650/day must be pre-approved by your OJP Grant Manager and possibly by the federal grant manager. Requests to pay more than \$81.25/hour or \$650/day should must be justified with three examples of the consultant being paid at the higher rate, if possible. Justification for exceeding the maximum may include the use of a competitive bidding process. See Documentation of Bidding Process form.

Documentation: Grantee must retain copies of all bids, quotes, or Requests for Proposals for consultant services in their records. Grantees must also keep documentation supporting the selection of consultants. Agreements to retain consultants must be in writing. The required elements for written agreements are described in Section [VI-D](#).

D. Contracting For Services

If you use a consultant or contractor (individual or organization) you must use a written agreement/contract. See the chart above for when All contracts need to be reviewed, including information on review of other than standard vendor contracts for routine services such as accounting, maintenance, etc. See also information about brief services provided once that do not have a contract and should be budgeted under Office & Program expenses, (example: one-time interpretation for 90 minutes.) need prior approval from OJP. It is suggested that all contracts be reviewed by OJP prior to incurring expenses, costs, otherwise there is the risk that the expense will be disallowed.

Contracts are legally enforceable documents and should include the following required elements. Items with an asterisk MUST be included in a contract.

- *Legal names of contracting parties including name/address/contact information

- *Statement of work (activities, specific expectations or duties, hours/days of service)
- *Beginning and ending date of the contract, or clause that states until either party cancels the contract
- *Hourly rate & not-to-exceed amount
- *Terms of Payment (no pre-payment or bulk payment, reimbursement only, based on detailed invoices showing hours worked/rate/activities)
- *Signed and dated by both parties
- *Access to records (must allow for grantee and state/federal access)
- Authorized agent for contract administration for both parties
- Termination Guidelines (suggest clause related to source of funds)
- Products/reports required and timelines, as applicable
- Clarification of status as an independent contractor
- If “cost reimbursement” is included, detail what costs are allowable, (e.g., conformance with Federal OJP Financial Guidelines)
- Any other provisions required (must include any federal or state requirements that flow-thru to contractors)

Other Contract Considerations:

Responsibilities and the Use of Contractors - The grantee maintains responsibility for all aspects of the program including proper accounting and financial record keeping by the contractor. Responsibilities include the accounting of receipts and expenditures, cash management, the maintaining of adequate financial records, and the refunding of expenditures disallowed by audits.

Routine and Recurring Vendor Contracts - If you are using a vendor to provide a routine service such as maintenance, language translation or interpretation, or accounting you may use their standard form rather than a contract with the elements listed above, if it meets your needs. Standard vendor contracts do not require pre-approval.

Questions About Contracts - Please contact your grant manager for questions related to contracting. However, the contract is a legal document, and our office does not provide legal advice. Your organization may want to contact an attorney to advise you about your contract agreements.

E. Costs Generally Unallowable

These costs are unallowable as either direct or indirect costs and will not be funded by grant funds:

- **Food & Beverage** - Food for program clients and participants is allowable only for some grant programs; otherwise, generally not allowable. Please consult your grant manager for clarification.
- **Negative PTO** - Negative paid time off balances based on the Board’s approval may be allowable for the agency but is not an eligible grant expense.

- **Audit** - See [Section VI-B](#) ~~previous section~~ that indicates the circumstances where a portion of audit costs may be allowable.
- **Consultant/Speaker Fees** - In excess of \$650/day or \$81.25/hour without prior approval
- **Lobbying**
- **Fundraising** - Including costs associated with grant writing.
- **State and local sales taxes** (unless exemption from taxes does not apply)
- **Costs incurred outside of the grant period**
- **Corporate Formation**
- **Fines, Late Fees and Penalties** incurred by grantee organization
- **Conference and Workshop Expenses** - Entertainment, sports, visas and passports, tips, bar charges, beverages, meals and refreshments, and laundry.
- **Stipends** – Generally unallowable; see Section [V-E](#). May be allowable under some grant programs.
- **Luxury Vehicles**
- ~~Honorariums~~
- **Costs of entertainment including amusement, diversion, and social activities, and any associated costs unless they have a specific and direct programmatic purpose**
- **Membership fees to organizations whose primary activity is lobbying**
- **Compensation and travel expenses of federal employees**
- **Other Costs specifically prohibited by the source of grant funds**
- **Pre-award costs**

F. Prior Approval

These costs require prior approval; contact your grant manager for additional information:

- **Consultant rates of more than \$650/day or \$81.25/hour**
- **Criminal Justice Information and Communications Systems**
- **Equipment**

VII. GRANT PAYMENTS

Grant payments are on a **reimbursement basis only** for costs actually paid/obligated during the reporting time period. By law, the State of Minnesota has 30 days to pay invoices, however OJP works to process requests for reimbursement (FSRs) as quickly as possible.

