

**CHAPTER 7076**  
**MINNESOTA POLLUTION CONTROL AGENCY**  
**WATER QUALITY DIVISION**  
**CLEAN WATER PARTNERSHIP GRANTS**

7076 0110 DEFINITIONS  
 7076 0120 AVAILABLE ASSISTANCE  
 7076 0130 ELIGIBILITY CRITERIA  
 7076 0140 NOTICE OF GRANT AVAILABILITY  
 7076 0150 GRANT APPLICATION  
 7076 0160 REJECTION OF GRANT APPLICATION  
 7076 0170 PROJECT RANKING  
 7076 0180 ALLOCATION OF FUNDING

7076 0190 SELECTION OF PROJECTS FOR GRANT AWARD  
 7076 0200 PROJECT CONTINUATION GRANT AMENDMENT  
 7076 0210 GRANT CONDITIONS  
 7076 0220 GRANT CONTRACT  
 7076 0230 WORK PLAN  
 7076 0240 DIAGNOSTIC STUDY  
 7076 0280 GRANT PAYMENTS

**7076.0110 DEFINITIONS.**

**Subpart 1. Scope.** The terms used in parts 7076.0100 to 7076.0290 have the meanings given them in Minnesota Statutes, chapter 116, and rules adopted under that chapter and the meanings given them in this part. If terms defined in this part conflict with the definitions in Minnesota Statutes, chapter 116 and the rules adopted under that chapter, the definitions in this part govern.

*[For text of subp 2, see M.R.]*

**Subp. 3. Best management practices.** "Best management practices" has the meaning given it in Minnesota Statutes, section 103F.711, subdivision 3.

*[For text of subp 4, see M.R.]*

**Subp. 5.** [Repealed, 16 SR 584]

*[For text of subp 6, see M.R.]*

**Subp. 7. Local unit of government.** "Local unit of government" has the meaning given it in Minnesota Statutes, section 103F.711, subdivision 5.

**Subp. 8. Local water plan.** "Local water plan" means a comprehensive water plan authorized under Minnesota Statutes, chapter 103B; a surface water management plan required under Minnesota Statutes, section 103B.231; or an overall plan required under Minnesota Statutes, chapter 103D, that has been approved by the Board of Water and Soil Resources.

**Subp. 9. Nonpoint source.** "Nonpoint source" has the meaning given it in Minnesota Statutes, section 103F.711, subdivision 6.

**Subp. 10. Official controls.** "Official controls" has the meaning given it in Minnesota Statutes, section 103F.711, subdivision 7.

**Subp. 11.** [Repealed, 16 SR 584]

**Subp. 12. Project.** "Project" has the meaning given it in Minnesota Statutes, section 103F.711, subdivision 8.

**Subp. 13. Project area.** "Project area" means the area identified as hydrologically contributing to the water of concern for which the diagnostic study and implementation plan are prepared and implemented.

**Subp. 14. Project continuation grant amendment.** "Project continuation grant amendment" means an amendment to an existing project implementation grant to provide funds to continue implementation of activities identified in an approved diagnostic study and implementation plan that were not funded or partially funded in the initial project implementation grant.

**Subp. 15. Project coordination team.** "Project coordination team" means the public interagency group established in Minnesota Statutes, section 103F.761.

Subp. 16. [Repealed, 16 SR 584]

Subp. 17. [Repealed, 16 SR 584]

[For text of subps 18 to 20, see M.R.]

Subp. 20a. **Resource investigation.** "Resource investigation" means the preparation of a diagnostic study and implementation plan.

Subp. 20b. **Resource investigation grant.** "Resource investigation grant" means a grant from the agency to the project sponsor for the preparation of a diagnostic study and implementation plan.

[For text of subps 21 to 23, see M.R.]

Subp. 24. **Work plan.** "Work plan" means a document prepared by a project sponsor that describes in detail the work activities to be undertaken by the sponsor to fulfill the requirements of Minnesota Statutes, sections 103F.701 to 103F.761, and of parts 7076.0100 to 7076.0290. A work plan is approved by the commissioner and includes the items required under part 7076.0230.

