

1.1 **Department of Human Services**1.2 **Proposed Permanent Rules Relating to Community Action Programs**1.3 **3350.0010 PURPOSE.**

1.4 ~~Parts 3350.0010 to 3350.0200 establish~~ This chapter establishes procedures for the
1.5 ~~designation and recognition of community action agencies, and for the granting of CSBG~~
1.6 ~~and MEOG funds for~~ to recognize and fund community action programs. ~~Programs~~
1.7 ~~Entities eligible for funding are those operated by agencies which receive and maintain~~
1.8 ~~both designation and recognition.~~ to receive, recognize, and operate community action
1.9 programs include community action agencies, Indian tribal governments, and migrant
1.10 and seasonal farmworker organizations.

1.11 **3350.0020 DEFINITIONS.**

1.12 Subpart 1. **Scope.** ~~As used in parts 3350.0010 to 3350.0200, the following terms~~
1.13 The terms used in this chapter have the meanings given them in this part.

1.14 Subp. 2. **Act.** "Act" means Minnesota Statutes, sections 256E.30 to 256E.32,~~as~~
1.15 ~~amended.~~

1.16 Subp. 3. **Applicant.** "Applicant" means a community action agency, ~~including~~
1.17 ~~an Indian reservation tribal government, or the Midwest Farmworker Employment and~~
1.18 ~~Training, Inc.,~~ a migrant and seasonal farmworker organization, which applies ~~annually~~
1.19 for a grant under the act from the department to fund a community action program.

1.20 Subp. 4. **Cessation.** "Cessation" means a voluntary end to the performance of all
1.21 community action program services by a community action agency in a service area as
1.22 provided for in part 3350.0050 and the removal of the agency's designation for the entire
1.23 area ~~which~~ that does not create the right of appeal.

1.24 Subp. 5. **Commissioner.** "Commissioner" means the commissioner of the
1.25 Minnesota Department of ~~Employment and Economic Development~~ Human Services.

2.1 Subp. 6. **Community.** "Community" means the people to be served by the
2.2 community action agency, Indian tribal government, or migrant and seasonal farmworker
2.3 organization in its service area.

2.4 Subp. 7. **Community action agency (CAA).** "Community action agency" or
2.5 "CAA" means an entity which that:

2.6 A. has the authority to receive funds under Minnesota Statutes, section
2.7 256E.30, to support community action programs as described in Minnesota Statutes,
2.8 section 256E.32;

2.9 B. has previously been determined eligible under federal law and regulations or
2.10 is eligible under federal law and regulations; and

2.11 C. has previously been designated and recognized or is designated as provided
2.12 under part 3350.0030 and recognized as provided under part 3350.0040.

2.13 Subp. 8. **Community action program.** "Community action program" means
2.14 activities consistent with ~~the objectives of~~ Minnesota Statutes, section 256E.32.

2.15 Subp. 9. **Community services block grant (CSBG).** "Community services block
2.16 grant" or "CSBG" means federal funds authorized by ~~Public Law 97-35, title 6, subtitle B,~~
2.17 ~~as amended~~ United States Code, title 42, chapter 106, sections 9901-9926, and disbursed
2.18 to ~~CAAs~~ grantees by the formula in the act.

2.19 Subp. 10. **Denial.** "Denial" means the department's rejection of a proposed
2.20 application for grant funds due to the applicant's failure to meet the requirements of part
2.21 3350.0170, subpart 6.

2.22 Subp. 11. **Department.** "Department" means the Minnesota Department of
2.23 ~~Employment and Economic Development~~ Human Services.

3.1 Subp. 12. **Designation.** "Designation" means selection of an entity as a service
3.2 area's exclusive ~~CAA~~ community action agency by a governing body after a public
3.3 hearing has been held.

3.4 Subp. 13. **Designee.** "Designee" means an entity nominated by a governing body to
3.5 become a ~~CAA~~ community action agency.

3.6 Subp. 14. **Governing body.** "Governing body" means the elected governmental
3.7 authority of a political subdivision, as defined in subpart 19, which has the power to
3.8 designate a ~~CAA~~ community action agency.

3.9 Subp. 15. **Grant.** "Grant" means an allocation of Minnesota ~~economic opportunity~~
3.10 ~~grant or CSBG~~ community action grant or community services block grant funds or both
3.11 to an applicant in support of a community action program described in the application,
3.12 approved by the department, and embodied in a grant contract.

3.13 Subp. 15a. **Grant contract.** "Grant contract" means a written instrument that defines
3.14 the legal relationship between the department and a grantee when the principal purpose
3.15 of the relationship is to transfer Minnesota community action grant funds or community
3.16 services block grant funds or both to the grantee to support a community action program.
3.17 The grant contract must contain the following contract clauses:

3.18 A. how often the grantee must submit client and fiscal performance reports and
3.19 financial status reports;

3.20 B. audit requirements as specified by state and federal law;

3.21 C. that any alteration to the grant contract and its attachments must be made in
3.22 writing and executed by the same parties who executed the original grant contract, or their
3.23 successors in office; and

3.24 D. how long records must be kept by the grantee according to state and federal
3.25 law.

4.1 Subp. 16. **Grantee.** "Grantee" means ~~any CAA, including a community action~~
4.2 ~~agency, an Indian reservation tribal government, or the Midwest Farmworker Employment~~
4.3 ~~and Training, Inc., a migrant and seasonal farmworker organization,~~ whose application
4.4 to receive Minnesota ~~economic opportunity~~ community action grant money or ~~CSBG~~
4.5 community service block grant money, or both, has been approved by the department.

4.6 Subp. 17. **Local unit of government.** "Local unit of government" means counties,
4.7 Indian ~~reservation~~ tribal governments, cities, and townships.

4.8 Subp. 18. **Minnesota ~~economic opportunity~~ community action grant (MEOG).**
4.9 "Minnesota ~~economic opportunity~~ community action grant" or "MEOG" means state
4.10 appropriated funds disbursed to grantees by the formula in the act.

4.11 Subp. 19. **Political subdivision.** "Political subdivision" means a local unit of
4.12 government ~~which~~ that has jurisdiction over the entire area served by a ~~CAA~~ community
4.13 action agency. Under no circumstances will the governmental unit be smaller than a
4.14 county unless the service area of the ~~CAA~~ community action agency coincides with the
4.15 jurisdictional boundaries of the local unit of government.

4.16 Subp. 20. **Recognition.** "Recognition" means a process of:

4.17 A. review by the department to assure compliance with applicable state and
4.18 federal law and the designation procedures ~~as provided~~ in part 3350.0040, subpart 1;

4.19 B. referral to the governor of the department's request for recognition as
4.20 ~~provided~~ in part 3350.0040, subpart 3; and

4.21 C. approval by the governor of the request for recognition.

4.22 Subp. 21. **Service area.** "Service area" means the geographic boundaries in which a
4.23 community action agency is designated to operate.

