

1 Department of Energy and Economic Development

2

3 Adopted Permanent Rules Relating to the Governor's Rural

4 Development Council, Rural Development Grants

5

6 Rules as Adopted

7

RURAL DEVELOPMENT GRANTS

8 4360.0100 DEFINITIONS.

9 Subpart 1. Scope. As used in parts 4360.0100 to

10 4360.1100, the terms defined in this part and in Minnesota

11 Statutes, section 116J.951 have the meanings given them.

12 Subp. 2. Agricultural. "Agricultural" means relating to

13 activities of establishments primarily engaged in food

14 production, processing, sale and transport of goods and

15 commodities classified under the industry code numbers used in

16 the standard industrial classification code as published in the

17 standard industrial classification manual adopted by

18 incorporation by reference in part 4360.1200, for the following

19 coded activities:

20 A. Major Group 01-Crops;

21 B. Major Group 02-Livestock;

22 C. Major Group 07-Agricultural Services;

23 D. Major Group 09-Fishing, Hunting and Trapping;

24 E. Major Group 20-Food and Kindred Products;

25 F. Group 514-Groceries and Related Products;

26 G. Group 515-Farm Products Raw Materials; and

27 H. Major Group 54-Food Stores.

28 Subp. 3. Demonstration grant. "Demonstration grant" means

29 a grant for an innovative project that has potential statewide

30 applications and meets the needs of farmers or low-income rural

31 residents.

32 Subp. 4. Enterprise development. "Enterprise development"

33 means the gradual emergence or expansion of new rural small

34 businesses.

35 Subp. 5. Farmer. "Farmer" means one engaged in the

1 production of agricultural commodities (including persons
2 engaged in the production of fish under controlled conditions),
3 ranchers, farm tenants, and farm laborers.

4 Subp. 6. **Fiscal agent.** "Fiscal agent" means any Minnesota
5 unit of state or local government, special district nonprofit
6 organization or public institution, employing a certified public
7 accountant for the purpose of the agent's activities, that acts
8 on behalf of a project sponsor.

9 Subp. 7. **Grant funds.** "Grant funds" means money provided
10 by the council in the form of a demonstration grant, seed grant,
11 or pilot marketing grant.

12 Subp. 8. **Grant year.** "Grant year" means the year during
13 which the council makes grant funds available.

14 Subp. 9. **In-kind support.** "In-kind support" means
15 contributions made by a project sponsor other than money,
16 usually services, facilities, goods, or equipment, meant to
17 supplement the grant funds awarded by the council.

18 Subp. 10. **Letter of commitment.** "Letter of commitment"
19 means a written statement from an organization or individual
20 providing matching funds in conjunction with a project
21 application submitted to the council.

22 Subp. 11. **Low-income.** "Low-income" means low income as
23 defined in Code of Federal Regulations, title 24, section
24 813.102.

25 Subp. 12. **Management assistance.** "Management assistance"
26 means assistance provided to rural small businesses in managing
27 the day-to-day operations of the enterprise, and as opposed to
28 financial assistance.

29 Subp. 13. **Matching funds.** "Matching funds" means the
30 share, including in-kind support, of total project costs raised
31 by the grantee used to supplement grant funds. Matching funds
32 may not consist solely of in-kind support but may consist solely
33 of money from any source.

34 Subp. 14. **Nonprofit organization.** "Nonprofit organization"
35 means an organization that is a tax-exempt entity under section
36 501(c)(3) of the Internal Revenue Code of 1954, as amended

1 through December 31, 1985.

2 Subp. 15. **Operating capital.** "Operating capital" means
3 money or credit used by the owner of a for-profit business to
4 pay the day-to-day operating expenses of the enterprise, such as
5 for the purchase of goods, inventory, machinery, equipment, or
6 other overhead costs.

7 Subp. 16. **Priority rural development issues or priority
8 issue areas.** "Priority rural development issues" or "priority
9 issue areas" means family farm and agricultural land protection,
10 value added processing and marketing, or rural small business
11 assistance or any combination of those issues.

