

PART 1775 - TECHNICAL ASSISTANCE AND TRAINING GRANTS

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Authority: 5 U.S.C. 301; 7 U.S.C. 1989; 16 U.S.C. 1005.

PART 1775 - TECHNICAL ASSISTANCE AND TRAINING GRANTS

§1775.1 General{tc "1775.1 General "}

This part sets forth the policies and procedures for making Technical Assistance grants. Grants for technical assistance and training for water and waste disposal facilities are authorized under Section 306(a)(16)(A) of the Consolidated Farm and Rural Development Act, (CONACT), (7 U.S.C. 1926(a)), as amended. Grants for solid waste management are authorized under Section 310B of the CONACT, (7 U.S.C. 1932), as amended. Any processing or servicing activity conducted pursuant to this part involving authorized assistance to Agency employees, members of their families, known close relatives, or business or close personal associates, is subject to the provisions of subpart D of part 1900. Applicants for this assistance are required to identify any known relationship or association with an Agency employee.

§1775.2 [Reserved]{tc "1775.2 [Reserved]"}

§1775.3 Objectives{tc "1775.3 Objectives "}

(a) The objectives of the Technical Assistance and Training Grant Program are to:

- (1) Identify and evaluate solutions to water and waste disposal problems in rural areas.
- (2) Assist applicants in preparing applications for water and waste grants made in accordance with part 1780 of this chapter.
- (3) Improve operation and maintenance of existing water and waste disposal facilities in rural areas.

(b) The objectives of the Solid Waste Management Grant Program are to:

- (1) Reduce or eliminate pollution of water resources.
- (2) Improve planning and management of solid waste sites.

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§1775.4 Definitions{tc "1775.4 Definitions "}

Association - An entity, including a small city or town, that is eligible for Rural Utilities Service (RUS) water and waste financial assistance in accordance with §1780.7 of part 1780 of this chapter.

Grantee - An entity with whom The Agency has entered into a grant agreement under this program to provide technical assistance and/or training to associations as defined in this section.

Low Income - Median household income below the poverty line for a family of four as defined in Section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), or below 80 percent of the Statewide nonmetropolitan median household income.

Regional - For purposes of the Solid Waste Management grant program, as implemented through this part, regional is defined as any multi-jurisdictional area including multi-State or any multi-jurisdictional area within a State.

Rural area - For water and waste disposal facilities the terms "rural" or "rural area" will not include any area in a city or town with population in excess of 10,000 inhabitants according to the latest decennial census of the United States.

State - Any of the fifty States, the Commonwealth of Puerto Rico, the Western Pacific Territories, Marshall Islands, Federated States of Micronesia, Republic of Palau, and the U.S. Virgin Islands.

Statewide nonmetropolitan median household income – Median household income of the State's nonmetropolitan counties and portions of metropolitan counties outside of cities, towns or places of 50,000 or more population.

§1775.5 Source of funds{tc "1775.5 Source of funds "}

Technical Assistance and Training grants awarded will be made from not less than one (1) percent or, at the discretion of the Agency Administrator, not more than three (3) percent of any appropriations for grants under Section 306(a)(2) of the CONACT, (7 U.S.C. 1926(a)). Technical Assistance and Training grant funds not obligated by September 1 of each fiscal year will be used for water and waste grants made in accordance with part 1780 of this chapter. This section does not apply to Solid Waste Management grants.

§1775.6 Allocation of funds{tc "1775.6 Allocation of funds "}

Control of Technical Assistance and Training grant and Solid Waste Management grant funds will be retained in the National office and allocated on a project case basis. These funds are not available for obligation by States.

§1775.7 Eligibility{tc "1775.7 Eligibility "}

(a) Entities eligible for Technical Assistance and Training (TAT) grants are private nonprofit organizations that have been granted tax exempt status by the Internal Revenue Service (IRS) of the United States.

(b) Entities eligible for Solid Waste Management (SWM) grants are nonprofit organizations, including:

(1) private nonprofit organizations that have been granted tax exempt status by the IRS;
and

(2) public bodies including local governmental-based multi-jurisdictional organizations.

(c) Applicants for either TAT or SWM grants must also have the proven ability, background, experience, legal authority, and actual capacity to provide technical assistance and/or training on a regional basis to associations as provided in §1775.3 of this part.

