



Minnesota Judicial Branch Policy and Procedures

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Outgoing Grants Management Procedures

I. APPLICABILITY

These procedures apply to all Minnesota Judicial Branch employees who are involved in any aspect of administering and monitoring outgoing grants.

II. PURPOSE

These procedures implement the Judicial Council Policy 204 Grants by establishing uniform guidelines for the Judicial Branch for administering outgoing grants. These procedures apply to all grant agreements with individuals and organizations negotiated by the courts.

III. DEFINITIONS

Applicant – A non-Judicial Branch individual or organization (private or nonprofit) who applies for grant funds from the Judicial Branch.

Conflict of Interest: A conflict of interest, actual or perceived, occurs when a person has actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties.

Grants - Funding provided to a non-Judicial Branch individual or organization (private or nonprofit) to be used for a public purpose. There are five types of grants:

- Legislatively Mandated Grant: A legislatively mandated grant is a legislative appropriation in which the amount and purpose if a grant is named in law. In some legislatively mandated grants, the grantee organization is also named in law.
- Competitive Grant: A competitive grant is a grant that is awarded through an application process in which multiple grant applications are reviewed and grants are awarded to those applicants that most closely meet the selection criteria identified by the granting representative.

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

Grant Agreement – A legal document between grantee and grantor that defines grant terms and amounts, and is used to authorize financial assistance.

Grant Agreement Amendment: A grant agreement amendment is an addition, deletion or change to a grant agreement that is fully executed.

Grant Budget: A grant budget is a plan for all income and expenses for the grant project and is based on the grant work plan. Grant budgets typically include line items for salaries and benefits, contracted services, training, travel and transportation, equipment, office expenses, and program expenses.

Grant Progress Report: A grant progress report summarizes grant activities and outcomes for a given period. A progress report may have narrative, statistical and/or financial elements. Information requested in a grant progress report may include, but is not limited to: goals and objectives, activities, outcomes, challenges, lessons learned and financial information.

Notice of Grant Opportunity/RFP: A notice of grant opportunity or request for proposal is a document that notifies grant seekers of a competitive grant opportunity and includes information on grant requirements, selection criteria, timelines and process.

Pass-through Grants – Federal or state grants that are not received directly from the federal or state awarding agency, but are passed to the non-Judicial Branch individual or organization through the Judicial Branch.

Review Criteria: The review criteria for a competitive grant process are the standards by which the grant applications will be evaluated. Review criteria may include, but are not limited to the following: project need, project sustainability, soundness of approach, probability of achieving results, financial management capacity (accounting, timekeeping, and funds management), project funds raised to-date, geographic coverage, and knowledge of the community being served. The applicant's past performance as a grantee should also be considered when evaluating a grant application.

IV. PROCEDURES

The Branch is responsible for ensuring that the objectives of the grant are consistent with the strategic priorities and goals of the Judicial Branch and for ensuring that there is necessary staff and financial resources to monitor and issue the grant.

A. Conflict of Interest

1. Employee Conflict of Interest:

The Minnesota Judicial Branch must work to deliberately avoid both actual and perceived conflicts of interest related to grant-making at both the individual and organizational levels. When a conflict of interest concerning state grant-making exists, transparency shall be the guiding principle in addressing it. Every employee and grant reviewer shall be responsible for identifying where an actual or perceived conflict of interest exists and for informing appropriate parties. Employees must take

affirmative actions to avoid, minimize or otherwise mitigate the impacts of actual or perceived conflicts of interest.

All grant reviewers involved in the review of grant applications must sign a conflict of interest disclosure form for each grant review in which they participate. On the conflict of interest disclosure form, each reviewer must identify any grant applicant with which they have an actual or perceived conflict of interest.

An employee or grant reviewer must act immediately upon any suggestion or inquiry that a conflict of interest exists at any other point in the grants process. Upon identification, such matters are referred to the employee or grant reviewer's immediate supervisor. If the conflict involves the employee or grant reviewer's immediate supervisor, the employee or grant reviewer should instead contact the District Administrator or Human Resources Division.

