

## Coastal Program Grant Making Rules and Process

Minnesota Department of Natural Resources; Minnesota’s Lake Superior Coastal Program

Adapted for the Coastal Council, 03/24/2021

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### Introduction

On March 31, 2021, the Coastal Council is holding a special meeting focused on how to incorporate diversity, equity and inclusion in the Coastal Program’s grant making. This document highlights the state and federal rules, policies and orders that guide the Coastal Program’s grant processes. It also describes the program’s grant making procedures.

## State Policies for Diversity, Equity, and Inclusion in Grant Making

### Policy 08-02: Rating Criteria for Competitive Grant Review

It is the policy of the State of Minnesota to ensure fairness, precision, equity and consistency in competitive grant awards including diversity and inclusion in grant making. State competitive grant review processes shall be conducted using review criteria that are identified in the notice of grant opportunity or request for proposal and a standardized scoring system to rate each application against the chosen criteria.

Competitive grant review criteria and standardized scoring systems must include and identify how a state agency's grant process will implement diversity in grant-making.

State Policy 08-02 states the scoring system must include weighted criteria that identifies verifiable and measureable diversity, equity, and inclusion in grant-making outcomes and/or grantee performance.

#### Diversity in Grant-Making (definition)

A process that intentionally identifies how a grant program serves diverse populations, and especially populations experiencing inequities and/or disparities. Diverse populations include:

- Racial and ethnic communities, including American Indians
- LGBTQI communities
- Disability status
- Veterans
- Geographic diversity within and across Minnesota - including greater MN, urban/metro

Agencies can identify diverse populations served through grant outcomes by pointing to under-served, targeted, and/or grantee populations experiencing inequities and/or disparities past grant funding has not adequately addressed.

#### Inclusion in Grant-making (definition)

A process that identifies how the grantee community is included in the grant review process.

### Policy 08-03: Writing and Publicizing Grants Notices and RFPs

It is the policy of the State of Minnesota to include sufficient information in notices of grant opportunities and requests for proposal (RFPs) so that potential applicants may make informed decisions about applying for and managing state grants. It is also the policy of the State of Minnesota to publicize competitive grant opportunities broadly. Agencies should pursue additional methods and identify multiple ways to share grant request for proposals through existing and diverse networks and community relationships to provide clear instructions to potential applicants.

State Policy 08-03 states agencies should pursue additional methods to reach potential applicants that may include: targeting communities and parts of the state that have not historically participated in the grant application process, culturally-specific and community-based organizations, e-mail, agency distribution lists, targeted newspapers, notifying prior applicants and recipients and the Minnesota State Register.

## Procedures for Grant Making - Application Review

### Step 1: Coastal Council Input

1. Convene Grants Committee (see By-Laws of the Coastal Council)
  - Identify review criteria and rank/weight (state policy 08-02)
  - Recommend process and scope for review
  - In consultation with staff, recommend funding priorities (executive order)
2. Criteria and priorities reviewed and approved by Coastal Council at Annual Meeting

### Step 2: Notice of Grant Opportunity

1. Develop Notice of Grant Opportunity
  - Develop application format
  - Write Notice of Grant Opportunity (state policy 08-03)
    - a. Funding Information (includes requirements, priorities, and eligibility)
    - b. Application Format
    - c. Award Terms and Conditions
  - Develop necessary evaluation materials (statute 13.599)
    - a. eligibility form
    - b. Conflict of Interest Disclosure
    - c. scoring form and workbook (excel)
    - d. scoring guidance for the Coastal Council
    - e. subject matter expert comment form
2. Publish the Grant Notice (State Policy 08-03)
  - Post Notice and associated materials on [Coastal Program webpage](#)
  - Send out news release to statewide media list and via GovDelivery to listserv
  - Identify and participate in other events/opportunities for publicizing Notice (i.e., local networking meetings, conferences, etc.)
3. Grant workshops (Annual only; recommend minimum two)
4. Questions and Pre-application review
  - Offer informal pre-application review of part or all of the application to ensure project ideas and tasks are consistent with funding guidance
  - Create Questions and Answers document, upload to website, update until deadline