§1775.8 Purpose{tc "1775.8 Purpose "}

(a) Technical Assistance and/or Training Grants may be used to:

(1) Identify and evaluate solutions to water problems of associations in rural areas relating to:

(i) Source.

(ii) Storage.

(iii) Treatment.

(iv) Distribution.

(2) Identify and evaluate solutions to waste problems of associations in rural areas relating to:

(i) Collection.

(ii) Treatment.

(iii) Disposal.

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(3) Assist associations that have filed a preapplication with the Agency in the preparation of water and/or waste loan and/or grant applications.

(4) Provide training to association personnel that will improve the management, operation and maintenance of water and waste disposal facilities.

(5) To pay the expenses associated with providing the technical assistance and/or training authorized in paragraphs (a)(1) through (4) of this section.

(b) Solid Waste Management grants may be used to:

(1) Evaluate current landfill conditions to determine threats to water resources.

(2) Provide technical assistance and/or training to enhance operator skills in the maintenance and operation of active landfills.

(3) Provide technical assistance and/or training to help communities reduce the solid waste stream.

(4) Provide technical assistance and/or training for operators of landfills which are closed or will be closed in the near future with the development/implementation of closure plans, future land use plans, safety and maintenance planning, and closure scheduling within permit requirements.

§1775.9 [Reserved]{tc "1775.9 [Reserved]"}

§1775.10 Limitations{tc "1775.10 Limitations "}

Grant funds may not be used to:

(a) Recruit applications for the Agency's water and waste loan and/or any loan and/or grant program.

(b) Duplicate current services, replacement or substitution of support previously provided such as those performed by an association's consultant in developing a project.

(c) Fund political activities.

(d) Pay for capital assets, the purchase of real estate or vehicles, improve and renovate office space, or repair and maintain privately-owned property.

(e) Pay for construction or operation and maintenance costs.

(f) Pay costs incurred prior to the effective date of grants made under this part.

(g) Pay for technical assistance as defined in this subpart which duplicates assistance provided to implement an action plan funded by Forest Service (FS) under the National Forest-Dependent Rural Communities Economic Diversification Act (7 U.S.C. 6601 note) for 5 continuous years from the date of grant approval by the FS. To avoid duplicate assistance, the grantee shall coordinate with the FS and RUS to ascertain if a grant has been made in a substantially similar geographical or defined local area in a State for technical assistance under the above program. The grantee will provide documentation to FS and RUS regarding the contact with each agency. Under its program, the FS assists rural communities dependent upon national forest resources by establishing rural forestry and economic diversification action teams which prepare action plans. Action plans are intended to provide opportunities to promote economic diversification and enhance local economies dependent upon national forest resources.

§1775.11 Equal opportunity requirements{tc "1775.11 Equal opportunity requirements "}.

The policies and regulations contained in subpart E of part 1901 of this title apply to grants made under this part.

§1775.12 Environmental requirements{tc "1775.12 Environmental requirements "}.

The policies and regulations contained in subpart G of part 1940 of this title apply to grants made for the purposes in §1775.8.

§1775.13 Preapplications{tc "1775.13 Preapplications "}.

(a) Applicants will file an original and one copy of SF-424.1, "Application for Federal Assistance (For Non-construction)," with the appropriate Agency office between October 1 and December 31 each fiscal year. This form is available in all Agency offices. Applicants proposing to provide technical assistance and/or training in only one State will apply through the appropriate State Office. The State Office will review and forward preapplications, with their recommendations, within seven working days to the National Office, Attention: Water and Waste. Applicants providing technical assistance and/or training in more than one State will forward the preapplication to the Assistant Administrator, Water and Waste, Rural Utilities Service, Washington, DC 20250. Preapplications for Solid Waste Management grants that cannot be funded in the fiscal year received will not be retained for consideration for funding in the following fiscal year and will be handled as outlined in paragraph g of this section.