A. Conformance to Budget

Grant funds must be spent according to the approved budget categories. Expenditures must be assigned to the correct budget category, (i.e., you cannot call “office expense” a “program expense” because you have exceeded your office expense budget and underspent your program expense budget). Minor changes to a grant budget do not require prior approval. Grantees are allowed to exceed up to 10% (or \$200, whichever is higher) of any budget category.

NOTE: In no event will you be paid in excess of the total grant amount authorized. The online OJP grant management system will not allow expenses to be reported in amounts greater than the maximum allowed.

To claim expenditures above the approved budget amount in one budget category will require that an offsetting budget category not be reimbursed in full. See example below.

EXAMPLE:

Budget Category	Approved Budget	Reimbursement
Salaries/Fringe	\$22,500	\$24,750 (10% over)
Contracted Service	\$12,000	\$9,450 (under)
Training	\$0	\$0
Travel / Transportation	\$1,500	\$1,500
Equipment	\$3,000	\$3,300 (10% over)
Office Expenses	\$1,000	\$1,000
Program Expenses	\$1,800	\$1,800
Other Expenses	\$6,000	\$6,000
TOTAL	\$47,800	\$47,800

B. Budget Revisions

If you find your originally approved budget is not meeting your needs, you may request a budget revision. You need to request a budget revision if you want to:

- Create a new budget category
- Exceed an existing budget category by more than 10% (or \$200, whichever is higher)
- Significantly revise the detail within a budget category for example, “Salary total

doesn't need revision, but a different staff position will be funded.”

IMPORTANT:

- **Budget revision requests should ~~must~~ be made before incurring an expense that gives rise to the revision request. This is a best practice in grant management.** For example, if a piece of equipment is necessary to operate the program and the current budget does not include the purchase of this item, you must request a budget revision and have it approved before purchasing the item.
- **Retroactive budget revisions: There are occasions when a budget revision needs to be approved retroactively, where an expenditure was made prior to completing a budget revision. Requests must be reasonable and due to unforeseen complications, (e.g., shelter furnace repair/replacement over the weekend, etc.) These are approved on a case-by-case basis by a grant director.**
- **Budget revision requests must be submitted ~~made~~ at least 30 days in advance of the end date of the grant.** Grant managers need sufficient time to review your request to determine if it is reasonable and consistent with the objectives of the grant. Requests made within the last 30 days of the grant period will only be approved by a grant director on a case-by-case basis.

Steps of the Budget Revision Process:

Step 1: Call or email your grant manager to request a budget revision.

Step 2: After grant manager's pre-approval, complete the budget revision justification form in the OJP grant management system e-grants using these tips:

- Remember that you are revising the grant budget for the entire grant period, not just the funds you have remaining.
- Give an overall justification for the budget revision. For example, “To add additional overtime to meet the needs of an increased number of victims requesting advocacy assistance and will be offset by cost savings from cancelling a training event.”
- Enter the revised amount for each applicable budget category and/or line item.
- Update the individual budget category and the line item detail that supports the revised budget totals and enter a justification for the revision. Please provide sufficient detail as to why you have to change your budget; it is not sufficient to enter “budget needs to be changed.”

Step 3: Budget is approved by grant manager, it becomes the official grant budget, and the new budget will be reflected in the OJP grant management system. e-grants. At that point, you can spend funds according to the new budget.

C. Financial Reporting

Grantees use the [online grant management e-grants](#) system to report expenditures and request reimbursement. Usually, documentation of expenses need not be submitted at the time you submit your financial report. In the case of cash flow concerns, financial reporting problems, routine desk reviews, or other circumstances, additional documentation may be required. You will be notified if this is the case.

