

Effective 7/1/2024

Chapter 6b State Grants

Effective 7/1/2024

Part 1 General Provisions

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63G-6b-101 Definitions.

As use in this chapter:

- (1) "Administering agency" means a state agency that administers a grant.
- (2) "Competitive grant" means a grant that is not a direct award grant.
- (3) "Direct award grant" means a grant that is funded by money that the Legislature intends the state agency to pass through to one or more recipients without a competitive process.
- (4)
 - (a) "Grant" means a state agency's expenditure of state money, or agreement to expend state money, that is:
 - (i) authorized by law;
 - (ii) made for a particular purpose; and
 - (iii) made without acquiring, or the promise of acquiring, a procurement item in exchange for the expenditure.
 - (b) "Grant" does not include:
 - (i) a tax credit;
 - (ii) an expenditure of federal money;
 - (iii) public assistance, as defined in Section 26B-9-101;
 - (iv) a loan;
 - (v) a rebate;
 - (vi) an incentive; or
 - (vii) a claim payment.
- (5) "Grant appropriation" means an appropriation the Legislature makes to an administering agency to be used for one or more grants.
- (6) "Grant period" means the time frame during which a grant recipient receives funds from a single grant.
- (7) "Multi-year grant" means a grant for which the grant period exceeds one year.
- (8) "Nonprofit entity" means an entity that:
 - (a) operates in the state;
 - (b) is not a government entity; and
 - (c) is exempt from federal income taxation under Section 501(c)(3), Internal Revenue Code.
- (9) "Procurement item" means the same as that term is defined in Section 63G-6a-103.
- (10)
 - (a) "State agency" means a department, division, or other agency or instrumentality of the state.
 - (b) "State agency" does not include the legislative department.
- (11) "State money" means money that is derived from state fees or state tax revenue.

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63G-6b-102 Applicability.

This chapter does not apply to a grant that is authorized in statute, unless the statute provides that the grant is subject to this chapter.

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**Part 2
Provisions Applicable to All Grants**

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63G-6b-201 Requirements for all grants.

- (1)
 - (a) An administering agency shall disburse grant funds in accordance with this Subsection (1).
 - (b) Before an administering agency disburses a grant's grant funds, the administering agency shall ensure that the grant recipient provides a detailed budget demonstrating how the grant recipient will use the grant funds.
 - (c) An administering agency shall establish a distribution schedule that ensures accountability and responsible oversight of the use of the grant funds.
 - (d) An administering agency may not:
 - (i) disburse all grant funds in a single payment, unless the administering agency makes the single payment after the grant recipient satisfies the grant recipient's performance obligations under the agreement described in Subsection (4); or
 - (ii) make a grant recipient's final disbursement before the grant recipient delivers the report described in Subsection (3).
- (2) For a multi-year grant:
 - (a) the grant period may not exceed five years; and
 - (b) in the final quarter of each year of the grant period, excluding the final year, the grant recipient shall deliver to the administering agency a report that details the grant recipient's progress towards fulfilling the grant's purpose, including the annual deliverables and performance metrics described in the agreement made in accordance with Subsection (4).
- (3) An administering agency may not make the final grant funds disbursement until:
 - (a) the grant recipient delivers to the administering agency a final report that details the extent to which the grant recipient fulfilled the grant's purpose, including the deliverables and performance metrics described in the agreement made in accordance with Subsection (4); and
 - (b) the administering agency determines that the grant recipient satisfactorily produced each deliverable provided in the agreement described in Subsection (4).
- (4) Except as otherwise provided in the grant appropriation and consistent with the other provisions of this section, an administering agency may not disburse grant funds to a grant recipient before the administering agency and the grant recipient execute an agreement that contains:
 - (a) the disbursement schedule for the grant funds;
 - (b) the deliverables, reporting, and performance metrics the grant recipient will produce and use to demonstrate that the grant recipient used the grant funds to fulfill the grant's purpose;

- (c) if the grant is a multi-year grant, annual deliverables and performance metrics the grant recipient will produce and use to demonstrate sufficient progress towards fulfilling the grant's purpose;
 - (d) a provision informing the grant recipient that disbursement of grant funds is subject to legislative appropriation; and
 - (e) the grant recipient's consent to follow-up audit and clawback of the grant funds if an audit shows that the grant funds were inappropriately used.
- (5) In accordance with Utah Constitution, Article VI, Section 33, the legislative auditor general may audit the use of any grant funds.

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Part 3 Direct Award Grants

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63G-6b-301 Direct award grant requirements.

- (1)
 - (a) A direct award grant is valid only if the direct award grant's grant appropriation identifies the recipient or class of recipients in the grant appropriation's intent language.
 - (b) For a grant appropriation that is an ongoing appropriation to fund a multi-year grant, the requirement to identify the recipient or class of recipients applies each fiscal year.
- (2) If the intent language for a direct award grant's grant appropriation provides a disbursement schedule that is inconsistent with the schedule described in Section 63G-6b-202, for the fiscal year in which the grant appropriation is made, the schedule in the intent language controls.

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Part 4 Competitive Grants

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63G-6b-401 Competitive grant requirements.

- (1)
 - (a) For a competitive grant, the administering agency shall:
 - (i) establish a competitive application and selection process; and
 - (ii) award each competitive grant in accordance with the established process.
 - (b) As part of the competitive application process, the administering agency shall require that each applicant disclose all other state funding the applicant receives.
- (2) Except as otherwise provided in the grant appropriation's intent language, an administering agency may not award a competitive grant to a recipient who has received a direct award grant if:
 - (a) the direct award grant is for substantially the same purpose as the competitive grant; and

- (b) the direct award grant's grant period and the competitive grant's grant period overlap.
- (3) After an administering agency completes a competitive application process for a competitive grant but before the administering agency awards the grant, the administering agency shall report each grant recipient to the legislative fiscal analyst and the Governor's Office of Planning and Budget.

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