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(b) All preapplications shall be accompanied by:

- (1) Evidence of applicant's legal existence and authority in the form of certified copies of organizational documents and a certified list of directors and officers with their respective terms.
- (2) Evidence tax exempt status from the Internal Revenue Service.
- (3) Brief written narrative which includes items such as:
 - (i) The proposed service(s) to be provided, including the benefits of the technical assistance and/or training.
 - (ii) Area to be served.
 - (iii) Name of association(s) or type of association(s) that will be served.
 - (iv) Median household income of the population to be served by each association(s).
 - (v) Grantee's experience, including experience of key staff members and person(s) providing the technical assistance and/or training.
 - (vi) The number of months duration of the project or service and the estimated time it will take from grant approval to beginning of service.
 - (vii) Method used to select the association(s) that will receive the service.
 - (viii) Brief description of how the service will be provided, such as, through currently employed personnel or some other method.
 - (ix) Method to be used for delivery of the service, including personnel to be utilized and tasks to be contracted, if any.
- (4) Latest financial information to show the organization's financial capacity to carry out the proposed work. As a minimum, the information should include a balance sheet and an income statement. A current audit report is preferred.
- (5) Estimated breakdown of costs including those to be funded by grantee as well as other sources.
- (6) Budget and accounting system in place or proposed.
- (7) Evaluation method to determine if objective(s) of the proposed activity is being accomplished.

(c) Upon receipt of a preapplication, the National Office will:

(1) Review and evaluate the preapplication and accompanying documents;

(2) Request from the Office of General Counsel (OGC), a legal determination of applicant's legal existence and authority to provide technical assistance and/or training. The legal opinion will be obtained from the Regional Attorney servicing the area where the applicant's headquarters is located; and

(3) Normally, respond to the applicant within 45 days after December 31 of each year using Form AD-622, "Notice of Preapplication Review Action," indicating the action taken on the preapplication.

(d) Applicants whose preapplications are found to be ineligible will be given notice by use of Form AD-622 and advised of their appeal rights under subpart B of part 1900.

(e) Applicants who are eligible, but do not have the priority necessary for further consideration will be notified with Form AD-622, which includes the following statements:

"Your proposal cannot be funded within the available funds."

"You are advised against incurring obligations which cannot be fulfilled without Agency funds."

(f) Applicants that are eligible for funding within the available funds will be provided forms and instructions for filing a complete application. Applicants should be advised against incurring obligations which cannot be fulfilled without Agency funds.

(g) Applicants who have filed preapplications for solid waste management grant funds that cannot be funded within the available funds will be notified, using Form AD-622, that their preapplication will not be retained. They will also be notified that they may file a new preapplication when funds again become available using the following statement:

"If the Agency receives funding for the program in FY ___, you may file a new preapplication on or after October 1, 19__."

§1775.14 Priority{tc "1775.14 Priority "}

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(a) The preapplication and supporting information will be used to determine the applicant's priority for available funds for the Technical Assistance and Training Grant program. The following specific criteria will be considered in the competitive selection of Technical Assistance and Training Grant recipients:

- (1) Applicant's demonstrated capability and past performance in providing technical assistance and/or training to rural associations.
- (2) The extent to which the population of the associations served have low income.
- (3) Applicant's financial and if applicable, in-kind resource that will maximize use of technical assistance and/or training funds for direct staffing of activities that are delivered to the associations.
- (4) The extent to which the project will be cost effective, including but not limited to the ratio of proposed personnel to the cost of the project, the cost per associations served by the project, and the expected benefits from the project.
- (5) How well the proposal coincides with the objectives of the Agency's Water and Waste program authorized in part 1780 of this chapter.
- (6) Applicants proposing to serve multi-state, regional, or nationwide areas.
- (7) Applicants whose timeframe for completion of the technical assistance and/or training grant project is 12 months or less.

(b) Preapplications received from local governmental-based, multi-jurisdictional organizations for the SWM grant program will be given priority within the available funds.

§1775.15 [Reserved]{tc "1775.15 [Reserved]"}

§1775.16 Application processing{tc "1775.16 Application processing "}

(a) Upon notification on Form AD-622 that the applicant is eligible for funding, the following will be submitted to the National Office by the applicant;

- (1) SF-424.1.
- (2) Proposed scope of work detailing the training and/or technical assistance to be accomplished and timeframes for completion of each task.
- (3) Proposed budget.
- (4) Other requested information needed by the Agency to make a grant award determination.

(b) The following forms and documents will be part of the grant docket:

- (1) Form RD 400-1, "Equal Opportunity Agreement."
- (2) Form RD 400-4, "Assurance Agreement."
- (3) Grant Agreement signed by the applicant.
- (4) Scope of work prepared by the applicant.
- (5) Form RD 1940-1, "Request for Obligation of Funds."

(c) If the applicant fails to submit the application and related material by the date shown on Form AD-622 (normally 30 days from the date of Form AD-622), the Agency may discontinue consideration of the application.

§1775.17 [Reserved]{tc "1775.17 [Reserved]"}

§1775.18 Grant approval and obligation of funds{tc "1775.18 Grant approval and obligation of funds "}

- (a) The National Office will review the application and other documents to determine whether the proposal complies with this part.
- (b) All grants made under this part will be approved and obligated by the Agency Administrator or designee.
- (c) The obligation of funds will be handled in accordance with part 1780 of this chapter.
- (d) An executed copy of the Grant Agreement and scope of work will be sent to the applicant on the obligation date, along with a copy of Form RD 1940-1. The Agency will retain the executed original of the Grant Agreement. The grant will be considered closed on the obligation date.
- (e) If the grant is not approved, the applicant will be notified in writing of the reason(s) for rejection. The notification to the applicant will state that a review of this decision by the Agency may be requested by the applicant under subpart B of part 1900.

§1775.19 Fidelity bond{tc "1775.19 Fidelity bond "}

Prior to the advancing of funds, the grantee will provide fidelity bond coverage for the positions of persons entrusted with the receipt and disbursement of its funds and the custody of valuable property. The amount of the bond will be at least equal to the maximum amount of monies that the grantee will have on hand at any one time for technical assistance and/or training provided in accordance with the Grant Agreement. Unless prohibited by State Law, the United States, acting through the Agency, will be named as co-obligee in the bond. The bond must be obtained from a company listed in Department of Treasury Circular 570, as amended. Form RD 440-24, "Position Fidelity Schedule Bond Declarations," may be used. A certified power-of-attorney with effective date will be attached to the bond.

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§§1775.20 - 1775.21 [Reserved]{tc "1775.20 - 1775.21 [Reserved]"}

§1775.22 Fund disbursement{tc "1775.22 Fund disbursement "}

Grantees will be reimbursed as follows:

(a) Standard Form (SF) 270, "Request for Advance or Reimbursement," will be completed by the applicant and submitted to the National Office not more frequently than monthly.

(b) Upon receipt of a properly completed SF 270, the funds will be requested through the field office terminal system. Ordinarily, payment will be made within 30 days after receipt of a proper request for reimbursement.

(c) Grantees are encouraged to use minority banks (a bank which is owned by at least 50 percent minority group members) for the deposit and disbursement of funds. A list of minority owned banks can be obtained from the Office of Minority Business Enterprise, Department of Commerce, Washington, DC 20230.

§1775.23 Grant cancellation or major changes{tc "1775.23 Grant cancellation or major changes "}

If it is determined that a project will not be funded or if major changes in the scope of the project are made after release of the approval announcement, the Administrator will notify the Director of Legislative Affairs and Public Information Staff (LAPIS) giving the reasons for such action. In the case of a grant cancellation, Form RD 1940-10, "Cancellation of U.S. Treasury Check and/or Obligation," will not be submitted to the Finance Office until 5 working days after notifying the Director of LAPIS, and grant obligation cancellations will not be submitted to the National Office until 5 working days after notifying the Director of LAPIS.

§1775.24 Reporting{tc "1775.24 Reporting "}

Standard Form (SF) 269, "Financial Status Report," SF 272, "Federal Cash Transactions Report," and a project performance activity report will be required of all grantees on a quarterly basis. A final project performance report will be required with the last SF 269. The final report may serve as the last quarterly report. Grantees shall constantly monitor performance to ensure that time schedules are being met, projected work by time periods is being accomplished, and other performance objectives are being achieved. All multi-state, regional, and nationwide grantees are to submit an original of each report to the National Office. Grantees serving only one State are to submit an original of each report to the State Program Official. The State Program Official will review and forward to the National Office the report with comments. The project performance reports shall include, but not be limited to, the following:

- (a) A comparison of actual accomplishments to the objectives established for that period;
- (b) Reasons why established objectives were not met;

(c) Problems, delays, or adverse conditions which will affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular project work elements during established time periods. This disclosure shall be accompanied by a statement of the action taken or planned to resolve the situation; and

(d) Objectives and timetable established for the next reporting period.

§1775.25 Audit{tc "1775.25 Audit "}

The grantee will provide an audit report prepared in accordance with §1780.47 of part 1780 of this chapter within 90 days after project completion.

§1775.26 Grant Agreement{tc "1775.26 Grant Agreement "}

RUS Bulletin 1775-1 is a Grant Agreement which sets forth the procedures for making and servicing grants made under this part. Bulletins, instructions and forms are for administering grants made under this part and are available from any USDA/Rural Development office or the Rural Utilities Service, United States Department of Agriculture, Washington, D.C. 20250-1500.

§1775.27 Grant servicing{tc "1775.27 Grant servicing "}

Grants will be serviced in accordance with the grant agreement and subpart E of part 1951. Subpart B of part 1900 will be followed when grants are terminated for cause.

§1775.28 Delegation of authority{tc "1775.28 Delegation of authority "}

The authority under this part is redelegated to the Assistant Administrator, Water and Waste, except for the discretionary authority contained in §1775.5 of this part. The Assistant Administrator, Water and Waste may redelegate the authority in this section.

§§1775.29 - 1775.99 [Reserved]{tc "1775.29 - 1775.99 [Reserved]"}

§1775.100 OMB control number{tc "1775.100 OMB control number "}

The collection of information requirements contained in this part have been approved by the Office of Management and Budget and have been assigned OMB control number 0575-0123. Public reporting for this collection of information is estimated to vary from 15 minutes to 4 hours per response, with an average of 1 hour per response including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, D.C. 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB# 0575-0123), Washington, D.C. 20503.

Grant Agreement
Technical Assistance
and Training

This agreement is between _____
_____ (name), _____
_____ (address), (Grantee) and the United States of America acting through the Rural Utilities Service (Grantor or Agency). Grantee has determined to undertake certain Technical Assistance and/or Training at an estimated cost of \$ _____ and has duly authorized such activity. Grantee shall finance \$ _____ of the costs through cash and in-kind contributions. The Grantor agrees to grant to Grantee a sum not to exceed \$ _____ subject to the terms and conditions established by the Grantor; provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant. In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306 (a)(16)(A) of the Consolidated Farm and Rural Development Act (7 USC 1926 (a)) for the purpose of defraying technical assistance and/or training costs as permitted by applicable Agency regulations:

Part A

Grantor and Grantee agree:

1. This agreement shall be effective when executed by both parties.
2. The scope of work described by the applicant in Exhibit 1 shall be completed within _____ days from the date of this agreement.
3. Use of grant funds for travel which is determined as being necessary to the program for which the grant is established may be subject to the travel policies of the Grantee institution if they are uniformly applied regardless of the source of funds in determining the amounts and types of reimbursable travel expenses of Grantee staff and consultants. Where the Grantee institution does not have such specific policies uniformly applied, the Federal Travel Regulations shall apply in determining the amount charged to the grant.

The information collected through the grant agreement is required to obtain a Technical Assistance and/or Training grant and is used to determine that the grant funds are used for authorized program purposes.

Grantee may purchase furniture and office equipment only if specifically approved in the scope of work. Approval will be given only when Grantee demonstrates that purchase is necessary. Commercial purchase under these circumstances will be approved only after consideration of Federal supply sources.

(a) Expenses and Purchases Excluded:

(i) In no event shall the Grantee expend or request reimbursement from Federal-share funds for obligations entered into or for costs incurred or accrued prior to the effective date of this grant.

(ii) Funds budgeted under this grant may not be used for entertainment expenses or to fund political activities.

(iii) Funds budgeted under this grant may not be used to pay for capital assets, the purchase of real estate or vehicles, improve or renovate office space, or repair and maintain privately-owned property.

(iv) Recruit applications for the Agency's water and waste loan and/or grant program.

(v) Duplicate current services, replacement, or substitution of support previously provided.

(b) Grant funds shall not be used to replace any financial support previously provided for or assured from any other source. The Grantee agrees that the general level of expenditure by the Grantee for the benefit of program area and/or program covered by this agreement shall be maintained and not reduced as a result of the Federal share funds received under this grant.

4. Grant funds will be disbursed by the Agency on a reimbursement basis not to exceed one advance every 30 days. The financial management system of the recipient organization shall provide for effective control over and accountability for all funds, property and other assets.

(a) As needed, but not more frequently than once every 30 days, an original and one copy of Standard Form (SF) 270, "Request for Advance or Reimbursement" may be submitted to the Agency.

