

HERITAGE PARTNERSHIP PROGRAM

MANUAL FOR FISCAL YEARS 2022-2023

Version 4.0



[Viola cucullata \(Marsh blue violet\): Botanical specimen collected by Helen Monahan, 1899](#)

CONTENTS

GENERAL INFORMATION

INTRODUCTION

DEFINITION OF PARTNERSHIP*

DEFINITION OF A PROGRAM

ELIGIBLE APPLICANTS

ELIGIBLE PARTNERSHIP PROGRAMS

PROGRAM EXPENSES

PROGRAM BUDGETS

MATCH

FUNDRAISING

REVIEW PROCESS AND CRITERIA

REVIEW CRITERIA

REVIEW PROCESS

GRANT PERIOD

LEAD PARTNER'S RESPONSIBILITIES

PARTNER'S RESPONSIBILITIES

CANCELLATION

INSTRUCTIONS FOR COMPLETING THE PARTNERSHIP APPLICATION

GETTING STARTED

REQUESTING AN ACCOUNT

ACCESSING THE APPLICATION

LOGGING IN & FILLING OUT AN APPLICATION

PRE-APPLICATIONS

FINAL APPLICATIONS

REQUIRED ATTACHMENTS

PARTNERSHIP PROGRAM GUIDELINES

1. PARTNERSHIP DEVELOPMENT & PLANNING

2. SHARED WORKFORCE

3. SHARED SERVICES

4. SHARED RESOURCES

APPENDIX A

BACKGROUND

[APPENDIX B](#)

[FINANCIAL REQUIREMENTS, REPORTS & RECORDS](#)

[APPENDIX C](#)

[SUPPLEMENT VS. SUPPLANT](#)

[SUPPLEMENT VS. SUPPLANT EXAMPLES](#)

[APPENDIX D](#)

[SIGNATURE AUTHORITY FORM](#)

[APPENDIX E](#)

[PROCUREMENT PROCESS & PUBLIC NOTICE REQUIREMENTS](#)

[APPENDIX F](#)

[DEFINITIONS](#)

[VERSION CHANGES](#)

GENERAL INFORMATION

INTRODUCTION

If you are reading this, your organization and at least one other would like to cooperate or partner to accomplish some goal that is otherwise difficult to achieve on your own. Perhaps you want to hire a consultant to help your organization merge in some way or to coordinate planning for some joint historical project. Possibly your organizations are already allied and you would like funds to create a shared service.

This manual provides information about the Heritage Partnership Program, funded by the Arts & Cultural Heritage Fund of the [Clean Water, Land and Legacy Amendment to the Minnesota Constitution](#). The program's goal is to build the capacity of eligible applicants to preserve and enhance access to Minnesota's history and cultural resources by supporting the creation and development of sustainable, history-based partnerships throughout the state.

This manual explains the program, the application and the categories which are unique to this program. When we say, "the Program" we mean the system in place to allow applicants to access the grant funds. Though we also call the work that partnerships do programs to distinguish those endeavors from MHCH grant projects.

The available funds for Heritage Partnership grants are less than for the Minnesota Historical and Cultural Heritage Grant Program but they are sufficient to fund a number of robust partnerships each year.

NOTE: The Heritage Partnership Program is different from the Minnesota Historical & Cultural Heritage Grants Program, also funded through the Arts & Cultural Heritage Fund of the Clean Water, Land and Legacy Amendment to the Minnesota Constitution. Information on that program can be viewed online at <http://www.mnhs.org/preservation/legacy-grants/>.

DEFINITION OF PARTNERSHIP*

When two or more otherwise independent organizations are involved in a program, they are considered partners. Partnerships have several distinguishing characteristics:

- All parties have an active, vested interest in the program.
- All partners contribute in some tangible way to the accomplishment of the program. These contributions may take different forms, including financial support, contributed time and labor, professional or technical expertise, access to facilities or equipment, use of intellectual property, or access to other resources or individuals. The contributions and obligations of each

party in a partnership are typically codified in some form of a formal, written document such as an agreement, memorandum of understanding, or contract.

- All parties have a common mission and/or goals to develop or expand a program and will equally benefit.

Funds from the Heritage Partnership Program are meant to build and strengthen the network between organizations responsible for preserving and providing access to Minnesota’s history and cultural resources. Oftentimes, partnerships enable a greater public benefit and enduring legacy than individual organizations acting independently.

In some instances, these partnerships may already exist. In others, individual organizations may recognize the need to partner with like-minded or complementary organizations in their community or region in order to better accomplish mutual goals. Traditional history-keeping organizations are encouraged to build partnerships with eligible applicants not typically considered part of the heritage industry (for example a county historical society could partner with tourism or environmental organizations). These interdisciplinary partnerships are given additional consideration as part of the review process.

Partners should consider how their application, if funded, will improve their individual and collaborative organizational infrastructure and systems, increase public engagement, and develop better leaders within Minnesota history and cultural heritage.

QUALIFYING AS A PARTNERSHIP:

In order for multiple organizations to qualify as a partnership under the Heritage Partnership Program’s guidelines, all parties must be eligible applicants (see below). Applications must describe each organization’s role in the program. The application must include a Signature Authority Form (Appendix D) that clearly identifies the lead organization that will be responsible for coordinating the program work, serving as the fiduciary and project director, and submitting all final reports.

** Reference to the arrangements between entities above as “partnerships” is for consistency with the statutory language only and is not intended to describe or define a legal relationship between the parties.*

DEFINITION OF A PROGRAM

The Heritage Partnership Program is intended for programs and the development of partnerships that endeavor to provide long-term programming.

A program is an ongoing activity, or series of activities. Unlike many projects, a program has a longer, semi-permanent timeline. It is evaluated and reevaluated during its lifetime. It is not based on a product; instead, it offers a predictable, consistent service that focuses on a longer-term evaluation process. Programs, unlike projects, do not have a determined end date.

Program examples include, but are not limited to:

- Coordinated efforts to provide greater access to services provided by an eligible partnership.
- Development of cooperative agreements for museum work and public history work by an eligible partnership.

Programs with the same scope of work and outcomes that have been previously funded by the Heritage Partnership Program are ineligible for further funding. This grant program is intended to provide funds to eligible partnerships proposing new, unique programs that they would like to implement in their communities. Once those programs are established, the partners should look to other sources of funding outside of the Heritage Partnership Program.

ELIGIBLE APPLICANTS

The appropriation language for partnerships sets the general parameters for applicant and program eligibility. The appropriation specifies funding for “partnerships involving multiple organizations, which may include the Minnesota Historical Society, to preserve and enhance access to Minnesota’s history and cultural heritage in all regions of the state.” Because a portion of the appropriation is set aside for partnerships with the Minnesota Historical Society, the Heritage Partnership Program is specifically designed for partnerships that do NOT include the Minnesota Historical Society.

The grant program requires eligibility in two ways: (1) the applicant and partners need to be eligible and (2) the proposal needs to be eligible. The applicant, partners, and proposal must be eligible prior to submitting a pre-application.

Applicants and partners must be ready to begin once the grant is awarded, which includes having received any applicable permissions from the grantees’ boards or governing entities. In addition, applicants and partners must have legal authority to implement any portion of the grant affecting real property or collections not under their ownership or control.

ELIGIBLE APPLICANTS*

All applicant and partner organizations must reside in the state of Minnesota.

- Nonprofit 501(c)(3) organizations
- Organizations must be IRS compliant ([check your status with Guidestar](#)) when requesting an account and/or submitting an application (including pre-application).
- State and local government units
- Federally recognized tribes

- Educational institutions

NON-ELIGIBLE APPLICANTS

- Individuals
- For-profit corporations & organizations
- Minnesota Historical Society and its divisions, departments, or work units
- All units of federal government
- Applicants with overdue Minnesota Historical Society grants*
- All others not falling under "eligible applicants"

**ALL partners in the Heritage Partnership Program MUST be eligible applicants. Applicants cannot be considered for partnership programs if any of the partners have outstanding, overdue final reports or grant products on any previous Minnesota Historical Society grant. In general, applicants in good standing concerning all previous Minnesota Historical Society grants awarded may have more than one open grant at any given time. Consideration will be given to the capacity of the applicants, including the number of grants currently open from all Minnesota Historical Society grant programs, past grant performance, and the financial capacity of the applicants. Applicants within a parent-subordinate organizational structure where the parent organization must be the applicant of record (e.g., schools or departments within a university system), will be considered based on the capacity of the subordinate level (e.g., the school or department rather than the university system).*

NONPROFIT 501(C)(3):

Nonprofit/nongovernmental organizations recognized by the Internal Revenue Service as 501(c)(3) are eligible applicants. The Minnesota Historical Society grant records must document each applicant's eligibility for the grant program. It is the responsibility of the applicant to prove it is eligible. Failure to provide sufficient documentation of 501(c)(3) status will render a nonprofit applicant ineligible.

Please note that only those churches, synagogues, mosques, etc. (hereafter 'churches'), recognized with formal 501(c)(3) status by the Internal Revenue Service (IRS) are considered eligible applicants.

Some churches may be subordinate to a central church, such as a council, diocese, or synod. The IRS allows for Group Exemptions in IRS Publication 4573. According to this publication, any church acting as a central organization must possess 501(c)(3) status. Any church wishing to apply for the Heritage Partnership Program as a subordinate organization must:

- Submit a copy of the Group Exemption letter.
- Provide the Federal Employer Identification Number of the central organization, and, if available, the Federal Employer Identification Number of the subordinate (applicant) organization.
- If the group exemption points to another document listing the organization as an official subordinate organization, a copy of that document must also be included. For example, the Group Exemption for the United States Conference of Catholic Bishops (covering all Roman Catholic Churches) points to enumeration in the Official Catholic Directory. A copy of the page in the directory showing the organization must be included.

Other churches may have formal relationships with a “Friends” organization, which allows for broader participation in heritage without requiring membership in that church. For the Friends group to be eligible for grants, the Friends group must have formal 501(c)(3) status.

STATE AND LOCAL GOVERNMENT UNITS:

Any subunit of government in the State of Minnesota is an eligible applicant, including but not limited to state agencies, state or local commissions, municipal governments, school districts, and other governmental agencies. Federal agencies are not eligible to apply.

FEDERALLY RECOGNIZED TRIBES:

Any of the 11 federally recognized tribes or their subunits in Minnesota are considered eligible applicants. See the Minnesota Secretary of State’s website (www.sos.state.mn.us/index.aspx?page=855) for a list of eligible tribes.

EDUCATIONAL INSTITUTIONS:

Accredited educational institutions meeting the definition of educational institutions in the Internal Revenue Code are eligible. IRC Title 26, 170(b)(1)(A)(ii): an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on. (Title I (20 U.S.C. 1001 et seq.) as amended.) Documentation of accreditation may be required.

ROLE OF THE MINNESOTA HISTORICAL SOCIETY IN THE HERITAGE PARTNERSHIP PROGRAM

Partnership funds appropriated to the Minnesota Historical Society from the Arts and Cultural Heritage Fund are divided into “internal” and “external” partnership programs. Internal partnerships are those that exist between various units of the Minnesota Historical Society and one or more outside partners. External partnerships are those that do not involve the Minnesota Historical Society. The Minnesota Historical Society is not an eligible partner in the Heritage Partnership Program. If you wish to partner with the Society on a project or a program, please contact the appropriate staff. Contact information is available online at: <http://www.mnhs.org/preservation/about>

Furthermore, to avoid any real or apparent conflicts of interest, Heritage Partnership Program grant recipients may not select the Minnesota Historical Society as a vendor of professional services. The Society may be a vendor of goods needed to accomplish the goals of the partnership program (e.g., books), provided the procurement requirement is followed. See Appendix E for more details.

ELIGIBLE PARTNERSHIP PROGRAMS

As mentioned, the Heritage Partnership Program is meant to build and strengthen relationships between organizations as they preserve and provide access to Minnesota’s history and cultural resources. Through all of

the partnership programs funded, the Heritage Partnership Program looks for outcomes that build the capacity of the individual partners and the partnership network.

What is capacity? Capacity is the ability to perform effectively, efficiently, and sustainably. Specifically, this program assists partnerships wishing to build their abilities to streamline services and maximize public benefits in relation to the preservation of Minnesota's history and cultural heritage.

Heritage Partnership Programs must be ready to begin once a grant award is made. This means applicable permissions from all of the partners' boards or governing entities must be obtained prior to application and award.

The following is a list of potential partnership programs. This list is meant only as a sample of possible programs. The definition of each category is discussed in the [Partnership Program Guidelines](#). In addition, some programs might appear to fit under more than one category. If your planned program does not appear to fit into one of these categories, or if you are unsure which category should be applied to your program, call, email, or write the Grants Office before submitting an application. The Heritage Partnership Program encourages applications for innovative partnership programs.

PARTNERSHIP DEVELOPMENT & PLANNING EXAMPLES

- Development of organic documents and a long-range plan to form a new partnership.
- Developing a strategic plan for coordinating history and cultural heritage preservation activities, educational curriculum, and events among partners.
- Integrate programs or governance between two or more organizations.

Eligible applicants are ineligible to apply for an additional Heritage Partnership Program grant that is based on a previously funded planning and/or foundational grant if that funded grant is still active. The final report for the already-funded planning and/or foundational grant must be reviewed and closed by the Grants Office before an application for the next grant can be submitted to any MNHS grant program.

SHARED WORKFORCE EXAMPLES

- Improve student access to Minnesota history at local history organizations and other history entities.
- Improve the quality of regional documentation across multiple history museums.
- Establish a management plan for multiple historic properties to forge a heritage tourism destination.
- Create an internship program serving regional history entities.

SHARED SERVICES EXAMPLES

- Identify skills seminars to be presented among multiple constituencies.
- Develop a regional or community-based team to streamline disaster response efforts for historic properties, public records, museum collections, or archives.
- Create integrated heritage tourism or exhibits programs.
- Develop a plan to combine services for collections held among the partners, including digitization, storage, inventory, care, and access.

SHARED RESOURCES EXAMPLES

- Develop leadership and/or board training for two or more partnering organizations.
- Develop a regional disaster response and recovery supply cache as part of a regional disaster team program (e.g., develop and purchase supplies for disaster kits).
- Plan, develop, and implement digital solutions for uniting historic resources to promote better public and student access to Minnesota history.
- Develop cooperative agreements and procedures to manage historic properties, public records, museum collections, or archives.
- Standardize resources among partners, such as business forms, fee schedules, etc.

PROGRAM EXPENSES

The Constitutional Amendment and Legislative Appropriation language specifically state that funds may NOT be used to substitute for traditional funding sources your organization has received in the past. This applies to all entities in the partnership.

WHAT IS FUNDED

Eligible costs include, but are not limited to:

- Programs that directly connect to Minnesota history or culture.
- Hiring a facilitator, consultant, or preliminary staff.
- Federal GSA rates for mileage, travel, and per diem costs.
- See category descriptions for additional costs related to specific programs.

WHAT IS NOT FUNDED

Any ineligible costs included in an application will be removed from consideration as part of the approved budget. Ineligible costs include, but are not limited to:

- Programs without a direct connection to Minnesota history or cultural heritage.
- Work not meeting professional standards appropriate to the program category.
- Administrative expenses.
- Professional services from the Minnesota Historical Society.
- General organizational operating costs.
- Rehabilitation, restoration, or preservation (and all planning, construction documents, historic structure reports, etc.) of historic properties (see the Minnesota Historical & Cultural Heritage Grants program online at <http://legacy.mnhs.org/grants>).
- Paying current full-time staff (see Appendix C).
- Equipment purchases except when necessary and reasonable to carry out program objectives.
- Expenditures incurred before the start date or after the end date of the grant period set by the Minnesota Historical Society. These dates will be included in the grant agreements.
- Program activities begun before the beginning date or completed after the ending date of the grant period set by the Minnesota Historical Society. These dates will be included in grant agreements.

- Indirect cost rates or percentages, including those allowed under certain federal grants programs.
- Costs and projects related to compliance with state and federal historic preservation laws (e.g., Section 106 of the National Historic Preservation Act, the Minnesota Historic Sites Act, the Minnesota Field Archaeology Act, etc.).
- Funding for re-granting programs. All programs awarded must directly benefit the public through the partners, who are held responsible to the Minnesota Historical Society for the use of funds.
- Grant writing and grant administration fees, including writing and submitting the final report.
- Any item not listed in the approved budget (unless written permission is received from Grants Office prior to expenditures).
- Ongoing costs related to the program. These should be factored into the partners' long-term plan and budget for program sustainability.
- Ongoing costs of internet hosting service.
- Development of web presence that serves only as a brochure or web-based store for the partners.
- Pre-existing costs related to the program. These should be factored into the partners' long-term plan and budget for program sustainability.

PROGRAM BUDGETS

It is important that all partners carefully consider the budget needed to accomplish the program's goals and objectives. The budget must include individual line items for all aspects of the program, including goods or services. As part of the application process, partners should determine what each can contribute to the program as match and what costs will need to be borne by the program.

MATCH

A funding match is not required for the Heritage Partnership Program. Match, however, is always encouraged; in fact, it is listed as an additional criterion for evaluating applications. Demonstrated match is one indicator of local buy-in and commitment to a program. A match also demonstrates a partnership's and a community's investment in a program. The presence of a local match for larger grants can be a measure of your partnership's capacity to carry out your program and of your program's long-term sustainability. Having match can be a tiebreaker in particularly competitive grant rounds. Be sure to consider donated goods and services as reportable match.

FUNDRAISING

If your partnership plans to conduct a fundraiser to raise cash match for the program, the fundraising effort should be substantially completed prior to application. Your partnership should have the match in-hand at the time of application. Successful applicants begin fundraising efforts well in advance of applying for a grant and are able to quantify the funds collected to date at the time of application. The Heritage Partnership Program offers applicants a way to bridge the gap between fundraising achieved to date and actual program budget.

REVIEW PROCESS AND CRITERIA

The Heritage Partnership Program is a competitive process involving application review by Grants Office staff, the Minnesota Historical Society's Grants Review Committee (GRC), and the Minnesota Historical Society's Executive Council.

REVIEW CRITERIA

The review criteria are drawn from Minnesota Statutes, the Office of Grants Management, language in the appropriation, and sound practices in administering grant programs with public funds. All work and materials must have enduring value (i.e., it should be long-lasting and of good quality).

Grants Office staff reviews whether your application and proposed program:

- Is complete
- Meets eligibility requirements
- Supplements, not substitutes for, traditional funding sources
- Follows appropriate professional standards
- Meets the financial reporting requirements of MS [16B.98](#) for Grants Management
- Has a realistic budget
- Can be completed on time, within the required time frame

Evaluation of applications is based on whether your application and proposed program:

- Builds capacity within all of the partners
- Fills a demonstrated need
- Produces measurable outcomes
- Is sustainable
- Incorporates public benefit and access to Minnesota's history and cultural heritage resources
- Has enduring value

Additional Considerations:

- The lead partner's demonstrated capacity to complete the program
- The clarity of roles of each partner
- The program's ability to meet each partnering organization's strategic plan
- Multi-disciplinary or otherwise innovative partnerships
- Match
- Statewide distribution of funds in applicant pool

REVIEW PROCESS

Pre-application: A pre-application is required in order to be considered for the Heritage Partnership Program. Eligible pre-applications are reviewed by Grants Office staff and other Minnesota Historical Society subject area

experts. Constructive feedback will be provided to the applicant in order to improve the final application. Applicants are encouraged to contact Grants Office staff if they have any questions about the feedback received.

Final applications: Eligible final applications are reviewed by Grants Office staff and other Minnesota Historical Society subject area experts. Eligible final applications, along with staff review comments, are sent to the Grants Review Committee for consideration at a public meeting. You will receive advance notice of the meeting and will be invited to make a three-minute presentation supporting your application. Such presentations are not required; your application will be given full consideration whether or not you make a presentation.

Based on their evaluation and the review criteria, the Grants Review Committee recommends approval or denial of each application and forwards their recommendations to the Minnesota Historical Society Executive Council for final action. You will be notified of their decision in writing. In some cases, special conditions may be required on approved programs; the conditions will be outlined in your grant agreement.

Award and denial notifications are sent out approximately 12 weeks after final application deadline.

GRANT PERIOD

Grant period start and end dates will be listed in the grant agreement. Heritage Partnerships Program grants must be completed within 12 months from the date of award. Extensions for this grant program are not allowed due to state funding expiration dates. Therefore, applicants and partners need to plan accordingly to ensure that the grant concludes within 12 months.

LEAD PARTNER'S RESPONSIBILITIES

After a grant has been approved, the authorized officer of the lead applicant must sign an agreement outlining the terms and conditions of the award. The document specifies an authorized start date, end date, approved budget, and approved scope of work (where appropriate). In some cases the dates, budget, and scope of work will differ from those presented in the application. The lead partner is signing the grant agreement on behalf of the entire partnership, as allowed by the Signature Authority Form. It is important all partners read the grant agreement carefully to understand any conditions placed on your award. The grant agreement also contains the following stipulations:

- You must agree to abide by the requirements of MS [16B.98](#) for Grants Management.
- Changes to approved grants must be in writing and require approval from the Minnesota Historical Society.
- All publicity releases, informational brochures, public reports, publications and other public information relating to approved grants must acknowledge assistance from the Minnesota Historical Society and the Arts & Cultural Heritage Fund.
 - The Legacy Logo identifies grants funded by the Clean Water, Land and Legacy Amendment. Recipients of funds from the outdoor heritage fund, parks and trails fund, clean water fund, or

- the arts & cultural heritage fund should display the Legacy Logo on printed, online, and other materials produced by the partnership and funded with money from one or more of the funds.
- All printed materials and web pages related to a program receiving any amount of Arts & Cultural Heritage Funds require a Legacy Logo. Download Legacy logos along with guidelines for use: <https://www.legacy.mn.gov/legacy-logo>
 - General acknowledgment: “This program has been financed in part with funds provided by the State of Minnesota through the Minnesota Historical Society from the Arts & Cultural Heritage Fund.”
 - Publication disclaimer: “This publication was made possible in part by the people of Minnesota through a grant funded from an appropriation to the Minnesota Historical Society from the Arts & Cultural Heritage Fund. Any views, findings, opinions, conclusions, or recommendations expressed in this publication are those of the authors and do not necessarily represent those of the State of Minnesota or the Minnesota Historical Society.”
- A final report must be submitted via the grants portal within 30 days following the assigned end date for the grant. The report should describe all activities, measurable outcomes, and must include a financial report providing complete documentation of expenditures of both grant funds and match, if applicable.
 - You must agree to hold harmless the Minnesota Historical Society and the State of Minnesota for any action, complaint, discriminatory proceedings or litigation of any kind whatsoever, in conjunction with the funded grant. You must further agree to conform to the provisions of MS [181.59](#), which prohibits discrimination in hiring and/or contracting of labor by reason of race, creed, or color.

PARTNER'S RESPONSIBILITIES

- Read the application and grant agreement carefully to understand any conditions placed on the award
- Send invoices or receipts for the final report to Lead Partner
- Partners must agree to hold harmless the Minnesota Historical Society and the State of Minnesota for any action, complaint, discriminatory proceedings or litigation of any kind whatsoever, in conjunction with the funded grant. You must further agree to conform to the provisions of MS [181.59](#), which prohibits discrimination in hiring and/or contracting of labor by reason of race, creed, or color.
- Partners and their contractors, vendors, and consultants are expected to act in an ethical and transparent manner in relation to all aspects of Minnesota Historical Society grant programs. All work and materials should be of good quality and long lasting. All work should be of highest standards and exemplify good professionalism.
- Partners are responsible for the settlement and satisfaction of all contractual and administrative issues related to contracts entered into with vendors, contractors, or consultants. This includes disputes, claims, protests of award, source evaluation, or other matters of a contractual nature.
- Partners will hire professionals such as architects, consultants, engineers, historical researchers, etc. who possess the ability to perform successfully.

CANCELLATION

Minnesota Historical Society (MNHS) has the responsibility to manage public grant funds in accordance with Minnesota Statutes, Federal regulations, the grant guidelines, and the grant agreement (contract). MNHS is also expected to administer grant programs honestly, objectively, and to public benefit. MNHS expects grantees to follow the stipulations, conditions, approved scopes of work, and approved budgets documented as stated in the grant agreement (contract). Grantees can expect the Minnesota Historical Society to provide assistance if a grantee has questions about the requirements of the grant agreement and when there are unforeseen circumstances.

The Minnesota Historical Society's Grants Office has the right to withhold, cancel, or revoke in whole or in part awarded grants if a grantee:

- Cancels, suspends, or significantly changes the scope and activities of a funded grant
- Fails to comply with the terms of the grant agreement
- Owes an overdue final report for previously-received funding from any of the many grant programs of the Minnesota Historical Society
- Fails to complete the grant in a timely manner
- Demonstrates inadequate financial management or oversight

Grantees who fail to respond to repeated requests to return signed agreements or who fail to respond to repeated requests for required information will be given a 30-day notice prior to revocation of the grant award, in whole or in part, or cancellation of the grant agreement. Grantees that breach the terms of the grant agreement will be given proposed remedies to ensure successful completion of the grant. These remedies may include revocation of portions of the grant award.

INSTRUCTIONS FOR COMPLETING THE PARTNERSHIP APPLICATION

GETTING STARTED

Before you start to fill out the application form in the Minnesota Historical Society grants portal (<http://mnhs.fluxx.io>), familiarize yourself with the information contained in these guidelines. Check the General Information section and the appropriate partnership program category section for required information and attachments. Incomplete applications cannot be considered for funding.

Instructions and requirements for pre-applications, final applications, and required application attachments are located in the guidelines as well as in the grants portal (<http://mnhs.fluxx.io>).

The Grants Office only accepts grant proposals submitted through the grant portal.

Grants Office staff are willing to discuss the partnership and/or program with you as you begin planning.

REQUESTING AN ACCOUNT

In order to submit a grant application you must have an active account in the MNHS grant portal. If you do not already have an active account, you will need to request one by providing basic information about the organization you represent. Receiving an account login can take up to 2 business days. Please allow sufficient time to activate your account and to draft an application for submittal. We recommend requesting an account no later than two weeks prior to the pre-application deadline. If your organization already has an account, disregard this step in the process. To request an account, click on “Create an account now” in the grants portal (<http://mnhs.fluxx.io>).

Submit your request when you are finished. The Grants Office can take up to 2 business days to set up an organization’s account.

Once the Grants Office reviews your request for an account you will receive an email either approving or rejecting your request, or requesting clarification or additional information. If approved, you will receive a username (your email) and a randomly-generated password to access the grants portal.

ACCESSING THE APPLICATION

All of the Grants Office's grant programs are accessed and managed through an electronic system. Applicants access the system through the grants portal (<http://mnhs.fluxx.io>). Here applicants track where an application is in the review process and have access to information about previous grants received. The portal allows applicants to save work on an application and come back to finish it later. The portal provides access to everything needed in administering a grant from the Minnesota Historical Society, from the pre-application stage through reporting on the completion of a grant.

Recommendation: The grants portal requires that certain application fields must be filled in prior to saving. These fields will be marked as required. If you get an error message when saving the grant application, DO NOT log out of the grants portal without correcting the error(s), or you will lose all of your work. Remember to save often.

LOGGING IN & FILLING OUT AN APPLICATION

When you log in, you start at the main menu of the grants portal where you will be able to create and track your grant proposal. This is also where you will file your conditions, milestones, and final report if your grant proposal is funded.

Create a new application from the main menu by clicking on the "Heritage Partnership Grant" button.

A number of grant application forms will be listed. To open a blank grant application form, click on "Apply for a Heritage Partnership Grant."

Save your work often to avoid losing it! If you click the 'Save' button and you receive an error message, you must correct the error(s) and re-save your work. For example, applicants often make the error of leaving a required field blank. To avoid this error, make sure that there is at least one letter or word in each narrative field marked as required. If you get an error message at the top of the page after you hit the save button, it is usually because one of the narrative fields is still blank. When that message comes up, scroll down the page to find the blank field. It will be highlighted in red.

If you do not correct the errors, the portal will not save your application. There is no way to retrieve an application if it is not saved properly.

PRE-APPLICATIONS

A pre-application is a draft application using the Heritage Partnership application form. It is critical that you complete the application as thoroughly as possible. The more specific you are in the pre-application, the better the advice will be from subject experts and the better able you will be to prepare a solid final application. In addition, you should also include the required attachments so they can be reviewed.

Once you submit the pre-application, you will no longer be able to edit the draft. When the pre-application review is completed, Grants Office staff will email comments to the project director of the Lead Partner named in the application. You will be able to edit the application once you receive the written comments.

PRE-APPLICATION POLICIES

- A pre-application is required for all partnership applications. This provides an initial screening to ensure that the applicant organizations and the proposal are eligible to receive a grant.
- Pre-applications must be submitted through the grants portal on the Heritage Partnership application form.
- Prior grant applications and past grant awards do not substitute for a pre-application.
- Pre-applications cannot substitute for project planning.

FINAL APPLICATIONS

For your final application, do not start a new application form—you must edit the proposal you submitted as the pre-application. Review the comments from the staff evaluation of the pre-application. Staff encourages strengthening your proposal in specific ways by providing written feedback. You are not obligated to take staff advice, but staff comments are designed to help the proposal meet both the guidelines and the Grants Review Committee's interpretation of the guidelines. If you do not modify or strengthen your proposal as part of the final application, it could be noted in staff comments to the Grants Review Committee.

FINAL APPLICATION POLICIES

- A pre-application must have been submitted prior to the pre-application deadline in order for an applicant to be eligible to submit a final application.
- Final applications must be submitted through the grants portal on the Heritage Partnership Program application form.
- All application attachments must be uploaded to the appropriate part of the application form. Attachments sent via postal mail or email will not be accepted.

REQUIRED ATTACHMENTS

SIGNATURE AUTHORITY FORM

One of the partners must be identified as the lead partner for the application. This is done through the execution of the Signature Authority Form (Appendix D). The lead partner will be held responsible for coordinating the work, will serve as the fiduciary and project director, and must submit all required documentation, including final reports and requests for reimbursement.

EXISTING PARTNERSHIP AGREEMENTS

If the partnering organizations already have written legal agreements in place to govern the partnership, those documents must be submitted with the grant application.

NONGOVERNMENTAL ORGANIZATIONS APPLYING FOR \$25,000+

The State of Minnesota Grants Policy (# 08-06) (http://mn.gov/admin/images/grants_policy_08-06.pdf) requires a review of the financial stability of nongovernmental organizations applying for grants of more than \$25,000. To comply with this requirement, the lead partner (applicant organization) must submit an acceptable financial record (listed below) as part of their application materials. Any items of significant concern must then be discussed and resolved to the satisfaction of Grants Office staff before a grant can be awarded. For example, the Office of Grants Management questions grants of more than 20% of the non-governmental applicant's budget. If the budget exceeds this threshold, you will need to describe the internal controls you have in place to manage the financial aspect of the grant.

Failure to supply an acceptable financial record with your application will result in disqualification. Whichever record you submit must be the most recent available and no more than three years old. If your organization is too new to have any of these records, you may need to delay application until sufficient organizational history has accumulated or identify a lead partner who meets these requirements.

ACCEPTABLE RECORDS:

- Form 990
- Form 990-EZ
- Certified Financial Audit
- Year End Financial Report

RECORDS THAT CANNOT BE ACCEPTED:

- Form 990-N (no financials are part of this document)
- Budget (this is a future projection, rather than showing past performance)
- Bank Statement (current moment snapshot of financial picture)
- Balance Sheet (current moment snapshot of financial picture)

PARTNERSHIP PROGRAM GUIDELINES

1. PARTNERSHIP DEVELOPMENT & PLANNING

Partners use this category to build strong collaborations with each other. Organizations create a new partnership or build up an existing partnership to better preserve resources and improve access to history. These efforts should have a benefit for the public as well as clear benefits for the organizations.

Partnership Development & Planning programs encourage the exchange of information and ideas among organizations focussed on a specific interest. They build the organizational capacity of the individual partners and the partnership as a whole.

ELIGIBLE PROGRAM EXAMPLES

Eligible programs include, but are not limited to:

- Development of organic documents and a long-range plan to form a new partnership.
- Developing a strategic plan for coordinating history and cultural heritage preservation activities, educational curriculum, and events among partners.
- Integration of programs or governance between two or more organizations.

WHAT IS NOT FUNDED

In addition to the items described as not fundable under General Information, the following items are ineligible for funding:

- Partnerships developed for the purpose of future for-profit enterprises, such as real estate development, building or artifact salvage operations, or sale of collections or archives.
- Strategic plans to prepare for a capital campaign or fundraising effort among partners.

ADDITIONAL ADVICE FOR THE APPLICATION

The following advice corresponds to sections of the application form.

Partnership Program Description

Describe how the partnership will be improved by the program.

Evaluation Metrics

Demonstrate the degree to which (existing/new) partners will collaborate as a result of this program.

2. SHARED WORKFORCE

When partners have similar needs that do not warrant separately hiring full-time staff then the Shared Workforce category is appropriate. Partners may hire temporary supplemental staff people or contractors for a more intentional treatment of similar but separate historic resources for greater public benefit.

A shared workforce grant permits a partnership to dramatically increase its capacity for a specified time period. Alternately, this grant category permits partners to test the idea of a shared workforce.

The partnership has to carefully plan how to evaluate success and sustain a shared workforce beyond the grant period.

ELIGIBLE PROGRAM EXAMPLES

Eligible programs include but are not limited to:

- Improving student access to Minnesota history at local history organizations and other history entities.
- Improving the quality of regional documentation across multiple history museums.
- Establishing a management plan for multiple historic properties to forge a heritage tourism destination.
- Creating an internship program that will serve regional history entities.

WHAT IS NOT FUNDED

In addition to the items described as not fundable under General Information, the following items are ineligible for funding:

- Ongoing cost of a shared workforce beyond the end date of the grant agreement. These should be factored into the partners' long-term plan and budget for sustainability.

ADDITIONAL ADVICE FOR THE APPLICATION

The following advice corresponds to sections of the application form.

Partnership Program Description

- Explain the need for a shared workforce and how it will benefit the partners and their customers.
- Describe the position to be shared among the partners, including the qualifications of the position, job responsibilities, and how time will be shared among the partners.

Sustainability

- Provide evidence of the partnership's ongoing support for continuing a shared workforce beyond the term of the grant.

Evaluation Metrics

- Estimate cost savings from the planned shared staffing to demonstrate efficiency.

- Demonstrate how the success of the shared workforce will be evaluated and what decisions were made on whether to continue the program beyond the term of the grant.

3. SHARED SERVICES

Shared Services is the category to use when the partners want to develop integrated programs. This can be at their separate existing locations or at a jointly used location. Partners may individually provide similar services to the public or contract with service providers to accomplish common goals.

Streamlining services for greater efficiency will allow for a more comprehensive public benefit. The application must thoroughly demonstrate that the partners and their customers will benefit from the shared service and that the partners can sustain the results of the shared services beyond the grant period.

ELIGIBLE PROGRAM EXAMPLES

Eligible programs include but are not limited to:

- Identifying skills seminars to be presented among multiple constituencies.
- Developing a regional or community-based team to streamline disaster response efforts for historic properties, public records, museum collections, or archives.
- Creating integrated heritage tourism or exhibits programs.
- Developing a plan to combine services for collections held among the partners, including digitization, storage, inventory, care, and access.

ADDITIONAL ADVICE FOR THE APPLICATION

The following advice corresponds to sections of the application form.

Partnership Program Description

- Explain the need for shared services and how it will benefit the partners and their customers.
- If contracting with a service provider, describe the service to be shared.

Evaluation Metrics

- Estimate cost savings from the planned shared service to demonstrate efficiency.

4. SHARED RESOURCES

The Shared Resources category makes sense when separate organizations have a joint program planned that is in need of materials. These materials need to build up or supply the partners' history or cultural heritage joint efforts.

Partners may individually manage similar resources on behalf of the public. Streamlining management of those resources will allow for a broader public benefit.

The application must demonstrate how partners and their constituencies will benefit from gathering and employing these resources. The partners must include a plan to sustain the effect of the shared resources beyond the grant period.

ELIGIBLE PROGRAM EXAMPLES

Eligible programs include but are not limited to:

- Developing a regional disaster response and recovery supply cache as part of a regional disaster team program (e.g., developing and purchasing supplies for disaster kits).
- Planning, developing, and implementing digital solutions for uniting historic resources to promote better public and student access to Minnesota history.
- Developing cooperative agreements and procedures to manage historic properties, public records, or archives.
- Standardizing resources among partners, such as business forms or fee schedules.

WHAT IS NOT FUNDED

In addition to the items described as not fundable under General Information, the following items are ineligible for funding:

- General equipment purchases

ADDITIONAL ADVICE FOR THE APPLICATION

The following advice corresponds to sections of the application form and is additional to the guidance provided above.

Partnership Program Description

- Explain the need for shared resources and how it will benefit the partners and their customers.
- If contracting with a service provider, describe the service or resource to be shared.

Evaluation Metrics

- Estimate cost savings from the planned shared resource to demonstrate efficiency.

APPENDIX A

BACKGROUND

The [Clean Water, Land and Legacy Amendment to the Minnesota Constitution](#), passed in November 2008, raises new funds from a sales tax increase to be divided among projects benefiting the outdoors, clean water, parks and trails, and arts and cultural heritage. The Arts and Cultural Heritage Fund is then further divided among many purposes including arts, arts education, museums, zoos, etc., including history. Dollars allocated for history are further divided into specific purposes such as statewide programs, grants, and partnerships. The funds for this program are those set aside for partnerships.

First Biennium, 2010-2011

Overall appropriation:	\$22 million
Appropriation for partnerships:	\$4 million
Allocated to non-MNHS partnerships:	\$2 million
Number of requests:	13 applications
Amount requested:	\$2,968,887
Grants made:	12
Amount Granted:	\$2,100,000

Second Biennium, 2012-2013

Overall appropriation:	\$24.5 million
Appropriation for partnerships:	\$3 million
Allocated to non-MNHS partnerships:	\$1 million
Number of requests:	7 applications
Amount requested:	\$856,947
Grants made:	6
Amount Granted:	\$530,112

Third Biennium, 2014-2015

Overall appropriation:	\$28 million
Appropriation for partnerships:	\$4 million
Allocated to non-MNHS partnerships:	\$800,000
Number of requests:	21 applications
Amount requested:	\$1,365,198
Grants made:	14
Amount Granted:	\$782,628

Fourth Biennium, 2016-2017

Overall appropriation:	\$29 million
Appropriation for partnerships:	\$4.2 million
Allocated to non-MNHS partnerships:	\$800,000
Number of requests:	7 applications
Amount requested:	\$431,870
Grants made:	6
Amount Granted:	\$381,875

Fifth Biennium, 2018-2019

Overall appropriation:	\$28.12 million
Appropriation for partnerships:	\$4 million
Allocated to non-MNHS partnerships:	\$800,000
Number of requests:	31 applications
Amount requested:	\$1,826,558
Grants made:	13
Amount Granted:	\$647,745

Sixth Biennium, 2020-2021

Overall appropriation:	\$32.955 million
Appropriation for partnerships:	\$5 million
Allocated to non-MNHS partnerships:	\$800,000
Number of requests:	25 applications
Amount requested:	\$1,408,290
Grants made:	14

Amount Granted: \$785,437

Seventh Biennium, 2022-2023

For the current 2020-2021 biennium, a portion of the Arts & Cultural Heritage Fund has been appropriated to the Minnesota Historical Society for a variety of history programs around the state—programs intended to preserve and enhance access to Minnesota’s history and its cultural and historical resources. The Heritage Partnership Program received \$800,000 for the biennium:

Minnesota Session Laws-2021, 1st Special Session, Chapter 1, Article 4, Section 2, Subdivision 4,

(b) Historical Grants and Programs

(3) History Partnerships

\$2,450,000 the first year and \$2,550,000 the second year are for history partnerships involving multiple organizations, which may include the Minnesota Historical Society, to preserve and enhance access to Minnesota’s history and cultural heritage in all regions of the state.

Expiration of Funding:

- Fiscal Year 2022 appropriations are available until June 30, 2023
- Fiscal Year 2023 appropriations are available until June 30, 2024

APPENDIX B

FINANCIAL REQUIREMENTS, REPORTS & RECORDS

The Grants Office staff offers a post-award conference call after each grant round. We strongly encourage attending. This session is designed for project directors and will cover a broad overview of the grant agreement, milestone/condition reports, program products, and final report requirements. This session is helpful for large grantees that have conditions on their grants or that have faced past challenges with a Minnesota Historical Society grant.

1. Expenditures

- Expenditures for the grant must be made in accordance with the approved grant budget specified in the grant agreement. The approved project budget may differ from the grant application budget based on any changes required.
- Any expense not specifically approved in the budget will not be allowed without advance approval in writing by the Grants Office.
- Work on the grant must be completed within the dates set forth in the grant agreement. Work done outside the grant period is not eligible for grant assistance. If a time extension becomes necessary, the grantee should make the request to the Grants Office at least 30 days before the end of the grant period.
- Financial Records: Keep all paid invoices, receipts, timesheets/payroll records, and other financial records for verification of expenditures.

2. Documentation

Within thirty (30) days after the grant is completed, a final report form including supporting documents must be submitted to the Grants Office. Supporting documents include photographs (as applicable), receipts/invoices for grants over \$10,000, in-kind labor forms (optional), and a copy of the final product(s). Final work products should be uploaded to the grants portal, preferably as a pdf. The final report form and related documents can be found in the grants portal..

It is important to submit these reports promptly. Grantees with overdue reports cannot apply for any further grants until past due reports have been received and approved by the Grants Office.

Grantees must keep project financial, prevailing wage, and procurement process records on file for a minimum of 6 years. An audit may be made at any time by the Minnesota Historical Society, its designated representative, or any applicable agency of the State of Minnesota.

3. Records Retention

Grantees must keep financial records on file for a minimum of six years. An audit may be made at any time by the Minnesota Historical Society, its designated representative, or any applicable agency of the State of Minnesota.

4. Nongovernmental Organizations: Fiscal Review Requirements

The State of Minnesota Grants Policy ([#08-06](#)) requires a review of the financial stability of nongovernmental organizations applying for grants of more than \$25,000. To comply with this requirement, the lead partner (applicant organization) must submit an acceptable financial record as part of their application materials. Any items of significant concern must then be discussed and resolved to the satisfaction of Minnesota Historical Society staff before a grant is awarded.

Failure to supply an acceptable financial record with your application may result in disqualification. The record you submit must be the most recent available and no more than three (3) years old. If your organization is too new to have any of these records, you may need to delay application until your organization has sufficient organizational history has transpired.

Acceptable records:

- Form 990
- Form 990-EZ
- Audit
- Year End Financial Report

Records that CANNOT be accepted:

- Form 990-N (no financials are part of this document)
- Budget (this is a future projection, rather than showing past performance)
- Bank Statement (current moment snapshot of financial picture)
- Balance Sheet (current moment snapshot of financial picture)

5. Payments and Reporting

Grantees with overdue final reports are not eligible to apply for another grant until paperwork is closed out.

Awards greater than \$10,000 but less than \$50,000

- A check for 90% of the grant award will be released to grantees once the grant agreement documents have been fully executed and grantees have received authorization from the Society's Grants Office to begin work, unless a condition placed on the grant requires the payment to be reimbursable.
- The final report form, including the completed budget table showing actual expenditures, must be submitted to the Grants Office within 30 days following the assigned end date for the grant. The remaining 10% of the funding will be released upon receipt, review, and approval of the final report.

Awards \$50,000 and up

- For large grants, a payment schedule appropriate to the needs and scale of the grant will be included in the grant agreement. Agreements may include an advance payment at the start of the grant period with interim payments tied to the grant schedule or reimbursable expenditures.
- Grantees must submit progress reports in order to receive interim payments. Requested materials are grant-specific and will be listed in the grant agreement with the payment schedule.
- The final report form, including the completed budget table showing actual expenditures, must be submitted in the grants portal within 30 days following the assigned end date for the grant. The remaining 20% of the funding will be released upon receipt, review, and approval of the final report.

APPENDIX C

SUPPLEMENT VS. SUPPLANT

The Constitutional Amendment (Article XI, section 15) of the Minnesota Constitution that appropriates funding to this grant program, dictates that grant money must supplement traditional sources of funding and may not be used as a substitute for other sources of funding.

SUPPLEMENT VS. SUPPLANT EXAMPLES

Supplement: To add funds to a current part-time position for the purposes of completing a grant-funded work/project.

Supplant: Using grant funds to replace existing staff wages.

When staff at the applicant organization want to be paid by grant funds to work on a grant-funded work/project, they need to determine whether the funds are supplemental or would supplant usual sources of funding. The Minnesota Legislature allows grant funds to supplement existing wages in cases where applicant staff is part-time.

Using grant dollars to pay personnel

General—hourly

An eligible applicant has two “full time” employees who are both paid an hourly rate. One is paid for 32 hours per week and the other is paid for 40 hours per week. The applicant could ask for up to 8 hours per week to be added to the one “full time” employee who is only paid for 32 hours per week. This is clearly supplemental to the existing position paid through traditional means. The applicant may not ask for compensation from the grant for the employee who works 40 hours per week. Doing so would clearly supplant a traditional source. Applications must plainly show the supplemental nature of any pay to any staff member.

Note: Best practice is to pay existing staff the same rate for grant work as for their regular appointment.

General—salaried

An eligible applicant has a full time salaried employee that it wishes to compensate with grant funds in recognition of work on the grant. This clearly supplants a traditional source of funding used to pay the employee, and therefore is not an eligible grant expense.

General—overtime

An eligible applicant wishes to supplement the salary of a full time employee by paying for overtime with grant funds. The Heritage Partnership Program cannot pay for work beyond the full 40 hours per week.

College/University Faculty

For most of Minnesota's colleges and universities, faculty are paid on a 3/5 schedule. In other words, faculty members are paid for the three semesters they teach out of the five possible semesters each year. If a college or university wishes to pay faculty from a legacy grant, the application must plainly show that the faculty member will not be teaching or being paid during that term when grant work occurs. Grants cannot pay faculty during semesters of regular work. Grants may not be used to pay replacement faculty to teach for a faculty member on leave to work on a grant project.

Project/Program-Based Staff

An eligible applicant has one or more staff on a project/program basis. This means that employment is contingent on securing funding. Grant dollars can only be used to pay such staff if 1) the project/program can be truly demonstrated to be supplemental to the work of the applicant, 2) the staff is qualified to work on the supplemental project/program, and 3) the applicant can demonstrate how it satisfies the open procurement statute in hiring project/program staff.

Additional year of programming

An eligible applicant seeks funding from legacy dollars for an additional year of a program. In general, this is not an eligible grant because the program has been funded in the past from another source, and thus may violate the constitutional prohibition on supplanting traditional sources of funding. If the applicant can demonstrate that new and clearly supplemental elements not done in the past will be added to the program, the program may be eligible. Reviewers have discretion to determine whether the program truly is supplemental or really is more likely to supplant funding. As always, proposed programs must also show how the public will access the program well into the future. Access must meet professional standards.

Required mitigation

An eligible applicant seeks funding to pay for an action required due to Section 106 review. This is not an eligible program/project because the responsible federal or state agency would be required to fund this action whether or not there were a Legacy grant program, and therefore the program/project would supplant traditional sources of funding.

APPENDIX D

SIGNATURE AUTHORITY FORM

This form identifies the Lead Partner for grant applications in the Heritage Partnership Program and establishes the ability of the Lead Partner as the partner responsible for coordinating the program work, serving as the fiduciary and project director, and submitting all final reports to the Minnesota Historical Society Grants Office. After a grant award has been approved, the authorized officer of the Lead Partner must sign an agreement outlining the terms and conditions of the award. The Lead Partner is signing the grant agreement on behalf of all Partnering Organizations, as allowed by their signatures below.

Please print, sign, scan to PDF, and upload this form to Request Documents section of the online application.

Through their signatures below:

- The Lead Partner and the Partnering Organization(s) affirm their active, vested interest in the successful completion of the partnership program and acknowledge that their mutual goals are described within the Heritage Partnership Program application, having been discussed and agreed upon prior to submittal of the grant application.
- The Lead Partner and the Partnering Organization(s) understand the scope of work and budget may be adjusted through review and approval of the grant application and that the approved scope of work and budget in the executed grant agreement will supersede those that were submitted as part of the grant application.
- The Lead Partner agrees to provide administrative services and oversight to the partnership program, and to assume legal and financial responsibility for carrying out the program in accordance with the grant agreement and within the approved budget.
- The Partnering Organization(s) authorize the Lead Partner to sign the grant agreement on their behalf.

Heritage Partnership Program Title

Lead Partner:

Name of Organization

Signature

Printed Name and Title

Date

Partnering Organization:

Partnering Organization:

Name of Organization

Name of Organization

Employer Identification Number(EIN)

Employer Identification Number(EIN)

Signature

Signature

Printed Name and Title

Printed Name and Title

Date

Date

Partnering Organization:

Partnering Organization:

Name of Organization

Name of Organization

Employer Identification Number(EIN)

Employer Identification Number(EIN)

Signature

Signature

Printed Name and Title

Printed Name and Title

Date

Date

(Print, sign, and upload additional Partnering Organization pages, as needed.)

APPENDIX E

PROCUREMENT PROCESS & PUBLIC NOTICE REQUIREMENTS

PROCUREMENT PROCESS & PUBLIC NOTICE REQUIREMENTS

Procurement is a good faith effort to solicit or receive bids or quotes for goods to be purchased or services to be hired. This process is intended to ensure that public funds will be spent wisely and without prejudice and is a necessary procedure when receiving public grant money. Procurement precedes purchasing or hiring. It's a process of researching products or services, looking for the best providers and doing value analysis. Allowing for Open and Effective Competition in the spirit of Ethics and Fair Dealing to find the best Value for the Money.

As a recipient of state grant funds, grantees must comply with the procurement requirements according to the dollar threshold as listed below. The dollar threshold is based on estimated program/project costs, the ability for the program/project to be completed, and similar budget categories (i.e. personnel, equipment, supplies). The dollar threshold is not based on individual line items stated in the budget table. It is established by the Minnesota Historical Society based on the Office of Grants Management policy and takes precedence over and supersedes all individual applicant procurement policies. An exception to this is made if a grantee's procurement process is stricter than these requirements and is reflected in the grant application.

Dollar Threshold	Action Required
\$20,000 or more	A formal notice and bidding process must be conducted for any services and materials necessary to complete the program/project.
Between \$10,000 and \$19,999	An informal, competitively based process that is scoped out in writing and offered to a minimum of 3 bidders must be conducted for any services and materials necessary to complete the program/project.
Between \$5,000 and \$9,999	An informal, competitively based process to soliciting a minimum of 3 verbal quotes must be conducted for any services and materials necessary to complete the program/project.

RESPONSIBILITY

An informal process requires you to make a good faith effort to obtain bids. If you contacted potential vendors, consultants, or contractors and any declined or did not respond by a bid response deadline, the documentation of your attempts and the fact that they declined to bid or their non-response will meet the solicitations of bids requirement.

The grantee is responsible for choosing an appropriate vendor, consultant, or contractor to complete grant-funded work/projects. The bid selection must be based on low bid or best value. If best value is the preferred method, the solicitations must clearly set forth all requirements that the bidder must include in their bid response.

No single or sole sourcing is allowed.

For projects that include construction work where only one trade or occupation is required to complete the work, and the project is greater than \$2,500 or the estimated total cost of completing the project is greater than \$25,000, prevailing wage rules apply per Minnesota Statutes 177.41 through 177.44. Consequently, the bid request must state the project is subject to prevailing wage (see Appendix J).

The grantee is responsible for the settlement and satisfaction of all contractual and administrative issues related to contracts entered into with vendors, contractors, or consultants. This includes disputes, claims, protests of award, source evaluation, or other matters of a contractual nature.

AVOIDING CONFLICTS OF INTEREST

Grantees shall avoid real or apparent organizational conflicts of interest and non-competitive practices among professional vendors, contractors, consultants, and grant writers with procurement supported by state funds.

To ensure a fair and unbiased process and eliminate unfair competitive advantage, vendors, contractors, consultants, and grant writers that develop or draft grant applications or requests for proposals shall be excluded from competing in the procurement process.

Board members of the applicant organization cannot serve as consultants unless appropriate conflict of interest procedures are followed, documented, and approved by the Grants Office prior to starting the procurement process.

Seeking guidance from a professional, requesting a quote, etc., is acceptable and does not violate conflict of interest.

PRE-EXISTING CONTRACTS

When a grantee enters into a service-type contract in which the project is phased, the grantee may substitute an applicable contract with the application rather than repeating procurement. If continuation of work is needed on phased projects, the applicant organization must demonstrate a continuing relationship with the contractor, vendor, or consultant through both contract and amendments that do not exceed 5 years. The original contract must not exceed 2 years and must have been solicited and secured in accordance with procurement standards as stated above. The vendor, contractor, or consultant must have been employed by the applicant organization as an independent contractor without a break in service.

To request approval of a pre-existing contract that satisfies the procurement requirement, the

following needs to be submitted with the application:

- Description of the need for continuation of work in the Project Personnel section
- Explanation of the procurement process utilized and how it followed the dollar threshold above
- Copies of contract(s) to the Request Documents section.

The Grants Office will review and determine if a pre-existing contract can be allowed.

RECORD KEEPING

Support documentation of the procurement process utilized to contract services must be maintained by the grantee and is subject to examination by the Minnesota Historical Society, its designated representatives, or any applicable agency of the State of Minnesota for a minimum of 6 years from approval date of the final report.

ADDITIONAL GUIDANCE

Formal Notice and Bidding Process

The minimum elements of a formal notice and bidding process are:

1. Preparation of a Request for Proposal (RFP)

RFP is a solicitation document issued by the grantee to prospective contractors, vendors, or consultants. The RFP will outline the bidding process and contract terms, and provides guidance on how the bid should be formatted and presented.

2. Public Notice: Advertising the Request for Proposal (RFP)

This is a public announcement that public funds will be spent for a specific purpose and invites interested parties to submit proposals. Public notice may include, but is not limited to, any of the following:

- Published notice of the solicitation in publications, such as newspapers or professional or trade journals
- Posting on a municipality's or organization's website
- Posting with a Builder Exchange (if a construction project)

After placing the public notice, the organization may also direct-mail informal solicitations to vendors whom they believe are capable and available to respond.

3. Bid Proposal Selection

Create a list of what criteria will be used to select the winning proposal. Decide who should be involved in selecting the bid proposal. Enter a contract with the selected vendor, consultant, or contractor.

APPENDIX F

DEFINITIONS

ADA Accessibility: Americans with Disabilities Act, as defined by the Minnesota Accessibility Code

Authorized Officer: A representative, named by the applicant organization, who is legally authorized to act on behalf of the applicant organization and to assume the obligations imposed by federal and state laws, regulations, requirements, and conditions that apply to grant applications or grant awards. Responsibilities include, but are not limited to, signing grant agreements/contracts and overseeing changes in award terms and conditions. The Authorized Officer should be a different person than the **Project Director**.

Bid: A price for services offered by a potential **vendor**. In order to demonstrate proper **procurement** practices, an applicant or grantee must solicit multiple bids for each grant project.