5.1 Subp. 22. **Subgrantee.** "Subgrantee" means any entity ~~with which~~ that a grantee
5.2 contracts to perform some or all of the community action program services authorized
5.3 under a grant.

5.4 Subp. 23. **Termination.** "Termination" means the involuntary and permanent
5.5 elimination of or reduction in available grant money to a ~~CAA which~~ grantee that gives
5.6 rise to a ~~CAA's~~ grantee's right of appeal under part 3350.0060, subpart 5, and which
5.7 may also coincide with the removal of a ~~CAA's~~ community action agency's designation
5.8 or recognition.

5.9 Subp. 24. **Withholding.** "Withholding" means the department's reservation of
5.10 funds available under ~~an approved application~~ a grant as provided in part 3350.0100
5.11 until corrective action by a ~~CAA~~ grantee has successfully remedied a defect identified
5.12 by the department.

5.13 **3350.0030 DESIGNATION OF COMMUNITY ACTION AGENCIES.**

5.14 Subpart 1. **Authority to designate.** The designation of a ~~CAA~~ is community action
5.15 agency must be made by the political subdivision or combination of political subdivisions
5.16 having jurisdiction over the entire area to be served. A designation must be made by the
5.17 governing body of a political subdivision whose boundaries are at least coextensive with
5.18 the proposed service area. The power to designate may not be delegated.

5.19 Subp. 2. **Notice and documents.** Before a designee may be designated as a ~~CAA~~
5.20 community action agency by a political subdivision, the governing body of the political
5.21 subdivision having the requisite authority must prepare and file with the department a
5.22 notice of intent to designate and eligibility documents applicable to the designee. The
5.23 notice of intent to designate must state how the designee meets the requirements for
5.24 an eligible entity established under the ~~CSBG~~ Community Services Block Grant Act.
5.25 Eligibility documents are the following:

6.1 A. evidence of designee's incorporation or proposed efforts toward
6.2 incorporation, if applicable;

6.3 B. evidence of tax exempt status or proposed efforts toward achieving tax
6.4 exempt status, if applicable;

6.5 C. assurance of compliance with the act, including requirements for the
6.6 composition of the designee's existing or proposed board of directors;

6.7 D. ~~a detailed map of all geographic areas and political subdivisions in the~~
6.8 ~~proposed service area as well as all immediately adjacent areas and subdivisions in the~~
6.9 ~~same county or counties which are excluded from~~ statement that describes the proposed
6.10 area to be served; and

6.11 E. a proposed mission statement.

6.12 Subp. 3. **Notice of public hearing.** After the notice of intent to designate and
6.13 the eligibility documents have been filed with the department, the governing body must
6.14 hold a public hearing on the proposed designation. Notice of the hearing must be given
6.15 according to items A to D.

6.16 A. At least 30 calendar days before the hearing date, the governing body
6.17 must send a copy of the notice of intent to designate and information on the date, time,
6.18 location, and subject matter of the public hearing to all local units of government within
6.19 the designee's intended service area. During the 30 days before the hearing, the affected
6.20 local units of government will have an opportunity to respond in writing to the proposed
6.21 designation. All comments received will be included in the official record of the hearing.

6.22 B. During the 30-day period and at least ten calendar days before the hearing,
6.23 the governing body must also publish a notice of public hearing in a daily newspaper of
6.24 general circulation at the county seat of each county in the designee's proposed service

7.1 area. The published notice must describe the time, date, location, and subject matter of
7.2 the public hearing.

7.3 C. The governing body must inform the department of the public hearing at least
7.4 30 calendar days before the hearing date.

7.5 D. Furthermore, Within the 30-day period and at least ten calendar days before
7.6 the public hearing, the department must mail notice of the public hearing to all low-income
7.7 households identified in the proposed service area. This mailed notice must be mailed
7.8 information on contain the date, time, location, and subject matter of the public hearing.
7.9 ~~The governing body will inform the department of the public hearing at least 30 calendar~~
7.10 ~~days before the hearing date. The department will notify low-income households identified~~
7.11 ~~in the proposed service area of the public hearing.~~ Identified low-income households are
7.12 those specified on the previous ~~CAA's~~ community action agency's list or lists of clients.

7.13 Subp. 4. **Public hearing.** A public hearing must be held 30 calendar days before
7.14 designation may occur. If the area to be served by the designee includes more than one
7.15 county, a public hearing in conformity with ~~the procedures of this part~~ must be held in
7.16 each county to be served.

7.17 Subp. 5. **Hearing procedure.** The governing body will appoint a presiding officer
7.18 to conduct the public hearing. The governing body, however, may not appoint one of its
7.19 current members as the presiding officer. The presiding officer will not have a vested
7.20 interest in the outcome of the proposed designation and will ensure that all persons
7.21 involved in the hearing are treated fairly and impartially. At the public hearing, the
7.22 representative of the designee and a representative of the governing body will make an
7.23 affirmative presentation of facts establishing the designee's qualifications, expertise, and
7.24 experience in providing community action program services to low-income people.
7.25 Furthermore, the designee's representative will describe the mission of the community
7.26 action program, the focus and direction of proposed services, and the goals for outreach

8.1 to and participation by low-income people. The designee may rely upon facts presented
8.2 by others on the record during the hearing to support its proposed designation. At the
8.3 hearing, any interested person will be given the opportunity to present testimony and to
8.4 ask questions of the designee's representative and of the governing body's representative.
8.5 Furthermore, any interested party may submit written comments or exhibits.

8.6 Subp. 6. **Official record.** An official record of the hearing consisting of an
8.7 electronic recording and minutes of the proceedings ~~will~~ must be kept. The official record
8.8 ~~will~~ must also include all testimony, written comments, and exhibits received pertaining to
8.9 the proposed designation. The hearing record ~~will~~ must remain open to receive written
8.10 comments and exhibits for 20 calendar days following the date of hearing.

8.11 Subp. 7. [See repealer.]

8.12 Subp. 8. **Official resolution.** Once the ~~summary~~ official record of the public
8.13 hearing is received and 30 calendar days have passed from the date of the hearing, the
8.14 governing body may act to designate the designee as a ~~CAA~~ community action agency.
8.15 The governing body ~~will~~ must pass a resolution designating the designee as a ~~CAA~~
8.16 community action agency if after review of the ~~summary~~ and official record the governing
8.17 body finds that:

8.18 A. the opinion of the community was fairly and impartially expressed;

8.19 B. the opinion of low-income people in particular was actively encouraged,
8.20 representatively sampled, and fairly expressed during the whole process;

8.21 C. the designee established the qualifications, expertise, and experience
8.22 necessary to be an effective ~~CAA~~ community action agency; and

8.23 D. the designee's proposed mission, services, and goals were supported by
8.24 testimony and written comments received as a result of the public hearing process.