(b) Grantee shall provide satisfactory evidence to the Agency that all officers of Grantee organization authorized to receive and/or disburse Federal funds are covered by such bonding and/or insurance requirements as are normally required by the Grantee.

(c) Where the Grantee shall have claimed credit for contributions-in-kind to the total cost of allowable expenses, the evaluation of such contributions-in-kind shall be subject to reevaluation by the Grantor at any time, and any deficiency so determined by the Grantor shall be compensated by supplemental contributions by the Grantee as a condition for further disbursements by the Grantor. Specific procedures for establishing the value of in-kind contributions from third parties established in OMB Circular A-110 will govern such an evaluation. Principles for determining cost are set forth in OMB Circular A-122 and will be used in cost evaluation.

(d) If for any reason grant funds are invested, income earned on such investments shall be identified as interest income on grant funds and forwarded to the Finance Office, Rural Economic and Community Development (RECD), St. Louis, Missouri.

5. The Grantee will submit Performance and Financial reports as indicated below:

(a) Quarterly, an original and one copy of SF 269, "Financial Status Report," SF 272, "Federal Cash Transactions Report," (due 30 calendar days after end of quarter) and a Project Performance report according to the schedule below:

Period	Date Due
--------	----------

(b) Final, an original and 1 copy of SF 269, and a Project Performance report (due 90 calendar days after end of last quarter) according to the schedule below:

Due Date

Note: Final reports may serve as the last quarterly reports.

(c) The original and 1 copy of reports and forms are to be submitted to the Assistant Administrator, Water and Waste, Rural Utilities Service, Washington, D.C. 20250.

6. The budget covered by this agreement is:

(a)

Federal Contribution	
Grantee Contribution:	
Cash	
In-Kind	
TOTAL	

(b) Budget.

Budget Categories		Federal Funds	Non-Federal Share		Total
Direct Charges			Cash	In-Kind	
1	Personnel				
2	Fringe benefits				
3	Travel				
4	Equipment				
5	Supplies				
6	Contractual				
7	Other				
	Total Direct Charges				
	Total				

(c) In accordance with OMB Circular A-122, compensation for employees will be considered reasonable to the extent that such compensation is consistent with that paid for similar work in the organization's other activities or is comparable to that paid for similar work in the labor markets in which the organization completed for the employees involved.

(d) In accordance with OMB Circular A-110, Attachment J, transfers among direct cost budget categories of more than 5 percent of the total budget must have prior written approval by the Assistant Administrator, Water and Waste, Rural Utilities Service.

7. Grantee responsibility.

(a) The scope of work is described in the attachment to this Bulletin. The Grantee accepts responsibility for providing technical assistance and/or establishing and implementing a training program as set forth in scope of work. The Grantee shall:

- (i) Identify and evaluate solutions to water and waste disposal problems in rural areas.
- (ii) Provide technical assistance and/or training to improve operation and maintenance of water and waste disposal facilities in rural areas.
- (iii) Assist rural communities that have decided to submit an application for the Agency's Water and Waste Disposal grant program in preparing such application.
- (iv) Provide continuing information to the Agency on the status of Grantee programs, projects, related activities, and problems.

(b) The Grantee shall inform the Grantor as soon as the following types of conditions become known:

(i) Problems, delays, or adverse conditions which materially affect the ability to attain program objectives, prevent the meeting of time schedules or goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken or contemplated, and any Grantor assistance needed to resolve the situation.

(ii) Favorable developments or events which enable meeting time schedules and goals sooner than anticipated or producing more work units than originally projected.

Part B

Grantee agrees:

1. To comply with property management standards established by Attachment N of OMB Circular A-110 for expendable and nonexpendable personal property. "Personal property" means property of any kind except real property. It may be tangible--having physical existence--or intangible--having no physical existence, such as patents, inventions, and copyrights. "Nonexpendable personal property" means tangible personal property having a useful life of more than one year and an acquisition cost of \$300 or more per unit. A Grantee may use its own definition of nonexpendable personal property provided that such definition would at least include all tangible personal property as defined above. "Expendable personal property" refers to all tangible personal property other than nonexpendable property. When nonexpendable tangible property is acquired by a Grantee with project funds, title shall not be taken by the Federal Government but shall be vested in the Grantee subject to the following conditions:

(a) Right to transfer title. For items of nonexpendable personal property having a unit acquisition cost of \$1,000 or more, The Agency may reserve the right to transfer the title to the Federal Government or to a third party named by the Federal Government when such third party is otherwise eligible under existing statutes. Such reservation shall be subject to the following standards:

(i) The property shall be appropriately identified in the grant or otherwise made known to the Grantee in writing.

