

**§ 641.809 What non-Federal share (matching) requirements apply to the use of SCSEP funds?**

(a) The Department will pay no more than 90 percent of the total cost of activities carried out under an SCSEP grant. (OAA sec. 502(c)(1)).

(b) All SCSEP recipients, including Federal agencies if there is no statutory exemption, must provide or ensure that at least 10 percent of the total cost of activities carried out under an SCSEP grant (non-Federal share of costs) consists of non-Federal funds, except as provided in paragraph (e) and (f) of this section.

(c) Recipients must calculate the non-Federal share of costs in accordance with 29 CFR 97.24 for governmental units, or 29 CFR 95.23 for nonprofit and commercial organizations.

(d) The non-Federal share of costs may be provided in cash, or in-kind, or a combination of the two. (OAA sec. 502(c)(2)). If, however, recipients plan to obtain the non-Federal share from a subgrantee or host agency, they may not require provision of non-Federal resources as a condition of such relationship.

(e) The Department may pay all of the costs of activities carried out under section 502(e) of the OAA. (OAA sec. 502(e)).

(f) The Department may pay all of the costs of activities in an emergency or disaster project or a project in an economically distressed area. (OAA sec. 502(c)(1)(A) and 502(c)(1)(B)).

**§ 641.812 What is the period of availability of SCSEP funds?**

(a) Except as provided in proposed § 641.815, recipients must expend SCSEP funds during the Program Year for which they are awarded (July 1–June 30). (OAA sec. 515(b)).

(b) SCSEP recipients must ensure that no subagreement provides for the expenditure of any SCSEP funds before July 1, or after the end of the grant period, except as provided in § 641.815.

**§ 641.815 May the period of availability be extended?**

SCSEP recipients may request in writing, and the Department may grant, an extension of the period during which SCSEP funds may be obligated or expended. SCSEP recipients requesting an extension must justify that an extension is necessary. (OAA sec. 515(b)). The Department will notify recipients in writing of the approval or disapproval of any such requests.

**§ 641.818 What happens to funds that are unexpended at the end of the Program Year?**

(a) The Department may recapture any unexpended funds at the end of any Program Year and use the recaptured funds during the two succeeding Program Years for:

- (1) Incentive grants;
- (2) Technical assistance; or
- (3) Grant and contract awards for any other SCSEP programs and activities. (OAA sec. 515(c)).

(b) The Department will provide the necessary information through an administrative issuance.

**§ 641.821 What audit requirements apply to the use of SCSEP funds?**

(a) Recipients and subrecipients receiving Federal awards of SCSEP funds must follow the audit requirements in paragraphs (b) and (c) of this section that apply to their type of organization. As used here, Federal awards of SCSEP funds include Federal financial assistance and Federal cost-reimbursement contracts received directly from the Department or indirectly under awards by SCSEP recipients or higher-tier subrecipients. (OAA sec. 503(f)(2)).

(b) All governmental and nonprofit organizations that are recipients or subrecipients must follow the audit requirements of OMB Circular A–133. These requirements are codified at 29 CFR, parts 96 and 99 and referenced in 29 CFR 97.26 for governmental organizations; and in 29 CFR 95.26 for institutions of higher education, hospitals, and other nonprofit organizations.

(c)(1) The Department is responsible for audits of SCSEP recipients that are commercial organizations.

(2) Commercial organizations that are subrecipients under the SCSEP program and that expend more than the minimum level specified in OMB Circular A–133 (\$300,000 as of July 1, 2001) must have either an organization-wide audit conducted in accordance with OMB Circular A–133 or a program-specific financial and compliance audit.

**§ 641.824 What lobbying requirements apply to the use of SCSEP funds?**

SCSEP recipients and subrecipients must comply with the restrictions on lobbying codified in the Department's regulations at 29 CFR part 93. (Also refer to § 641.850(c), "Lobbying costs.")

**§ 641.827 What general nondiscrimination requirements apply to the use of SCSEP funds?**

(a) SCSEP recipients, subrecipients, and host agencies are required to comply with the nondiscrimination

provisions codified in the Department's regulations at 29 CFR parts 31 and 32.

(b) Recipients of SCSEP funds are required to comply with the nondiscrimination provisions codified in the Department's regulations at 29 CFR part 37 if:

(1) The recipient operates programs and activities through the One-Stop Delivery System established under the Workforce Investment Act; or

(2) The recipient is a State agency that is also a recipient of WIA title I financial assistance.

**§ 641.830 What nondiscrimination protections apply specifically to participants in SCSEP programs?**

(a) All participants in SCSEP programs under this Part must have such rights as are available under all applicable Federal, State and local laws prohibiting discrimination, and their implementing regulations, including:

- (1) The Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq.*);
- (2) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794);
- (3) The Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et seq.*); and

(4) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*). (OAA sec. 503(b)(3)).

(b) Questions about or complaints alleging a violation of the nondiscrimination laws in paragraph (a) of this section may be directed or mailed to the Director, Civil Rights Center, U.S. Department of Labor, Room N–4123, 200 Constitution Avenue, NW., Washington, DC 20210 for processing. (See § 641.910(d)).

**§ 641.833 What policies govern political patronage?**

(a) A recipient or subrecipient must not select, reject, promote, or terminate an individual based on political services provided by the individual or on the individual's political affiliations or beliefs.

(b) A recipient or subrecipient must not provide funds to any subrecipient, host agency or other entity based on political affiliation.

(c) SCSEP recipients must ensure that every entity that receives SCSEP funds through the recipient is applying the policies stated in paragraphs (a) and (b) of this section.

**§ 641.836 What policies govern political activities?**

(a) No project under title V of the OAA may involve political activities. SCSEP recipients must ensure compliance with the requirements and prohibitions involving political