12 Subp. 17. **Program.** "Program" means the grant-making
13 activities of the council.

14 Subp. 18. **Project or rural development project.** "Project"
15 or "rural development project" means any activity funded or to
16 be funded by the council that seeks to accomplish one or more of
17 the goals specified in part 4360.0300 in one or more of the
18 priority rural development issue areas.

19 Subp. 19. **Project evaluation.** "Project evaluation" means
20 a comparison between the activities implementing the work
21 program and anticipated project results, as identified in the
22 project application, and the actual outcome of the project.

23 Subp. 20. **Project promotion.** "Project promotion" means a
24 method of informing the general public and others about project
25 activities, including the use of appropriate media, responding
26 to individual inquiries, mailings to appropriate groups, and
27 reporting to the council on project activities.

28 Subp. 21. **Project sponsor or sponsor.** "Project sponsor"
29 or "sponsor" means the person or entity that implements or
30 intends to implement a rural development project, whether or not
31 acting through a fiscal agent.

32 Subp. 22. **Project sponsor or fiscal agent.** "Project
33 sponsor or fiscal agent" means, unless a contrary meaning is
34 clearly intended, that the project sponsor is ultimately
35 responsible for the required action and that if a fiscal agent
36 is used, the fiscal agent is responsible to the sponsor to take

1 the required act and the project sponsor is responsible for the
2 same act only in the event that the fiscal agent is unwilling or
3 unable to take the required action.

4 Subp. 23. Rural. "Rural" means places within the state
5 other than first class cities as defined in Minnesota Statutes,
6 section 410.01.

7 Subp. 24. Rural small business. "Rural small business"
8 means a business entity, including its affiliates, that:

9 A. is independently owned and operated for a profit;

10 B. is not dominant in its field;

11 C. employs fewer than 50 full-time employees or has
12 gross annual sales less than \$4,000,000; and

13 D. is located in rural Minnesota.

14 Subp. 25. Seed grant. "Seed grant" means a small initial
15 award of funds to a project sponsor awarded to attract other
16 grants and contributions to the project from other sources.

17 Subp. 26. Start-up capital. "Start-up capital" means
18 money or credit used by the owner of a for-profit business to
19 begin operating that business for the first time.

20 Subp. 27. Value added. "Value added" means the increased
21 worth of Minnesota agriculture and forest resources that is
22 caused by the introduction of higher cost crops into the state,
23 or the additional processing of existing crops, livestock, and
24 forest products that occur within a locality or the state,
25 rather than outside of the state.

26 4360.0200 COUNCIL PURPOSE.

27 The council serves as a forum for identifying the priority
28 rural development issues in Minnesota and developing goals and
29 strategies for addressing those issues through the use of
30 technical and financial resources available to the council.

31 4360.0300 PRIORITY RURAL DEVELOPMENT ISSUE AREAS AND GOALS.

32 Subpart 1. Scope. The council, through the rural
33 development grant programs, provides grants to qualified
34 organizations to implement rural development projects. To most
35 effectively meet the needs of rural Minnesota, the council has

1 established the three priority issue areas in subparts 2 to 4
2 and goals for projects within each area. To the extent of
3 legislative appropriations, the council makes funds available
4 for projects that seek to accomplish one or more of the goals in
5 one or more of the priority issue areas.

6 Subp. 2. Family farm and agricultural land protection
7 issue area; goals. The council's goals in the family farm and
8 agricultural land protection issue area are to:

9 A. protect the quality and quantity of the
10 agricultural land in the state through the use of resource
11 management practices or land use planning and zoning;

12 B. promote an agricultural land protection awareness
13 and understanding by the farm and nonfarm populations of all
14 ages;

15 C. preserve the family farm structure by enhancing
16 the potential for increased farm income, especially for
17 beginning farmers, through business management and other nonloan
18 forms of assistance; and

19 D. provide information and education programs that
20 will increase the appreciation and understanding of basic
21 agricultural production, its role in the economy, and current
22 farm issues, by consumers, nonfarm segments of the population,
23 members of the state legislature and congress, and other
24 residents of the state.