If it is determined that an actual or perceived conflict of interest exists, it is important that appropriate steps be taken to avoid the conflict. These steps may include:

- reassigning the duties associated with that particular grant or grantee to another employee or grant reviewer
- requiring the employee or grant reviewer to remove themselves from the discussion or decision that is affected by the conflict

At a minimum, all internal parties who are involved with the situation must be made aware of the actual or perceived conflict, even if it is not serious enough to remove or reassign the employee or grant reviewer.

2. *Branch Conflict of Interest:*

A conflict of interest can occur with the Branch and the grant applicant or grantee. If the Branch conflict of interest is suspected, disclosed or discovered, Branch staff must immediately notify the District Administrator, State Court Administration Finance Director, or Human Resources division.

In cases where the Branch conflict of interest is suspected, disclosed or discovered, the grantee or grant applicant organization should be notified by the Branch regarding the actual or potential conflict. One of the following actions may be pursued:

- The potential grantee is disqualified from eligibility for the grant award.
- A current grantee's grant agreement is terminated.
- The grantee is disqualified from subsequent grant awards if it is determined that the grantee improperly failed to disclose a known conflict of interest or misrepresented information regarding such a conflict.
- The responsibility for the grant or grant program is reassigned to a different employee.

B. *Rating Criteria for Competitive Grant Review*

The Minnesota Judicial Branch shall ensure fairness, precision and consistency in competitive grant awards. A competitive grant review process shall be conducted using set review criteria.

Grant review criteria are selected and ranked according to their importance to the purpose of the grant program. Branch staff develops a grant application evaluation or scoring sheet that facilitates the scoring process and the sheet are used by all reviewers. After the grant review team has met and the evaluations and/or scores have been finalized, staff may make final funding recommendations that may also be based on geographic distribution, services to special populations, and applicant's

history as a grantee and/or capacity to perform the work. If applicable, the Branch should consider a grant applicant's performance on prior grants before making a new grant award of over \$5,000.

C. Writing and Publicizing Grants Notices and Requests for Proposal

The Minnesota Judicial Branch shall include sufficient information in notices of grant opportunities and requests for proposal (RFPs) so that potential applicants may make informed decisions about applying for state grants. Notices of grant opportunities and RFPs shall include information about the grant program, application criteria, application and proposal requirements, contacts and grant reporting requirements.

Essential elements of a notice of a grant opportunity or RFP should include:

- A description of the grant program
- The state's goals and priorities in making the grants
- Eligibility requirements for applicants
- Grant outcome expectations and reporting requirements
- Deadlines and timelines for each step in the application and award process
- Amount of money for distribution and how it will be allocated
- Selection criteria
- Detailed application formatting instructions or an application template
- General information about the review process and a general overview of the composition of the review committee
- Requirements for in-kind or matching funds
- The name and contact information of a contact person at the Judicial Branch

At a minimum, the notice of a grant opportunity or RFP must be posted on the website. The Branch should also consider additional methods to reach potential applicants.

D. Use of Grant Agreements

The Minnesota Judicial Branch must use a written grant agreement for all grants. This applies to competitive, legislatively-mandated, and single sole source grants.

Grant agreements must:

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

Any changes made to the terms of the grant agreement must be made via a fully-executed amendment or other legally-approved method. Grant funds must be encumbered prior to the execution of the grant agreement. The grant agreement must be signed by all parties. Grant

agreements are not considered to be in effect until they are signed by the authorized representatives of the Branch and the grantee.

E. Policy on Grant Amendments

Because fully executed grant agreements and grant agreement amendments are legally binding documents for enforcing the terms of a grant, the Judicial Branch must document changes to a grant agreement using a fully executed grant agreement amendment. Grant agreements may be amended only when the purpose of the amendment is similar to the purpose of the grant agreement and when the grantee duties are within the scope of the original request for proposal or notice of grant opportunity. Grants agreements must be amended whenever there are changes to the total obligation, compensation or the expiration date. The grant amendment clearly indicates what is being added, deleted or changed. Grant agreement attachments and exhibits may also be revised as part of a grant amendment. A grant agreement plus any amendments to it must not exceed five years without written permission from Judicial Branch Legal Counsel Division. All amendments must be numbered and approved in the same manner as the original grant agreement.