**Statutory Authority:** *MS s 103F.745*

**History:** *16 SR 584*

#### 7076.0120 AVAILABLE ASSISTANCE.

Subpart 1. **Financial assistance.** There are two types of grants available for nonpoint source projects: (1) resource investigation grants, and (2) project implementation grants. The grants are for a maximum of 50 percent of the eligible cost of the project. Grants must be awarded, within the limits of available appropriations, to those applicants having the highest priority.

[For text of subp 2, see M.R.]

**Statutory Authority:** *MS s 103F.745*

**History:** *16 SR 584*

#### 7076.0130 ELIGIBILITY CRITERIA.

Subpart 1. **Eligible applicants.** Only local units of government are eligible to apply for grants and receive technical assistance. A local unit of government is eligible to apply for state matching grants and request technical assistance if it has the following:

A. the authority to coordinate and enter into contracts with local, state, and federal agencies and private organizations for the purpose of carrying out a project;

B. the authority to generate cash revenues and in kind contributions for the local share of a project;

C. the authority to adopt, implement, and enforce official controls; and

D. the water of concern is addressed in an approved local water plan.

[For text of subp 2, see M.R.]

Subp. 3. **Ineligible costs.** Ineligible costs include any costs that are not related to the activities in subpart 2. Costs identified under subpart 2 are ineligible if the related project activities are started before the grant contract has been signed by the commissioner of finance. In addition, the following costs are ineligible whether or not they relate to the activities in subpart 2:

[For text of items A to N, see M.R.]

[For text of subp 4, see M.R.]

**Statutory Authority:** *MS s 103F.745*

**History:** *16 SR 584*

**7076.0140 NOTICE OF GRANT AVAILABILITY.**

**Subpart 1. Notice.** The agency will publish in the State Register a notice that applications for resource investigation grants and project implementation grants will be accepted whenever the agency determines that funds are available to award the grants. The notice will contain a deadline for application submittal, which must be no less than 60 days from the date of publication.

**Subp. 2. Notification list.** The agency shall maintain a list of those local governmental bodies that wish to be notified of grant application periods. Any local governmental body that wishes to be placed on the list shall notify the agency by writing to the director of the water quality division. Whenever the agency publishes notice in the State Register, the agency shall mail notice of the grant application period to those local governmental bodies on the list.

*[For text of subp 3, see M.R.]*

**Statutory Authority:** *MS s 103F.745*

**History:** *16 SR 584*

**7076.0150 GRANT APPLICATION.**

*[For text of subpart 1, see M R.]*

**Subp. 2. Resource investigation grant.** An applicant submitting an application for a resource investigation grant must submit the following information:

A. a resolution by the local unit of government that will be the project sponsor, authorizing the filing of the application and designating an official authorized to execute the grant application;

B. written documentation that the project sponsor has consulted with soil and water conservation districts and watershed districts in the project area, in preparing the grant application;

C. identification of local units of government, agencies, and organizations that will be involved in resource investigation;

D. letters of support from each participating local unit of government, agency, and organization which identify their role in resource investigation and their contribution to the local share of resource investigation costs;

E. the amount of grant funding requested;

F. a list identifying the amount, type, and source of the local share;

G. a preliminary work plan that contains the following:

(1) project goals and objectives;

(2) a statement of existing water quality conditions and problems;

(3) identification and summary of work plan activities that the grant would make possible;

(4) a schedule of work plan activities;

(5) a preliminary monitoring plan; and

(6) a preliminary work plan budget; and

H. documents required by state or federal statutes, rules, and regulations.

**Subp. 3. Project implementation grant.** An applicant submitting an application for a project implementation grant shall submit the following information:

A. a resolution by the local unit of government that will be the project sponsor, authorizing the filing of the application and designating an official authorized to execute the grant application;

B. written documentation that the project sponsor has consulted with soil and water conservation districts and watershed districts in the project area, in preparing the grant application;

C. a diagnostic study and implementation plan approved under part 7076.0260, or an equivalent study and plan that addresses the requirements of a diagnostic study and implementation plan and that has been approved under part 7076.0260 and is part of a local water plan;