Bid Proposal: A document that explains in some detail what the potential vendor will provide for the price for which they agree to do the work. Often a response to the **Request for Proposal** issued by the grantee organization.

Capacity: (1) The ability of the applicant organization to take on a grant project and see it successfully through to completion. (2) The resources and ability of an organization to further its mission. Ideally every awarded grant will somehow enhance the capacity of the recipient organization. If organizations with limited financial resources apply for large grants, the application should address the organization's capacity to take on the cost and workload of such a project.

Condition: A requirement that must be met to ensure that the grant project meets the Secretary of the Interior's Standards and/or the Grant Guidelines. Conditions can be placed on any size grant and must be met in order for the project to be successfully closed. For example, a typical condition for research grants is submitting a draft of the report to the Grants Office for review and comment. Grantees can view Condition Reports in the Reports section of the grants portal.

Conflict of interest: A circumstance where one may personally benefit from actions made in their official capacity. A conflict of interest can also occur in a situation where a person's judgment or actions are influenced disproportionately by a secondary interest, such as the possibility of career promotion or the desire to do favors for family or friends. For example, anyone outside the applicant organization involved in writing the grant application cannot be hired as a vendor, consultant, or contractor. (This is an actual conflict of interest that

creates an unfair competitive advantage over other bidders.) Members of the board cannot be hired as staff without first stepping down from their board position

Draft: An application that has not yet been submitted for one of the grant deadlines. The Project Director and Authorized Officer (if they have a grants portal login) have edit access to the application when it is in draft status.

Direct Costs: Eligible expenses related specifically to the grant.

Eligible expenses: Approved grant/project expenses documented and contractually included in the budget table of the grant agreement. Eligible grant/project expenses may only occur between the approved start and end dates of the grant.

Enduring Value: The purpose of the grant application's Enduring Value field is to provide assurance that the products created and the program/projects completed will be accessible not just in the present, but to Minnesotans in the future. Each grant category may differ slightly in how they provide Enduring Value but all of them need to state a plan to save the product or a record of it for the future. For example, exhibits that may be open for a determined amount of time can provide enduring value by placing a copy of the exhibit text and planning materials in a public repository that will provide continued access. Similarly, a research report that, in the short term, produces content for an interpretive project should also be available for researchers in the future. Your application must answer how the specific and discrete product from this project will be available and beneficial to Minnesotans in the future.

Estimate: An approximate calculation of the cost and quality of needed goods or services. An estimate is helpful in determining the budget for the grant proposal; however, it is not appropriate financial documentation for the grant final report.

Grantee: An eligible applicant organization that has successfully obtained a grant.

Grants Portal: The website where the online applications are found and administration of the grants happens (including payment information and access to Milestone/Condition Reports and Final Reports):
<https://mnhs.fluxx.io>

Implementation: The final stage of multiphase program/projects. Examples of implementation would be: an installed exhibit, a published book, or a completed website. These programs/projects must be based on previously completed and reviewed research and writing.

Indirect Costs: An organization's overhead, administrative, or other expenses not directly related to the program/project and possibly supporting other program/projects or functions. These are ineligible costs/expenses. Letter of Critical Review: A letter from a qualified person knowledgeable about the grant project subject matter who is not involved in the program/project but who will give a comprehensive, objective analysis of the subject matter (exhibit text, manuscript, script, etc.). At least one of the letters must be from a person outside the applicant organization, although best practice would be to have both letters come from individuals

outside the applicant organization to ensure an unbiased, independent content review. The people providing critical reviews must have proper credentials (e.g., an expert in the subject matter).

Match: The amount of time and/or money the applicant organization estimates they or a community partner will contribute to the program/project to supplement grant funds. A funding match is not required at any level in the Minnesota Historical and Cultural Heritage Grants program. Matches, however, are always encouraged; in fact, they are listed as an additional criterion for evaluating grant applications. For larger grants, the presence of a local match can also be viewed as a measure of the applicant's capacity to carry out the grant project and of the program/project's sustainability.

Measurable Outcomes: This addresses a requirement in Minnesota Statute 129D.17 Subd. 2. (a) which states "a project or program receiving funding from the Arts and Cultural Heritage Fund must include measurable outcomes, and a plan for measuring and evaluating the results." Outcomes for various types of projects will vary greatly; guidelines for each program/project category provide additional guidance on this matter.

Milestone: A requirement that must be met to ensure that the grant meets the Secretary of the Interior's Standards and/or the Grant Guidelines. Milestones are included with large grants and often have payments associated with them. Milestones often must be worked on and documented sequentially and must all be met before the grant can be closed. Grantees can view Milestone Reports in the Reports section of the grants portal.

Plagiarize: To steal or pass off the ideas or words of another as one's own; to use another's production without crediting the source (OxfordDictionaries© Oxford University Press). The Grants Office cannot accept plagiarism in applications, drafts, or final products.

Pre-application (a.k.a initial or draft application): This is a required part of the application process for Large Minnesota Historical and Cultural Heritage Grants. Applicants receive constructive feedback from the Grants Office on the pre-application's content. This feedback should be used to revise and resubmit the proposal, at which point it becomes the final draft of the application. The same application format is used for both pre-application and final.

Prevailing Wage: Prevailing wage is the minimum hourly wage employers must pay certain tradespeople who work on construction projects where state dollars are used to fund construction. The prevailing wage includes the employer's cost of benefits.

Procurement: Good faith effort to receive at least three bids or quotes for goods to be purchased and/or services to be hired. This process is intended to ensure that public funds will be spent wisely and without prejudice and is a necessary procedure when receiving public grant money.

Professional Standards: General guidelines, rules, or principles followed by professionals in their fields of study. For grant program purposes, industry standards in history, museums, and historic preservation would be among the professional standards grant projects should follow. Professional standards should be followed in all grant project work as well as in the production of the final product.

Project: An activity that requires detailed planning and often collaborative effort to achieve, with the purpose of accomplishing prioritized organizational goals or objectives. A grant project should have a purpose that clearly supports the applicant's mission and has a finite time frame with a distinct beginning and end, resulting in a product of enduring value.

Project Director: A representative associated with and named by the applicant organization to direct the program/project and activities being supported by the grant. This person is the primary contact for the Grants Office during the life of the grant project and after. Responsibilities include, but are not limited to, coordinating the day-to-day program/project work; overseeing the work performed by contractors, vendors, or consultants; maintaining necessary program/project and financial documentation; submitting milestone/condition reports, final reports, and grant project products to the Grants Office; and requesting changes to award terms and conditions if necessary. A Project Director cannot be a person who may be hired to perform work as vendor, contractor, or consultant on the program/project. The Project Director should be a different person than the Authorized Officer.

Grant/Project Product: The tangible result of the grant project which is part of the enduring value and sustainability of the program/project; also called the grant's final product. Examples of final products can be found under each grant category

Public Benefit: Program/Projects supported through this grants program are expected to demonstrate public benefit. Applicants must consider what the program/project's potential public benefit will be as they shape the program/project, identify its goals and objectives, and develop a plan for evaluating its results. The final product must be of public benefit.

Request for Proposal (RFP): is a solicitation document issued by a grantee to prospective contractors, vendors, or consultants that outlines the bidding process and contract terms, and provides guidance on how the bid should be formatted and presented.

Scope: The boundaries of a given grant/project, which will be detailed in the Work Plan and Timetable section of the grant application.

Start/End Dates: These dates define the official grant period and determine when eligible program/project expenses can be spent. These dates are part of the grant agreement language and therefore are legally binding.

Sustainability: It is the intention of Legacy Amendment funding to support programs/projects with lasting impact or enduring value. Applicants must demonstrate sustainability of the grant project's final project product. Sustainability is the applicant's ability to support any ongoing costs that the project may incur after the grant is closed. This issue must be addressed in the grant application.

Vendor: A person or company offering goods or services for sale. A vendor is not allowed to be any of the following: grant project director, authorized officer, applicant organization's board member, applicant organization's hired grant writer (when they also plan to bid on the grant project work).

VERSION CHANGES

VERSION 4.0

Information about the last two biennium updated.

Minor changes throughout to increase readability.