1.1  .................... moves to amend H.F. No. 100, the ninth engrossment, as follows:

1.2  Page 291, after line 19, insert:

1.3          **"ARTICLE 10**

1.4         **GRANTS MANAGEMENT**

1.5  Section 1. **FINANCIAL REVIEW OF NONPROFIT GRANT RECIPIENTS**

1.6  **REQUIRED.**

1.7  Subdivision 1. **Financial review required.** (a) Before awarding a competitive,

1.8  legislatively named, single source, or sole source grant to a nonprofit organization under

1.9  this act, the grantor must require the applicant to submit financial information sufficient for

1.10  the grantor to document and assess the applicant's current financial standing and management.

1.11  Items of significant concern must be addressed with the applicant and resolved to the

1.12  satisfaction of the grantor before a grant is awarded. The grantor must document the material

1.13  requested and reviewed; whether the applicant had a significant operating deficit, a deficit

1.14  in unrestricted net assets, or insufficient internal controls; whether and how the applicant

1.15  resolved the grantor's concerns; and the grantor's final decision. This documentation must

1.16  be maintained in the grantor's files.

1.17  (b) At a minimum, the grantor must require each applicant to provide the following

1.18  information:

1.19  (1) the applicant's most recent Form 990, Form 990-EZ, or Form 990-N filed with the

1.20  Internal Revenue Service. If the applicant has not been in existence long enough or is not

1.21  required to file Form 990, Form 990-EZ, or Form 990-N, the applicant must demonstrate

1.22  to the grantor that the applicant is exempt and must instead submit documentation of internal

1.23  controls and the applicant's most recent financial statement prepared in accordance with

2.1 generally accepted accounting principles and approved by the applicant's board of directors

2.2 or trustees, or if there is no such board, by the applicant's managing group;

2.3 (2) evidence of registration and good standing with the secretary of state under Minnesota

2.4 Statutes, chapter 317A, or other applicable law;

2.5 (3) unless exempt under Minnesota Statutes, section 309.515, evidence of registration

2.6 and good standing with the attorney general under Minnesota Statutes, chapter 309; and

2.7 (4) if required under Minnesota Statutes, section 309.53, subdivision 3, the applicant's

2.8 most recent audited financial statement prepared in accordance with generally accepted

2.9 accounting principles.

2.10 Subd. 2. **Authority to postpone or forgo; reporting required.** (a) Notwithstanding

2.11 any contrary provision in this act, a grantor that identifies an area of significant concern

2.12 regarding the financial standing or management of a legislatively named applicant may

2.13 postpone or forgo awarding the grant.

2.14 (b) No later than 30 days after a grantor exercises the authority provided under paragraph

2.15 (a), the grantor must report to the chairs and ranking minority members of the legislative

2.16 committees with jurisdiction over the grantor's operating budget. The report must identify

2.17 the legislatively named applicant and the grantor's reason for postponing or forgoing the

2.18 grant.

2.19 Subd. 3. **Authority to award subject to additional assistance and oversight.** A grantor

2.20 that identifies an area of significant concern regarding an applicant's financial standing or

2.21 management may award a grant to the applicant if the grantor provides or the grantee

2.22 otherwise obtains additional technical assistance, as needed, and the grantor imposes

2.23 additional requirements in the grant agreement. Additional requirements may include, but

2.24 are not limited to, enhanced monitoring, additional reporting, or other reasonable

2.25 requirements imposed by the grantor to protect the interests of the state.

2.26 Subd. 4. **Relation to other law and policy.** The requirements in this section are in

2.27 addition to any other requirements imposed by law, the commissioner of administration

2.28 under Minnesota Statutes, sections 16B.97 to 16B.98, or agency policy."

2.29 Amend the title accordingly