

Executive Order 12866

We have consulted with the Office of Management and Budget (OMB) and have determined that these final rules do not meet the criteria for a significant regulatory action under Executive Order 12866, as amended by Executive Order 13258. Thus, they were not subject to OMB review. We have also determined that these rules meet the plain language requirement of Executive Order 12866, as amended by Executive Order 13258.

Regulatory Flexibility Act

We certify that these final regulations will not have a significant economic impact on a substantial number of small entities because this rule merely reflects the adoption of existing grant policies and procedures by SSA and does not promulgate any new policies or procedures which would impact the public. Therefore, a regulatory flexibility analysis as provided in the Regulatory Flexibility Act, as amended, is not required.

Paperwork Reduction Act

The Paperwork Reduction Act (PRA) of 1995 says that no persons are required to respond to a collection of information unless it displays a valid OMB control number. In accordance with the PRA, SSA is providing notice that the Office of Management and Budget has approved the information collection requirements contained in §§ 437.10 and 437.41 of these final rules. The OMB Control Numbers for these collections are 0348-0039 (SF-269), 0348-0038 (SF-269A), 0348-0043 (SF-424), 0348-0004 (SF-270), 0348-0002 (SF-271) and 0348-00030 (SF-272).

(Catalog of Federal Domestic Assistance: Program No. 96.007—Social Security—Research and Demonstration; and Program No. 96.008—Social Security Administration—Benefits Planning, Assistance, and Outreach Program)

List of Subjects in 20 CFR Part 437

Accounting, Administrative practice and procedures, Grant programs—health, Grant programs—social programs, Grants administration, Reporting and recordkeeping requirements.

Dated: April 25, 2003.

Jo Anne B. Barnhart,
Commissioner of Social Security.

■ For the reasons set out in the preamble, we are adding a new part 437 to chapter III of title 20 of the Code of Federal Regulations to read as follows:

■ 1. Part 437 is added to read as follows:

**PART 437—UNIFORM
ADMINISTRATIVE REQUIREMENTS
FOR GRANTS AND COOPERATIVE
AGREEMENTS TO STATE AND LOCAL
GOVERNMENTS**

Subpart A—General

Sec.

- 437.1 Purpose and scope of this part.
- 437.2 Scope of subpart.
- 437.3 Definitions.
- 437.4 Applicability.
- 437.5 Effect on other issuances.
- 437.6 Additions and exceptions.

Subpart B—Pre-Award Requirements

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- 437.11 State plans.
- 437.12 Special grant or subgrant conditions for “high-risk” grantees.

Subpart C—Post-Award Requirements**Financial Administration**

- 437.20 Standards for financial management systems.
- 437.21 Payment.
- 437.22 Allowable costs.
- 437.23 Period of availability of funds.
- 437.24 Matching or cost sharing.
- 437.25 Program income.
- 437.26 Non-Federal audit.

Changes, Property, and Subawards

- 437.30 Changes.
- 437.31 Real property.
- 437.32 Equipment.
- 437.33 Supplies.
- 437.34 Copyrights.
- 437.35 Subawards to debarred and suspended parties.
- 437.36 Procurement.
- 437.37 Subgrants.

Reports, Records, Retention, and Enforcement

- 437.40 Monitoring and reporting program performance.
- 437.41 Financial reporting.
- 437.42 Retention and access requirements for records.
- 437.43 Enforcement.
- 437.44 Termination for convenience.

Subpart D—After-the-Grant Requirements

- 437.50 Closeout.
- 437.51 Later disallowances and adjustments.
- 437.52 Collection of amounts due.

Subpart E—Entitlement [Reserved]

Authority: 5 U.S.C. 301.

Subpart A—General**§ 437.1 Purpose and scope of this part.**

This part establishes the Social Security Administration’s administrative rules for Federal grants and cooperative agreements and subawards to State, local and Indian tribal governments. The provisions of 20 CFR part 435, Subpart E (Disputes), also apply to grants and cooperative agreements covered by this part 437.

§ 437.2 Scope of subpart.

This subpart contains general rules pertaining to this part and procedures for control of exceptions from this part.

§ 437.3 Definitions.

As used in this part:

Accrued expenditures mean the charges incurred by the grantee during a given period requiring the provision of funds for:

- (1) Goods and other tangible property received;
- (2) Services performed by employees, contractors, subgrantees, subcontractors, and other payees; and
- (3) Other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.

Accrued income means the sum of:

- (1) Earnings during a given period from services performed by the grantee and goods and other tangible property delivered to purchasers, and
- (2) Amounts becoming owed to the grantee for which no current services or performance is required by the grantee.

Acquisition Cost of an item of purchased equipment means the net invoice unit price of the property including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the grantee’s regular accounting practices.

Administrative requirements mean those matters common to grants in general, such as financial management, kinds and frequency of reports, and retention of records. These are distinguished from programmatic requirements, which concern matters that can be treated only on a program-by-program or grant-by-grant basis, such as kinds of activities that can be supported by grants under a particular program.

Awarding agency means:

- (1) With respect to a grant, the Social Security Administration, and
- (2) With respect to a subgrant, the party that awarded the subgrant.

Cash contributions means the grantee’s cash outlay, including the outlay of money contributed to the grantee or subgrantee by other public agencies and institutions, and private organizations and individuals. When authorized by Federal legislation, Federal funds received from other assistance agreements may be