(ii) The Agency shall issue disposition instructions within 120 calendar days after the end of the Federal support of the project for which it was acquired. If the Agency fails to issue disposition instructions within the 120 calendar day period, the Grantee shall apply the standards of Part B 1. (b) and (c) of this bulletin.

(iii) When the Agency exercises its right to take title, the personal property shall be subject to the provisions for federally owned nonexpendable property discussed in Part B 1. (b) and (c) of this bulletin.

(iv) When title is transferred either to the Federal Government or to a third party and the Grantee is instructed to ship the property elsewhere, the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the property, plus any reasonable shipping or interim storage costs incurred.

(b) Use of other tangible nonexpendable property for which the Grantee has title.

(i) The Grantee shall use the property in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When it is no longer needed for the original project or program, the Grantee shall use the property in connection with its other Federally sponsored activities, in the following order of priority:

(1) Activities sponsored by the Agency.

(2) Activities sponsored by other Federal agencies.

(ii) Shared use. During the time that nonexpendable personal property is held for use on the project or program for which it was acquired, the Grantee shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the property was originally acquired. First preference for such other use shall be given to projects or programs sponsored by the Agency second, preference shall be given to projects or programs sponsored by other Federal agencies. If the property is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by the Agency. User charges should be considered if appropriate.

(c) Disposition of other nonexpendable property. When the Grantee no longer needs the property as provided in Part B 1. (b) of this bulletin, the property may be used for other activities in accordance with the following standards:

(i) Nonexpendable property with a unit acquisition cost of less than \$1,000. The Grantee may use the property for other activities without reimbursement to the Federal Government or sell the property and retain the proceeds.

(ii) Nonexpendable personal property with a unit acquisition cost of \$1,000 or more. The Grantee may retain the property for other use provided that compensation is made to the Agency or its successor. The amounts of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to current fair market value of the property. If the Grantee has no need for the property and the property has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

(iii) The Agency shall determine whether the property can be used to meet the agency's requirements. If no need exists within the Agency, the General Services Administration's Federal Property Management Regulations (FPMR) will be used by the Agency to determine whether a need for the property exists in other Federal agencies. The Agency shall issue instructions to the Grantee no later than 120 days after the Grantee request and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the property and reimburse the Agency an amount computed by applying to the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share \$100 or ten percent of the proceeds, whichever is greater, for the Grantee's selling and handling expenses.

(2) If the Grantee is instructed to dispose of the property other than as described in Part B 1. (b) and (c) of this bulletin, the Grantee shall be reimbursed by the Agency for such costs incurred in its disposition.

(3) Property management standards for nonexpendable property. The Grantee's property management standards for nonexpendable personal property shall include the following procedural requirements:

(d) Property records shall be maintained accurately and shall include:

(i) A description of the property.

(ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.

(iii) Sources of the property including grant or other agreement number.

(iv) Whether title vests in the Grantee or the Federal Government.

(v) Acquisition date (or date received, if the property was furnished by the Federal Government) and cost.

(vi) Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired. (Not applicable to property furnished by the Federal Government.)

(vii) Location, use and condition of the property, and the date the information was reported.

(viii) Unit acquisition cost.

(ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a Grantee compensates the Federal agency for its share.

(e) Property owned by the Federal Government must be marked to indicate Federal ownership.

(f) A physical inventory of property shall be taken and the results reconciled with the Property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The Grantee shall, in connection with the inventory, verify the existence, current utilization, and continued need for the property.

(g) A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss; damage, or the theft of nonexpendable property shall be investigated and fully documented; if the property was owned by the Federal Government, the Grantee shall promptly notify the Agency.

(h) Adequate maintenance procedures shall be implemented to keep the property in good condition.

(i) Where the Grantee is authorized or required to sell the property, proper sales procedures shall be established which would provide for competition to the extent practicable and result in the highest possible return.

(j) Expendable personal property shall vest in the grantee upon acquisition. If there is a residual inventory of such property exceeding \$1,000 in total aggregate fair market value, upon termination or completion of the grant and if the property is not needed for any other federally sponsored project or program, the Grantee shall retain the property for use on nonfederally sponsored activities, or sell it, but must in either case compensate the Federal Government for its share. The amount of compensation shall be computed in the same manner as nonexpendable personal property.