D. letters of support from each participating local unit of government, agency, and organization that identify their role in project implementation and their contribution to the local share of project implementation costs;

E. a detailed preliminary work plan and schedule for project implementation during the grant period;

F. a detailed budget for the grant period including the identification of the amount requested in the grant;

G. a list identifying the amount, type, and source of the local share; and

H. documents required by state or federal statutes, rules, and regulations.

**Statutory Authority:** *MS s 103F.745*

**History:** *16 SR 584*

### 7076.0160 REJECTION OF GRANT APPLICATION.

**Subpart 1. Grounds.** An application for a resource investigation grant or a project implementation grant shall be rejected by the commissioner for the following reasons:

A. an ineligible applicant;

B. ineligible costs;

C. a late submittal; or

D. failure to comply with any requirement of statute or rule.

*[For text of subp 2, see M.R.]*

**Subp. 3. Effect of rejection.** A grant applicant whose application is rejected must reapply in a subsequent application period to be considered for a grant.

**Statutory Authority:** *MS s 103F.745*

**History:** *16 SR 584*

### 7076.0170 PROJECT RANKING.

**Subpart 1. Process of ranking.** Upon completion of the commissioner's review of the grant applications for acceptability, the agency shall rank the acceptable grant applications in order of priority. Each project for which an acceptable grant application has been submitted must be awarded the number of priority points the project is entitled to under subparts 2 and 3. The project with the highest number of priority points will be given the highest priority. All projects will be given a ranking depending on the number of points awarded. The resource investigation grant applications must be ranked separately from the project implementation grant applications.

**Subp. 2. Priority points for resource investigation grant applications.** The agency and the project coordination team must use the following criteria to determine the number of priority points to be awarded in the evaluation of each resource investigation grant application. Each project shall receive either zero, two and one-half, five, seven and one-half, or ten points under each of the following criteria, depending on how well the project satisfies the criterion. The number of points awarded under each of the five criterion assigned by the agency and the project coordination team must be added together to determine the project's total point value. This total number must be used to determine the project's overall ranking and priority.

A. The criteria for the agency are as follows:

(1) the extent to which the proposed project demonstrates a high potential for project success based on the level of definition of the preliminary work plan for project goals and objectives, work activities, and project organization and management structure;

(2) the extent to which the proposed project demonstrates effective and efficient use of state financial resources based on the proposed budget and work plan;

(3) the extent to which the water of concern is identified as a priority water in the local water plan;

(4) the severity of water quality impairment or threat as compared to expectations for the least impacted waters in that ecoregion; and

(5) the extent the proposed project demonstrates the likelihood of water quality protection or improvement.

B. The criteria for the project coordination team are as follows:

(1) the extent to which the proposed project demonstrates a high potential for project success based on community support and involvement;

(2) the extent to which the proposed project includes coordination and cooperation of federal, state, and local agencies and units of government for water quality protection or improvement;

(3) the extent to which the water of concern in the proposed project is of state and regional significance and priority;

(4) the extent to which the proposed project complements the existing efforts of local, state, and federal programs; and

(5) the likelihood that the proposed project will serve as a demonstration for water quality protection or improvement and provide useful information for the geographic area.

**Subp. 3. Priority points for project implementation grant applications.** The agency and the project coordination team must use the following criteria to determine the number of priority points to be awarded in the evaluation of each project implementation grant application. Each project shall receive either zero, two and one-half, five, seven and one-half, or ten points under each of the following criteria, depending on how well the project satisfies the criterion. The number of points under each of the five criterion assigned by the agency and the project coordination team must be added together to determine the project's total point value. This total number must be used to determine the project's overall ranking and priority.

A. The agency criteria are as follows:

(1) the extent to which the proposed project demonstrates a high potential for project success based on the level of definition of the work plan for project goals and objectives, work activities, budget, and project organization and management structure;

(2) the extent to which the proposed project employs best management practices which provide a technically feasible means to abate or prevent water pollution from nonpoint sources;

(3) the extent to which the proposed project implementation activities will result in water quality protection or improvement;

(4) the extent to which the proposed project maximizes water quality protection or improvement relative to the cost of project implementation; and

(5) the extent to which the proposed project demonstrates a high potential for project success based on the local capability, organization, and authority to carry out the identified activities.

B. The project coordination team criteria are as follows:

(1) the extent to which the proposed project demonstrates a high potential for project success based on community support and involvement;

(2) the extent to which the proposed project includes coordination and cooperation of federal, state, and local agencies and units of government for water quality protection or improvement;

(3) the extent to which the water of concern in the proposed project is of state and regional significance and priority;

(4) the extent to which the proposed project indicates a commitment to official controls, programs, and activities that are a long-term commitment to water quality protection or improvement; and

(5) the likelihood that the proposed project will serve as a demonstration of water quality protection or improvement and provide useful information for the geographic area.

**Subp. 4. Project coordination team.** The project coordination team has 60 days from the close of the application period to assign points to each project seeking a grant. In the event that the project coordination team fails to assign points to all projects with approved grant applications, the projects must be ranked without considering any points under the category for the project coordination team.

**Statutory Authority:** *MS s 103F.745*

**History:** *16 SR 584*

#### **7076.0180 ALLOCATION OF FUNDING.**

**Subpart 1. Project continuation grant amendments.** Each year, the agency shall determine how much of the available funds will be set aside to meet that year's anticipated requests for project continuation grant amendments. If the agency subsequently determines that the amount set aside for project continuation grant amendments is more than is required for grant amendments in that year, the agency may reallocate this money to other resource investigation grants and project implementation grants or carry over the money to another grant application period.

**Subp. 2. Grant fund allocation.** Within 90 days of the close of an application period, the agency shall determine how much of the remaining funds, after setting aside funds for project continuation grant amendments, will be made available for resource investigation and project implementation grant awards. In deciding how much money to make available for new grant awards, the agency shall consider the necessity to have money available for subsequent grant periods, the necessity to have money available for anticipated project continuation grant amendments in the next year, and other factors relating to the agency's ability to ensure that money will be available for upcoming projects.

**Subp. 3. Resource investigation; project implementation split.** Within 90 days of the close of an application period, the agency shall determine how much of the funds available for new grants in that application period will be available for resource investigation and project implementation grants. In determining the allocation of funds between resource investigation and project implementation grants, the agency shall consider:

A. the availability and conditions for use of federal funds; and

B. the phasing in and continuity of projects in the program.

If the money intended for resource investigation or project implementation grants, or both, is not awarded during a grant period, the agency may reallocate the funds to the other kind of grant or to a subsequent grant period.

**Statutory Authority:** *MS s 103F.745*

**History:** *16 SR 584*

#### **7076.0190 SELECTION OF PROJECTS FOR GRANT AWARD.**

**Subpart 1. Ranking.** The agency shall complete its ranking of all projects for

which an acceptable grant application has been submitted within 90 days of the close of the application period. The agency shall rank resource investigation separately from implementation projects.

**Subp. 2. Projects funded.** The agency shall select those projects that will be awarded grant funds by awarding grants to the highest priority resource investigation and project implementation applications within the limits of available funds established under part 7076.0180, subpart 2. A project that receives less than 50 points will not be considered for award of grant funds.

*[For text of subps 3 to 5, see M.R.]*

**Statutory Authority:** *MS s 103F.745*

**History:** *16 SR 584*

#### 7076.0200 PROJECT CONTINUATION GRANT AMENDMENT.

*[For text of subpart 1, see M.R.]*

**Subp. 2. Request.** A project sponsor who seeks a project continuation grant amendment shall submit a request for the grant amendment in June of the calendar year that the activities funded through the initial project implementation grant will be completed and additional funds will be required to continue project implementation. The request must be submitted on a form provided by the agency. A project sponsor who fails to submit a request for a project continuation grant amendment in June of the calendar year the funds are required forfeits the right to an amendment. That project sponsor may apply in a subsequent grant period to continue the project and compete with other applicants for a project implementation grant.

**Subp. 3. Approval.** Subject to the availability of funds, the agency shall approve the project sponsor's request for a project continuation grant amendment if it meets the following conditions:

A. the project sponsor has satisfied the terms and conditions of the grant to date; and

B. the project sponsor has identified the source of the local share of funds necessary for the project continuation grant amendment.