25 Subp. 3. Value-added processing and marketing issue area;
26 goals. The council's goals in the value-added processing and
27 marketing issue area are to:

28 A. research and identify new products, processes, and
29 services to add value to Minnesota agricultural and forest
30 resources;

31 B. inform Minnesotans about opportunities and the
32 skills required to take advantage of processes, products,
33 growing crops, and markets that add value to Minnesota resources;

34 C. provide resources to Minnesotans to act on
35 growing, processing, and marketing opportunities through grants,
36 matching funds, and help from state organizations and agencies;

1 and

2 D. measure project results and inform the public
3 about the results from experimental projects.

4 Subp. 4. Rural small business assistance issue area;
5 goals. The council's goals in the rural small business
6 assistance issue area are to:

7 A. provide technical and management assistance for
8 rural small businesses;

9 B. establish formal networks to assist rural small
10 businesses and technical resources in rural Minnesota with
11 information sharing; and

12 C. encourage enterprise development to improve
13 management, marketing, business skills, and availability of risk
14 capital.

15 4360.0400 PROJECT START AND END DATE.

16 The project start date for each project is 30 days after
17 approval of the project by the council at its annual meeting. A
18 project sponsor or fiscal agent shall not make a contract for
19 services or supplies before receiving written notification of
20 funding from the council. Grant program guidelines shall be
21 published in the State Register 90 days before the deadline for
22 submission of grant applications. No grant may be made to cover
23 a period longer than one year from the project start date.

24 4360.0500 FISCAL AGENT.

25 A project sponsor not meeting the requirements for an
26 eligible applicant under part 4360.0800, subpart 2 or 4360.1000,
27 subpart 2 shall use, and a project sponsor meeting those
28 requirements may use, the services of a fiscal agent to accept
29 council grant funds on the sponsor's behalf, pay project
30 expenses, and prepare financial reports and the final audit.
31 The sponsor and the fiscal agent must both sign the application
32 and, if a grant is received, the sponsor and the fiscal agent
33 must both sign the grant agreement. When a fiscal agent is
34 used, the project sponsor remains ultimately responsible for the
35 completion of the project, the proper management of the grant

1 funds and other acts of the fiscal agent, notwithstanding any
2 agreement between the sponsor and the fiscal agent requiring the
3 agent to take any acts on behalf of the sponsor. The portion of
4 fiscal agent fees directly attributable to the grant, up to a
5 maximum of ten percent of the grant, may be included in the
6 amount of grant funds requested from the council.

7 4360.0600 RESTRICTIONS.

8 Subpart 1. **Equipment.** The use of council grant funds for
9 the purchase of equipment is prohibited except as provided in
10 this subpart. A project sponsor desiring to purchase equipment
11 with grant funds must show that equipment is essential to the
12 implementation of the project, and that the equipment is not
13 available for lease or rent during the grant period or that the
14 equipment will cost more to rent or lease than to buy.

15 Subp. 2. **Application costs.** Grant funds shall not be used
16 to pay any cost incurred in the preparation or submission of any
17 grant application to the council.

18 Subp. 3. **Late applications.** A project application that is
19 incomplete or received after the deadline for application will
20 not be considered for funding in the fiscal year in which it is
21 received.

22 Subp. 4. **Discussion of applications.** Council staff,
23 council members, employees of the Department of Energy and
24 Economic Development, employees of the State Board of
25 Investments, and other persons advising the council or the
26 commissioner shall not discuss a project application with either
27 a project sponsor or fiscal agent at any time between the time
28 the project application is submitted to the council and the time
29 the council makes its recommendation to the commissioner.

30 4360.0700 APPLICATION PROCESS.

31 Subpart 1. **In general.** To apply for grant funds, the
32 project sponsor and any fiscal agent shall submit a completed
33 and signed application form to the commissioner on a form
34 approved by the commissioner.

35 Subp. 2. **Contents.** A complete application consists of the

1 following:

2 A. 20 copies of the completed and signed application
3 form; and

4 B. 20 copies of all letters of commitment for all
5 matching funds. Sources of matching funds and the type (for
6 example, money or in-kind support) and amount of the funds must
7 also be stated in the application form.

