

§ 1775.13

highest scores and subject to the availability of funds will be selected for final processing. The National Office will send these applications back to the State Office for processing. The State Office will notify the applicant(s) that they have been selected for funding.

(4) Applicants not selected for funding due to low priority rating shall be notified by the State Office.

(b) *National and multi-State applications.* (1) National and multi-State applications submitted to the National Office will receive a letter acknowledging receipt and confirmation that all information required for a full application was included in the packet. The National Office shall notify the applicant of missing information. The applicant will have 14 business days to respond.

(2) The National Office will review applications for eligibility. Those applications that are deemed ineligible will be notified. Applications deemed eligible will be reviewed and given a rating score. Applications receiving the highest scores will be grouped with those received from State Offices for funding consideration.

(3) The National Office will review all applications received. Applications will compete on a priority basis and will be scored and ranked. The applications receiving the highest scores and subject to the availability of funds will be notified by the National Office that they have been selected for funding. The National Office shall conduct final processing of multi-State and national applications.

(4) Multi-State and National applicants not selected for funding due to low priority rating will be notified by the National Office.

(c) *Low priority applications.* Applications that cannot be funded in the fiscal year received will not be retained for consideration in the following fiscal year and will be handled as outlined in paragraph (a)(4) or (b)(4) of this section.

§ 1775.13 Grant agreement.

Applicants selected for funding will complete a grant agreement, RUS Guide 1775-1, which outlines the terms and conditions of the grant award.

7 CFR Ch. XVII (1-1-08 Edition)

§§ 1775.14-1775.17 [Reserved]

§ 1775.18 Fund disbursement.

Grantees will be reimbursed as follows:

(a) SF-270, "Request for Advance or Reimbursement," will be completed by the grantee and submitted to either the State or 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 women- and minority-owned banks (a bank which is owned at least 50 percent by women or minority group members) for the deposit and disbursement of funds.

§ 1775.19 Grant cancellation or major changes.

Any change in the scope of the project, budget adjustments of more than 10 percent of the total budget, or any other significant change in the project must be reported to and approved by the approval official by written amendment to RUS Guide 1775-1. Any change not approved may be cause for termination of the grant.

§ 1775.20 Reporting.

(a) 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.

(b) SF-269, "Financial Status Report (short form)," and a project performance activity report will be required of all grantees on a quarterly basis, due 30 days after the end of each calendar quarter.

(c) A final project performance report will be required with the last SF-269 due 90 days after the end of the last quarter in which the project is completed. The final report may serve as the last quarterly report.

(d) All multi-State 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 Office.

Rural Utilities Service, USDA

§ 1775.35

The project performance reports should detail, preferably in a narrative format, activities that have transpired for the specific time period and shall include, but not be limited to, the following:

(1) A comparison of actual accomplishments to the objectives established for that period (*i.e.* number of meetings held, number of people contacted, results of activity);

(2) Analysis of challenges or setbacks that occurred during the grant period;

(3) Copies of fliers, news releases, news articles, announcements and other information used to promote services or projects;

(4) 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

(5) Activities planned for the next reporting period.

§ 1775.21 Audit or financial statements.

The grantee will provide an audit report or financial statements as follows:

(a) Grantees expending \$500,000 or more Federal funds per fiscal year will submit an audit conducted in accordance with OMB Circular A-133. The audit will be submitted within 9 months after the grantee's fiscal year. Additional audits may be required if the project period covers more than one fiscal year.

(b) Grantees expending less than \$500,000 will provide annual financial statements covering the grant period, consisting of the organization's statement of income and expense and balance sheet signed by an appropriate official of the organization. Financial statements will be submitted within 90 days after the grantee's fiscal year.

§ 1775.22 [Reserved]

§ 1775.23 Grant servicing.

Grants will be serviced in accordance with RUS Guide 1775-1 and subpart E of part 1951 of this title. When grants are

terminated for cause, 7 CFR part 11 will be followed.

§ 1775.24 Delegation of authority.

The authority under this part is re-delegated to the Assistant Administrator, Water and Environmental Programs, except for the discretionary authority contained in §1775.34 and §1775.68. The Assistant Administrator, Water and Environmental Programs may re-delegate the authority in this part.

§§ 1775.25-1775.30 [Reserved]

Subpart C—Technical Assistance and Training Grants

§ 1775.31 Authorization.

This subpart sets forth additional policies and procedures for making Technical Assistance and Training (TAT) grants authorized under Section 306(a)(14)(A) of the Consolidated Farm and Rural Development Act (CONACT) (7 U.S.C. 1921 *et seq.*, as amended).

§ 1775.32 [Reserved]

§ 1775.33 Objectives.

The objectives of the program are to:

(a) Identify and evaluate solutions to water and waste problems in rural areas.

(b) Assist applicants in preparing applications for water and waste disposal loans/grants.

(c) Assist associations in improving operation and maintenance of existing water and waste facilities in rural areas.

§ 1775.34 Source of funds.

Grants will be made from not less than 1 percent or not more than 3 percent of any appropriations for grants under Section 306(a)(2) of the CONACT. Funds not obligated by September 1 of each fiscal year will be used for water and waste disposal grants made in accordance with part 1780 of this chapter.

§ 1775.35 Eligibility.

(a) Entities eligible for grants must be private nonprofit organizations with tax exempt status, designated by the Internal Revenue Service. A nonprofit