

**16A.36 GRANTS FROM AND ADVANCES TO UNITED STATES.**

Subdivision 1. **Use of grants.** Money received by the state from the federal government as federal assistance must be used only for the purpose for which the money is received. If required by the proper federal authorities, interest or income arising from the money received may be credited by the commissioner to the particular account for which the money is received and used only for the purpose of that federal assistance program, or may be repaid to the federal treasury. If not so required, the interest or income shall be credited to the general fund or to another fund authorized to receive the interest or income.

Subd. 2. **Reciprocal interest policy.** The commissioner may, if required by the federal government or by agreement with the proper federal authorities, establish an equitable policy providing for the state to pay interest on undisbursed federal money, and providing for the federal government to pay interest to the state on state funds advanced for a federal assistance program. The amount needed to pay the interest is appropriated from the general fund or another fund earning the interest on undisbursed federal money. The interest received from the federal government shall be deposited in the fund that lost interest on state funds advanced for a federal assistance program.

**History:** (53-18a) 1937 c 25 s 1; 1955 c 863 s 14; 1973 c 717 s 8; 1983 c 301 s 92; 1984 c 628 art 2 s 1; art 6 s 1; 1984 c 654 art 2 s 63; 1987 c 275 s 6