### Step 3: Application Intake

1. Application Eligibility Review
  - a. Receive applications (electronic, via email)
  - b. Complete eligibility form for each application
  - c. Staff preview applications; update annual Conflict of Interest Disclosure as necessary.
2. Subject Matter Expert Comments (Annual Only)
  - a. Prior to application deadline, develop list of potential experts. Request assistance, send Data Sharing Agreement; create a roster of Subject Matter Experts.
  - b. As a Coastal team, identify 2-3 experts per application. Experts should have knowledge of goals, activities, and/or similar project management experience.
  - c. Send application, comment form, and Conflict of Interest Disclosure (state policy 08-01)

- To send applications outside of Outlook (non-state employees), applications must be sent via encrypted email. (statute 13.599)
- d. Receive and compile comments by application.
  - e. Send comments to Council, a minimum of two weeks prior to the review meeting.

#### Step 4: Coastal Council Review & Recommendations

1. Secure Data Sharing Agreements prior to application review (one per Annual and STAR) (statute 13.599)
2. Mail application packet to Coastal Council
  - Introduction letter
  - Notice of Grant Opportunity, Questions and Answers Document
  - Conflict of Interest Disclosure
  - Applications
  - Scoring Worksheets
3. Receive and answer Council questions.
4. Host Coastal Council review meetings – see Standard Operating Procedures for format
  - Council determines conflict of interest and actions (state policy 08-01)
  - Discuss applications
  - Receive scores and compile. The Council recommends funding projects that score above (70) (executive order)
5. Council verifies they have destroyed or returned all application materials within 30 days of review (statute 13.599).

#### Step 5: Commissioner Selection

1. Staff prepare a report (applicant, title, funding request, score and brief description of project) for Commissioner review with Coastal Council recommendations
  - Program Manager and Grant Specialist meet with Commissioner's office to review the report, discuss applications, and make final decision on applications. (executive order)
  - Staff report to the Coastal Council results of DNR decision.

#### Step 6: Program Tasks Post-Review

1. Complete financial review on non-profit applicants (state policy 08-06)
2. Evaluate Past Performance/Risk Assessment (state policy 08-13)
3. Identify 306A projects and projects that will require a data management plan.
4. Negotiate Task Descriptions with Grantees

#### Step 7: Send Task Descriptions to NOAA for approval (evaluation complete)

## Grant Award Process

After NOAA approval, DNR staff will:

1. Execute Grant Agreement, grantee must disclose conflicts of interest
2. Monitor grantee progress. Grantee will submit (quarterly) progress reports, participate in monitoring visits when required, and notify the DNR of changes to activities prior to.
3. Reimburse for eligible, allowable, allocable expenses. The grantee must provide sufficient documentation for expenses.
4. Close out the project when complete, share results as appropriate.

## Legal: Laws and Policies

### State Executive Orders and Statutes

[Executive Order 99-12](#) establishes a Governor's Council on Minnesota's Coastal Program to (among other things):

- a. Make recommendations to the Commissioner of the Department of Natural Resources on Minnesota's Lake Superior Coastal Program priorities;
  1. With the assistance of program staff; and
  2. Reflect a balance between preservation, protection, development and, where possible, the restoration and enhancement of the coast for present and future generations.
- b. Review and make recommendations to the Commissioner of the Department of Natural Resources on select programs and projects for funding.

Per Minnesota Statute [84.026 Contracts and Grants for Providing Natural Resources Services](#), there are two ways the DNR may pass-through money:

- Subdivision 2 Grants allows the commissioner of natural resources to enter into grant agreements for the provision of statutorily prescribed natural resources services with any public or private entity. The grant agreements shall specify the services to be provided to the department and the amount and method of payment after services are rendered.
- (Subdivision 1 allows the commissioner to enter into contracts.)

