

CITY OF MAPLE PLAIN

LAWFUL GAMBLING CONTRIBUTION FUND POLICY

Section 1. Purpose

The City of Maple Plain receives lawful gambling contribution funds pursuant to Minnesota Statutes Chapter 349. The purpose of this policy is to establish a fair, transparent, and consistent process for the allocation, administration, monitoring, and reporting of those funds.

The City recognizes that:

- Lawful gambling contribution funds are a limited public resource.
- Public safety services are fundamental governmental responsibilities and a primary community priority.
- Funds must be expended only for purposes authorized by Minnesota law.
- The City has an obligation to ensure accountability, transparency, and prudent stewardship of public funds.

The City Council further declares that lawful gambling contribution funds are intended first and foremost to support eligible public safety activities serving the residents of Maple Plain. Community grant awards are secondary to this objective and shall only be considered when sufficient funds remain available after the Council has evaluated current and anticipated public safety needs.

The City Council retains sole discretion regarding all funding decisions.

Section 2. Authority

This policy is adopted pursuant to Minnesota Statutes Chapter 349 and all applicable rules, regulations, and guidance of the Minnesota Gambling Control Board.

All expenditures and grants made under this policy shall comply with Minnesota law governing lawful gambling contributions to local units of government.

Section 3. Policy Objectives

The objectives of this policy are to:

1. Prioritize public safety needs.
 2. Support charitable activities benefiting Maple Plain residents.
 3. Ensure compliance with Minnesota law.
 4. Promote consistency in funding decisions.
 5. Maintain accountability for the expenditure of public funds.
 6. Protect the integrity of the lawful gambling contribution program.
 7. Preserve public trust in the administration of lawful gambling contributions.
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Section 4. Annual Allocation of Funds

Public Safety Reserve

As a statement of City priorities, the City shall reserve a minimum of seventy-five percent (75%) of annual lawful gambling contribution revenues for eligible public safety purposes.

Eligible public safety expenditures may include:

- Police equipment and technology.
- Public safety vehicles and related equipment.
- Fire apparatus and equipment.
- Emergency medical services equipment.
- Emergency communications systems.
- Public safety facilities.
- Public safety training.
- Emergency preparedness programs.
- Public safety capital improvements.

Pension obligations are not eligible expenditures.

Community Grant Allocation

The remaining balance may be made available for grants to eligible applicants and projects pursuant to this policy.

The City Council may modify the annual allocation percentage by resolution as circumstances warrant.

Council Discretion Regarding Allocation

Notwithstanding any provision of this policy, the City Council reserves the right, in its sole discretion, to determine how lawful gambling contribution funds will be utilized each year.

Nothing in this policy shall be construed as creating an obligation for the City to:

- Establish a grant program.
- Solicit applications.
- Award grants.
- Allocate any minimum amount toward community grants.

The City Council may:

- Allocate all available funds to eligible public safety expenditures.
- Reserve funds for future public safety needs.
- Defer consideration of grant applications.
- Suspend grant funding for any year.
- Decline to award any grants despite receiving eligible applications.
- Maintain fund balances for future lawful purposes.

No applicant shall have any right, expectation, or entitlement to receive funding.

Section 5. Eligible Applicants

Eligible applicants include:

Nonprofit Organizations

- IRS 501(c)(3) charitable organizations.
- IRS 501(c)(4) festival organizations.

Educational Organizations

- Public schools.
- Private nonprofit schools.

- Scholarship organizations.

Religious Organizations

Churches and religious organizations may receive funding for otherwise eligible charitable purposes.

Governmental Entities

- Local government agencies.
- Joint powers organizations.
- Public safety organizations.
- Other public entities authorized by law.

Applicants must demonstrate that the proposed activity primarily benefits Maple Plain residents or provides a measurable public benefit to the community.

Section 6. Eligible Uses

Applications must qualify under one or more lawful gambling contribution categories authorized by Minnesota law, including:

A1

501(c)(3) charitable organizations and 501(c)(4) festival organizations.

A2

Programs that relieve the effects of poverty, homelessness, or disability.

A3

Problem gambling education, prevention, and treatment programs.

A4

Public or private nonprofit schools.

A5

Scholarship programs and scholarship funds.

A6

Recognition of military service and support for active-duty military personnel and their immediate family members.

A7

Activities, programs, services, and facilities intended primarily for youth.

A10

Police, fire, EMS, and other public safety services, equipment, training, and facilities.

A11

Churches and religious organizations for otherwise eligible charitable purposes.

A12

Eligible environmental and water quality projects.

A13

DNR-approved conservation, wildlife, trail, and recreational projects.

A14

Senior nutrition, food shelf, and disability-related programs.

A15

Community arts organizations and programs.

A19

Humanitarian services, volunteer recognition, and philanthropic activities.

Section 7. Funding Priorities

Because available funding is limited, applications will generally be considered according to the following priorities:

Tier 1 – Public Safety

(Category A10)

Examples include:

- Police equipment and technology.
- Fire service equipment.
- EMS equipment.
- Public safety facilities.
- Emergency preparedness initiatives.
- Public safety training.