8 Subp. 3. **Application submission deadlines.** A completed
9 application for grant funds shall be submitted to the council
10 according to the following schedule:

11 A. Demonstration grants - the last business day of
12 the third week in January.

13 B. Seed grants - the last business day of the second
14 week in December.

15 Subp. 4. **Submission to regional development commissions.**

16 A project sponsor or any fiscal agent that is a governmental
17 unit or a public educational institution must submit one copy of
18 the completed application form and letters of commitment for
19 requested matching funds to the appropriate regional development
20 commission for review and comment where a commission exists, or
21 the Metropolitan Council, where it has jurisdiction, in
22 accordance with Minnesota Statutes, section 462.391, subdivision
23 3, or 473.171, respectively, no later than the appropriate
24 application deadline date.

25 Subp. 5. **Address.** Application materials must be submitted
26 to: Governor's Rural Development Council, Minnesota Department
27 of Energy and Economic Development, 900 American Center
28 Building, 150 East Kellogg Boulevard, Saint Paul, Minnesota
29 55101.

30 Subp. 6. **Council review.** Within 90 days after the
31 application deadline, the council shall complete its review and
32 select those projects to be recommended to the commissioner for
33 grants.

34 Subp. 7. **Notification.** Immediately following approval or
35 disapproval of a grant by the commissioner, the council staff
36 shall notify the project sponsor or fiscal agent, as

1 appropriate, of the action taken by the commissioner.

2 Subp. 8. Grant agreement. The sponsor and fiscal agent,
3 if a fiscal agent is used, of a project that is recommended by
4 the council to the commissioner must sign a grant agreement that
5 states the conditions to which the grant is subject. Upon
6 approval of the grant by the commissioner, the grant agreement
7 must be processed by the commissioner and the Department of
8 Finance. The council staff shall provide a copy of the fully
9 executed grant agreement, forms for all required reporting, and
10 other information to the project sponsor and any fiscal agent.

11 Subp. 9. Grant close-out. At the next council meeting
12 following receipt of the reports required by part 4360.0900, or
13 4360.1100, the council shall review the reports received and
14 determine whether the project sponsor or fiscal agent has
15 complied with parts 4360.0100 to 4360.1100 and the conditions of
16 the grant agreement, and notify each project sponsor or fiscal
17 agent whether it has complied.

18 Subp. 10. Unexpended grant funds. If, during the grant
19 close-out required by subpart 9, the council determines that any
20 grant funds have not yet been expended for project purposes, the
21 council shall require the sponsor or fiscal agent to return the
22 unexpended grant funds to the council. Upon request of the
23 council, a project sponsor or fiscal agent shall return
24 unexpended funds to the council.

25 Subp. 11. Denial and revocation of grant funds. If the
26 council determines on the basis of a quarterly, final, or other
27 report that a project sponsor or fiscal agent has violated or
28 may violate a provision of parts 4360.0100 to 4360.1100 or a
29 condition of the grant agreement, or both, the council may
30 withhold grant funds not yet released or may require the return
31 of grant funds already released. Upon request of the council,
32 the project sponsor or fiscal agent shall return grant funds to
33 the council.

34 TYPES OF GRANTS AVAILABLE

35 4360.0800 DEMONSTRATION GRANTS.

1 Subpart 1. **Purpose.** The council, through the
2 demonstration grant program, provides grant funds to nonprofit
3 organizations, public institutions, units of state and local
4 government, and special districts within the state for
5 innovative projects with potential statewide applications that
6 seek to accomplish one or more of the goals in one or more of
7 the priority issue areas established in part 4360.0110. The
8 intent of the demonstration grants program is to assist
9 organizations unable to provide financing from their own
10 resources or unable to obtain financing from conventional
11 sources.

12 Subp. 2. **Eligible applicants.** Nonprofit organizations,
13 units of state and local government, public institutions, and
14 special districts within Minnesota are eligible to apply for
15 demonstration grants.

