



# Arts and Cultural Heritage Fund

## Grant Guidelines for Regional Library Systems

### State Fiscal Year 2025



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## Section I: Overview

### A. History

Minnesota voters approved the [Clean Water, Land and Legacy Amendment](#) in November 2008, which increased the sales tax rate by three-eighths of 1% and dedicated the receipts for natural resource and cultural heritage purposes. The Legacy Amendment's Arts and Cultural Heritage Fund (ACHF) created the opportunity for public libraries to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota. Regional library systems receive a biennial ACHF appropriation that is administered by the Minnesota Department of Education (MDE).

### B. Statutory Authority

Under [Laws of Minnesota 2023, Regular Session, chapter 4, article 4, section 2, subdivision 5](#), the Arts and Cultural Heritage Fund is appropriated to the Education Commissioner for grants to the twelve regional library systems to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota. The funds may be used to sponsor programs provided by regional libraries, or to provide grants to local arts and cultural heritage organizations for projects in partnership with regional libraries.

Grant agreements entered into by the state and recipients, called Official Grant Award Notifications (OGANs), ensure that funds are spent only for the purposes specified in [Article XI, section 15](#) of the Minnesota Constitution. OGANs also ensure that funds are spent only to supplement traditional sources of funding, and not as a substitute for these sources. Before funds can be spent, the OGAN must be signed by authorized representatives from the Minnesota Department of Education and the regional library system (grant recipient). Expenditures cannot be incurred prior to the date that the OGAN is signed by all parties and fully executed.

Arts and Cultural Heritage Funds may not be spent on activities unless they are directly related to and necessary for MDE's appropriation. Arts and Cultural Heritage Funds must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for educational opportunities in the arts, history, literary arts and cultural heritage of Minnesota. Arts and Cultural Heritage Funds must be spent in accordance with Minnesota Management and Budget's [Guidance to Agencies on Legacy Fund Expenditures](#).

ACHF funding may be used for the entire or partial costs of a project as long as the regional library system describes and reports on the cost of the entire project—attributing other sources of funding—and can demonstrate that it has sufficient resources to ensure that the entire project is completed. All ACHF-funded projects and activities must be located in Minnesota.

### C. Priorities

The [Legislative Guide: Principles for Use and Expected Outcomes of Funds from Dedicated Sales Taxes](#) adopted March 24, 2010, identifies ACHF funding priorities that include:

- Investments in arts, history, music and cultural activities that demonstrably help student achievement in schools.
- A sustainable climate in which artists can live and work.
- Funded activities can be successful beyond the life of the ACHF.
- A study of creative skill, a process of using creative skill, a product of the creative skills, or the audience's experience with the creative skill.
- Lifelong educational activities meant to impart knowledge, teaching a new creative skill, or further developing an existing skill in any arts discipline.
- Both tangible and intangible cultural heritage.
- Historic resources will be preserved for future generations.

## **D. Outcomes**

According to [Minnesota Statutes 2021, section 129D.17](#), a project funded through ACHF must include measurable outcomes, and a plan for measuring and evaluating the results.

By statute, ACHF dollars must be used for projects that **support arts, arts education, arts access, and the preservation of Minnesota's history and cultural heritage**. The intent, activities, description, publicity and outcomes of projects all need to reflect the goals of the fund.

All projects must be reported in one or more of the following categories:

- **Arts:** Pertaining to visual, performing, media, literary or interdisciplinary art forms.
- **Arts Access:** Broadening arts opportunities by reducing or eliminating barriers to participation.
- **Cultural Heritage:** Preserving the values and traditions that identify Minnesotans collectively, and the distinctive values and traditions of the many groups and institutions that make up Minnesota.
- **Education/Outreach:** Educating, engaging, or disseminating arts, Minnesota history and/or cultural heritage information to an audience.
- **Historic Preservation:** The management and preservation of buildings, sites, structures, objects and landscapes that have historical or cultural significance.
- **History:** Preserving the evidence and telling the stories of human habitation and culture in the geographic area now known as Minnesota, from the earliest peoples to the present day.

Please ensure that these requirements can be met by all proposed projects. Future eligibility for money from the ACHF may be contingent upon all recipients satisfying all statutory requirements, as well as any additional requirements contained in applicable session law.

According to the [Legislative Guide: Principles for Use and Expected Outcomes of Funds from Dedicated Sales Taxes](#) adopted on March 24, 2010, the anticipated outcomes of the ACHF are:

- Arts, culture and history will be interwoven into every facet of community life.
- There will be an increase in the number of Minnesotans of all ages, ethnicities, abilities and incomes who participate in the arts, culture and history.
- People will trust Minnesota's stewardship of public arts, culture and history funding.
- Arts, culture and history will thrive in Minnesota.
- Increased student exposure to professional performing arts, and the work of professional artists.

- Increased number of K-12 students who can affordably learn to read music and play a musical instrument, participate in dance, choral, drama and other performing arts for which financial barriers can limit access to this educational experience.
- Increase in the visual and literary artists in Minnesota who report that they earn over half of their income from their art.
- Increased focus on Minnesota artists in Minnesota museums and literary performances.
- Increased knowledge and awareness of the way that history affects people’s lives and how that knowledge can help people make informed decisions for the future.

Outcomes of ACHF projects must be reported through MDE to the Legislative Coordinating Commission for inclusion on the [Legacy website](#). Required reporting asks for both proposed and realized outcomes as well as participation/attendance. Proposed outcomes should tie into the expected outcomes of ACHF funding as described in the [Legislative Guide](#). Realized outcomes must state whether proposed outcomes were or were not achieved.

The following are best practices for evaluation planning. When considering proposed outcomes, deciding how these outcomes could be measured, and planning the evaluation of a project’s actual outcomes, it helps to consider:

- Understanding the project – Reflect on the project and what aspects should be evaluated in light of the expected outcomes for ACHF funding.
- Focusing design – Choose evaluation questions to guide the inquiry. Identify the type of evaluation that fits your goals, needs, timeline and budget.
- Gathering evidence – Determine what information should/will be collected, from whom, how and when.
- Analyzing & interpreting data – Ascertain how the information could be analyzed and used by your library system and other stakeholders.
- Sharing lessons – Develop a plan for how your system will share what was learned/gained from the project.

Keep in mind that evaluation results are part of your system’s larger report on why and how it spent its ACHF allocation. The results are posted to the LCC’s Legacy website and can be accessed by the general public. On occasion, legislators, reporters and watchdog groups look to the website for information as well. Your library system may also wish to use the evaluation results to guide planning of future ACHF-funded projects.

Ten- and twenty-five-year goals for ACHF funding can be found in [Minnesota: State of Innovation](#).

## **Section II: Accountability**

### **A. Public Purpose Expenditures**

The Minnesota Constitution requires that proceeds of taxation must be used for public purposes. Because ACHF funding is derived from sales taxes, funds must be used for public purposes. The Minnesota Supreme Court has generally concluded that “public purpose” means an activity that meets all of the following standards:

- The activity will benefit the community as a body.

- The activity is directly related to functions of government.
- The activity does not have as its primary objective the benefit of a private interest.

## B. Implementation Standards

Grants must be implemented according to standards, including conflict of interest standards, developed by the Minnesota Department of Administration's [Office of Grants Management](#).

ACHF expenditures should be determined in accordance with generally accepted accounting principles, and tracked according to Minnesota accounting policies and procedures. These are in place to ensure the consistent treatment of all state expenditures, including ACHF expenditures. Agencies and sub-grantees should document carefully and be prepared to defend expenditures to legislators, internal and external auditors, stakeholders, and the public.

ACHF recipients are responsible for developing and maintaining adequate documentation of their expenditures. While the means and processes of this documentation can and should vary by organization, the resulting documentation should be sufficient to show that the need and reasonableness and consistent use criteria have been met. At a minimum, ACHF recipients should be prepared to demonstrate to an outside party that they have a logical system in place for determining expenditures, and that the system has been consistently applied within the organization. Additional information about accounting procedures from Minnesota Management and Budget can be found on the [MMB website](#).