Tier 2 – Youth Programs

(Category A7)

Examples include:

- Youth recreation programs.
- Youth educational programs.
- Youth mentoring programs.
- Youth facility improvements.
- Youth health and safety initiatives.

Tier 3 – Military Support

(Category A6)

Examples include:

- Veteran support programs.
- Assistance to active-duty military personnel and families.
- Military recognition programs.
- Community military appreciation events.

Tier 4 – Humanitarian Services

(Categories A2, A14, and A19)

Examples include:

- Food shelves.
- Senior nutrition programs.
- Disability assistance.
- Poverty relief.
- Homelessness assistance.
- Volunteer recognition programs.
- Community assistance programs.

Tier 5 – Education and Scholarships

(Categories A4 and A5)

Examples include:

- School projects.
- Educational enrichment opportunities.
- Scholarship programs.
- Academic support initiatives.

Tier 6 – Community Arts

(Category A15)

Examples include:

- Arts organizations.
- Arts education.
- Community theater.
- Public art initiatives.
- Cultural programming.

Tier 7 – Environmental and Conservation Projects

(Categories A12 and A13)

Examples include:

- Conservation projects.
- Water quality initiatives.
- Wildlife management projects.
- Public trail development and maintenance.

Tier 8 – Other Eligible Charitable Activities

All other charitable purposes authorized under Minnesota law.

Council Discretion

Assignment to a higher priority tier shall not guarantee funding. The City Council retains sole discretion to approve, deny, defer, reduce, modify, or condition any funding request.

Section 8. Ineligible Uses

Funds shall not be awarded for:

- Political campaigns.
 - Political advocacy or lobbying activities.
 - Pension obligations.
 - Private individual benefit.
 - For-profit business activities.
 - Deficit financing.
 - Debt retirement.
 - Expenses incurred before City Council approval.
 - Activities prohibited by law.
 - Purposes not authorized under Minnesota lawful gambling statutes or regulations.
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Section 9. Funding Limitations

Unless otherwise approved by the City Council:

- Maximum grant award shall be \$10,000 per applicant per calendar year.
- No organization shall receive more than one grant award per calendar year.

- No organization shall receive more than twenty-five percent (25%) of available community grant funds during a funding cycle.
- Multi-year funding commitments are prohibited.

All awards remain subject to available funding and City Council approval.

Section 10. Application Process

Applicants shall submit a completed application containing:

Organizational Information

- Legal name.
- Mailing address.
- Primary contact person.
- Telephone number and email address.
- Federal Tax Identification Number.
- Proof of nonprofit status, if applicable.

Project Information

- Detailed project description.
- Applicable statutory eligibility category.
- Service area.
- Community benefit statement.
- Project timeline.
- Estimated completion date.

Financial Information

- Total project budget.
- Funding request amount.
- Quotes, estimates, or supporting documentation.
- Other funding sources.
- Additional financial information requested by the City.

Applications must be submitted according to procedures established by the City.

Section 11. Evaluation Criteria

Applications shall be evaluated based upon:

- Eligibility under Minnesota law.
- Consistency with City priorities.
- Community impact.
- Number of residents served.
- Public benefit provided.
- Financial need.
- Project readiness.
- Organizational capacity.
- Financial sustainability.
- Availability of funds.
- Past compliance with City requirements.

No applicant shall possess an entitlement to funding.

Section 12. Approval Process

All awards shall be approved by the City Council at a public meeting.

The Council may:

- Approve the application.
- Approve a reduced amount.
- Impose conditions.
- Table the application.
- Deny the application.

Approval of an application remains entirely within the discretion of the City Council. Eligibility, submission of a complete application, or availability of funds shall not create any obligation on the part of the City to award funding.

The City Council may decline to award any or all available funding for any reason deemed to be in the best interests of the City.

Funding decisions shall be final.

Section 13. Grant Award Agreement

Prior to receiving funds, each recipient shall execute a Grant Award Agreement approved by the City.

The Grant Award Agreement shall include provisions substantially similar to the following:

Authorized Use of Funds

Grant funds shall be used solely for the purpose approved by the City Council. Any material modification to the approved project shall require prior written approval from the City.

Compliance with Law

Recipient agrees to comply with all applicable federal, state, and local laws.

Record Retention

Recipient shall retain all records relating to the grant for a minimum of six (6) years following project completion.

Access to Records

Recipient shall provide access to grant-related records upon reasonable request by the City.

Reporting Requirement

Recipient shall submit all reports and supporting documentation required by the City.

Return of Unexpended Funds

Any funds not used for the approved purpose shall be returned to the City within thirty (30) days of written demand.

Repayment for Misuse

Any grant funds expended for unauthorized purposes shall be repaid to the City upon demand.

Non-Assignment

Grant funds may not be transferred or assigned without prior written approval from the City.

Section 14. Reporting Requirements

Recipients shall submit a final report within twelve (12) months of receiving funds unless otherwise specified by the City.