9.1 Subp. 9. **Review by department.** Before provisional recognition may occur in part
9.2 3350.0040, subpart 1, the governing body must have submitted to the department for
9.3 review copies of the following documents:

9.4 A. eligibility documents required in subpart 2;

9.5 B. official resolution of the governing body designating the designee;

9.6 C. notices of public hearing and a list of all publications and dates of publication
9.7 of notices of hearing;

9.8 D. list of all local units of government sent copies of the notice of intent to
9.9 designate and the notice of public hearing, including any responses received;

9.10 E. affidavit of service of the notice of public hearing upon low-income
9.11 households identified in the service area; and

9.12 F. ~~official hearing record and summary~~ of the hearing.

9.13 Subp. 10. **Costs.** ~~All~~ Costs attributable to the designation process, including ~~all~~ costs
9.14 associated with public hearings other than contested case hearings, are the responsibility
9.15 of the governing body.

9.16 **3350.0040 RECOGNITION OF COMMUNITY ACTION AGENCIES.**

9.17 Subpart 1. **Provisional recognition.** The department will provisionally recognize a
9.18 designation if the department establishes compliance with applicable state law, federal
9.19 law, all the designation requirements of part 3350.0030, and, where applicable, with the
9.20 change of designation requirements of part 3350.0050. Provisional recognition may occur
9.21 within 60 calendar days of the department's receipt of the documents required in part
9.22 3350.0030, subpart 9, an approved transition plan, where applicable, as specified in part
9.23 3350.0050, subpart 4, and the most current copies of the following:

9.24 A. articles of incorporation and bylaws;

10.1 B. Internal Revenue Service certificate of 501(c)(3) tax exempt status and
10.2 Minnesota Department of Revenue certificate of tax exempt status where applicable to
10.3 nonprofit ~~CAAs~~ community action agencies; and

10.4 C. list of board of directors ~~which, including their addresses and telephone~~
10.5 numbers, that indicates officers and committee memberships, ~~tenure on the board,~~ and
10.6 the sector each director represents as ~~required by the act.~~

10.7 If the department finds noncompliance it ~~will~~ must inform both the governing body
10.8 and the designee within the 60-day period and, if possible, offer remedies for achieving
10.9 compliance.

10.10 Subp. 2. **Governor's recognition.** After the ~~applicable~~ requirements in subpart
10.11 1 have been met and the department has provisionally recognized a designation, the
10.12 department will request recognition by the governor.

10.13 Subp. 3. **Maintenance of recognition records.** To maintain recognition, a ~~CAA~~
10.14 community action agency must ~~annually ensure that the department has the most current~~
10.15 ~~copies of~~ maintain the following records and make current copies available to the
10.16 department as requested:

10.17 A. articles of incorporation with any amendments and bylaws with any
10.18 amendments;

10.19 B. Internal Revenue Service certificate of 501(c)(3) tax exempt status and
10.20 Minnesota Department of Revenue certificate of tax exempt status where applicable to
10.21 nonprofit ~~CAAs~~ community action agencies;

10.22 C. list of board of directors which indicates officers and committee
10.23 memberships, tenure on the board, and the sector each director represents as required
10.24 by the act;

10.25 D. board minutes of the past year and latest annual corporate report;

11.1 E. organizational chart, personnel policies, data privacy policies, affirmative
11.2 action plan, voter registration plan, and client service appeals policy; and

11.3 F. ~~narratives of the planning process and evaluation process~~ processes described
11.4 in parts 3350.0130 and 3350.0140, respectively.

11.5 Subp. 4. [See repealer.]

11.6 Subp. 5. **Merging of designated and recognized community action agencies.**Two
11.7 or more community action agencies previously designated by one or more governing
11.8 bodies and recognized by the state may seek approval to merge their organizations. The
11.9 boards of directors of the community action agencies seeking to merge must:

11.10 A. notify the department of their intent to merge;

11.11 B. submit to the department a transition plan for the composition of the board
11.12 of directors, the leadership and staffing of the merged agency, and the uninterrupted
11.13 continuation of services; and

11.14 C. provide documentation showing that the board of directors of each
11.15 community action agency involved in the proposed merger supports the merger.

11.16 Subp. 6. **Review and approval of merger transition plan.**The department has
11.17 60 days from the date of receipt of the transition plan to either approve or disapprove
11.18 the plan. The department may request additional information and meetings with the
11.19 boards of directors or their representatives and with the leadership of the agencies. The
11.20 department will consider the proximity of the service areas and the priorities listed in part
11.21 3350.0050, subpart 2, when it reviews proposed merger plans. If the transition plan is not
11.22 approved, the department must provide written comments and the options for remedy of
11.23 the department's concerns. The boards of directors may submit a subsequent transition
11.24 plan consistent with the department's comments.

11.25 **3350.0050 CESSATION AND CHANGE OF DESIGNATION.**

12.1 Subpart 1. **Circumstances for cessation.** A governing body may change its
12.2 designation of a ~~CAA~~ community action agency to serve the area under its jurisdiction
12.3 after a request to cease all community action program operation in the entire area has been
12.4 received from the designated ~~CAA~~ community action agency.

12.5 Subp. 2. **Priority among possible designees.** A governing body may choose a
12.6 designee under this part, in descending order of priority, by:

12.7 A. requesting an existing ~~CAA which~~ community action agency that is located
12.8 and is providing services in a contiguous area to expand its program operations into the
12.9 service area;

12.10 B. ~~if no~~ requesting an existing CAA in a contiguous area agrees to expand its
12.11 operations, requesting community action agency closest to the service area or an existing
12.12 ~~CAA closest to the service area or an existing CAA~~ community action agency within
12.13 reasonable proximity to the service area to expand its program operations into the service
12.14 area, if no existing community action agency in a contiguous area agrees to expand its
12.15 operations; and

12.16 C. ~~where no CAA accepts the request to operate in the service area~~ nominating
12.17 any entity eligible or potentially eligible to be designated under federal law and regulations
12.18 and to be recognized under part 3350.0040, when no community action agency accepts
12.19 the request to operate in the service area.

12.20 Subp. 3. **Procedure.** The governing body must follow the procedure ~~provided~~ in
12.21 part 3350.0030 in order to change designation and must also prepare a transition plan for
12.22 continuation of community action program services. The governing body must submit the
12.23 transition plan to the department simultaneously with the notice of intent to designate.
12.24 In addition to the notice requirements in part 3350.0030, subpart 3, the governing body
12.25 must also serve copies of the notice of intent to designate and the notice of public hearing

12.26 upon any existing CAA community action agency concurrently operating in the same
13.1 political subdivision and all subgrantees in the service area. Upon request, copies of
13.2 the designee's eligibility documents and the transition plan must be made available by
13.3 the governing body to any interested party.