F. Single Sole Source Grants

The Minnesota Judicial Branch that grants are to be competitively awarded as much as possible. Single and sole source grants are to be used when only one entity or organization is reasonably able to meet a grant's intended purpose and objectives, due to their geographic location, specialized knowledge, relationships or specialized equipment. If more than one entity is reasonably able to meet the grant's purpose and objectives, a competitive process must be used. If a single or sole source grant of over \$5,000 is made, the Branch must document why a single/sole source process was the only reasonable option by completing the Single and Sole Source Grant Justification Form.

The research and justification for this decision should be documented in a Single and Sole Source Grant Justification Form prior to the grant award. The completed and approved justification form should be kept in the corresponding grant file. The forms must be approved by the SCAO Finance Director.

G. Grant Payments

The Minnesota Judicial Branch shall specify the method and schedule of payments for each grant in the grant agreement. Grant payments may not be issued until the funds are encumbered and the grant agreement is fully executed.

Reimbursement is the preferred method for making grant payments. Grantee requests for reimbursement must correspond to the line items in the approved grant budget (i.e. personnel costs, indirect costs, equipment costs). The Branch authorized representative or their successor, named in the grant agreement, shall review each request for reimbursement against the approved grant budget, grant expenditures to-date and the latest grant progress report before approving payment.

Although they are not preferred, advance payments on grants may be allowed in certain situations. Before making an advance grant payment, agencies must be confident that the grantee will be able to account for the grant funds and abide by the terms of the grant agreement, based on their past performance as a grantee of the Branch. Advance payments must have written justification or include a justification in the grant agreement that details the specific need to utilize advance payments. The written justification must be approved by SCAO Finance Director. A copy of the signed justification must be maintained in the grant file.

H. Policy on Grant Progress Reports and Monitoring

The Minnesota Judicial Branch shall monitor progress on all grants by requiring grantees to submit written progress reports at least semi-annually until all grant funds have been expended and all of the terms in the grant agreement have been met. Judicial Branch grant staff shall determine content requirements that best meet their needs in evaluating the outcomes of the grant program.

Grant payments shall not be made on grants with past due progress reports. Grant reporting requirements are detailed in the grant agreement. Branch staff will review submitted grant progress reports and follow-up with the grantee if there are questions or concerns.

A financial reconciliation should be conducted quarterly. The reconciliation should contain the support documentation for the request for payment for a given period. Such support will consist of payroll register reports, expenditure detail reports or reports that provide sufficient information to satisfy a reconciliation and review from Judicial Branch grant staff. Spot checks of purchase orders, receipts, and other support documentation will be performed on a periodic basis, determined by Judicial Branch grant staff, to ensure adequate documentation is maintained and that accurate and appropriate payments/purchases are being made by the grantee. The documentation of financial reconciliation must be kept in the grant file.

The Branch shall conduct at least annual monitoring visits on grants of over \$250,000. Staff may conduct monitoring visits in person or by telephone; it is recommended that the visits occur in person whenever possible. Documentation from monitoring visits must be kept in the grant file. The Branch shall schedule monitoring visits, giving grantees adequate notice and preparation time.

I. Legislatively Mandated Grants

The Minnesota Judicial Branch must manage legislatively mandated grants with the same level of oversight applied to other state grants, while respecting and maintaining the legislative intent. The Branch must require grantee organizations that are named in legislation to submit a grant work plan and budget. The grant agreement shall be based on the legislation, the grant work plan and budget submitted by the grantee, and negotiations between the Branch and the grantee. Legislatively mandated grants shall be monitored using the same standards applied to other types of state grants. In situations in which the purpose and amount of a grant is stated in law, but the grantee organization is not stated, the Branch must use either a single/sole source or competitive process to select the grantee.

V. RECORDS RETENTION:

Grant contracts and related documents should be retained for current year plus three fiscal years after the end date.

VI. RELATED DOCUMENTS:

- Judicial Council Grant Policy – 204
- Grant Management Procedures – 204(a)
- Judicial Council Procurement Policy – 202
- Judicial Council Contracts Policy – 203

VII. REVISION HISTORY: