
ASSEMBLY BILL NO. 442—ASSEMBLYMEMBERS WATTS, NGUYEN,
MOSCA, BROWN-MAY; D’SILVA, GALLANT, O’NEILL AND ROTH

MARCH 17, 2025

JOINT SPONSORS: SENATORS NGUYEN, FLORES; AND STONE

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to grants. (BDR 31-589)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to state financial administration; declaring the policy of this State to make payments to private nonprofit corporations under a grant agreement within a certain period of time; with certain exceptions, imposing interest on amounts due under a written grant agreement which are not timely paid after receipt of a proper invoice; requiring state entities that make grants to take certain actions upon the receipt of an invoice; authorizing the use of media other than original paper documents to expedite grant payments; revising provisions relating to advance payments of grants to private nonprofit corporations; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 With certain exceptions, this bill enacts requirements governing payments by
2 agencies of the Executive Department of the State Government to private nonprofit
3 corporations that receive grants from those agencies and are reimbursed by those
4 agencies for services or other performance under a grant agreement. **Section 3** of
5 this bill defines the term “grant” to establish the types of financial assistance to
6 which these requirements apply. **Section 8** of this bill declares that it is the policy
7 of this State to: (1) complete all processing and authorization required by law to
8 make a payment, as defined in **section 4** of this bill, within 30 calendar days after
9 the later of the date on which the payment becomes due under a grant agreement or
10 the date on which the state entity that made the grant receives a proper invoice, as
11 defined in **section 6** of this bill; and (2) make an advance of a grant to a private
12 nonprofit corporation to facilitate the expeditious carrying out of the grant.



13 **Section 9** of this bill provides that, with certain exceptions, a state entity that makes
14 a grant to a private nonprofit corporation, which is defined in **section 7** of this bill
15 as a “state grant-making entity,” is liable for interest on amounts which are due and
16 payable under a written grant agreement at the rate that has been agreed upon in the
17 grant agreement, or if no such rate has been agreed upon, by a specified rate.
18 **Section 9** provides that, with certain exceptions, interest begins accruing on the
19 31st calendar day after the date on which the state grant-making entity receives a
20 proper invoice and requires interest to be paid from the operating budget of the
21 state grant-making entity, not including money appropriated to fund a grant.

22 **Section 10** of this bill requires a state grant-making entity to mark an invoice
23 with the date on which the invoice was received and review the invoice as soon as
24 practicable to determine whether the invoice is a proper invoice. **Section 10**
25 authorizes a state grant-making entity to use media that produce tangible recordings
26 of information to expedite payment in lieu of requiring original paper documents.

27 **Section 11** of this bill authorizes a private nonprofit corporation to submit to a
28 state grant-making entity a request for an advance of money from the grant that was
29 awarded to the private nonprofit corporation by the state grant-making entity.

30 **Section 11** requires the private nonprofit corporation to: (1) submit an expenditure
31 plan with its request for an advance and any other information requested by the
32 state grant-making entity; and (2) agree to requirements relating to reporting
33 expenditures, returning unexpended money and depositing the advance. **Section 11**,
34 with certain exceptions, requires, to the greatest extent practicable, the state grant-
35 making entity to approve the advance if it determines that the private nonprofit
36 corporation has demonstrated sufficient justification for the advance and, if
37 applicable, it has verified compliance by recipients of subgrants with the grant
38 agreement and applicable law. With certain exceptions, **section 11** limits the
39 amount of such an advance to be: (1) if the source of funding for the grant is state
40 money, the amount requested by the private nonprofit corporation, but not to
41 exceed 25 percent of the annual amount of the grant award; or (2) if the source of
42 the grant is federal money, the minimum amount to cover the immediate cash
43 requirements of the private nonprofit corporation in carrying out the purpose of the
44 grant.

45 **Section 11** requires the State Board of Examiners to adopt policies and
46 procedures to carry out that provision, which are required under existing law to be
47 published in the State Administrative Manual. (NRS 232.004) **Section 11** also
48 requires: (1) the state grant-making entity to provide written notice of the approval
49 of any advance to the Director of the Office of Finance; and (2) the Director to
50 submit an annual report to the Interim Finance Committee relating to advance
51 payments of which the Director was notified.

52 **Section 13** of this bill excludes from the requirements of this bill grants which
53 are executed, renewed or extended before July 1, 2026.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 353 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 11, inclusive, of this
3 act.