**Statutory Authority:** *MS s 103F.745*

**History:** *16 SR 584*

#### 7076.0210 GRANT CONDITIONS.

**Subpart 1. Amount.** A grant that is made must be for the amount requested by the applicant, up to a maximum of 50 percent of the eligible cost of resource investigation or project implementation.

**Subp. 2. Grant period.** The grant period for a resource investigation grant will be for up to three years. The grant period for a project implementation grant will be for a period of three years and may be extended up to an additional three years with agency approval of a request for a project continuation grant amendment according to part 7076.0200.

**Subp. 3. Grant contract.** The project sponsor must enter into a grant contract with the agency to receive grant funds. The grant contract must include the provisions in part 7076.0220.

**Subp. 4. Records.** The project sponsor shall maintain all records relating to the receipt and expenditure of grant funds for at least three years from the date of termination of the grant contract. Records relating to the installation, operation, and maintenance of best management practices shall be maintained for three years beyond the design or useful life, whichever is longer.

*[For text of subps 5 and 6, see M.R.]*

Subp. 7. **Quarterly update.** During each year the grant is in effect, the project sponsor shall prepare for quarterly submittal or presentation to the commissioner an update of project activities and project expenditures.

Subp. 8. **Work plan.** The project sponsor shall prepare a work plan according to part 7076.0230 and submit it to the commissioner. The monitoring plan component of the work plan must be reviewed and revised annually and submitted to the commissioner by February 1 of each year during the project period of the grant contract.

Subp. 9. **Diagnostic study and implementation plan.** The project sponsor for a resource investigation grant shall submit to the commissioner before the final grant payment is made a diagnostic study and implementation plan that meets the requirements of parts 7076.0240 and 7076.0250.

Subp. 10. **Eligible costs.** No grant funds shall be provided to the project sponsor for grant eligible project activities started before the grant contract period or after the end of the contract period.

**Statutory Authority:** *MS s 103F.745*

**History:** *16 SR 584*

#### **7076.0220 GRANT CONTRACT.**

Subpart 1. **Contents.** The agency and the project sponsor shall enter into a grant contract. The grant contract must:

- A. establish the terms and conditions of the grant;
- B. provide that the project sponsor may enter into contracts, under terms and conditions specified by the agency, to complete the work specified in the contract;
- C. provide that cost overruns are the sole responsibility of the project sponsor;
- D. require that the project sponsor submit periodic progress reports and a final report to the agency in a format prescribed by the agency; and
- E. incorporate terms and conditions required by federal or state statutes, rules, and regulations.

Subp. 2. **Amendments.** A grant contract may be amended upon agreement of the agency and the project sponsor. Grant increase amendments shall be subject to the availability of funds.

Subp. 3. **Contract period.** Grant contracts for resource investigation will be for up to three years. Grant contracts for project implementation will be for up to six years. The agency may allow a one year extension of either of these grant contracts.

**Statutory Authority:** *MS s 103F.745*

**History:** *16 SR 584*

#### **7076.0230 WORK PLAN.**

Subpart 1. **Requirements.** The work plan required to be submitted to the commissioner, in a format specified by the commissioner, as a condition of the grant must include the requirements in item A for resource investigation grants and the requirements in item B for project implementation grants.

A. For resource investigation grants, the sponsor shall prepare and submit a detailed work plan that includes the following:

- (1) a description of the water of concern, the project area, and the existing and desired resource uses;
- (2) a description of existing and suspected or potential water quality problems;
- (3) a description of specified goals for project results, for water qual-



ity characterization and quantitative analysis research and assessment, and for citizen education;

(4) an outline that identifies specific tasks to be completed during the project, including the tasks needed to fulfill the requirements under parts 7076.0240 and 7076.0250, the individuals responsible for the tasks, and the dates for task initiation and completion;

(5) a monitoring plan as described in subpart 1a;

(6) a list of predictive and diagnostic computer or statistically based models that are to be used for the project and a description and statistical definition of predictive and diagnostic uncertainties;

(7) a quality assurance plan for data gathering and analyzing;

(8) detailed budgets; and

(9) a resolution from each participating local unit of government, agency, and organization that identifies their role in the project and their contribution to the local share of the project costs.

