

7035.5900 GRANT AGREEMENT.

Subpart 1. **Incorporation of grant application.** The grant agreement shall incorporate by reference the final grant application submitted to the agency in accordance with part 7035.5700.

Subp. 2. **Terms of grant.** The grant agreement shall establish the term of the grant. All grants awarded under parts 7035.5000 to 7035.6000 shall have a maximum term of one year, unless the agency determines for a specific grantee that a longer term is necessary due to circumstances beyond the control of the grantee in order to produce an acceptable plan. The agency shall then set the term of the grant.

Subp. 3. **Forfeit of funds.** Funds for projects not performed or completed in accordance with the terms and conditions of the grant agreement, including time schedules, shall be forfeited unless the agency determines that the variances from the grant requirements are due to factors outside the control of the grantee.

Subp. 4. **Payment schedule.** The grant agreement shall include a payment schedule. This payment schedule shall provide for reimbursement of stated travel costs in a manner described in the grant agreement and shall require that the last 25 percent of the total grant award, except reimbursable travel costs, be retained by the agency until the commissioner determines that the report submitted under the grant is an acceptable plan. If the commissioner determines that a report is deficient, the commissioner shall notify the grantee of the deficiency. The agency shall pay the withheld 25 percent of the grant as soon as the deficiency is corrected and the commissioner determines that the report is an acceptable plan.

Subp. 5. **Special conditions of grant agreement.** The grant agreement shall provide that the grantee is authorized to enter into contracts to complete the work specified in the grant. The grant agreement shall also require that all such contracts name the agency as a third-party beneficiary to that contract.

Statutory Authority: *MS s 115A.42*

History: *L 1987 c 186 s 15*

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