Completion of Financial Status Reports (FSR) - Financial reports ~~must~~ may be submitted to OJP at least quarterly (or more frequently if necessary for cash flow). Quarterly financial reports should be submitted using standard calendar year quarters (January 1 through March 31, April 1 through June 30, etc.). Due dates vary by grant program and are listed in your Program Guidelines. An FSR is required even if there are zero expenditures to report. FSRs submitted between the quarter end dates (for example, January, February, April, May, etc.), include a required monthly progress statement to provide a short summary of activities during the time period covered by that FSR. The monthly progress statement is not due at quarter end when a separate progress report is due.

Instructions for using the [OJP grant management e-grants](#) system are available on our [website](#).

Your grant manager will review the FSR within five business days (excluding holidays and paid leave). The review checks the detail for conformance to budget, matching expenses to activity level, etc. The FSR will be approved for payment, put into “modifications required” status or put “on hold.”

NOTE: FSRs will be held for payment until all other required documents for the same time period have been submitted, such as progress reports, program income, etc. If quarterly progress reports or other grant requirements (such as civil rights certifications) are overdue, the FSR is put in “on hold” status and payments will be suspended until the required reports are submitted.

IMPORTANT: State of Minnesota Terms and Conditions dictate expenditures for each state fiscal year (July through June) of the grant agreement must be for services satisfactorily performed within applicable state fiscal years. ~~that all reimbursements must be for services performed within the state fiscal year that ends June 30th. This is required even if your grant period goes beyond June 30th.~~ **For example, it is September, and you realize you missed reporting an expense for the previous January, since the expense occurred in the previous state fiscal year it may ~~will~~ not be reimbursed to you.**

Final Financial Status Reports - The final financial status report (FSR) must be submitted within 30 days of the grant end date. Your final report should reflect actual expenditures and obligations through the end date of the grant period. Obligations (accruals) are payments owed for a good or service received on or before the end date of the grant period.

Grant funds may not be used for goods or services received after the end date of the grant period or where the value will extend beyond the grant contract end date (e.g.,

prepaid insurance or leases). Do not order goods or services that will not be received prior to the end date of the grant.

NOTE: If for any reason an obligation/accrual does not materialize or there are any changes to your final financial status report, please contact your grant manager immediately.

D. Payment Status

After an FSR is approved in ~~e-grants~~ [the OJP grant management](#) system, grantees can verify that payment has been made by looking in the [Statewide Integrated Financial Tracking System](#) (SWIFT).

E. Grant Closeouts

Within 30 days of the grant end date, grantees must submit the following documents:

- **Final Progress Report**
- **Final Financial Status Report**
- **Possible Repayment** - If the grantee received more funds than the total amount of expenditures and obligations the difference must be repaid to the State of Minnesota. In such an event, please contact your grant manager. If the grantee does not meet the match obligation by the end of the grant they will be asked to repay a proportional amount.
- **Reports** - If after the closeout of the grant you obtain a project evaluation, receive program publicity, or publish any materials related to your project, please send a copy to your grant manager for inclusion in your file.

Within 60 days of the grant end date, grant manager will complete the following:

- **Grant Closeout Evaluation** - In accordance with MN OGM policy 08-13 a Grant Closeout Evaluation form will be completed that includes the amount of the grant, the amount spent, match requirement and whether it was met, and lists any monitoring or financial issues cited or concerns for future grants with the agency.

VIII. GRANT MONITORING

Grant monitoring refers to both an overall system of reviewing and tracking federal and state funds and ~~day-to-day~~ review processes to ensure grantees are in compliance with federal and state requirements and are meeting the grant goals.

These ~~day-to-day~~ processes include:

- **FSR Review**
- **Progress Report Review**
- **Telephone Contacts**

- **Monitoring Site Visits** (~~programmatic or financial~~) - On site, via telephone or online meeting platform
- **Financial Reconciliation Desk Review** – ~~See below To ensure that adequate source documentation exists for the expenses claimed and that expenses claimed are allowable.~~

Pre-award Risk Assessment - Is completed prior to final grant execution. This assessment ensures compliance with MN Office of Grants Management policy 08-06 and the Federal Office of Management and Budget (OMB) Uniform Guidance 2 CFR 200.331(b) which require that we conduct a financial review and evaluate each grantee's risk of non-compliance (statute/regulations/terms of award) for purposes of monitoring. ~~See copy in Appendix A.~~ [See Risk Assessment](#)

Based on the score of the risk assessment there may be additional special conditions added to the grant terms. Examples of these conditions include but are not limited to, resolution of audit findings, source documentation required with every FSR, additional board or staff training, and prioritization for a financial reconciliation.