16 Subp. 3. **Eligible use of funds.** The council shall
17 consider applications for grant funds for proposed demonstration
18 projects begun before or after the effective date of parts
19 4360.0100 to 4360.1100 that:

20 A. will use grant funds for action-oriented, as
21 opposed to studies or plans, components of the project;

22 B. provide direct benefit to farmers, immediate farm
23 family members, or low income rural residents of Minnesota;

24 C. have objectively measurable short-term (less than
25 12 months) results;

26 D. inform those regional development commissions or
27 other entities referred to in part 4360.0700, subpart 4 of the
28 existence of the project; and

29 E. seek to accomplish any of the goals in one or more
30 of the three priority issue areas related to the project.

31 Subp. 4. **Ineligible use of funds.** The council shall not
32 consider an application for grant funds for a proposed project
33 that:

34 A. does not primarily serve the needs of farmers,
35 immediate farm family members, or low income rural residents of
36 Minnesota;

1 B. will use council grant funds for physical
2 construction or improvement of existing facilities;

3 C. duplicates or is substantially similar to other
4 programs or efforts already being made within the state;

5 D. uses council grant funds to provide operating
6 capital or start-up capital for for-profit private businesses or
7 enterprises;

8 E. has not been submitted by the project sponsor or
9 fiscal agent to regional development commissions or other
10 entities for review and comment as required by law; or

11 F. does not seek to accomplish any of the goals in
12 one or more of the three priority areas related to the project.

13 Subp. 5. Grant limits. A request for a demonstration
14 grant may not exceed:

15 A. \$60,000 or 70 percent of the total cost of the
16 project, whichever is less, for the first year of a project;

17 B. \$40,000 or 50 percent of the total cost of the
18 project, whichever is less, for the second year of a project; or

19 C. \$20,000 or 30 percent of the total cost of the
20 project, for the third year of a project, whichever is less.

21 Subp. 6. Continued support. Support for demonstration
22 projects is determined annually by the council on a competitive
23 basis. Support for a project in the first year does not
24 obligate the council to continue the support in a second or
25 third year. The determination whether to continue support for a
26 project must be based on the success of the project and the need
27 for further grant-supported activities. A project sponsor must
28 provide at least 15 percent of the total project cost in cash.

29 Subp. 7. Letters of commitment. Letters verifying the
30 commitment of required matching funds must be submitted to the
31 council at the time of application for demonstration project
32 grants.

33 Subp. 8. Criteria for application review and selection.
34 Demonstration project grant applications shall be reviewed by
35 council staff, technical advisors to the council, and
36 subcommittees as the council may direct, who shall make

1 recommendations to the council. Applications shall be ranked by
2 the council based upon the following factors:

3 A. the extent to which the project will meet the
4 council's issue area goals (maximum 15 points);

5 B. the innovative qualities of the project, or the
6 extent to which project results will provide new knowledge and
7 benefits to rural residents (maximum 15 points);

8 C. the potential for future project replication in
9 other areas of rural Minnesota, or the statewide impact of the
10 project (maximum 15 points);

11 D. the merit of the project design and implementation
12 plan (maximum 15 points);

13 E. the feasibility of the project work program,
14 budget, and timeline for completion (maximum ten points);

15 F. the project sponsor's experience and ability to
16 successfully implement the demonstration project (maximum ten
17 points);

18 G. the potential for future leveraging of other
19 sources of funds, or the ability to become self-sufficient
20 (maximum ten points);

21 H. the proposed methods for publicizing project
22 activities and results (maximum five points); and

23 I. the level of proposed coordination with
24 appropriate local, state, and federal agencies and organizations
25 with expertise in the project area (maximum five points).

26 Subp. 9. Deadline for release of funds. The council shall
27 release grant funds to the sponsor or, if a fiscal agent is
28 used, to the fiscal agent, according to the schedule contained
29 in items A to C and the sponsor should plan expenditures with
30 the following deadlines in mind:

31 A. The council shall release the initial 40 percent
32 of the total grant funds upon execution of the grant agreement.