B. For project implementation grants, the sponsor shall prepare and submit a detailed work plan that includes any necessary revisions to the approved implementation plan and the following:

(1) a revised activity schedule for implementation activities;

(2) a revised implementation budget;

(3) a quality assurance plan for construction activities;

(4) a best management practice operation and maintenance plan;

(5) a monitoring plan as required in subpart 1a that has been revised to evaluate the effectiveness of best management practices and the improvement of water quality;

(6) a list of predictive and diagnostic computer or statistically based models that are to be used for the project and a description and statistical definition of predictive and diagnostic uncertainties;

(7) permits and authorities for implementation activities; and

(8) a resolution from each participating local unit of government, agency, and organization that identifies their role in the project and their contribution to the local share of the project costs.

**Subp. 1a. Monitoring plan.** A monitoring plan is a component of the work plan. For both resource investigation and project implementation grants, the sponsor shall prepare a monitoring plan that:

A. develops monitoring objectives based on project goals;

B. defines the information needs for water quality monitoring;

C. defines the statistical methods needed to address the monitoring objectives;

D. sets the data requirements that are to be met for meaningful statistical analysis to be completed;

E. delineates and provides rationale for the selection of monitoring sites, frequency, parameters, and sampling protocols;

F. identifies laboratories that will be doing analyses for the project, explains their quality assurance and quality control procedures, and provides the certification number assigned by the Department of Health to prove the laboratories are fulfilling the requirements under chapter 4740; and

G. outlines a plan to analyze monitoring data and to use the data to assess the project area, water and pollutant loading, and alternative best management practices.

**Subp. 2. Review.** The commissioner will review the work plan and approve it or identify deficiencies in writing within 45 days of its receipt.

Subp. 3. [Repealed, 16 SR 584]

**Statutory Authority:** *MS s 103F.745*

**History:** *16 SR 584*

**7076.0240 DIAGNOSTIC STUDY.**

Subpart 1. **General requirements.** The diagnostic study required to be submitted by a project sponsor under part 7076.0210, subpart 9, must include:

- A. a detailed description of the water of concern;
- B. a detailed description of the project area;
- C. an analysis and assessment of the data and information collected as a requirement of subparts 2 and 3; and
- D. the identification and documentation of the methods, procedures, predictive and diagnostic models, and other tools used to prepare and complete the diagnostic study.

Subp. 1a. **Exemption.** Upon written request from the project sponsor, the agency may allow an exemption from a specific diagnostic study requirement that does not provide data or information useful for diagnosis of the problem or solutions.

Subp. 2. **Description of water of concern.** The diagnostic study must contain a detailed description of the water of concern that includes:

*[For text of items A and B, see M.R.]*

C. current data or information for the following:

(1) if the water of concern is a lake, the description shall include the following:

*[For text of unit (a), see M.R.]*

(b) measurement of dissolved oxygen, total phosphorus, dissolved inorganic phosphorus, total Kjeldahl nitrogen, total nitrogen, nitrite plus nitrate nitrogen, total suspended solids, total alkalinity, chloride concentrations, color, pH, and conductivity; determination of mass loadings of total phosphorus, total Kjeldahl nitrogen, and total suspended solids from major tributaries and completion of a nutrient budget for the lake;

*[For text of units (c) and (d), see M.R.]*

*[For text of subitem (2), see M.R.]*

(3) if the water of concern is an aquifer, the description shall include the following:

(a) identification or measurement of the aquifer physical type, size, temperature, porosity, saturated thickness, recharge sources, discharge sources transmissivity, hydraulic residence time, range of hydraulic gradients, and underlying lithology and stratigraphy;

*[For text of units (b) to (d), see M.R.]*

*[For text of subitem (4), see M.R.]*

Subp. 3. **Description of project area.** The diagnostic study must contain a detailed description of the project area that includes:

A. a map of the project area at a scale appropriate to the project;

*[For text of items B to I, see M.R.]*

J. land use:

*[For text of subitems (1) to (13), see M.R.]*

(14) wetlands identified under the National Wetlands Inventory, an inventory of drained wetlands, and a summary of applicable management plans;

