



Mississippi Department of Mental Health
Provider Bulletin
Number IO0177

**Subject: Upcoming Grant
Performance Metrics and
Compliance Requirements**

Issue Date: May 1, 2026
Effective Date: January 1, 2027

Scope

All DMH-Certified Providers

Purpose

The purpose of this bulletin is to provide advance notice of upcoming requirements that will apply to grant-funded programs administered by the Mississippi Department of Mental Health (DMH), in accordance with House Bill 1171 of the 2026 Legislative Session.

Background

House Bill 1171, the Mississippi Grant and Subgrant Administration Transparency and Accountability of Non-Governmental Organizations Act of 2026, establishes new requirements for performance measurement, reporting, and accountability for state-administered grant programs.

Among other provisions, the law requires state agencies to establish measurable performance metrics and evaluate grant recipients based on progress toward defined objectives.

DMH's interpretation of House Bill 1171 is that performance metrics will apply to any grants issued on or after January 1, 2027, which is the effective date of the legislation. Metrics will be developed in advance of that date and applied prospectively to new grant awards issued from that point forward. Existing grants will not be subject to the newly established performance metrics until renewal or a new grant cycle.

Upcoming Performance Metrics

As required by House Bill 1171, DMH will be developing standardized performance metrics that will apply to applicable grant programs. These metrics are intended to ensure accountability, transparency, and measurable outcomes for services funded through state and federal grant dollars.

To support the development of meaningful and appropriate measures, DMH is consulting with the National Research Institute (NRI) to obtain feedback and ensure alignment with best practices prior to finalizing the metrics.

Grant Conditions

In accordance with House Bill 1171:

- Failure to meet required metrics may result in corrective action, suspension of payments, or termination of grant funding, consistent with statutory requirements.
- Additional compliance requirements are set forth in House Bill 1171. Providers are strongly encouraged to review the attached document for further detail.
- House Bill 1171 also establishes compliance audit requirements. The Department of Finance and Administration (DFA) is responsible for certain components of audit implementation. DMH will provide additional guidance to providers once further direction is received from DFA and will ensure all applicable audit-related requirements are addressed in accordance with that guidance.

Next Steps

Additional guidance, including finalized performance metrics and compliance implementation expectations, will be issued in a future provider bulletin at least thirty (30) days prior to the issuance of any grants on or after January 1, 2027, when performance metrics go into effect. While the legislation becomes effective January 1, 2027, performance metrics will be applied to applicable grant cycles and may align with the July 1, 2027, fiscal year for implementation purposes.

Providers are encouraged to begin evaluating current data collection, reporting processes, and program outcomes to prepare for these upcoming requirements. DMH emphasizes the critical importance of submitting all required data in a timely, accurate and thorough manner. These data metrics are not only essential for internal monitoring and evaluation, but they will also be reported publicly to ensure transparency and accountability. Continued grant funding will be directly tied to compliance with these reporting requirements. Incomplete, delayed, or inaccurate submissions may impact funding decisions moving forward. It is the providers' responsibility to submit accurate data. Diligence in providing high-quality data helps demonstrate the impact of grant funds and supports our shared commitment to accountability and success.

Contact Information

For general questions regarding certification processes or related compliance matters, please contact the Division of Certification at certification@dmh.ms.gov. For general questions regarding grant requirements, please contact the appropriate DMH programmatic division.

End of Provider Bulletin

By: Representative Ford (54th)

To: Accountability,
Efficiency, Transparency

HOUSE BILL NO. 1171
(As Sent to Governor)

1 AN ACT TO CREATE THE MISSISSIPPI GRANT AND SUBGRANT
2 ADMINISTRATION TRANSPARENCY AND ACCOUNTABILITY OF NON-GOVERNMENTAL
3 ORGANIZATIONS ACT OF 2026; TO ESTABLISH THAT THIS ACT SHALL BE
4 CREATED TO ESTABLISH REQUIREMENTS THAT ENHANCE OVERSIGHT,
5 ACCOUNTABILITY AND TRANSPARENCY IN GRANT ADMINISTRATION OF STATE
6 AND FEDERAL FUNDS; TO DEFINE RELEVANT TERMS; TO ESTABLISH GRANT
7 PROGRAM PERFORMANCE METRICS AND REQUIREMENTS; TO ESTABLISH GRANT
8 ADMINISTRATION, FINANCIAL REPORTING AND LEADERSHIP DISCLOSURE
9 REQUIREMENTS; TO CLARIFY WHAT CONSTITUTES PROHIBITED ACTIVITIES
10 FOR THE USAGE OF GRANT FUNDS; TO PROVIDE INFORMATION THAT SHALL BE
11 SUBJECT TO AUDITS OF NON-GOVERNMENTAL ORGANIZATIONS AND
12 QUASI-PUBLIC ENTITIES; TO REQUIRE THAT REPORTS REQUIRED BY THIS
13 ACT SHALL BE FILED WITHIN 180 DAYS AFTER FISCAL END OF YEAR AND
14 AFTER OSA PERFORMS OR DIRECTS A COMPLIANCE AUDIT; TO AUTHORIZE DFA
15 TO ENFORCE THE POLICIES AND PROCEDURES OF THIS ACT; AND FOR
16 RELATED PURPOSES.