13.4 Subp. 4. **Additional review by the department.** In addition to the review
13.5 requirements in part 3350.0030, subpart 9, the department must also review the transition
13.6 plan for service delivery in the interim before the governor's recognition as provided in
13.7 part 3350.0040, subpart 2. The department has 30 calendar days from the date of receipt
13.8 of the transition plan to either approve or disapprove of the plan. If the transition plan is
13.9 not approved, the governing body may not proceed to designate a CAA community action
13.10 agency under the procedure of part 3350.0030. Without an approved transition plan in
13.11 operation, the department will not forward to the governor a request for recognition as
13.12 provided in part 3350.0040. If the transition plan is not approved, the governing body may
13.13 submit a subsequent transition plan consistent with the department's comments. Along
13.14 with the transition plan, the department must also receive evidence of service of additional
13.15 notice on interested parties as required in subpart 3.

13.16 **3350.0060 TERMINATION FOR CAUSE.**

13.17 Subpart 1. **Cause.** A CAA's community action agency's funding, as well as its
13.18 designation or recognition, will be terminated for cause. An Indian tribal government's or
13.19 a migrant seasonal farmworker organization's funding will be terminated for cause. There
13.20 may be multiple causes which apply. Termination for cause includes the following:

13.21 A. actions threatening imminent danger to health or safety of members of
13.22 the community;

13.23 B. ~~unresponsiveness to service needs of low-income people or hindrance~~
13.24 ~~of participation by low-income people as provided in subpart 4;~~ failure to involve
13.25 low-income people in planning, oversight, and evaluation of programs and services;

14.1 C. ~~willful~~ violation of the terms of the grant contract by the CAA grantee
 14.2 including;

14.3 (1) failure to maintain financial procedures, reports, and audits according to
 14.4 part 3350.0160, subparts 1 and 2;

14.5 (2) failure to maintain recognition according to part 3350.0040, subpart
 14.6 3; and

14.7 (3) failure to follow the requirements of federal and state laws;

14.8 D. failure to remedy a ~~short-term~~ defect after withholding or funding
 14.9 termination as provided in part 3350.0100, ~~subpart~~ subparts 2 and 4; or

14.10 E. ~~failure to remedy a long-term defect after funding termination as provided~~
 14.11 ~~in part 3350.0100, subpart 2; or~~

14.12 F. E. denial of an application as provided in part 3350.0170, subpart 6.

14.13 Subp. 2. **Termination by governing body of community action agency**
 14.14 **designation.** ~~After notification to the department, a governing body may terminate for~~
 14.15 ~~cause a CAA's designation. However, a governing body may only terminate a CAA's~~
 14.16 ~~designation under subpart 1, item A or B. If a CAA's designation is terminated and~~
 14.17 ~~the CAA's appeal rights have also been exhausted, funding must be terminated by the~~
 14.18 ~~department. Where the department intervenes as a party in a contested case concerning~~
 14.19 ~~termination of designation, funding by the department may be immediately terminated.~~
 14.20 ~~After adopting termination as official action, the governing body must serve the notice~~
 14.21 ~~of termination upon the CAA to be terminated. The notice must specifically explain the~~
 14.22 ~~cause for the termination of designation and how funding may be affected. Included with~~
 14.23 ~~the notice of termination must be a description of the CAA's appeal rights as provided for~~
 14.24 ~~in subpart 5. The governing body must also send to the department a copy of the notice of~~
 14.25 ~~termination. Upon request from the department, the CAA must provide its current list~~

15.1 ~~or lists of identified low-income households to the department. Identified low-income~~
15.2 ~~households are those specified on the CAA's list or lists of clients. The department will~~
15.3 ~~notify identified low-income households of the termination. With the copy of the notice~~
15.4 ~~of termination, the governing body may also submit to the department a transition plan~~
15.5 ~~for phasing out currently provided services and for substituting services in the interim~~
15.6 ~~until a successor CAA is recognized. The department must approve the plan as well as~~
15.7 ~~the interim agency providing community action program services. If the governing body~~
15.8 ~~has not submitted a transition plan with the copy of the notice of termination, it must do~~
15.9 ~~so by the close of any contested case hearing that may be held. If no contested case~~
15.10 ~~hearing is held, the governing body must submit the transition plan to the department at~~
15.11 ~~least simultaneously with the notice of intent to designate a successor CAA. A governing~~
15.12 ~~body may terminate a community action agency's designation for cause under subpart~~
15.13 ~~1, item A or B.~~

15.14 A. The governing body must follow the steps in subitems (1) to (4):

15.15 (1) adopt termination as the official action;

15.16 (2) notify the department of its intent to terminate the community action
15.17 agency's designation;

15.18 (3) serve notice of termination upon the community action agency to be
15.19 terminated and provide a copy to the department. The notice of termination must:

15.20 (a) explain the cause for termination;

15.21 (b) describe how the community action agency's funding may be
15.22 affected; and

15.23 (c) provide a description of the community action agency's appeal
15.24 rights according to subpart 5; and

16.1 (4) prepare a transition plan for phasing out currently provided services and
16.2 for substituting services in the interim until a successor community action agency is
16.3 recognized. The transition plan must be provided to the department no later than the close
16.4 of the contested case hearing on the appeal of the terminated community action agency or,
16.5 if no hearing is held, filing with the department the notice of intent to designate a successor
16.6 community action agency. The department must approve the plan as well as the interim
16.7 community action agency providing community action program services.

16.8 B. The department will notify low-income households of the termination. Upon
16.9 request from the department, the community action agency must provide its current list
16.10 or lists of identified low-income households to the department. Identified low-income
16.11 households are those specified on the community action agency's list or lists of clients.

16.12 C. If a community action agency's designation is terminated and the community
16.13 action agency's appeal rights have also been exhausted, the department must terminate
16.14 funding. Where the department intervenes as a party in a contested case concerning
16.15 termination of designation, funding by the department may be immediately terminated.

