

Rural Utilities Service, USDA

§ 1775.24

(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]

§ 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 of this title.

§ 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.

§§ 1775.20-1775.21 [Reserved]

§ 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.

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.

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