

under part M of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796h) may use funds under a grant under this heading to cover any costs of the entity that would otherwise be covered by such preferential rates or such assistance, as the case may be.

Accordingly, recipients of the above-described preferential rates or assistance are prohibited from including any costs that would be covered by such preferential rates or assistance in their proposed TOP grant budget. More details on this restriction can be found in the Guidelines for Preparing Applications—Fiscal Year 2003.

Award Period

Applicants may propose projects that last a minimum of 18 months and will be completed by 36 months. While the completion time will vary depending on the complexity of the project, NTIA has found that most grant recipients require at least two years to complete and evaluate fully their projects.

Selection Procedures

NTIA anticipates the processing and selection of applications for funding will require six months. The selection process involves four stages outlined below:

1. During the first stage, each eligible application will be reviewed by a panel of outside peer reviewers, who have demonstrated expertise in both the programmatic and technological aspects of the application. The peer review panel members will evaluate applications according to the review criteria provided in this Notice and provide ratings to the program staff. As discussed below, these ratings constitute one of the selection factors to be used by the TOP Director when preparing the slate of recommended grant awards.

2. Upon completion of the external peer review process, program staff will analyze applications considered for award to assess: (1) Whether a proposed project meets the program's funding scope as described in the section entitled "Limitations on Project Scope"; (2) the eligibility of costs and matching funds included in an application's budget; and (3) the extent to which an application complements or duplicates projects previously funded or under consideration by NTIA or other federal programs.²

The TOP Director then prepares and presents a slate of recommended grant

awards to the Office of Telecommunications and Information Applications' (OTIA) Associate Administrator for review and approval.³ The Director's recommendations and the Associate Administrator's review and approval will take into account the following selection factors:

- (1) The evaluations of the outside peer reviewers;
- (2) the analysis of program staff;
- (3) the degree to which the proposed grants meet the program's purpose as described in the section entitled "Program Description";
- (4) the geographic distribution of the proposed grant awards;
- (5) the variety of technologies and diversity of uses of the technologies employed by the proposed grant awards;
- (6) the provision of access to and use of telecommunications and information technologies by rural communities and other underserved groups;
- (7) avoidance of redundancy and conflicts with the initiatives of other Federal agencies; and,
- (8) the availability of funds.

3. Upon approval by the OTIA Associate Administrator, the Director's recommendations will then be presented to the Selecting Official, the NTIA Administrator. The NTIA Administrator selects the applications to be negotiated for possible grant award taking into consideration the Director's recommendations and the degree to which the slate of applications, taken as a whole, satisfies the selection factors described above and the program's stated purposes as set forth in the section entitled "Program Description."

4. After applications have been selected in this manner, negotiations will take place between TOP staff and the applicant. These negotiations are intended to resolve any differences that exist between the applicant's original request and what TOP proposes to fund, and if necessary, to clarify items in the application. Not all applicants who are contacted for negotiation will necessarily receive a TOP award. Final selections made by the Administrator will be based upon the recommendations by the Director and the OTIA Associate Administrator and the degree to which the slate of applications, taken as a whole, satisfies the program's stated purposes as set forth in the section entitled "Program Description," upon the conclusion of negotiations.

Use of Program Income

Applicants are advised that any program income generated by a proposed project is subject to special conditions. Anticipated program income must be documented appropriately in the project budget. In addition, should an application be funded, unanticipated program income must be reported to TOP, and the budget for the project must be renegotiated to reflect receipt of this program income. Program income means gross income earned by the recipient that is either directly generated by a supported activity, or earned as a result of the award. In addition, federal policy prohibits any recipient or subrecipient receiving federal funds from the use of equipment acquired with these funds to provide services to non-federal outside organizations for a fee that is less than private companies charge for equivalent services. This prohibition does not apply to services provided to outside organizations at no cost.

Policy on Sectarian Activities

Applicants are advised that on December 22, 1995, NTIA issued a notice in the **Federal Register** on its policy with regard to sectarian activities. Under NTIA's policy, while religious activities cannot be the essential thrust of a grant, an application will not be ineligible where sectarian activities are only incidental or attenuated to the overall project purpose for which funding is requested. Applicants for whom this policy may be relevant should read the policy that was published in the **Federal Register** at 60 FR 66491, Dec. 22, 1995.

Reporting Requirements

To ensure compliance with federal regulations and collect systemic evaluation data on each project, successful TOP applicants have a number of basic reporting requirements once they are awarded a grant. At project outset, TOP grantees provide detailed baseline information on the project objectives, goals, partners, and populations served. Grantees then provide periodic financial reports and updates on project activities. At project completion, TOP grantees must also provide a closeout report.

Finally, because evaluation results play such a critical role in helping other organizations learn about what works well and what does not, each TOP-supported project will provide NTIA a final evaluation report.

To ensure the validity of the findings, the final evaluation report must be completed by an independent evaluator

² See discussion of "Eligible Costs" and "Matching Funds Requirements" in this Notice. Information on previously funded grants is available from the TOP. In the section "Other Information" of this notice, details are available on how to access this information.

³ The Office of Telecommunication and Information Applications is the division of the National Telecommunications and Information Administration that supervises NTIA's grant awards programs.