Reports shall include:

- Description of completed activities.
- Number of individuals served.
- Project outcomes.
- Financial accounting of expenditures.
- Copies of invoices and receipts.
- Documentation demonstrating project completion.

Organizations failing to submit required reports may be deemed ineligible for future funding opportunities.

Section 15. Monitoring and Oversight

The City reserves the right to:

- Request invoices and receipts.
- Require progress reports.
- Conduct site visits.
- Verify project completion.
- Review financial records.
- Request additional documentation necessary to verify compliance.

The purpose of monitoring is to ensure compliance with Minnesota law and City policy.

Section 16. Fund Misuse and Noncompliance

Definition of Misuse

Fund misuse includes:

- Spending funds on unapproved purposes.
- Providing false or misleading information.
- Failure to complete the funded project without reasonable justification.
- Failure to submit required reports.
- Unauthorized transfer of funds.
- Use of funds for purposes not authorized by law.

Investigation Procedure

If misuse is suspected:

1. City staff shall document the concern.
2. Written notice shall be provided to the recipient.
3. The recipient shall have thirty (30) days to respond.
4. Staff shall review all available information.
5. Findings shall be presented to the City Council.

Level 1 – Minor Noncompliance

Examples:

- Late reports.
- Missing documentation.
- Administrative errors.

Potential Actions:

- Written warning.
- Corrective action plan.
- Temporary suspension from future funding opportunities.

Level 2 – Significant Noncompliance

Examples:

- Unauthorized budget changes.
- Failure to complete the funded project.
- Repeated reporting deficiencies.

Potential Actions:

- Repayment of all or a portion of the grant.
- Suspension from future funding opportunities.
- Enhanced reporting requirements.

Level 3 – Misuse or Fraud

Examples:

- Intentional misuse of grant funds.
- Submission of false or misleading application information.
- Diversion of grant funds to unauthorized purposes.
- Fraudulent invoices, receipts, or supporting documentation.
- Concealment of material information.
- Knowingly making false certifications or statements to the City.

Potential Actions:

- Immediate termination of the grant award.
- Full repayment of grant funds.
- Permanent disqualification from future funding opportunities offered by the City.
- Referral to the City Attorney.
- Referral to law enforcement or appropriate governmental agencies.
- Recovery of all costs incurred by the City in investigating, enforcing, collecting, or litigating the matter, including attorney's fees, court costs, administrative costs, collection costs, consultant fees, and other reasonable enforcement expenses.

Section 17. Recovery of Funds

If the City Council determines that grant funds were misused, fraudulently obtained, knowingly expended for unauthorized purposes, or otherwise used in violation of the Grant Award Agreement, the City may pursue one or more of the following remedies:

- Recovery of all or a portion of the grant award.
- Suspension from future funding opportunities.
- Repayment agreements approved by the City Council.
- Referral to legal counsel.
- Any legal or equitable remedy available under Minnesota law.

Recovery Costs

As a condition of receiving grant funds, each recipient shall agree that if the City Council determines misuse, fraud, intentional misrepresentation, or unauthorized expenditure of grant funds has occurred, the recipient organization shall reimburse the City for all reasonable costs incurred in investigating, enforcing, collecting, or litigating the matter.

Recoverable costs may include:

- Attorney's fees.
- Court costs.
- Administrative hearing costs.
- Collection costs.
- Investigation expenses.
- Consultant fees.
- Staff time directly attributable to enforcement efforts.
- Other reasonable enforcement-related expenses.

Successors and Assigns

The repayment and reimbursement obligations contained in this policy and any Grant Award Agreement shall survive project completion, termination of the agreement, merger, consolidation, dissolution of the recipient organization, or transfer of assets to a successor organization, to the extent permitted by law.

Personal Certification

The authorized representative signing the Grant Award Agreement shall certify that:

- The information provided to the City is true and complete.
 - The organization understands and accepts the requirements of this policy.
 - The organization agrees to repay improperly used funds.
 - The organization agrees to reimburse the City for enforcement costs in cases involving fraud, intentional misrepresentation, or misuse of grant funds.
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Section 18. Acknowledgment Requirements

Recipients shall comply with all applicable Minnesota lawful gambling acknowledgment and reporting requirements.

The City may require recognition of the City's contribution through project signage, publications, event materials, websites, social media, or other reasonable means.

Section 19. Administrative Authority

The City Administrator shall be authorized to:

- Develop application forms.
 - Develop reporting forms.
 - Verify applicant eligibility.
 - Monitor compliance.
 - Administer this policy.
 - Maintain records.
 - Report annually to the City Council regarding fund balances, awards, expenditures, and recipient compliance.
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Section 20. Annual Review

The City Council shall periodically review this policy and may amend it by resolution.

As part of the annual budget process, the Council should review:

- Available lawful gambling fund balances.
- Current and anticipated public safety needs.
- Prior grant awards.
- Compliance history.
- Program effectiveness.
- Recommended policy updates