There are several state statutes governing grants. They include:

- [16B.97 Grants Management](#) – defines a grant agreement, and gives the commissioner [of the Department of Administration] the authority to create policies and procedures applicable to all executive agencies. (see [Policies](#))
- [16B.98 Grants Management Process](#) – established grant agreement requirements, includes conflict of interest by employees, committees, and others involved in the recommendations, awarding, and administration of grants.
- [13.599 Data Practices - Grants](#) – defines the requirement for data practices, establishes the request for applications, applications submitted, and evaluation data is nonpublic until the evaluation is complete (meaning that the granting agency has completed negotiating the grant agreement with the selected grantee).

## Federal Rules and Executive Orders

The Coastal Program is governed by [Title 2: Grants and Agreements; Part 200](#) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the [Coastal Zone Management Act of 1972](#).

[White House Executive Order on Advancing Racial Equity and Support for Underserved Communities through the Federal Government \(January 20, 2021\)](#) describes the Biden administration's commitment to justice, equity, diversity, and inclusion at the federal level.

## State Policies

The Department of Administration posts policies and associated materials on the [Office of Grants Management website](#).

### *Policy 08-01: Grants Conflict of Interest*

Minnesota state agencies must work to deliberately avoid both actual and potential 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.

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### *Policy 08-04: Grant Contract Agreement and Grant Award Notification*

Minnesota state agencies must use a written grant contract agreement or grant application with a corresponding grant award notification for all grants made by the agency. Grant contract agreements must conform to Minnesota Statute 16 B.98 subd. 5, Creation and Validity of Grant Agreements.

### *Policy 08-05: Public Comments Concerning Fraud and Waste in State Grants*

As directed by the Commissioner of Administration, the Office of Grants Management (OGM) will serve as the central point of contact for questions and comments about fraud and waste in state grants and about the violation of statewide grants policies. The OGM will also respond to other public questions and concerns about state grants.

*Policy 08-06: Financial Review of Nongovernmental Organizations*

It is the policy of the State of Minnesota to make grants to nongovernmental organizations that are financially stable enough to carry out the purpose of the grant. Before awarding a grant of over \$25,000 to a nongovernmental organization, Minnesota state agencies must assess a recent financial statement from that organization. Items of significant concern must be discussed with the grant applicant and resolved to the satisfaction of state agency staff before a grant is awarded.

*Policy 08-07: Single and Sole Source Grants*

It is the policy of the State of Minnesota that grants are to be competitively awarded as much as possible. Single and sole source grants are to be used when only one entity is reasonably able to meet a grant's intended purpose and objectives, due to their geographic location, specialized knowledge, relationships or specialized equipment.

*Policy 08-08: Grant Payments*

State agencies 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.

*Policy 08-09: Grant Progress Reports*

It is the policy of the State of Minnesota to monitor progress on state grants by requiring grantees to submit written progress reports at least annually until all grant funds have been expended and all of the terms in the grant agreement have been met. Grant payments shall not be made on grants with past due progress reports unless the state agency has given the grantee a written extension.

*Policy 08-10: Grant Monitoring*

It is the policy of the State of Minnesota to conduct at least one monitoring visit per grant period on all state grants of over \$50,000 and to conduct at least annual monitoring visits on grants of over \$250,000. State agencies must also conduct a financial reconciliation of grantees' expenditures at least once during the grant period on grants of over \$50,000.

*Policy 08-11: Legislatively Mandated Grants*

Does not apply

*Policy 08-12: Policy on Grant Amendments*

Because fully executed grant agreements and grant agreement amendments are legally binding documents for enforcing the terms of a grant, it is the policy of the State of Minnesota to document changes to a grant agreement using a fully executed grant agreement amendment.

*Policy 08-13: Grant Closeout Evaluation*

It is the policy of the State of Minnesota to consider a grant applicant's past performance before awarding subsequent grants to them. State agencies must consider a grant applicant's performance on prior grants from that agency before making a new grant award of over \$5,000.