Questions and answers for contractors, vendors and grantees in the event of a shutdown

MDH has sent a letter to all of its contractors, vendors and grantees (PDF: 96KB/1pg) explaining that if there is a government shutdown, all funding—and the activities associated with that funding—will be suspended on July 1, unless they are told otherwise. Only contractors, vendors and grantees that need to perform an approved critical service will later be notified that they can continue working on our behalf.

The following are answers to questions that contractors, vendors and grantees may have about the possible shutdown.

Answers to questions from contractors, vendors and grantees

I understand the governor has submitted his list of critical services to the courts. When will I be notified if the service I provide is on that list? (posted 6/16/11)

Gov. Dayton submitted a recommended list of critical services to the courts on June 15. That list could change as it is undergoing court review. As soon as we receive a final list of approved critical services, we will notify those (and only those) contractors, vendors and grantees that are needed to provide those critical services.

We have a grant contract that requires the grantee to provide a match for the federal funds they are receiving. If they continue to provide grant duties during a shutdown, can this effort be considered toward their grant match requirements? (posted 6/15/11)

Yes, the grantee could use their own resources to continue activities and use this spending as match requirements for when the grant is active again.

Another state agency notified their grantees that they should send in invoices through June 15 so that they could at least get paid for that portion of the month right away, and then submit a new invoice after the shutdown is over for any work performed between June 15 and June 30. Could our grantees do something similar? (posted 6/15/11)

While vendors, grantees, and contractors may submit invoices for a partial June month, we cannot guarantee that payments will be processed by June 30.

If we provide a service with federal funds that are passed through the state to us, can we continue to provide the service during the shutdown? (updated 6/15/11)

Specific allowable activity will depend on if the activity is deemed critical or not. Treatment of currently authorized appropriations such as FY 2011 funds or federal funds has yet to be determined, therefore there is a risk the activity might not be reimbursed. More information will be posted as soon as we receive clarifications.

If we provide a service that uses state or federal funds, in whole or in part, may we continue

http://www.health.state.mn.us/topics/shutdown/vendorfaq.html
providing the service and pay for it with non-state funds? Will we then be reimbursed at a later date for our expenditures during the shutdown? (updated 6/15/11)

Specific allowable activity will depend on if the activity is deemed critical or not. Treatment of currently authorized appropriations such as FY 2011 funds or federal funds has yet to be determined, therefore there is a risk the activity might not be reimbursed. More information will be posted as soon as we receive clarifications.

Can we still perform services under our contract or grant that are not approved as critical? (updated 6/15/11)

Contractors or grantees are not guaranteed to receive resources from the state to perform any services that have not been approved as critical. You may continue those services only with other available resources.

Will we get paid for work performed in June? (posted 6/09/11)

Yes, you will get paid for work performed in June, but the payment will be delayed until after the shutdown is over. It is difficult to predict exactly how long the shutdown would last.

Will we get paid for work performed in July? (posted 6/09/11)

You will only be paid for work performed in July if the service you perform is one of the approved critical services. You will be notified if that is the case.

When will we know which services have been approved as critical? (posted 6/09/11)

The final list of approved critical services may not be known until closer to the end of June. The list needs to be reviewed and approved by the administration, the attorney general and, most likely, the courts.

Should I lay off employees? (posted 6/09/11)

If there is a shutdown, it is very difficult for us to know how long it will last. You will need to make staffing decisions based on this uncertainty and your other available resources.

How will we know when it is okay to start performing services again that were suspended during the shutdown? (posted 6/09/11)

You will be notified by the state when it is okay to start providing services again. You may want to stay informed by visiting MMB’s BeReadyMN, the contingency planning website operated by Minnesota Management and Budget.

What do we tell clients who need services that have not been approved as critical? (posted 6/09/11)

Please explain that during a shutdown, the state only has authority to provide funding for services that have been approved as critical. The Minnesota Department of Health has no ability to help contractors or grantees continue providing services that have not been approved as critical.