## C. Quarterly Financial Reporting Forms

The regional library system submits quarterly financial reporting forms (FRF) to MDE, as described in the Official Grant Award Notification (OGAN). FRFs let MDE know on a regular basis how much of the allocation has been spent. MDE supplies these forms to recipients each quarter.

## D. Interim Progress Reports

On September 30 of each year, the regional library system submits an Interim Progress Report (IPR) for each fiscal year of ACHF funding that it is still spending. The system submits a separate report for each fiscal year. Projects that are funded across fiscal years should be reported in each fiscal year report, based on the funds expended toward that project in each fiscal year.

Each Interim Progress Report consists of two parts:

- 1) **Executive Summary.** Submitted on a form supplied by MDE, an Executive Summary highlights two or three exemplary projects and summarizes statistical information including number of projects, total attendance, number of partnerships, total in-kind contributions, total administrative costs, and total full-time equivalents funded with the fiscal year's ACHF dollars. MDE sends the Executive Summary form to regional library systems on or before June 30.
- 2) **Spreadsheet.** A spreadsheet with details required by the Legislative Coordinating Commission (LCC) about each of the projects paid for with funds from the identified fiscal year. The spreadsheets are used to report to the LCC, which in turn uploads the information to the [Legacy website](#). MDE has created an online

reporting form which exports project information into the required spreadsheet format. A regional library system may use its own reporting mechanism, so long as it is approved by MDE and results in a spreadsheet that contains the required information. If you do not have access to the MDE-created online reporting form, please contact Ashley Bieber at [ashley.bieber@state.mn.us](mailto:ashley.bieber@state.mn.us). The MDE-created online reporting form is available year-round, and project information can be added to it at any time.

The following details are required to be included in the spreadsheet:

1. Name of the project
2. Project description
3. Start and end dates of the project
  - The start date field should be the first date the project takes place; the end date should be the last date of a project
  - If it is a one-day project, the listed start and end dates should be the same
  - If the project includes multiple events, the start date should be the date of the first event and the end date should be the date of the final event
4. Fiscal year of ACHF allotment used for the project
5. Geographic location(s) of activities of the project
6. Amount of ACHF funding (from this fiscal year) used for the project
7. Amount and source(s) of any additional funding or leverage (see Appendix 1)
8. The organization name, organization authority's name, telephone number, address, and email address of the funding recipient
9. Proposed outcomes of the project
10. Actual measured outcomes and evaluation of project ([as required by statute](#))
11. [Specific subject areas](#) that a project addresses:
  - **Arts:** Pertaining to visual, performing, media, literary or interdisciplinary art forms.
  - **Arts Access:** Broadening arts opportunities by reducing or eliminating barriers to participation.
  - **Cultural Heritage:** Preserving the values and traditions that identify Minnesotans collectively, and the distinctive values and traditions of the many groups and institutions that make up Minnesota.
  - **Education/Outreach:** Educating, engaging, or disseminating arts, Minnesota history and/or cultural heritage information to an audience.
  - **Historic Preservation:** The management and preservation of buildings, sites, structures, objects and landscapes that have historical or cultural significance.
  - **History:** Preserving the evidence and telling the stories of human habitation and culture in the geographic area now known as Minnesota, from the earliest peoples to the present day.
12. [Specific activities](#) undertaken for a project:
  - **Assessment/Evaluation:** Appraisal of the effectiveness of some existing or past action for the purposes of informing future actions
  - **Digitization/Online Information Access:** The transformation or creation of new or existing data or information into an electronic format or that publish or make such data or information accessible over the Internet
  - **Education/Outreach/Engagement:** Sharing of information or inclusion of outside entities for the purposes of educating, engaging, or disseminating information to some audience
  - **Fund Administration:** The selection, administration, or oversight of projects funded through ACHF

- **Grants/Contracts:** Competitive grant programs or other monetary support of other entities to be used to meet the goals of ACHF
- **Preservation:** Support the proper management, maintenance and conservation of buildings, sites, structures, objects and landscapes that have historical or cultural significance in Minnesota to ensure their availability for future generations
- **Research:** Systematic, scientific inquiry into some concept to discover or refine understanding of a concept.