33 B. The council shall release an additional 40 percent
34 of the total grant funds upon receipt of an expenditure report
35 covering the portion of grant funds released under item A, that
36 demonstrates compliance with parts 4360.0100 to 4360.1100 and

1 the conditions of the grant agreement.

2 C. The council shall release the final 20 percent of
3 the total grant funds upon receipt of all reports required by
4 part 4360.0900.

5 Subp. 10. **Accounts required.** The sponsor or fiscal agent
6 shall establish and maintain for each project separate
7 bookkeeping accounts for grant funds, matching funds in the form
8 of money, and in-kind matching funds.

9 4360.0900 DEMONSTRATION GRANT REPORTING REQUIREMENTS.

10 A project sponsor or fiscal agent receiving a demonstration
11 grant shall submit the following reports to the council:

12 A. quarterly reports, on a form provided by the
13 council, shall be submitted once each calendar quarter in the
14 third week of the last month of the quarter according to the
15 following schedule: first quarter (January, February, March);
16 second quarter (April, May, June); third quarter (July, August,
17 September); and fourth quarter (October, November, December),
18 and a time period not covered in any report shall be addressed
19 in the next subsequent report; the quarterly report shall
20 include a project promotion and publicity component that will
21 clearly show the progress of the project during the quarter in
22 order to provide the general public, target population groups,
23 members of the council, and other funders with timely
24 communication on major project activities;

25 B. an expenditure report, showing in detail the
26 purposes for which the initial 40 percent of the grant funds
27 were spent and showing that those purposes complied with parts
28 4360.0100 to 4360.1100 and the conditions of the grant agreement;

29 C. a final expenditure report, showing in detail the
30 purposes for which the second 40 percent of the grant funds were
31 spent, and showing that those purposes complied with parts
32 4360.0100 to 4360.1100 and the conditions of the grant agreement;

33 D. a final project evaluation report, on a form
34 provided by the council, to be submitted at least three weeks
35 before the close of the final grant year for the project;

1 E. a brief narrative report, suitable for
2 publication, explaining the project, the activities conducted
3 during the grant period, and any suggestions based upon the
4 experience of the sponsor that can be shared with organizations
5 or individuals interested in replicating the project, to be
6 submitted at least three weeks before the close of the final
7 grant year for the project; and

8 F. a final audit, based upon generally accepted
9 principals of accounting, of both grant funds and matching
10 funds, demonstrating compliance with parts 4360.0100 to
11 4360.1100 and the conditions of the grant agreement, to be
12 submitted at least three weeks before the close of the final
13 grant year for the project; and

14 G. a publicity report outlining the results of the
15 project sponsor's ongoing promotion and publicity activities, to
16 be submitted at least three weeks before the close of the final
17 grant year for the project.

18 4360.1000 SEED GRANT.

19 Subpart 1. **Purpose.** The council, through the seed grant
20 program, provides grant funds to encourage promising projects by
21 providing funds that will attract other grants and contributions.

22 Subp. 2. **Eligible applicants.** Nonprofit organizations,
23 units of state and local government, public institutions, and
24 special districts within the state are eligible to apply for
25 seed grants.

26 Subp. 3. **Eligible uses of funds.** The council shall
27 consider applications for seed grant funds for proposed projects
28 that:

29 A. seek to accomplish one or more of the goals in one
30 or more of the three priority issue areas that are related to
31 the project;

32 B. will use seed grant funds to leverage other public
33 or private funds or both public and private funds;

34 C. provide direct benefit to farmers, immediate farm
35 family members, or low-income rural residents of Minnesota;

1 D. have objectively measurable short-term (less than
2 12 months) results;

3 E. will use seed grant funds to implement new and
4 innovative projects and programs; and

5 F. inform appropriate agencies and organizations of
6 the existence of the project.

7 Subp. 4. **Ineligible uses of funds.** The council shall not
8 consider an application for seed grant funds for a proposed
9 project that:

10 A. is receiving or has received council demonstration
11 or seed grant funds;

12 B. does not primarily serve the needs of farmers,
13 immediate farm family members, or low-income rural residents of
14 Minnesota;

15 C. will use seed grant funds for physical
16 construction or improvement of existing facilities;

17 D. duplicates or is substantially similar to other
18 efforts already being made in the state;

19 E. uses seed grant funds to provide operating capital
20 or start-up capital for for-profit private businesses or
21 enterprises;

22 F. will replicate a council demonstration project in
23 another geographic area of the state;

24 G. has not been submitted by the project sponsor to
25 other agencies of federal, state, or local government for review
26 and comment, as required by law; or

27 H. does not seek to accomplish one or more of the
28 goals in one or more of the three priority issue areas related
29 to the project.

30 Subp. 5. **Matching funds required.** A project sponsor must
31 demonstrate the ability to secure matching funds equal to 70
32 percent of the total project cost for the grant period.

33 Matching funds that have been secured before the time of
34 application must be documented by submitting a letter of
35 commitment from the source of the matching funds. A project
36 sponsor must include in its application a fundraising strategy

1 and identification of potential sources of matching funds. A
2 project sponsor must provide at least 15 percent of the total
3 project cost in cash.

4 Subp. 6. Grant limits. Seed grants may be made for up to
5 the lesser of 30 percent of the total project cost for the grant
6 period or \$10,000. Seed grants are available on a one-time
7 basis and may not be considered as a source of future or
8 continuing support for projects.

9 Subp. 7. Criteria for application review and selection.
10 Seed grant applications shall be reviewed by council staff,
11 technical advisors to the council, and subcommittees as the
12 council may direct, who shall make recommendations to the
13 council. Applications shall be ranked by the council based upon
14 the following factors:

15 A. the extent to which the project will meet the
16 council's issue area goals (maximum ten points);

17 B. the potential for leveraging other sources of
18 funds to meet local match requirements (maximum ten points);

19 C. the merit of the project design and implementation
20 plan (maximum ten points);

21 D. the innovative qualities of the project or whether
22 the project results will provide new knowledge and benefits to
23 rural residents (maximum ten points);

24 E. the feasibility of the project work program,
25 budget, and timeline for completion (maximum five points); and

26 F. the project sponsor's experience and ability to
27 successfully implement the project (maximum five points).

28 Subp. 8. Deadline for release of funds. The council shall
29 release grant funds to the sponsor or, if a fiscal agent is
30 used, to the fiscal agent according to the schedule contained in
31 items A to C, and the project sponsor should plan grant-related
32 expenditures with the following deadlines in mind:

33 A. The council shall release the initial 40 percent
34 of the total grant funds upon execution of the grant agreement.

35 B. The council shall release an additional 40 percent
36 of the total grant funds upon receipt of an expenditure report

1 covering the portion of grant funds released under item A, that
2 demonstrates compliance with parts 4360.0100 to 4360.1100 and
3 the conditions of the grant agreement.

4 C. The council shall release the final 20 percent of
5 the total grant funds upon receipt of letters of commitment for
6 matching funds and all reports required by part 4360.1100.

7 4360.1100 SEED GRANT REPORTING REQUIREMENTS.

8 A project sponsor or fiscal agent shall submit to the
9 council quarterly reports, an expenditure report, a final
10 expenditure report, a final project evaluation report, a brief
11 narrative report, a final audit, and a publicity report
12 containing the same material and subject to the same
13 requirements as the reports required in part 4360.0900, except
14 that the reports required by this part shall contain information
15 on and be submitted for the purpose of seed grants.

16 4360.1200 INCORPORATION BY REFERENCE.

17 The Office of Management and Budget's Standard Industrial
18 Classification Manual (Manual), published by the Office of
19 Federal Statistical Policy and Standards, U.S. Department of
20 Commerce, is adopted by incorporation by reference. The Manual
21 was last published in 1977, is not subject to frequent change.
22 It is available from the Superintendent of Documents, U.S.
23 Government Printing Office, Washington, D.C. 20402 (Stock Number
24 4101-0066), and the State Law Library, 117 University Avenue,
25 St. Paul, Minnesota 55155.