4 **Sec. 2.** *As used in sections 2 to 11, inclusive, of this act,*
5 *unless the context otherwise requires, the words and terms defined*
6 *in sections 3 to 7, inclusive, of this act have the meanings ascribed*
7 *to them in those sections.*



1 **Sec. 3. 1. “Grant” means a legal instrument of financial**
2 *assistance between a state grant-making entity and a private*
3 *nonprofit corporation that is:*

4 *(a) Used to enter into a relationship for which the principal*
5 *purpose is to transfer anything of value from the state grant-*
6 *making entity to the private nonprofit corporation to carry out a*
7 *public purpose authorized by law and not to acquire property or*
8 *services for the direct benefit or use of the state grant-making*
9 *entity;*

10 *(b) Used to provide for one or more payments in*
11 *reimbursement for services or other performance under the*
12 *agreement on a scheduled or other incremental basis; and*

13 *(c) Distinguished from a cooperative agreement in that it does*
14 *not provide for substantial involvement between the state grant-*
15 *making entity and the private nonprofit corporation in carrying*
16 *out the activity contemplated by the award.*

17 **2. The term does not include an instrument that provides**
18 *only:*

19 *(a) Direct government cash assistance to a person;*

20 *(b) A subsidy;*

21 *(c) A loan;*

22 *(d) A loan guarantee;*

23 *(e) Insurance; or*

24 *(f) State funding that is required annually and is calculated*
25 *based on a formula set in statute.*

26 **Sec. 4. “Payment” includes all processing and authorization**
27 *required by law from the State Board of Examiners, the Director*
28 *of the Office of Finance and the State Controller.*

29 **Sec. 5. “Private nonprofit corporation” means an**
30 *organization that has been granted tax-exempt status by the*
31 *Internal Revenue Service pursuant to the provisions of section*
32 *501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).*

33 **Sec. 6. “Proper invoice” means a bill, a request for**
34 *reimbursement, a written document or an electronic submission*
35 *readable by the state grant-making entity that is provided by a*
36 *private nonprofit corporation and which:*

37 **1. Requests an eligible amount that is due and payable by law**
38 *under a written grant agreement with the private nonprofit*
39 *corporation; and*

40 **2. Includes:**

41 *(a) The federal employer identification number or social*
42 *security number of the private nonprofit corporation;*

43 *(b) Sufficient information to identify the grant agreement; and*

44 *(c) Any additional information or documentation required by*
45 *the grant agreement or for compliance with 2 C.F.R. Part 200.*



1 **Sec. 7.** *“State grant-making entity” means an agency,*
2 *bureau, board, commission, department, division, officer or*
3 *employee of the Executive Department of the State Government*
4 *that makes a grant. The term does not include the Nevada System*
5 *of Higher Education or any institution of the Nevada System of*
6 *Higher Education.*

7 **Sec. 8.** *The Legislature declares that it is the policy of this*
8 *State to:*

9 1. *Make a payment under a grant agreement within 30*
10 *calendar days after the later of:*

11 (a) *The date on which the payment becomes due under the*
12 *grant agreement; or*

13 (b) *The date on which the state grant-making entity receives a*
14 *proper invoice.*

15 2. *Make an advance of a grant to a private nonprofit*
16 *corporation to facilitate the expeditious carrying out of the grant.*

17 **Sec. 9.** 1. *Except as otherwise provided in subsection 3, a*
18 *state grant-making entity shall be liable for interest on any*
19 *amount that is due and payable by law under a written grant*
20 *agreement with a private nonprofit corporation at a rate that has*
21 *been agreed upon in the grant agreement or, if a rate has not been*
22 *so agreed upon, the rate equal to the prime rate at the largest bank*
23 *in this State, as determined by the Commissioner of Financial*
24 *Institutions on January 1 or July 1, based on the date on which*
25 *the written grant agreement was signed by the parties.*

26 2. *Interest for which a state grant-making entity is liable*
27 *pursuant to this section must accrue beginning on the 31st*
28 *calendar day after the date on which the state grant-making entity*
29 *receives a proper invoice.*

30 3. *A state grant-making entity is not liable for interest*
31 *pursuant to this section:*

32 (a) *Unless the private nonprofit corporation submits an invoice*
33 *for the interest within 30 calendar days after receiving payment*
34 *for the amount on which the interest accrued;*

35 (b) *If the state grant-making entity has initiated legal*
36 *proceedings to dispute the amount owed to the private nonprofit*
37 *corporation;*

38 (c) *Accruing more than 1 year after the 31st calendar day after*
39 *the state grant-making entity receives a proper invoice;*

40 (d) *On an amount that represents unpaid interest; or*

41 (e) *If the delay in payment is the result of technical problems*
42 *relating to the operation of the electronic payment system of the*
43 *state grant-making entity, the closure of the office of the state*
44 *grant-making entity on a day declared to be a legal holiday*



1 pursuant to NRS 236.015, extreme weather or another
2 extraordinary event.

3 4. Interest for which a state grant-making entity is liable
4 pursuant to this section:

5 (a) Must be paid from the operating budget of the state grant-
6 making entity; and

7 (b) May not be paid from money appropriated to provide
8 money for a grant.

9 5. For the purposes of determining the due date of a payment
10 and the date on which interest begins to accrue, an invoice is
11 deemed to be received:

12 (a) For invoices that are mailed, when a proper invoice is
13 received by the state grant-making entity, as of the date on which
14 the state grant-making entity annotates the invoice with the date
15 and time of receipt; or

16 (b) For invoices that are transmitted electronically, on the date
17 on which the transmission is received by the state grant-making
18 entity or, if the transmission is received after 5 p.m. on that date,
19 the next business day.