*[For text of subitems (15) to (21), see M.R.]*

(22) population characteristics;

(23) a summary of recreational land uses;

(24) a list of bulk pesticide and fertilizer handling facilities;

(25) a list of commercial and industrial facilities with on-site hazardous materials or wastes;

(26) a list of transportation corridors such as railroads, pipelines, and highways;

(27) a list of operating wells whose construction or maintenance may cause them to serve as conduits for contaminations to recharge groundwater; and

(28) a summary of other potential sources of groundwater contamination;

*[For text of item K, see M.R.]*

#### L. hydrology:

*[For text of subitems (1) to (4), see M.R.]*

(5) a description of wells covered by state appropriation permits including location, amounts of water appropriated, type of use, aquifer source, and amount of water used;

*[For text of subitems (6) and (7), see M.R.]*

*[For text of subp 4, see M.R.]*

Subp. 5. [Repealed, 16 SR 584]

**Statutory Authority:** *MS s 103F.745*

**History:** *16 SR 584*

#### 7076.0280 GRANT PAYMENTS.

**Subpart 1. Initial payment.** After the commissioner of finance has signed the grant contract between the agency and the project sponsor, the agency shall provide to the project sponsor 25 percent of the grant award provided in the grant contract.

**Subp. 2. Second payment.** Upon written approval by the commissioner of the work plan required under part 7076.0210, subpart 8, the agency shall provide to the project sponsor 35 percent of the grant award provided in the grant contract. The cumulative assistance paid to the project sponsor shall equal 60 percent of the grant award.

**Subp. 3. Project review and budget adjustment.** Upon expenditure of 50 percent of total eligible project costs by the project sponsor, the project sponsor shall submit to the commissioner for review and approval a detailed summary of project expenditures and completed work activities. The commissioner shall review the summary to verify cost eligibility and acceptable completion of work plan activities and to compare actual expenditures with the approved project work plan budget.

**Subp. 4. Third payment.** After the requirements of subpart 3 have been met, the agency shall provide to the project sponsor up to 30 percent of the grant

award. The payment shall be less than 30 percent of the grant award to compensate for the final payment withholding required under subpart 6.

**Subp. 5. Payment adjustment upon grant contract amendment.** When the total grant assistance amount authorized for a project is increased by a grant contract amendment, the agency shall pay the project sponsor the additional amount of grant assistance that the project sponsor is entitled to receive under subparts 1 to 4.

**Subp. 6. Final payment.** The agency shall withhold a minimum of ten percent of the grant award until the agency is satisfied that the project has been completed according to the terms of the grant contract and parts 7076.0100 to 7076.0290. More than ten percent of the grant award shall be withheld if the costs necessary to complete the project are less than those identified in the grant contract. Ten percent of the grant award shall be withheld if the costs necessary to complete the project are equal to or exceed the costs identified in the grant contract.

**Subp. 7. Payment option.** Project sponsors that received grant awards before October 1, 1990, may have the grant payment conditions specified under subparts 1 to 6 or have grant payments made on a reimbursement basis. If reimbursements are desired, a project sponsor shall submit a written request for this option to the commissioner. Reimbursement payments shall be made according to items A to C.

A. The project sponsor may submit a request for reimbursement of expenditures for each of the standard calendar quarters ending March 31, June 30, September 30, and December 31. The agency shall pay the reimbursement within 45 days of the request if the grantee is in compliance with conditions of the grant contract and requirements of parts 7076.0100 to 7076.0290.

B. The agency shall withhold reimbursement on the final ten percent of the grant contract amount until the agency is satisfied that the project has been completed according to the terms of the grant contract and parts 7076.0100 to 7076.0290.

C. The agency shall withhold reimbursement if the project sponsor has failed to comply with any requirements of the grant contract or parts 7076.0100 to 7076.0290. The funds may not be released until the agency determines that the project sponsor has corrected the deficiencies causing noncompliance.

**Statutory Authority:** *MS s 103F.745*

**History:** *16 SR 584*