

## GRANT PRE-AWARD FINANCIAL CAPACITY FORM FOR NONPROFIT ORGANIZATIONS

The mission of the Board of Water and Soil Resources (BWSR) is to improve and protect Minnesota's water and soil resources by working in partnership with local organizations and private landowners. As part of the agency's pre-award risk assessment procedure, BWSR utilizes this form to gather information needed to conduct an organization review of the nonprofit applying for grant funding, in compliance with the Minnesota Department of Administration Office of Grants Management Policy #08-06 Pre-Award Risk Assessment for Potential Grantees.

A nonprofit organization is defined as: A charitable organization that is formed for the purpose of fulfilling a mission to improve the common good of society rather than to acquire and distribute profits. The organization meets the definitions in Chapter 317A, Minn. Stat. §309.50 Subd. 4 or meets the definitions in the Internal Revenue Service code, with the most common type being a 501(c)(3).

The following information should be completed by your organization's administrative staff (e.g. Finance Manager, Accountant, Executive Director). If you will be using a fiscal agent, that organization should answer the questions from their fiscal agent perspective; otherwise, answer them for your organization.

Submit this form and related documentation to: [BWSR.grants@state.mn.us](mailto:BWSR.grants@state.mn.us) by the application deadline.

### GRANT APPLICATION

Name of RFP/Grant Program to which applicant is responding:

### ORGANIZATIONAL CAPACITY

Organization Name:

Employer/Federal ID Number:

Year of Formation:

Tax Status: 501(c)(3) or Other (provide detail):

Number of Employees: Full-time Part-time

Organization affiliated/managed by any other organization, such as a regional or national office? If so, provide detail:

Contact Person:

Email:

Phone:

### FINANCIAL CAPACITY

Potential grantee must submit the requested financial information related to the organization's financial capacity. When possible, submit the most recent Certified Financial Audit (performed by an independent third party – typically a Certified Public Accountant) instead of board reviewed financial statements. Please check the box (must choose one) for the type of financial documentation you are providing with your grant application:

- Nonprofit organization to provide **the following**:
- Most recent Form 990 or 990-EZ filed with the Internal Revenue Service, and
  - Most recent Certified Financial Audit (if applicable per MN Section 309.53 Subd. 3) which include but is not limited to:
    - o Statement of Financial Position (Balance Sheet) and
    - o Statement of Activities (Income Statement)

Nonprofit organization which hasn't been in existence long enough or isn't required to file Form 990 or 990-EZ to provide **the following**:

- Proof of tax-exempt status
- Most recent Board-reviewed financial statements (if there is no nonprofit Board, then nonprofit's leadership or managing group)
- Most recent Certified Financial Audit (if applicable per MN Section 309.53 Subd. 3) which include (but not limited to):
  - o Statement of Financial Position (Balance Sheet) and
  - o Statement of Activities (Income Statement)
- Documentation of internal controls (see Internal Controls section below)

**INTERNAL CONTROLS**

Internal controls are procedures designed to protect an organization from loss or misuse of its assets. Sound internal controls help ensure transactions are properly authorized and the information contained in the financial reports is reliable. Segregation of duties is an important internal control intended to prevent unauthorized transactions. For more information, see the Statement of Position – The Importance of Internal Controls on the State of Minnesota Office of the State Auditor website: [https://www.osa.state.mn.us/media/qebjdyeh/importanceic\\_0703\\_statement.pdf](https://www.osa.state.mn.us/media/qebjdyeh/importanceic_0703_statement.pdf). Examples of internal controls are as follows:

- What measure(s) are taken to have bank statements reviewed in a timely manner and by someone who has not been involved with writing checks or making payments?
- Explain separation of duties for accounting/financial functions which the organization has implemented
- Which accounting system does the organization use and how are grant revenues and expenditures tracked separately?
- Documented policies and procedures
- Requiring usernames and passwords, along with appropriate levels of access to systems
- Supervisor review and approval of payments and timecards

**EVIDENCE OF GOOD STANDING**

Potential grantee must be able to certify the organization has a status of "In Good Standing" with the Secretary of State as required by 16B.981 Subd. 2 (4). Is your nonprofit organization registered with the Secretary of State and has a status of "In Good Standing?"    Yes    No

Registered Name of Organization:

File Number:

Completed by:

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Signature (electronic signature accepted)    Print Name    Title    Date

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