17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

18 **SECTION 1.** (1) This act shall be known and may be cited as
19 the "Mississippi Grant and Subgrant Administration Transparency
20 and Accountability of Non-Governmental Organizations Act of 2026."

21 (2) It is the intent of the Mississippi State Legislature to
22 establish requirements that enhance oversight, accountability and
23 transparency in grant administration of state and federal funds
24 appropriated by the Mississippi State Legislature to



25 Non-Governmental Organization grantees and subgrantees receiving
26 state and federal funds appropriated by the State Legislature.

27 **SECTION 2.** For the purpose of this act:

28 (a) "Grant" means an award of financial assistance
29 following a grant application process or other method of obtaining
30 state or federal funds appropriated by the State Legislature from
31 a state agency, board commission or other unit of government to an
32 eligible nongovernmental recipient for specified project-based
33 purposes.

34 (b) "State agency" means any executive
35 department, military department, government corporation,
36 government controlled entity, quasi-government entity, corporation
37 or other establishment in state government.

38 (c) "Primary recipient" means any entity
39 receiving grant funds appropriated by the State Legislature
40 directly from a state agency, except for an individual or
41 household.

42 (d) "Subrecipient" means an entity that receives a
43 subaward from a pass-through entity to carry out part of an award.
44 The term subrecipient does not include a beneficiary or
45 participant. A subrecipient may also be a recipient of other
46 federal or state awards directly from a federal or state agency.
47 Individual persons or households are not considered to be
48 subrecipients under this section.



49 (e) "Subaward" means an award of state or federal funds
50 appropriated by the State Legislature provided by a pass-through
51 entity to a subrecipient for the subrecipient to contribute to the
52 goals and objectives of the project by carrying out part of a
53 state award received by the pass-through entity. It does not
54 include payments to a beneficiary or participant.

55 (f) "Pass-through entity" means a recipient or
56 subrecipient that provides a subaward to a subrecipient (including
57 lower-tier subrecipients) to carry out part of a federal or state
58 program.

59 **SECTION 3.** (1) All state agencies that administer grants
60 shall establish specific, measurable annual objectives and
61 outcomes relating to the purpose of the grant.

62 (2) Where appropriate, grant programs shall include
63 long-term performance objectives for at least five (5) years into
64 the future.

65 (3) Primary recipients shall annually submit summary
66 progress reports demonstrating advancement toward stated
67 objectives.

68 (4) Failure to meet reporting requirements or established
69 metrics, unless required otherwise by federal law, shall result
70 in:

71 (a) Immediate suspension of grant payments pending
72 corrective action;

73 (b) Agency review for potential grant termination; and



74 (c) Termination of grant award if metrics remain unmet
75 in one hundred twenty (120) days following the due date of annual
76 report.

77 (5) The Department of Finance and Administration (DFA) shall
78 establish a schedule for periodic review of all state grant
79 programs.

80 (6) Each state agency shall conduct comprehensive reviews of
81 their existing grant programs every five (5) years, except for any
82 program not expected to last for more than two (2) years.

83 (7) Agencies shall submit recommendations to the Legislative
84 Budget Office (LBO) regarding continuation, modification, or
85 termination of reviewed programs at the conclusion of their
86 comprehensive reviews as set forth in Section 3(4)(b) of this act.

87 **SECTION 4.** (1) State agencies shall establish objective
88 criteria for grant eligibility.

89 (2) No preference shall be given based on:

90 (a) Political affiliation;

91 (b) Ideological orientation;

92 (c) Prior receipt of federal and state grants, except
93 with respect to documented violations of the prohibited activities
94 outlined in subsections (9) and (10) of this section, unless
95 required otherwise by federal law; or

96 (d) Organization type or tax status, unless
97 specifically required by federal law.



98 (3) Grant eligibility shall not be restricted based on
99 organization type or tax status, unless:

- 100 (a) Explicitly required by federal or state law; or
101 (b) Determined necessary based on documented
102 programmatic requirements.

103 (4) Primary recipients shall submit detailed annual
104 financial reports, including:

- 105 (a) Summary of expenditures;
106 (b) Administrative costs;
107 (c) Complete accounting of all funds redistributed to
108 subrecipients; and
109 (d) The purpose for all funds redistributed to
110 subrecipients.

111 (5) Subrecipients shall submit detailed annual financial
112 reports, including:

- 113 (a) Summary of expenditures;
114 (b) Administrative costs;
115 (c) Direct service expenses;
116 (d) Supporting documentation for all expenses exceeding
117 Twenty-five Thousand Dollars (\$25,000.00);
118 (e) Complete accounting of all funds redistributed to
119 any additional subrecipients; and
120 (f) The purpose for all funds redistributed to any
121 additional subrecipients.