16.16 Subp. 3. **Termination by the department of community action agency funding**
16.17 **or recognition.** The department may terminate for cause a CAA's community action
16.18 agency's funding or recognition or both under subpart 1. However, the department
16.19 may not terminate a CAA's recognition or funding under subpart 1, item B. Wherever
16.20 appropriate, the department will proceed to withholding under part 3350.0100 before
16.21 acting to terminate the funding or recognition of a CAA. However, where withholding is
16.22 not an option, the department may proceed directly to termination under this part. Where
16.23 termination concerns a CAA's funding, the department may terminate all or part of current
16.24 or future funding. If the department terminates all future funding, it must also terminate a
16.25 CAA's recognition. Similarly, if the department terminates a CAA's recognition it must
16.26 also terminate funding. The department must serve the notice of termination upon the

17.1 ~~CAA to be terminated. The notice of termination must specifically explain the cause for~~
17.2 ~~the termination and specify the type and degree of termination, including the effect on~~
17.3 ~~funding. Included with the notice of termination must be a description of the CAA's~~
17.4 ~~appeal rights as provided for in subpart 5. The department must also send to the governing~~
17.5 ~~body a copy of the notice of termination. Upon request from the department, the CAA~~
17.6 ~~must provide its current list or lists of identified low-income households to the department.~~
17.7 ~~Identified low-income households are those specified on the CAA's list or lists of clients.~~
17.8 ~~The department will notify identified low-income households of the termination.~~

17.9 A. The department may terminate all or part of current or future funding for
17.10 a community action agency. If the department terminates all future funding, it must
17.11 also terminate a community action agency's recognition. If the department terminates a
17.12 community action agency's recognition it must also terminate funding.

17.13 B. If the department decides to terminate a community action agency's funding
17.14 or recognition, it will serve notice of termination upon the community action agency to be
17.15 terminated and provide a copy to the governing body. The notice of termination must:

17.16 (1) explain the cause for termination

17.17 (2) describe how the funding may be affected; and

17.18 (3) provide a description of the community action agency's appeal rights
17.19 according to subpart 5.

17.20 C. The department will notify identified low-income households of the
17.21 termination. Upon request from the department, the community action agency must
17.22 provide its current list or lists of identified low-income households to the department.
17.23 Identified low-income households are those specified on the community action agency's
17.24 list or lists of clients

17.25 Subp. 4. [See repealer.]

18.1 Subp. 4a. Termination by department of Indian tribal government or migrant
18.2 and seasonal farmworker organization funding. The department may terminate for
18.3 cause an Indian tribal government's or migrant and seasonal farmworker organization's
18.4 funding under subpart 1. The department may terminate all or part of current or future
18.5 funding for an Indian tribal government or migrant and seasonal farmworker organization.

18.6 A. If the department decides to terminate an Indian tribal government's or
18.7 migrant and seasonal farmworker organization's funding it will serve notice of termination
18.8 upon the Indian tribal government or migrant and seasonal farmworker organization
18.9 to be terminated and provide a copy to the tribal council or the migrant and seasonal
18.10 farmworker organization's board of directors. The notice of termination must:

18.11 (1) explain the cause of termination;

18.12 (2) describe how the funding may be affected; and

18.13 (3) provide a description of the Indian tribal government's or migrant and
18.14 seasonal farmworker organization's appeal rights according to subpart 5.

18.15 B. The department will notify identified low-income households of the
18.16 termination. Upon request from the department, the Indian tribal government or migrant
18.17 and seasonal farmworker organization must provide its current list or lists of identified
18.18 low-income households to the department. Identified low-income households are
18.19 those specified on the Indian tribal government's or migrant and seasonal farmworker
18.20 organization's list or lists of clients.

18.21 Subp. 5. Appeal procedure. If, after receipt of the notice of termination, a CAA
18.22 grantee is aggrieved, the CAA grantee may request a contested case hearing from the
18.23 department within 30 calendar days of the receipt of the notice. If the CAA's grantee's
18.24 request for a contested case hearing is not received by the department during the 30-day
18.25 period the CAA grantee loses its right of appeal under this subpart. The hearing will be
18.26 initiated and conducted according to parts 1400.8505 to 1400.8612 unless the grantee

19.1 objects within ten business days. If the grantee objects, the hearing will be conducted
19.2 according to parts 1400.5010 to 1400.8401. The request for a contested case hearing
19.3 before an administrative law judge as ~~provided in Minnesota Statutes, sections 14.57 to~~
19.4 ~~14.62,~~ must be in writing. ~~The contested case hearing will be initiated and conducted~~
19.5 ~~according to parts 1400.5100 to 1400.8500.~~ As provided for in part 1400.6200 or
19.6 1400.8570, the department will have the right to intervene as a party in a contested case
19.7 hearing on termination of designation by a governing body.

19.8 Subp. 6. **Federal appeal rights.** Federal appeal rights may also exist for an
19.9 aggrieved CAA grantee under the CSBG Community Services Block Grant Act, Public
19.10 Law 97-35 United States Code, title 42, chapter 106, section 9915, subsection (b).

19.11 Subp. 7. **Successor.** If a CAA's community action agency's designation or
19.12 recognition is terminated, the governing body will follow the priority guidelines in part
19.13 3350.0050, subpart 2, and the procedure in part 3350.0030 to designate a successor.

19.14 Subp. 8. **Costs.** Only costs directly attributable to the contested case hearing
19.15 process in subpart 5 are the responsibility of the department. ~~The costs associated with~~
19.16 ~~the procedure for termination provided for in subpart 4 are the responsibility of the~~
19.17 ~~governing body.~~

19.18 **3350.0070 ALLOCATION OF FUNDS.**

19.19 Subpart 1. **Formula.** The department will allocate funds under the act according to
19.20 the formula in Minnesota Statutes, section 256E.30, subdivision 2.

19.21 Subp. 2. **Poverty level population.** For purposes of the formula in subpart 1, the
19.22 poverty level population will be based on Department of Commerce, Bureau of the
19.23 Census, statistics, as revised.

19.24 **3350.0090 DUE DATES FOR MONTHLY, PERIODIC, AND FINAL REPORTS.**

20.1 ~~Each monthly report specified in part 3350.0080 is due ten calendar days after the end~~
20.2 ~~of the month. Each final status report specified in part 3350.0080 is due no later than 30~~
20.3 ~~calendar days after the end of the program year. Each periodic report under part 3350.0080~~
20.4 ~~is due 30 calendar days after the date specified in the CAA's contract. If monthly, periodic,~~
20.5 ~~or final reports are delinquent more than five calendar days from their due dates or, though~~
20.6 ~~submitted, remain incomplete or inaccurate more than five calendar days from their due~~
20.7 ~~dates, the department may proceed to withhold available funds from a CAA under part~~
20.8 ~~3350.0100, subpart 1, item A. Monthly, periodic, and annual reports are due on the dates~~
20.9 ~~specified in the grant contract. If reports are delinquent, incomplete, or inaccurate, the~~
20.10 ~~department must proceed to withhold available funds from a grantee under part 3350.0100.~~

20.11 **3350.0100 WITHHOLDING OF CASH DISBURSEMENTS.**

20.12 Subpart 1. **Circumstances for withholding.** The department will withhold cash
20.13 disbursements available for drawdown under ~~an approved application if a CAA~~ a grant,
20.14 wherever appropriate, in lieu of termination under part 3350.0060 if a grantee is not:

20.15 A. complying with the reporting requirements of the grant as required by its
20.16 grant contract with the department, including the timely submission of complete and
20.17 accurate monthly, periodic, and final reports as required in part 3350.0080, of complete
20.18 and accurate annual audits as required in part 3350.0160, subpart 2, and of complete and
20.19 accurate annual evaluation reports as required in part 3350.0150;

20.20 B. following its submitted and approved work plan or budget or both;

20.21 C. fulfilling the terms of its grant contract; or

20.22 D. maintaining recognition as provided in part 3350.0040, subpart 3.

20.23 Subp. 2. **Notice, ~~conversion option, and termination~~ of withholding.** Before
20.24 withholding cash disbursements, the department will notify the ~~CAA~~ grantee of its

20.25 defective action or omission, inform the CAA grantee of potential withholding and specify
21.1 a reasonable date by which corrective action should occur. The specified date must be
21.2 at least ten working days from the date of the CAA's grantee's receipt of the notice of
21.3 withholding. If the defect is not remedied satisfactorily by the date specified in the notice,
21.4 the department will begin to withhold available funds after that date. ~~During any time~~
21.5 ~~within 90 calendar days following the department's actual withholding of funds, the CAA~~
21.6 ~~may, at its option, convert the withholding to a termination under part 3350.0060, subpart~~
21.7 ~~1, item D, with right to a contested case hearing. A CAA must request in writing both a~~
21.8 ~~conversion to termination and a contested case hearing. After receipt of a CAA's request~~
21.9 ~~for conversion to termination and contested case hearing, the department will initiate~~
21.10 ~~contested case proceedings as provided in Minnesota Statutes, sections 14.57 to 14.62.~~
21.11 The department will also send the CAA a notice of termination and comply with the other
21.12 procedural requirements of part 3350.0060, subpart 3. The department will terminate
21.13 funding for the period of time between the date identified in the notice of withholding
21.14 and the date on which the short-term defect is actually remedied. If the CAA has not
21.15 exercised its right of conversion during 90 days of withholding and if the defect has
21.16 not been remedied during 90 days of withholding, the department will proceed under
21.17 part 3350.0060, subpart 1, item E, to terminate the CAA's available funding for a period
21.18 covering the total of (1) the time during which funds have been withheld and (2) the time
21.19 remaining before the subsequent June 30. The department will first issue a final notice
21.20 ten calendar days before proceeding to termination under part 3350.0060. If following a
21.21 period of funding termination for failure to remedy a long-term defect the CAA has still
21.22 not successfully remedied the identified defect, the department will deny subsequent
21.23 applications by the CAA under part 3350.0170, subpart 6, item D, until corrective action
21.24 has occurred. However, if the defect constitutes failure to maintain recognition under
21.25 subpart 1, item D, the department will proceed according to part 3350.0040, subpart 4.
21.26 Upon remedying the defect, the department will reimburse the grantee for the time period

21.27 between the date of the withholding in the notice to the date the defect was remedied if
22.1 the grantee submits a cash request, with documentation, that clearly substantiates that
22.2 expenses were used by the grantee to perform services according to the grant contract.

22.3 Subp. 3. **Conversion option.** During any time within 90 calendar days following
22.4 the department's actual withholding of funds, the grantee may, at its option, convert the
22.5 withholding to a termination under part 3350.0060, subpart 1, item C, with right to a
22.6 contested case hearing. A grantee must request in writing both a conversion to termination
22.7 and a contested case hearing. After receipt of a grantee's request for conversion to
22.8 termination and a contested case hearing, the department must initiate a contested case
22.9 hearing and the department must initiate contested case proceedings as provided in part
22.10 3350.0060, subpart 5. The department will also send the grantee a notice of termination
22.11 and comply with the other procedural requirements of parts 3350.0060, subpart 3 or 4.

22.12 Subp. 4. **Notice and termination.** If the grantee has not exercised its right of
22.13 conversion during 90 days of withholding and if the defect has not been remedied during
22.14 90 days of withholding, the department will proceed under part 3350.0060, subpart 1, item
22.15 D, to terminate the grantee's available funding for a period covering the total of:

22.16 A. the time during which the funds have been withheld; and

22.17 B. the time remaining before the grant expires.

22.18 The department must first issue a final notice ten calendar days before proceeding to
22.19 termination under part 3350.0060. If following a period of funding termination for failure
22.20 to remedy a defect, the grantee has still not successfully remedied the identified defect,
22.21 the department will deny subsequent applications by the grantee under part 3350.0160,
22.22 subpart 6, item D, until corrective action has occurred.

22.23 **3350.0110 PROGRAM GUIDELINES AND ELIGIBLE ACTIVITIES.**

22.24 Subpart 1. **Program guidelines.** Each community action program must:

- 22.25 A. be of benefit to low-income persons;
- 23.1 B. represent progress toward the elimination of poverty;
- 23.2 C. utilize resources from other programs operating in the service area; and
- 23.3 D. be of sufficient scope and size for maximum effectiveness and efficiency.

23.4 Subp. 2. **Eligible grant activities.** A variety of activities as determined by the local
 23.5 planning process may be included in a community action program funded by a grant.
 23.6 Eligible activities are those designed to help low-income persons to:

- 23.7 A. secure and retain meaningful employment;
- 23.8 B. attain an adequate education;
- 23.9 C. obtain and maintain adequate housing and a suitable living environment;
- 23.10 D. make better use of available income;
- 23.11 E. obtain emergency assistance through loans or grants;
- 23.12 F. meet immediate and urgent individual and family needs, including the need
 23.13 for health services, nutritious food, housing, and employment-related assistance;
- 23.14 G. remove obstacles and solve problems which block the achievement of
 23.15 self-sufficiency;
- 23.16 H. achieve greater participation in the affairs of the community; and
- 23.17 I. make more effective use of other programs related to the purposes of the
 23.18 CSBG Community Services Block Grant Act.

23.19 Subp. 3. **Federal prohibitions.** Activities ineligible for funding with CSBG
 23.20 community services block grant money are those listed in the ~~annual~~ CSBG community
 23.21 services block grant state plan. A copy of the ~~annual~~ CSBG community services block
 23.22 grant state plan is available by request from the Department of ~~Employment and Economic~~

23.23 ~~Development, 332 Minnesota Street, Suite E200, Saint Paul, Minnesota 55101 Human~~
 23.24 ~~Services, Office of Economic Opportunity, P.O. Box 64962, St. Paul, MN 55164-0962.~~

24.1 **3350.0120 PARTICIPATION BY LOW-INCOME PERSONS.**

24.2 Grantees must ~~consider the~~ ensure maximum feasible participation of low-income
 24.3 ~~people~~ persons in the local planning process of part 3350.0130, the annual work plan of
 24.4 part 3350.0170, subpart 1, and the evaluation process of part 3350.0140, ~~and the annual~~
 24.5 ~~evaluation report of part 3350.0150.~~ Each CAA grantee must devise specific opportunities
 24.6 for involvement of low-income people in proposing, planning, approving, and evaluating
 24.7 the activities of community action programs.