20 **Sec. 10.** 1. Upon receipt of an invoice, a state grant-making
21 entity shall:

22 (a) Mark the invoice with the date on which the invoice was
23 received; and

24 (b) Review the invoice as soon as practicable to determine
25 whether the invoice is a proper invoice.

26 2. If the state grant-making entity determines that the
27 invoice:

28 (a) Is a proper invoice, the state grant-making entity shall
29 submit the invoice for payment in the same manner as other
30 claims against the State are paid.

31 (b) Is not a proper invoice, within 14 calendar days after
32 making such a determination, the state grant-making entity shall
33 notify the private nonprofit corporation of all defects that prevent
34 the invoice from being determined to be a proper invoice. A private
35 nonprofit corporation that receives such a notification may submit
36 a corrected invoice.

37 3. A state grant-making entity may use media that produce
38 tangible recordings of information to expedite the payment process
39 in lieu of requiring original paper documents.

40 4. Failure by a state grant-making entity to comply with the
41 procedural requirements of this section does not constitute a late
42 payment.

43 **Sec. 11.** 1. A private nonprofit corporation may submit to a
44 state grant-making entity, on a form prescribed by the Director of
45 the Office of Finance, a request for an advance from the grant



1 *that was awarded to the private nonprofit corporation by the state*
2 *grant-making entity.*

3 2. *The private nonprofit corporation must include with the*
4 *form submitted pursuant to subsection 1 a plan for expenditure of*
5 *the advance which must, without limitation:*

6 (a) *Align with the eligible activities and expenditures under the*
7 *grant;*

8 (b) *Provide the justification for the advance; and*

9 (c) *Describe the financial management policies that the private*
10 *nonprofit corporation has established to monitor expenditure of*
11 *the advance.*

12 3. *As a condition to receipt of an advance pursuant to this*
13 *section, a private nonprofit corporation must agree to:*

14 (a) *Transmit a report on the expenditure of the advance in the*
15 *manner required by the state grant-making entity, which includes,*
16 *without limitation, a summary of the work completed and proof of*
17 *expenditures.*

18 (b) *Return to the state grant-making entity any money from the*
19 *advance that was not expended within the timeline for expenditure*
20 *of the advance or receive a reduced amount for the immediately*
21 *succeeding payment under the grant in an amount equivalent to*
22 *the unexpended amount of the advance.*

23 (c) *Deposit the advance in a federally insured account that*
24 *provides the ability to track the interest earned on money in the*
25 *account and any withdrawal from the account. The account must*
26 *be opened in the name of the private nonprofit corporation and*
27 *not in the name of any director or officer of the private nonprofit*
28 *corporation.*

29 (d) *Report any interest earned on the advance deposited in an*
30 *account described in paragraph (c) in accordance with the policies*
31 *and procedures adopted pursuant to subsection 7.*

32 4. *The private nonprofit corporation must submit any*
33 *additional information requested by the state grant-making entity.*

34 5. *Unless prohibited by federal or state law or the grant*
35 *agreement, an advance pursuant to this section:*

36 (a) *To the greatest extent practicable, must be approved by the*
37 *state grant-making entity if the state grant-making entity:*

38 (1) *Determines that the private nonprofit corporation has*
39 *demonstrated sufficient justification for the advance; and*

40 (2) *If applicable, has verified compliance by any recipients*
41 *of subgrants from the grant with the grant agreement and*
42 *applicable law.*

43 (b) *Is limited to:*

44 (1) *If the source of funding for the grant is money from the*
45 *State Government, the amount requested by the private nonprofit*



1 *corporation, but not to exceed 25 percent of the annual amount of*
2 *the grant award; or*

3 *(2) If the source of funding for the grant is money from the*
4 *Federal Government, the minimum amount to cover the*
5 *immediate cash requirements of the private nonprofit corporation*
6 *in carrying out the purpose of the grant in accordance with 2*
7 *C.F.R. § 200.305.*

8 *6. A state grant-making entity that approves an advance*
9 *pursuant to subsection 5 shall provide written notice of the*
10 *advance to the Director of the Office of Finance.*

11 *7. The State Board of Examiners shall adopt policies and*
12 *procedures pursuant to NRS 353.040 for carrying out the*
13 *provisions of this section, including, without limitation:*

14 *(a) The criteria for determining the amount of and for*
15 *approving an advance; and*

16 *(b) The requirements for the reporting of interest earned on an*
17 *advance.*

18 *8. The requirements and penalties set forth in the grant*
19 *agreement apply to the use of the advance.*

20 *9. On or before October 1 of each year, the Director of the*
21 *Office of Finance shall submit a report to the Interim Finance*
22 *Committee concerning the advances for which the Director was*
23 *provided notice pursuant to subsection 6 during the immediately*
24 *preceding fiscal year.*

25 **Sec. 12.** The provisions of NRS 218D.380 do not apply to any
26 provision of this act which adds or revises a requirement to submit a
27 report to the Legislature.

28 **Sec. 13.** The provisions of this act apply only to a grant, as
29 defined in section 3 of this act, which is executed, renewed or
30 extended on or after July 1, 2026.

31 **Sec. 14.** This act becomes effective on July 1, 2026.



