

§ 26.6

coverage under State laws for its enrollees. Enrollees shall be employed without regard to State personnel laws, rules, and regulations applicable to full-time employees. It is not intended that State enrollees be covered for retirement, unemployment compensation, health and life insurance purposes, or that they earn or be granted leave-with-pay or sick leave; such charges shall not be considered a qualifying expense for Federal cost-share purposes.

(t) If the grantee fails to comply with the grant award stipulations, standards, or conditions, the Secretaries may jointly suspend the grant, in whole or in part, pending corrective action. Subsequent to or during any period of suspension of the grant, the Federal Government shall not be obligated to reimburse the grantee for any incurrence of obligations for suspended projects other than direct pay of enrollees and then only for a period of time which both the Secretaries shall determine to be reasonable. In addition, the Secretaries may jointly terminate the grant, in whole or in part. Termination shall be effected by notice of termination. Upon receipt of a notice of termination, the grantee shall:

(1) Discontinue further commitments of grant funds for the terminated project(s).

(2) Cancel all sub-grants or contracts, where possible, scheduled for payment with funds budgeted for the terminated project(s).

(3) Within 90 days after receipt of the notice of termination for the entire grant, supply either of the Secretaries with a financial status report, along with a refund check for any unused portion of funds advanced, or a request for reimbursement for allowable expenditures incurred in the grant program.

§ 26.6 Request for grant.

(a) Of the amount available for Youth Conservation Corps projects, 30 percent will be allocated for State projects. All States will be given an opportunity to participate in the program. Allocated funds not needed by a State will be re-allocated, based on the merit of proposals submitted in accordance with paragraph (c) of this section.

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(b) Pursuant to section (4)(c)(1) of Public Law 93-408, States may receive grants up to but not to exceed 80 percent of the cost of funding any project from the Federal Government. The combined Federal/State costs of individual projects and other program expenses as established in the grant application determine the Federal/State cost-sharing ratio. Matching State costs can consist of either direct expenditures or services of an in-kind nature.

(c) Application for Federal Assistance (Standard Form 424) will be used by applicants in applying for grants under this program. Application forms will be supplied to Program Agents. Only a Program Agent may submit an application. A single grant application must be submitted for the entire summer program within each State. A separate application must be used for non-summer projects. A non-summer project is defined as one which extends beyond September 30, or begins prior to May 1.

(d) The Secretaries have designated individuals for each State who will jointly represent them. Grant applications (original and two copies) must be submitted to the designated representative of either Secretary. January 1 has been established as the deadline date for acceptance of applications for each operating year. Names and addresses of designated representatives will be furnished to each State. The Secretaries' representatives must jointly approve grant proposals. Approval or disapproval of proposals will be documented by a formal letter to the Program Agent. The Secretaries' representatives will also be available for technical assistance and will monitor the program.

§ 26.7 Application format and instructions.

Grant application must be made using the Office of Management and Budget approved form (SF-424) entitled "Federal Assistance." Specific instructions and requirements which must be followed are included in the Secretaries' State Grant Procedures Handbook. General instructions for completing the form by part numbers are: