

(c) *Use of program income.* (1)(i) A recipient or subrecipient may retain any program income earned by the recipient or subrecipient only if such income is added to the funds committed to the particular JTPA grant or subgrant and title under which it was earned and such income is used for that title's purposes and under the terms and conditions applicable to the use of the grant funds.

(ii) A State may use interest it earns on JTPA funds, deposited by the United States to the State's account, to satisfy the requirement at 31 U.S.C. 6503(c) that the State pay interest on such deposits.

(iii) The classification of costs in §§ 627.440 and 631.13 shall apply to the use of program income.

(iv) The administrative cost limitation in §§ 627.445 and 631.14 shall apply to the use of program income, except that program income used in accordance with paragraph (c)(1)(ii) of this section shall be exempt from the administrative cost limitations.

(2) Program income generated under title II may also be used to satisfy the matching requirement of section 123(b) of the Act.

(3) Program income shall be used prior to the submission of the final report for the funding period of the program year of funds to which the earnings are attributable.

(4) If the subrecipient that earned program income cannot use such income for JTPA purposes, the recipient may permit another entity to use the program income for JTPA purposes.

(5) Program income not used in accordance with the requirements of this section shall be remitted to the Department of Labor.

(d) *Program and other income after the funding period.* Rental income and user fees on real and personal property acquired with JTPA funds shall continue to be JTPA program income in subsequent funding periods. There are no Federal requirements governing the disposition of all other income that is earned after the end of the funding period.

§ 627.455 Reports required.

(a) *General.* The Governor shall report to DOL pursuant to instructions

issued by DOL. Reports shall be submitted no more frequently than quarterly, in accordance with section 165(f) of the Act, and within 45 calendar days after the end of the report period. Additional reporting requirements for title III are set forth at § 631.15 of this chapter.

(b) A recipient may impose different forms or formats, shorter due dates, and more frequent reporting requirements on subrecipients, however, the recipient is required to meet the reporting requirements imposed on it by DOL.

(c) DOL may provide computer outputs to recipients to expedite or contribute to the accuracy of reporting. DOL may accept the required information from recipients in electronically reported format or computer printouts instead of prescribed forms.

(d) *Financial reports.* (1) Financial reports for programs under titles I, II, and III shall be submitted to DOL by each State quarterly and by program year of appropriation.

(2) Each recipient shall report program outlays on an accrual basis. If the recipient's accounting records are not normally kept on the accrual basis, the recipient shall develop such accrual information through an analysis of the documentation on hand.

(3) A final financial report is required 90 days after the expiration of a funding period (see § 627.485 of this part, Closeout).

(4) Pursuant to section 104(b)(13) of the Act, the SDA shall annually report to the Governor. Among other items, this report shall include information on the extent to which the SDA has met the goals for the training and training-related placement of women in nontraditional employment.

§ 627.460 Requirements for records.

(a) Records, including the records identified in section 165(g) of the Act, shall be retained in accordance with section 165(e) of the Act. In establishing the time period of record retention requirements for records of subrecipients, the State may either:

(1) Impose the time limitation requirement of section 165(e) of the Act; or

§ 627.463

20 CFR Ch. V (4-1-08 Edition)

(2) Require that subrecipient records for each funding period be retained for 3 years after the subrecipient submits to the awarding agency its final expenditure report for that funding period. Records for nonexpendable property shall be retained for a period of three years after final disposition of the property.

(b) The Governor shall ensure that the records under this section shall be retained beyond the prescribed period if any litigation or audit is begun or if a claim is instituted involving the grant or agreement covered by the records. In these instances, the Governor shall ensure that the records shall be retained until the litigation, audit, or claim has been finally resolved.

(c) In the event of the termination of the relationship with a subrecipient, the Governor or SDA or title III SSG shall be responsible for the maintenance and retention of the records of any subrecipient unable to retain them.

(d) *Record storage.* Records shall be retained and stored in a manner which will preserve their integrity and admissibility as evidence in any audit or other proceeding. The burden of production and authentication of the records shall be on the custodian of the records.

(e) *Federal and awarding agencies' access to records*—(1) *Records of recipients and subrecipients.* The awarding agency, the Department of Labor (including the Department of Labor's Office of Inspector General), and the Comptroller General of the United States, or any of their authorized representatives, have the right of timely and reasonable access to any books, documents, papers, computer records, or other records of recipients and subrecipients that are pertinent to the grant, in order to conduct audits and examinations, and to make excerpts, transcripts, and photocopies of such documents. This right also includes timely and reasonable access to recipient and subrecipient personnel for the purpose of interview and discussion related to such documents.

(2) *Expiration of right of access.* The right of access in this section is not limited to the required retention pe-

riod but shall last as long as the records are retained.

§ 627.463 Public access to records.

(a) *Public access.* Except as provided in paragraph (b) of this section, records maintained by recipients or subrecipients pursuant to § 627.460 shall be made available to the public upon request, notwithstanding the provisions of State or local law.

(b) *Exceptions.* This requirement does not apply to:

(1) Information, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy; or

(2) Trade secrets, or commercial or financial information, obtained from a person and privileged or confidential.

(c) *Fees.* For processing of a request for a record under this section, a fee may be charged to the extent sufficient to recover the cost applicable to processing such request (section 165(a)(4)).

§ 627.465 Property management standards.

(a) *States and governmental subrecipients.* Real property, equipment, supplies, and intangible property acquired or produced after July 1, 1993, by States and governmental subrecipients with JTPA funds shall be governed by the definitions and property requirements in the DOL regulations at 29 CFR part 97, except that prior approval by the Department of Labor to acquire property is waived.

(b) *Nongovernmental subrecipients.* Except as provided in paragraph (c) of this section, real and personal property, including intangible property, acquired or produced after July 1, 1993, by nongovernmental subrecipients with JTPA funds shall be governed by the definitions and property management standards of OMB Circular A-110, as codified by administrative regulations of the Department of Labor in 29 CFR Part 95, except that prior approval by the Department of Labor to acquire property is waived.

(c) *Special provisions for property acquired under subgrants to commercial organizations*—(1) *Scope.* This paragraph (c) applies to real and personal property other than supplies that are acquired or produced after July 1, 1993,