

(c) *Exceptions.* By their own terms, certain provisions of this part do not apply to the award and administration of subgrants:

- (1) Section 437.10;
- (2) Section 437.11;
- (3) The letter-of-credit procedures specified in Treasury Regulations at 31 CFR part 205, cited in § 437.21; and
- (4) Section 437.50.

#### **Reports, Records, Retention, and Enforcement**

##### **§ 437.40 Monitoring and reporting program performance.**

(a) *Monitoring by grantees.* Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity.

(b) *Nonconstruction performance reports.* SSA may, if it decides that performance information available from subsequent applications contains sufficient information to meet its programmatic needs, require the grantee to submit a performance report only upon expiration or termination of grant support. Unless waived by SSA, this report is due on the same date as the final Financial Status Report.

(1) Grantees must submit annual performance reports unless SSA requires quarterly or semi-annual reports. However, performance reports are not required more frequently than quarterly. Annual reports are due 90 days after the grant year, quarterly or semi-annual reports are due 30 days after the reporting period. The final performance report is due 90 days after the expiration or termination of grant support. If a justified request is submitted by a grantee, SSA may extend the due date for any performance report. Additionally, requirements for unnecessary performance reports may be waived by SSA.

(2) Performance reports must contain, for each grant, brief information on the following:

- (i) A comparison of actual accomplishments to the objectives established for the period. Where the output of the project can be quantified, a computation of the cost per unit of output may be required if that information will be useful.
- (ii) The reasons for slippage if established objectives were not met.
- (iii) Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

(3) Grantees will not be required to submit more than the original and two copies of performance reports.

(4) Grantees must adhere to the standards in this section in prescribing performance reporting requirements for subgrantees.

(c) *Construction performance reports.* For the most part, on-site technical inspections and certified percentage-of-completion data are relied on heavily by Federal agencies to monitor progress under construction grants and subgrants. SSA will require additional formal performance reports only when considered necessary, and never more frequently than quarterly.

(d) *Significant developments.* Events may occur between the scheduled performance reporting dates that have significant impact upon the grant or subgrant supported activity. In such cases, the grantee must inform SSA as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.

(2) Favorable developments that enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

(e) *Site visits.* SSA may make site visits as warranted by program needs.

(f) *Waivers, extensions.* (1) SSA may waive any performance report required by this part if not needed.

(2) The grantee may waive any performance report from a subgrantee when not needed. The grantee may extend the due date for any performance report from a subgrantee if the grantee will still be able to meet its performance reporting obligations to the Federal agency.

##### **§ 437.41 Financial reporting.**

(a) *General.* (1) Except as provided in paragraphs (a)(2) and (5) of this section, grantees may use only the forms specified in paragraphs (a) through (e) of this section, and such supplementary or other forms as may from time to time be authorized by OMB, for:

- (i) Submitting financial reports to SSA, or
- (ii) Requesting advances or reimbursements when letters of credit are not used.

(2) Grantees need not use the forms prescribed in this section in dealing with their subgrantees. However, grantees may not impose more

burdensome requirements on subgrantees.

(3) Grantees must follow all applicable standard and supplemental Federal agency instructions approved by OMB to the extent required under the Paperwork Reduction Act of 1980 for use in connection with forms specified in paragraphs (b) through (e) of this section. SSA may issue substantive supplementary instructions only with the approval of OMB. SSA may shade out or instruct the grantee to disregard any line item that SSA finds unnecessary for its decisionmaking purposes.

(4) Grantees are not required to submit more than the original and two copies of forms required under this part.

(5) SSA may provide computer outputs to grantees to expedite or contribute to the accuracy of reporting. SSA may accept the required information from grantees in machine usable format or computer printouts instead of prescribed forms.

(6) SSA may waive any report required by this section if not needed.

(7) SSA may extend the due date of any financial report upon receiving a justified request from a grantee.

(b) *Financial Status Report.* (1) *Form.* Grantees must use Standard Form 269 or 269A, Financial Status Report, to report the status of funds for all nonconstruction grants and for construction grants when required in accordance with paragraph (e)(2)(iii) of this section.

(2) *Accounting basis.* Each grantee must report program outlays and program income on a cash or accrual basis as prescribed by SSA. If SSA requires accrual information and the grantee's accounting records are not normally kept on the accrual basis, the grantee will not be required to convert its accounting system but must develop such accrual information through and analysis of the documentation on hand.

(3) *Frequency.* SSA may prescribe the frequency of the report for each project or program. However, the report will not be required more frequently than quarterly. If SSA does not specify the frequency of the report, it must be submitted annually. A final report is required upon expiration or termination of grant support.

(4) *Due date.* When reports are required on a quarterly or semiannual basis, they are due 30 days after the reporting period. When required on an annual basis, they are due 90 days after the grant year. Final reports are due 90 days after the expiration or termination of grant support.

(c) *Federal Cash Transactions Report.* (1) *Form.* (i) For grants paid by letter or