13. Counties in regional library system benefitting from project.

MDE is required to submit all regional library system IPR spreadsheets to the [Legislative Coordinating Commission \(LCC\)](#) no later than January 15. The LCC posts the project information on the [Legacy website](#) soon thereafter. MDE also posts information from the IPR Executive Summary forms to the Legacy website. Please use care when completing the IPR spreadsheet; the information that you submit is posted directly to the public Legacy website with minimal additional editing.

## **E. Completion Reports**

When MDE receives an FRF showing that a regional library system has fully spent a fiscal year of funding, grants management staff supplies the regional library system with the necessary forms and instructions to file a Completion Report. Information in the Completion Report updates and adds to previously submitted Interim Progress Reports, and closes out the fiscal year's spending by itemizing on a project by project basis how the total allocation was spent.

Please use care when completing the spreadsheet; the information that you submit is posted directly to the public Legacy website with minimal additional editing. Completion Reports are due to MDE 90 days after the appropriation has been fully expended.

A Completion Report has three parts – two required and one optional.

1. **Executive Summary** (Required). Submitted on a form supplied by MDE, the Executive Summary highlights two to three exemplary projects and summarizes statistical information including number of projects, total attendance, number of partnerships, total in-kind contributions, total administrative costs, and total full-time equivalents funded with the fiscal year's dollars.
2. **Spreadsheet** (Required). A spreadsheet with details about each of the projects paid for with funds from the completed fiscal year, identical to the Interim Progress Report. The total of funds spent should add up to the regional library system's entire allocation for that fiscal year. State Library Services works closely with the Legislative Coordinating Commission to develop reporting forms that include all required data. The spreadsheet is created by exporting information entered via an online reporting form provided or approved by MDE. If you do not have access to the MDE-created online reporting form or are having difficulty using it, please contact [Ashley Bieber](#). The MDE-provided online reporting form is available year-round, and project information can be added to it at any time.
3. **Illustrative Materials** (Optional). Selected promotional materials and high-resolution event photos in electronic format may be used to illustrate ACHF projects in public libraries on the Legacy website. While optional, these help to convey the value of your work.



## F. Reporting Schedule

The OGAN lists FRF and IPR due dates. MDE provides a fiscal year Completion Report form when funds have been reported as completely spent. Completion Reports are due 90 days following the receipt of report forms from MDE. When a regional library system has reported the exhaustion of fiscal year funds, FRFs and IPRs are no longer required.

## G. Monitoring

It is the policy of the State of Minnesota to conduct at least one monitoring visit per grant period on all state grants of over \$50,000 and to conduct at least annual monitoring visits on grants of over \$250,000. ([Minn. Stat. 16B.97](#) and [Office of Grants Management policy 08-10](#)).

State agencies also conduct a financial reconciliation of the regional library system's expenditures at least once during the grant period on grants of over \$50,000. The regional library system must make expense receipts, employee timesheets, invoices, proof of payment (e.g. cancelled checks, bank statements, etc.) and any other supporting documents available upon request by the state.

MDE reserves the right to request an ACHF expenditure detail report/general ledger from your accounting system at any time.

## H. Audits

The books, records, documents, and accounting procedures and practices of the regional library system or other party that are relevant to the grant or transaction are subject to examination by MDE and either the legislative auditor or the state auditor, as appropriate, for whichever of these is the latest ([Minn. Stat. 16B.98, subd. 8](#)).

- a minimum of six years from the grant agreement end date,
- receipt and approval of all final reports, or
- the required period of time to satisfy all state and program retention requirements.

All funds are subject to audit by the Office of the Legislative Auditor (OLA). In 2011, the OLA released [reports on program audits of all four Legacy funds](#) and on financial audits of the Outdoor Heritage, Clean Water and Parks and Trails funds. In 2012, the OLA issued audits of six entities ([including MDE](#)) that spent money from the ACHF. Reports are available on the [OLA web site](#). In 2015, the OLA deferred a review of MDE's ACHF internal controls.

## I. Publicity

All projects funded by the ACHF must publicly credit the fund when practicable. ACHF attribution should be included on the regional library system's website, brochures, advertisements, etc. Publicity and logo guidelines are detailed on the [Legacy website](#).

## Section III: Grant Application and Payments

### A. Application

The ACHF application is developed and distributed by MDE and addresses the program's statutory requirements. The application consists of two parts: a narrative form including assurances with signature(s) and a completed budget form (Excel spreadsheet). Because funds are allotted using factors that are not known until after the application deadline, MDE provides an estimated application amount to each applicant. If the actual amount awarded varies more than 10% from the estimated amount, applicants are required to resubmit a grant budget.

The twelve regional library systems are eligible to apply for 2025 ACHF grants, and funds are allocated as [required by legislation](#). The regional library system applicants submit a budget for the 2025 funds along with their application due to MDE by May 31, 2024.

Your approved application is the first half and the OGAN is the second half of your grant contract with MDE.

### B. Metered Payments

MDE calculates each system's allocation as [required by appropriation language](#). Ten equal (metered) payments are disbursed during State FY2024. Allocations are determined using the formula in [Minnesota Statutes 2021, section 134.355](#), subdivisions 3, 4, and 5, with the remaining 25% to be distributed to all qualifying systems in an amount proportionate to the number of qualifying system entities in each system.

### C. Budget Revisions

Total budget line item deviations exceeding 10% of the total award must be approved in writing by MDE prior to the regional library system incurring the expenditure. MDE Grants staff supply regional library systems with Budget Revision Forms (BRF) both on a quarterly basis and upon request. Budget revision requests may be approved by [Ashley Bieber](#) or [Deb Rose](#).

Expenditures incurred on budget line item changes that exceed 10% of the total award for which prior approval has not been granted may not be approved. The revision request should describe and justify why the change is necessary. MDE staff may also request additional information about a budget change even if the budget line revision is less than 10% of the total award.

### D. Eligible/Ineligible Expenses

Arts and Cultural Heritage Fund allocations

- May be spent only for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage
- Must be for projects located in Minnesota
- Must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific project

Track only administrative costs for ACHF projects that are being paid for with ACHF funds. Total administrative costs for a fiscal year should be reported in both the Interim Progress and Completion Reports.

Direct expenses are those that can be identified specifically with a particular final cost of implementing an ACHF-funded project. Typical direct expenses are:

- Compensation of employees for the time devoted and identified specifically for the ACHF-funded project
- Cost of materials acquired, consumed, or expended specifically for the purpose of the ACHF-funded project
- Equipment specifically for the implementation of the ACHF-funded project
- Travel expenses incurred specifically for the purpose of the ACHF-funded project

Ineligible expenses include but are not limited to:

- Alcoholic beverages
- Staff entertainment
- Fundraising
- Taxes, except sales tax on goods and services
- Lobbyists, political contributions
- Bad debts, late payment fees, finance charges, or contingency funds
- Parking or traffic violations

Please refer to the following documents for guidance on eligible and ineligible expenditures:

- [MMB Guidance to Agencies on Legacy Fund Expenditure](#)
- [Legislative Guide: Principles for Use and Expected Outcomes of Funds from Dedicated Sales Taxes adopted March 24, 2010](#)
- [2 CFR Part 225](#)

## **E. Travel Expenses**

Travel expenses for staff, contractors and subcontractors are expected to meet the guidelines specified in section 15 of the current [Commissioner's Plan](#).

Supporting documentation (invoices, receipts, employee time records, proof of payment, etc.) must be maintained on file by the regional library system and made available upon request by the state.

## **Section IV: Grant Provisions**

Grant recipients must follow State of Minnesota statutes, grant practices, policies and best practices in administering funds. These include but are not limited to assurances in the grant application, the terms of the OGAN and the practices outlined in this section.

## A. Grants Management Policies

Grants funded by ACHF must be administered according to [Minnesota Statutes 2021, section 16B.97, subdivision 4\(a\)\(1\)](#), and [Minnesota Statutes 2021, section 16B.98](#). The responsible entity must account for all expenditures of funds. Grant funds must be encumbered prior to the execution of the grant agreement. A recipient may not incur expenses on the grant award prior to the execution of the grant agreement. Each regional library system should track its ACHF allocation and expenditures as a distinct, separate category within its accounting system.

## B. Payroll

Payroll costs charged to ACHF funds must be tracked. Time records should indicate total hours worked per pay period and must segregate those that are charged to ACHF funds (unless the employee is included in the regional library system's indirect costs). Time records are to be signed by the employee and signed/approved by a supervisor.

## C. Conflicts of Interest

Under [Minnesota Statutes 2021, section 16B.98](#) and [Office of Grants Management policy 08-01](#), the Department of Administration takes steps to prevent individual and organizational conflicts of interest. Organizational conflicts of interest occur when:

- A regional library system or applicant is unable or potentially unable to render impartial assistance or advice to the department due to competing duties or loyalties
- A regional library system's or applicant's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties

In cases where a conflict of interest is suspected, disclosed or discovered, the applicant or regional library system will be notified and actions may be pursued, including but not limited to disqualification from eligibility for the grant award or termination of the grant agreement.

## D. Intellectual Property Rights

1) **Use of Works and Documents.** The regional library system owns any Works or Documents developed by the system, its employees, agents, and subcontractors--either individually or jointly with others in the performance of this contract--unless otherwise negotiated by the regional library system with its subcontractor(s). The state has royalty free, non-exclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the Works or Documents for government purposes.

2) **Definitions.** "Works" means all inventions, improvements, discoveries (whether or not patentable or copyrightable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the regional library system, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this contract. Works includes "Documents." Documents are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings,

specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the regional library system, its employees, agents, or subcontractors, in the performance of this contract.

## E. Continuation

Continuation of funding is contingent upon satisfactory performance. The regional library system is responsible for:

- Submitting an application with work plan and budget for Fiscal Year 2024 ACHF funds
- Submitting statutorily-compliant reports on time
- Ensuring all ACHF-funded projects comply with ACHF intent, goals and desired outcomes
- Satisfying all applicable ACHF requirements

## F. Cancellation

1) **With or Without Cause.** An award contract may be cancelled by the state at any time, with or without cause, upon thirty (30) days' written notice to the regional library system. Upon termination, the regional library system is entitled to payment, determined on a pro rata basis, for services satisfactorily performed and for approvable expenditures.

2) **Due to Discontinued or Insufficient Funding.** It is expressly understood and agreed that in the event the funding to the state from appropriations by the Minnesota Legislature is not obtained and/or continued at an aggregate level sufficient to allow for the regional library system's program to continue operating, the grant shall immediately be terminated upon written notice by the state to the regional library system. The state is not obligated to pay for any services that are provided after notice and effective date of termination. However, the regional library system is entitled to payment, determined on a pro-rata basis, for services satisfactorily performed and approvable expenditures incurred prior to termination to the extent that funds are available. The state is not assessed any penalty if the grant is terminated because of a decision of the Minnesota Legislature not to appropriate funds. The state must provide the regional library system notice within a reasonable time of the state receiving notice.

3) **Due to Failure to Comply.** The state may cancel an award contract immediately if the state finds that there has been a failure to comply with the provisions of an award, that reasonable progress has not been made, or that the purposes for which the funds were awarded/granted have not been or will not be fulfilled. The state may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

In the event of any cancellation, the state recovers any unexpended funds that have not been accounted for in an accepted financial report to the State.

## G. Subcontracting/Contracting

If the regional library system deems it necessary to contract with outside resources for service delivery, consulting services or technical assistance, a formal agreement must be drawn. The negotiated fees should be reasonable and align with current costs for similar work. The contract executed with each contractor should not allow for work or obligations to begin before the execution of the OGAN and the contract should

not extend beyond the end date of the grant award. The work duties should be clearly defined and should explain what initiative the work is related to and the outcome expected from the contractor, including deliverables. The contract should outline the payment and invoicing terms. If travel expenses are included as part of the contract terms, maximum travel reimbursement costs must align with the [Commissioner's Plan](#). Receipts for travel reimbursements should be submitted along with expense reimbursement requests and invoices prior to reimbursements. The inclusion of a cancellation clause in your contracts is recommended. A copy of the contract agreement is to be retained by the regional library system.

## H. Equipment

The regional library system should have in place a system for tagging and tracking inventory. If ACHF funds are used to purchase equipment, the system should include a plan for disposition of equipment after the grant ends.

## Section V: Definitions

### A. Activity

An activity is a specific endeavor undertaken for a project. The Legislative Coordinating Commission has identified [specific activities](#) tied to ACHF projects. All library projects employ one or more of the following activities:

- **Digitization/Online Information Access:** The transformation or creation of new or existing data or information into an electronic format or that publish or make such data or information accessible over the Internet.
- **Education/Outreach/Engagement:** Sharing of information or inclusion of outside entities for the purposes of educating, engaging, or disseminating information to an audience.
- **Fund Administration:** The selection, administration, or oversight of projects funded through the Arts and Cultural Heritage Fund, Clean Water Fund, Environment and Natural Resources Trust Fund, Outdoor Heritage Fund, or Parks and Trails Fund.
- **Grants/Contracts:** Competitive grant programs or other monetary support to other entities to be used for some specified purpose or to accomplish some specified goal.
- **Preservation:** Support the proper management, maintenance and conservation of buildings, sites, structures, objects and landscapes that have historical or cultural significance in Minnesota to ensure their availability for future generations.
- **Research:** Systematic, scientific inquiry into some concept to discover or refine understanding of a concept.

### B. Administration

Administration refers to general costs incurred to support a project, including costs referred to as “indirect” or “overhead” costs. Such costs are to be directly related to and necessary for the project. This may include, but is not limited to: accounting, clerical support, executive, managerial and supervisory personnel, facilities management, office equipment and supplies, human resources, information technology, communications, insurance, legal services, purchasing, rent/lease, and security.

The Legislative Coordinating Commission released a [guidance memo in December 2011](#) regarding administration. Additional information about administration can be found in a [guidance document from Minnesota Management and Budget](#) (MMB).

### C. Budget Revision Form

Budget revision forms (BRF) are supplied to regional library systems by MDE grants staff and used to notify MDE of adjustments to budget lines. You may request and/or submit a BRF to MDE at any time during the life of the grant. MDE may request that a regional library system submit a BRF if a recently received FRF varies significantly from approved budget lines. Total budget line item deviations exceeding 10% of the total award must be approved in writing by MDE prior to the regional library system incurring the expenditure.

### D. Direct Expenses

Direct expenses are defined as any costs directly related to and necessary for the project. Direct expenses should be reported as all the costs that went toward a project—both in-kind (i.e. leveraged) and appropriated (i.e. funding amount). Please refer to the Legislative Coordinating Commission's [December 2011 guidance memo](#) regarding direct expenses.

### E. Financial Reporting Form

Financial Reporting Forms (FRF) are used by MDE to track expenditures by fiscal year allotment. FRFs are supplied to regional library systems by MDE grants staff on a quarterly basis.

### F. Full Time Equivalent (FTE)

When calculating FTE in terms of ACHF, consider only positions your system has created expressly to carry out ACHF work. Examples include new staff hired by Minnesota Public Television to create new Legacy-funded programming, or staff hired by a state agency to implement Legacy programs. The FTE should be calculated as the total number of hours planned for the position divided by 2,088. The calculation of the FTE should be for the portion of the position paid for with Legacy funds. Please refer to the Legislative Coordinating Commission's [December 2011 guidance memo](#) regarding direct expenses.

### G. Interim Progress Report

On September 30 of each year, the regional library system submits an Interim Progress Report (IPR) for each fiscal year of funding that it is still spending. Interim Progress Reports consist of an Executive Summary form and a spreadsheet with detailed project information. MDE is required to submit the IPR spreadsheet to the [Legislative Coordinating Commission](#) (LCC). The LCC then posts the project information on the [Legacy website](#). MDE posts information from the IPR Executive Summary to the Legacy website.

### H. Outcomes and Outputs

According to [Minnesota Statutes 2021, section 129D.17](#), a project receiving funding from ACHF must include measurable outcomes, and a plan for measuring and evaluating the results. An outcome is the intended

result of a project that reflects a change in the participant’s knowledge, skills, abilities, attitudes or quality of life. Libraries also collect and report on outputs of ACHF projects. Outputs – things that can be counted – are numerical data collected on projects. In the case of ACHF reporting, libraries report on the number of partnerships, total number of projects and attendance.

## I. Partnerships

In [Minnesota: State of Innovation](#), an increase in collaboration is listed as a guiding principle of ACHF as well as a ten-year plan goal. Libraries are encouraged to leverage partnerships and collaborations through ACHF projects. A project partner is a cooperating institution that contributes resources (materials/funds/staff) to the ACHF project. For more information, the Minnesota Historical Society created a [useful resource that defines partnership](#) in the context of its ACHF program.

## J. Project

A project is a specific educational opportunity—in the form of either a single program/event or a series of programs/events—undertaken to meet one or more goals of ACHF funding.

## K. Statewide Initiative

A statewide initiative is a project that at least six regional systems contribute toward. The participating regions designate a fiscal agent who collects funds and manages the financial aspects of the project. The regional library systems are responsible for reporting their contribution to the statewide initiative in their Interim Progress and Completion Reports. The statewide initiative’s fiscal agent is responsible for compilation and submission of statewide initiative project(s) Interim Progress and Completion Reports.

## L. Supplant vs. Supplement

ACHF monies cannot be used to replace or reduce (i.e. supplant) a library’s normal funding stream for activities. ACHF monies are to support library projects that are in addition to those supported with state or local funds (i.e. supplement). The [Constitution of the State of Minnesota](#) states that “...funds are used to supplement and not to substitute for traditional sources of funding.”

## Section VI: Contact Information

### MDE Authorized Representative

Ashley Bieber, Library Development and Early Literacy  
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### MDE Grant Specialist

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## Appendix 1: In-Kind Support

This document is intended to assist in tracking in-kind support to an ACHF-funded project. In-kind contributions are donated goods or services used for a project that would otherwise be purchased by the grantee.

**Regional Library System:**

**Project:**

**Donor Name/Organization:**

**Donor Title (if applicable):**

**Donor Address, State, Zip:**

**Donor Phone:**

**Fiscal Year:**

**Services Rendered:**

To determine a dollar value for staff members' time spent directly benefiting the grant, determine the per-hour rate of the staff member assisting with the program or event. The hourly rate of a full-time staff member can be calculated by dividing the annual salary by either 2,080 or 2,088 hours—depending on the number of compensable hours in a year. For example, calculating with 2,088 compensable hours, the hourly rate of a person making \$25,000 per year would be \$12.02. Volunteer time can be valued at the hourly rate listed on [independentsector.org](http://independentsector.org).

Donor of Services	Date	# Hours	Value

**Goods Donated:**

The donor/donating organization should identify, via written documentation, the items donated and their value. The value of donated supplies or equipment should be based on original cost, as indicated by an invoice for the supplies or equipment, or the current fair market value, whichever is less. The recipient of the donation may determine the fair market value of the supplies or equipment by seeking input from appropriate vendors.

Item Donated	Date	Value

**Facilities Provided:**

Obtain documentation from the donor/donating organization as to the rental rate normally charged for the space.

Place	Date	Value

**Completed by:**

**Date:**