Financial Reconciliation – is a process of cross-referencing source documentation (invoices, receipts, payroll records, etc.) with a Financial Status Report (FSR) to ensure claimed expenses are allowable and supported with adequate source documentation. A financial reconciliation is required at least once per grant period for all state funded grants over \$50,000 and all federally funded grants, as required by the MN Office of Grants Management and the U.S. Department of Justice (USDOJ). [Financial Reconciliation Resources](#)

Intensive monitoring during the grant period includes but is not limited to:

- Additional site visits
- Requirement for source documentation with every FSR
- Meeting with Board of Directors representative

Issues that could trigger increased monitoring include:

- Untimely submission of progress and/or financial reports
- Change in staff
- Expenditures in unauthorized budget categories
- Spending rate too fast/too slow
- Issues found with financial reconciliation desk review
- History of unsatisfactory performance
- Management system does not meet standards described in Section [V-A](#)
- Discrepancies between narratives and financial reports
- Delay in program start-up
- Unresponsiveness to requests for information
- Allegations of misuse of funds
- Audit findings requiring follow-up

See Grant Monitoring Overview chart: [Grant Monitoring Overview 7-2024](#) ~~in Appendix E.~~

Board of Directors:

The Board of Directors of nonprofit agencies is responsible for steering the organization

towards a sustainable future by adopting sound, ethical, and legal governance and financial management policies, as well as by making sure the nonprofit has adequate resources to advance its mission. Nonprofits must submit a roster of their Board of Directors including contact information at the time of application (if requested in the RFP) and send updates to the grant manager annually or when the roster changes.

Minimally, they should:

- Review financial reports at every meeting
- Meet often, preferably monthly
- Write personnel policies
- Write financial policies
- Hire, evaluate, and terminate Director
- Actively engage in fundraising

For further information on requirements for the Board of Directors, see the Minnesota Attorney General’s website, including “Fiduciary Duties of Directors of Charitable Organizations.”

IX. CIVIL RIGHTS GRANTEE RESPONSIBILITY

A. Civil Rights

As a condition of the receipt of federal grant funding through the Minnesota Office of Justice Programs (OJP) grantees must comply with civil rights laws and regulations that prohibit discrimination. The following information and links to websites will help grantees comply with these civil rights requirements. In addition, they provide information on certifications grantees must complete to receive federal grant funding through OJP.

Civil Rights Laws, Regulations and Publications

The Federal Office for [Civil Rights \(OCR\), Office of Justice Programs](#) website includes information that will assist grantees in complying with civil rights laws and regulations. This includes information regarding Equal Employment Opportunity Plans, the prohibition against national origin discrimination affecting persons with limited English proficiency (LEP), and other civil rights law and regulations.

The [OCR site](#) provides links to specific civil rights laws and regulations that are applicable to OJP grant programs including but not limited to Byrne JAG Grant, Title II Juvenile Justice Grants, Residential Substance Abuse Treatment (RSAT), Victims of Crime Act (VOCA), Violence Against Women Act (VAWA), the Coverdell Science Improvement grants.

The following laws and regulations apply to [Minnesota MN](#) OJP grantees that receive funding:

- The Omnibus Crime Control and Safe Streets Act of 1968
- Title VI of the Civil Rights Act of 1964
- Section 504 of the Rehabilitation Act
- Section 1407 of the Victims of Crime Act
- Title II of the Americans with Disabilities Act of 1990
- Title IX of the Education Amendments of 1972
- The Age Discrimination Act of 1975
- Nondiscrimination regulations at Title 28 and Title 34 of the Code of Federal Regulations
- Juvenile Justice and Delinquency Prevention Act (JJDP) of 1974
- Violence Against Women Act (VAWA) of 1994
- [Minnesota MN](#) OJP grantees understand that the applicable statutes pertaining to civil rights will include section 601 of the Civil Rights Act of 1964 (42 U.S.C. § 2000d); section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794); section 901 of the Education Amendments of 1972 (20 U.S.C. § 1681); and section 303 of the Age Discrimination Act of 1975 (42 U.S.C. § 6102);
- [Minnesota MN](#) OJP grantees understand that the applicable statutes pertaining to nondiscrimination may include section 809(c) of Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. § 10228(c)); section 1407(e) of the Victims of Crime Act of 1984 (34 U.S.C. § 20110(e)); section 299A(b) of the Juvenile Justice and Delinquency Prevention Act of 2002 (34 U.S.C. § 11182(b)); and that the grant condition set out at section 40002(b)(13) of the Violence Against Women Act (34 U.S.C. § 12291(b)(13)), which will apply to all awards made by the Office on Violence Against Women, also may apply to an award made otherwise;
- [Minnesota MN](#) OJP Grantees understand that it must require any subrecipient to comply with all such applicable statutes (and associated regulations); and on behalf of the Applicant, make the specific assurances set out in 28 CFR 42.105 and 42.204.