2. To provide Financial Management Systems which will include:

(a) Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.

(b) Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

(c) Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.

(d) Accounting records supported by source documentation.

3. To retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee which are pertinent to the specific grant program for the purpose of making audit, examination, excerpts, and transcripts.

4. Provide an audit report prepared in accordance with OMB Circular A-110, Attachment F, within 90 days after project completion.
5. To account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes. See Part A 4.(d) of this bulletin.
6. Not to encumber, transfer, or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in Part B 1 of this bulletin.
7. To provide Grantor with such periodic reports as it may require of Grantee operations by designated representative of the Grantor.
8. To execute Form RD 400-1, "Equal Opportunity Agreement," Form RD 400-4, "Assurance Agreement," and to execute any other agreements required by Grantor to implement the civil rights requirements.
9. That, upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will to the extent legally permissible, repay to the Grantor forthwith the original principal amount of the grant stated herein above, with interest accruing thereon from the date of default at the market rate for water and waste loan assistance in effect on the date hereof or at the time the default occurred. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by the Grantor, at its option and without regard to: (a) prior waivers by it of previous defaults of Grantee, (b) by judicial proceedings to require specific performance of the terms of this Grant Agreement, (c) by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and, (d) the laws and regulations under which this grant is made.
10. That no member of Congress shall be permitted any share or part of this grant or any benefit that may arise therefrom; but this provision shall not be construed to bar as a contractor under the Grant a private nonprofit organization whose membership might include a member of Congress.
11. That all nonconfidential information resulting from its activities shall be made available to the general public on an equal basis.
12. That the purpose and scope of work for which this grant is made shall not duplicate programs for which monies have been received, are committed, or are applied for from other sources, public and private.
13. That the Grantee shall relinquish any and all copyrights and/or privileges to the materials developed under this grant, such material being the sole property of the Federal Government. In the event anything developed under this grant is published in whole or in part, the material shall contain notice and be identified by language to the following effect: "The material is the result of tax-supported research and as such is not copyrightable. It may be freely reprinted with the customary crediting of the source."

14. That the Grantee shall abide by the policies promulgated in OMB Circular A-110, Attachment O, which provides standards for use by Grantees in establishing procedures for the procurement of supplies, equipment, and other services with Federal grant funds.

15. To the following termination provisions:

(a) Termination for cause. The Grantor agency may terminate any grant in whole, or in part, at any time before the date of completion, wherever it is determined that the Grantee has failed to comply with the conditions of the grant. The Grantor agency shall promptly notify the Grantee in writing of the determination and the reasons for the termination, together with the effective date. Grants can be terminated for cause such as: failure to use funds for authorized purposes, poor progress, untimely reports, no progress, and failure to properly account for expenditures or property.

(b) Termination for convenience. The Grantor agency or Grantee may terminate grants in whole, or in part, when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination's, the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Grantor agency shall allow full credit to the Grantee for the Federal share of the noncancelable obligations, properly incurred by the Grantee prior to termination. Disposition of expandable and nonexpandable personal property will be in accordance with the standards of Part. B 1. of this bulletin.

16. As a condition of this grant or Cooperative Agreement, the recipient assures and certifies that it is in compliance with and will comply in the course of the Agreement with all applicable laws, regulations, Executive Orders and other generally applicable requirements, including those set out in 7 CFR 3015.205 b, which hereby are incorporated in this Agreement by reference, and such statutory provisions as are specifically set for herein.

Part C

Grantor Agrees:

1. That it will assist Grantee, within available appropriations , with such technical assistance as Grantor deems appropriate in planning the project.

2. That at its sole discretion, Grantor may at any time give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (a) advisable to further the purposes of the grant or to protect Grantor's financial interest therein, and (b) consistent with both the statutory purposes of the grant and the limitations of the statutory authority which it is made.

This agreement is subject to current Grantor regulations and any future regulations not inconsistent with the express terms hereof.

Grantee on _____, _____, has caused this agreement to be executed by its
duly authorized _____ and attested and its corporate seal affixed by
its duly authorized _____,

Attest:

Grantee

By _____
(Title)

Grantor
UNITED STATES OF AMERICA
RURAL UTILITIES SERVICE

By _____

(Title)