24.8 **3350.0130 LOCAL PLANNING PROCESS.**

24.9 Each ~~CAA will~~ grantee must develop and maintain a written plan for submission to
 24.10 the department as a ~~requirement for maintenance of recognition under part 3350.0040,~~
 24.11 ~~subpart 3~~ part of its grant application. The ~~plan's narrative will~~ plan must include a
 24.12 description of how the local planning process will be implemented, how the CAA grantees
 24.13 will publicize major planning activities to encourage community participation, and how
 24.14 the CAA grantee will involve low-income ~~people~~ persons in the planning process. Each
 24.15 ~~annual~~ work plan submitted as part of a grant application under part 3350.0170, subpart 1,
 24.16 must be consistent with, and complementary to, this local planning process. The local
 24.17 planning process of a ~~CAA will include~~ grantee includes the following ~~steps~~ activities:

24.18 A. develop a mission statement which defines the overall CAA grantee's
 24.19 purposes and which represents the views and opinions of the CAA's grantee's board of
 24.20 directors or tribal council, low-income groups, and representatives of the community;

24.21 B. ~~assess short- and long-range~~ identify and analyze community needs in order
 24.22 to respond to the poverty in the community and its causes;

24.23 C. ~~catalog the~~ assess available resources from both the public and private
 24.24 sectors which are available to solve the causes of poverty;

25.1 D. ~~establish priorities after analyzing the extent and causes of poverty and after~~
 25.2 ~~evaluating the capability of the CAA and other available resources to ameliorate the~~
 25.3 ~~causes of poverty and set goals for the program year;~~

25.4 E. ~~set realistic goals as a basis for action which are consistent with established~~
 25.5 ~~priorities;~~

25.6 F. E. ~~develop innovative strategies, including, but not limited to, service~~
 25.7 ~~strategies, which encompass community acceptance, funding availability, direct benefits to~~
 25.8 ~~low-income people, high impact on problems of poverty, and organizational capability~~
 25.9 ~~to implement the specified goals;~~

25.10 G. F. ~~develop clear and concise objectives that describe how to attain the CAA's~~
 25.11 ~~goals~~ identify programs to achieve the specified goals;

25.12 H. G. ~~list sequential activities under each objective to describe the efforts at~~
 25.13 ~~community coordination and identification of resource needs including assignment of~~
 25.14 ~~CAA staff and training or technical assistance in the community~~ select the program or
 25.15 combination of programs to be undertaken during a program year; and

25.16 I. H. ~~select performance indicators to measure progress toward achieving the~~
 25.17 ~~established objectives and to form the basis for community action program reporting~~
 25.18 ~~and evaluation~~ analyze evaluation and monitor information to influence the structure
 25.19 of future programming.

25.20 **3350.0140 EVALUATION PROCESS.**

25.21 Each CAA will develop a standardized written process for evaluating its own
 25.22 community action program and describe the process in a narrative form. The narrative
 25.23 description must show how the results of the evaluation will influence the CAA's future
 25.24 planning and how the CAA will involve low-income persons in the evaluation process.
 25.25 The evaluation process as embodied in the narrative must be approved by the CAA's
 25.26 board of directors. The evaluation process narrative must be submitted to and approved

26.1 ~~by the department in order to maintain CAA recognition under part 3350.0040, subpart~~
26.2 ~~3. Each grantee must develop and maintain a written process for evaluating its own~~
26.3 ~~community action program using the results of the evaluation to influence the grantee's~~
26.4 ~~future planning. The grantee must involve low-income persons in the evaluation process.~~
26.5 ~~The written evaluation process must be approved by the grantee's board of directors or~~
26.6 ~~tribal council. The written evaluation process must be maintained and available to the~~
26.7 ~~department upon request in order to maintain community action agency recognition under~~
26.8 ~~part 3350.0040, subpart 3.~~

26.9 **3350.0160 ADMINISTRATION OF GRANTS.**

26.10 Subpart 1. **Grantee financial control system.** Grantees must establish and use a
26.11 financial control system ~~which~~ that complies with federal and state reporting and fiscal
26.12 procedures and the grant contract. ~~The federal and state requirements are contained in~~
26.13 ~~Department of Jobs and Training Subgrantee Administrative Requirements No. 1, as~~
26.14 ~~revised or superseded. This document is incorporated by reference, and is not subject to~~
26.15 ~~frequent change. It is available from the State Law Library.~~

26.16 Subp. 2. **Grantee audit.** Each grantee must follow the audit requirements contained
26.17 ~~in the attachment to its contract~~ the grant contract with the department. ~~Audits must be~~
26.18 ~~completed and the required reports submitted no later than six calendar months after the~~
26.19 ~~end of the grantee's fiscal year. If audits are delinquent more than five calendar days from~~
26.20 ~~their due dates or, though submitted, remain incomplete, noncomplying, or inaccurate~~
26.21 ~~more than five calendar days from their due dates, the department may proceed to withhold~~
26.22 ~~available funds from a CAA under part 3350.0100, subpart 1, item A.~~

26.23 Subp. 3. **Alterations.** A grantee must obtain prior written approval from the
26.24 department before changing its work plan and budget as described in its ~~approved~~
26.25 ~~application~~ grant contract.

26.26 **3350.0170 GRANT APPLICATIONS.**

27.1 Subpart 1. **Forms and documents.** All Forms necessary for completion of the
 27.2 application will accompany the ~~annual~~ guidelines mailed to all grantees. Assistance in
 27.3 completing the forms may be requested directly from the department at its central office.
 27.4 ~~Each CAA~~ A grantee will submit to the department ~~an annual~~ a work plan and budget on
 27.5 forms supplied by the department as part of the grant application process. ~~Each work plan~~
 27.6 ~~for the subsequent year will include a narrative comprised of the following:~~

27.7 A. ~~prioritized list of community needs;~~

27.8 B. ~~design for accomplishing identified goals, objectives, and activities;~~

27.9 C. ~~coordination strategy showing the establishment of working relationships~~
 27.10 ~~with other providers in the service area; and~~

27.11 D. ~~description of any delegated activity, including copies of subgrantee~~
 27.12 ~~contracts.~~

27.13 Subp. 2. [See repealer.]

27.14 Subp. 3. **Waiver of application deadline.** Upon written request, the department
 27.15 may waive the application deadline ~~provided in subpart 2~~ and allow an applicant to submit
 27.16 its grant application after that date. A request for a waiver must be signed by the chair of
 27.17 the applicant's board of directors or chair of the tribal council and contain justification of
 27.18 ~~the local need~~ for a waiver. The request for a waiver must be received by the department
 27.19 on or before ~~June 30~~ the original application deadline. The department will respond to the
 27.20 request in writing. ~~If The department is persuaded by the local need, it will grant a waiver~~
 27.21 ~~and establish another deadline for receipt of the application. Local need is demonstrated~~
 27.22 ~~if a CAA, through no fault of its own, cannot meet the application deadline because of~~
 27.23 ~~the following:~~ if the grantee has shown good cause for why the application deadline
 27.24 was not met. If the department has determined that the grantee has shown good cause

27.25 for missing the application deadline, the department will establish another deadline for
27.26 receipt of the application.