122 (6) Any nongovernmental organization applying for grant
123 funding or receiving grant funding of state or federal funds
124 appropriated by the State Legislature shall require all executive
125 officers and members of its governing board to submit a signed
126 disclosure statement that includes:

127 (a) Whether such individual currently serves in any
128 professional capacity with decision-making authority regarding
129 grant appropriations;

130 (b) Whether such individual has, within the preceding
131 five (5) years, served as an executive officer or member of a
132 governing board for an organization at a time when that
133 organization violated the reporting requirements of subsections
134 (4) and (5) of this section;

135 (c) Any criminal convictions for offenses related to
136 bribery, corruption, fraud or other financial crimes; and

137 (d) The nature, jurisdiction and disposition date of
138 any such conviction.

139 (7) Such disclosure statements shall:

140 (a) Be submitted with the initial grant application;

141 (b) Be updated within thirty (30) days of any change in
142 leadership or relevant circumstances; and

143 (c) Be certified as true and complete under penalty of
144 perjury.

145 (8) Failure to provide and timely update the disclosures in
146 subsection (6) of this section, will subject the primary recipient



147 or subrecipient of immediate termination of grant funds and a
148 three-year debarment from receiving grant funds, including grant
149 subawards, unless otherwise required by federal law.

150 (9) Grant funds shall not be used by a primary recipient or
151 subrecipient for any partisan political activities, initiative or
152 referendum support or opposition, voter registration or
153 Get-Out-the-Vote Campaigns.

154 (10) Grant funds shall not be distributed to a primary
155 recipient or subrecipient with a common board member with a
156 grantee or subgrantee that provided the funds to the primary
157 recipient or subrecipient without written notice and disclosure of
158 the potential conflict to the grantee who provided the funds to
159 the primary recipient or subrecipient.

160 (11) Violation of subsections (9) and (10) of this section
161 will subject the primary recipient or subrecipient of immediate
162 termination of grant funds and a three-year debarment from
163 receiving grant funds, including grant subawards, unless otherwise
164 required by federal law.

165 (12) Any primary recipient or subrecipient must show no
166 grant funds were used indirectly or directly in an alleged
167 violation of subsections (9) and (10) of this section to avoid
168 sanctions.

169 **SECTION 5.** (1) Any Non-Governmental Organization (NGO) or
170 quasi-public entity that receives state or federal funds



171 appropriated by the State Legislature as a grantee or subgrantee
172 shall be subject to a compliance audit.

173 (2) The audit shall include, at minimum:

174 (a) Schedule of Expenditures of State Funds (SESF) for
175 each:

176 (i) Payment date;

177 (ii) Amount;

178 (iii) Description/object code;

179 (iv) Vendor/payee legal name and persistent vendor
180 ID;

181 (v) Voucher ID;

182 (vi) Contract/Award ID;

183 (vii) PO/Release, if applicable;

184 (viii) Fund; and

185 (ix) Program/appropriation code;

186 (b) Schedule of Revenues by source:

187 (i) State-tax-derived funds;

188 (ii) Other state funds; and

189 (iii) Federal, local and private funds;

190 (c) Subrecipient schedule:

191 (i) Entity;

192 (ii) Employer Identification Number

193 (EIN)/Secretary of State (SOS) ID;

194 (iii) Amount;

195 (iv) Purpose;



196 (v) Award/subaward ID; and
197 (vi) Dates;
198 (d) Related party transactions and conflict-of-interest
199 disclosures; and
200 (e) Findings with severity, questioned costs,
201 criteria/condition/cause/effect and a Corrective Action Plan (CAP)
202 with responsible official and timeline.
203 (3) Auditees shall provide full access to books and records,
204 including bank statements, contracts and amendments, payroll
205 registers, invoices and subawards. All required schedules shall
206 be delivered in machine-readable formats (CSV/JSON; Parquet as
207 appropriate) using the join-key fields.
208 (4) DFA shall publish the report, management letter, and
209 Corrective Action Plan (CAP) on Transparency Mississippi and
210 transmit them to the Legislative Budget Office (LBO). The report
211 shall identify any payments that appear to diverge from the
212 auditee's stated purposes or the statutory/contractual basis for
213 receiving public funds.
214 (5) Reports are due within one hundred eighty (180) days
215 after the fiscal end of year and after the Office of the State
216 Auditor (OSA) performs or directs a compliance audit, and the
217 Office of the State Auditor (OSA) shall retain these report
218 records for no less than seven (7) years.
219 (6) Failure to submit material noncooperation, or
220 obstruction authorizes, DFA may suspend payments, withhold new



221 awards or recoup funds, and authorizes the Office of the State
222 Auditor (OSA) to refer the matter to the Attorney General.

223 (7) The auditee's schedules and Corrective Action Plan (CAP)
224 shall be certified under penalty of perjury by an authorized
225 officer and certified public accountant.

226 **SECTION 6.** This act shall take effect and be in force from
227 and after January 1, 2027.