These laws collectively prohibit discrimination based on race, color, national origin, religion, sex, disability, age, gender identity, and sexual orientation.

Civil Rights Questionnaire for Grantees

All [U.S. DOJ](#) federally funded OJP grantees must complete the civil rights questionnaire and submit the completed questionnaire to Minnesota OJP within 60 days of the beginning of the grant period. Grantees will download a copy of the questionnaire, fill it in, and upload into [the OJP grant management system](#). ~~e-grants to become a part of the grant file (see Appendix F.)~~

Civil Rights Training & Acknowledgement

All [U.S. DOJ](#) federally funded Minnesota OJP grantees must view a PowerPoint presentation (adapted from one prepared by the Federal Office for Civil Rights (OCR), Office of Justice Programs, U.S. Department of Justice). The training program includes the following topics: presenting the federal laws pertaining to

nondiscrimination in federally assisted programs, understanding discrimination in employment as well as in the delivery of services and benefits, reviewing the LE guidelines, and explaining OCR's enforcement methods. You must view the [Civil Rights PowerPoint](#) or through your [grant file e-grants account in the OJP grant management system](#). Grantees must complete the Civil Rights Training Acknowledgement Form and upload it into their [e-grants](#) file within 60 days of the beginning of the grant period.

B. Equal Employment Opportunity Plan (EEOP) Certification of Exemption and EEO Utilization Report

An EEOP analyzes a grantee's labor market data and employment practices to identify possible barriers to participation of women and minorities in the grantee's workforce. All federally funded grantees are required to either submit an EEOP Certification of Exemption or an EEO Utilization report.

During the grant execution process in the Minnesota OJP [grant management system](#), ~~e-grants system~~ grantees will access a link to the [US DOJ EEO Reporting Tool](#). The new EEO Reporting Tool is where grantees will prepare and submit the EEOP Certification of Exemption and if required, create and submit an EEO Utilization Report.

After completing the EEO reporting process on the [US DOJ website](#), a copy of the Certification of Exemption or Utilization Report must be uploaded into the [Minnesota OJP MNOJP grant management system e-grants system](#) for every federal grant received from [the Minnesota OJP MNOJP](#).

Civil Rights Act Complaint Procedures and Forms

The Minnesota Office of Justice Programs (OJP), as the State Administrating Agency, has the responsibility to ensure that grantees are not discriminating in the services that they provide or in their grant funded employment practices. The OJP website includes a notice to clients, customers, program participants, or consumers of OJP and OJP grantees that they have options available if they believe they have been discriminated against.

Minnesota Office of Justice Programs Discrimination Policy & Complaint Process details the OJP discrimination policy and details the procedures to file an internal complaint.

For the policy and the complaint form: [Complaint Verification Information Form](#)
~~Appendix D~~

Complainants may also file complaints with the following federal or state agencies:

Minnesota Department of Human Rights

Freeman Building

625 Robert Street North

Saint Paul, MN 55155

651-539-1100 (Main office available 8:00 am to 4:30 pm) or 651-296-1283 (TTY) (Phone lines for taking complaints open from 9:30 am to 3:30 pm)

Toll free: 800-657-3704
MN Department of Human Rights [Website](#)

United States Equal Employment Opportunity Commission
Minneapolis Office
330 South Second Avenue, Suite 720
Minneapolis, MN 55401-4000
US EEOC Commission Minneapolis Area [Website](#)

US Department of Justice, Office of Justice Programs
Office for Civil Rights
810 Seventh Street N.W. Washington DC 20531
US Department of Justice [Website](#)