28.1 ~~A. key staff responsible for the submission of the application are on medical~~
28.2 ~~leave or other leave, have retired or are no longer employed, and replacement staff cannot~~
28.3 ~~reasonably complete the application in the time remaining; or~~

28.4 ~~B. a natural disaster such as a tornado, fire, or flood or a material change in~~
28.5 ~~circumstances such as a labor strike or the loss of a building lease has adversely affected~~
28.6 ~~or completely halted program operations.~~

28.7 Subp. 4. **Approval of application.** The department will review all submitted
28.8 applications. When the department approves an application for a grant, it will provide
28.9 written notification of approval to the applicant. Requests for cash cannot be processed
28.10 until an application has been approved. After applications have been approved, the
28.11 department and the applicant will enter into a grant contract. ~~The grant contract is effective~~
28.12 ~~on the date when the Minnesota Department of Finance signature is affixed to the contract.~~

28.13 Subp. 5. **Late, incomplete, or noncomplying application.** ~~If A previously funded~~
28.14 ~~grantee has not submitted~~ must submit an application within 45 calendar days of the
28.15 application or the waiver deadline established by waiver in subpart 3 or within 45 calendar
28.16 days of the deadline provided in subpart 2 where a waiver was not granted, the department,
28.17 or the department will deny the application under subpart 6. If a submitted application
28.18 remains incomplete or noncomplying for 30 calendar days after the department's request
28.19 for a revision of the application, supplementary information, or other required documents
28.20 or 45 calendar days from an applicable deadline, whichever period is greater, the
28.21 department will deny the application under subpart 6.

28.22 Subp. 6. **Denial of application.** Before the department denies an application, it will,
28.23 as soon as possible, provide written notification of the deficiency leading to a possible
28.24 denial and, where appropriate, request a revision of the application, supplementary

28.25 information, or other required documents. An application will be denied if any of the
28.26 following occur:

29.1 A. application is submitted after the deadlines in subpart 5;

29.2 B. applicant submits an incomplete application;

29.3 C. applicant submits a noncomplying application where:

29.4 (1) applicant's annual work plan activities are:

29.5 (a) inconsistent with community action program activity as defined in
29.6 the act and part 3350.0110;

29.7 (b) not demonstrative of participation by low-income persons as
29.8 required by part 3350.0120; or

29.9 (c) inconsistent with the local planning process in part 3350.0130;

29.10 (2) applicant cannot demonstrate adequate fiscal management capabilities
29.11 as required in part 3350.0160; or

29.12 (3) applicant's budget does not support, or is inconsistent with, the work
29.13 plan activities; or

29.14 D. applicant, after a period of funding termination, has not remedied a ~~long-term~~
29.15 defect that first led to withholding under part 3350.0100, subpart 2.

29.16 The department's denial of an application based on items A, B, and C is cause for
29.17 termination of available funds for ~~an entire program year~~ two years under part 3350.0060,
29.18 subpart 1, item F. Depending on the circumstances, the department's denial of an
29.19 application based on item D is cause for termination of available funds for ~~an entire~~
29.20 ~~program year~~ two years under part 3350.0060, subpart 1, item F; ~~or all future funding~~
29.21 ~~under part 3350.0040, subpart 4~~ E.

29.22 **3350.0190 RECORD KEEPING.**

29.23 All records and books of account related to grants must be kept by the grantee for three
29.24 years from the date of submission of the final invoice. Records must be retained beyond
29.25 the three-year period if audit exceptions, claims, or litigation concerning the records or
30.1 any accounting transactions are still unresolved or pending. After any disposition of
30.2 nonexpendable property acquired with grant funds, records of the disposition must also be
30.3 retained for three years the time period specified in the grant contract.

30.4 **3350.0200 MONITORING.**

30.5 The department will perform on-site monitoring activities to ensure that grantees are
30.6 in compliance with parts 3350.0010 to 3350.0200, the act, and other federal and state
30.7 requirements. ~~The monitoring functions will include the following:~~

30.8 A. ~~performance of a pre-award review; and~~

30.9 B. ~~preparation and execution of an annual monitoring plan which includes at~~
30.10 ~~least one annual on-site visit to all grantees with annual dollar volume over \$100,000 and~~
30.11 ~~to 25 percent of all grantees with annual dollar volume between \$10,000 and \$100,000.~~

30.12 **REPEALER.** Minnesota Rules, parts 3350.0030, subpart 7; 3350.0040, subpart 4;
30.13 3350.0060, subpart 4; 3350.0080; 3350.0150; and 3350.0170, subpart 2, are repealed.

30.14 **RENUMBERER.** In the next publication of Minnesota Rules, the revisor shall renumber
30.15 the part number in column A to the part number in column B, and correct internal
30.16 references.

30.17	<u>3350.0010</u>	<u>9571.0010</u>
30.18	<u>3350.0020</u>	<u>9571.0020</u>
30.19	<u>3350.0030</u>	<u>9571.0030</u>
30.20	<u>3350.0040</u>	<u>9571.0040</u>
30.21	<u>3350.0050</u>	<u>9571.0050</u>
30.22	<u>3350.0060</u>	<u>9571.0060</u>

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30.23	<u>3350.0070</u>	<u>9571.0070</u>
30.24	<u>3350.0090</u>	<u>9571.0080</u>
30.25	<u>3350.0100</u>	<u>9571.0090</u>
30.26	<u>3350.0110</u>	<u>9571.0100</u>
31.1	<u>3350.0120</u>	<u>9571.0110</u>
31.2	<u>3350.0130</u>	<u>9571.0120</u>
31.3	<u>3350.0140</u>	<u>9571.0130</u>
31.4	<u>3350.0160</u>	<u>9571.0140</u>
31.5	<u>3350.0170</u>	<u>9571.0150</u>
31.6	<u>3350.0180</u>	<u>9571.0160</u>