

# Proposed Rules

Federal Register

Vol. 68, No. 109

Friday, June 6, 2003

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## OFFICE OF MANAGEMENT AND BUDGET

### 2 CFR Subtitles A and B

#### Office of Federal Financial Management; Government-wide Guidance for Grants and Agreements

**AGENCY:** Office of Federal Financial Management, Office of Management and Budget (OMB), Executive Office of the President.

**ACTION:** Notice of proposed relocation of policy guidance for grants and other agreements.

**SUMMARY:** OMB proposes two changes to the framework of Federal government policies for grants and other financial assistance and nonprocurement agreements that will make it easier for applicants and recipients to use the policies.

First, OMB proposes to publish in a single title in the Code of Federal Regulations (CFR) its guidance to Federal agencies for grants and agreements that is currently located in seven separate OMB circulars and other policy documents.

Second, OMB proposes to create in the same new title of the CFR a subtitle in which Federal agencies will co-locate their regulations for the award and administration of grants and agreements.

**DATES:** All comments on this proposal should be in writing, and must be received by July 7, 2003.

**ADDRESSES:** Due to potential delays in OMB's receipt and processing of mail sent through the U.S. Postal Service, we encourage respondents to submit comments electronically to ensure timely receipt. We cannot guarantee that comments mailed will be received before the comment closing date. Electronic mail comments may be submitted to: [ephillip@omb.eop.gov](mailto:ephillip@omb.eop.gov). Please include "Relocating Grant Policy" in the subject line and the full body of your comments in the text of the electronic message and as an attachment. Please include your name,

title, organization, postal address, telephone number, and E-mail address in the text of the message. Comments may also be submitted via facsimile to 202-395-3952. Comments may be mailed to Elizabeth Phillips, Office of Federal Financial Management, Office of Management and Budget, Room 6025, New Executive Office Building, 725 17th Street, NW., Washington, DC 20503.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth Phillips, Office of Federal Financial Management, Office of Management and Budget, telephone 202-395-3053 (direct) or 202-395-3993 (main office) and e-mail: [ephillip@omb.eop.gov](mailto:ephillip@omb.eop.gov).

**SUPPLEMENTARY INFORMATION:** This Federal Register document seeks public comment on two proposed changes to the Federal government's policy framework for grants and agreements. As discussed in the following sections, the proposed changes provide a good foundation for future streamlining and simplification of the policy framework that may be accomplished through the implementation of the Federal Financial Assistance Management Improvement Act of 1999 (Pub. L. 106-107).

#### I. First Proposal: Publish OMB's Guidance in the Code of Federal Regulations

OMB's government-wide guidance for grants and other financial assistance and nonprocurement agreements currently resides in seven OMB circulars that are accessible at OMB's Internet site and two separate OMB guidance documents that are less easily found. To help make all of the guidance easier to use and more accessible for both Federal agencies and recipients of grants and agreements, OMB proposes to publish the separate documents in a single location in the CFR. Although located in the CFR, the nature and status of the OMB guidance will remain the same. The OMB guidance is directed to Federal agencies, which adopt and implement it through regulations or policy documents and require recipients to comply with the agency implementation. The OMB guidance documents are:

For administrative requirements:

- OMB Circular A-102, "Grants and Cooperative Agreements with State and Local Governments," and

- OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations."

These two circulars provide to Federal agencies OMB's guidance related to administrative requirements for grants and agreements with different types of recipients, including States, local governments, Indian Tribal governments, institutions of higher education, hospitals, and other non-profit organizations.

For guidance related to costs:

- OMB Circular A-21, "Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions;"
- OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments;" and
- OMB Circular A-122, "Cost Principles for Non-Profit Organizations."

These three circulars provide guidance related to the costs that may be charged to Federal awards.

For audit guidance:

- OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

A-133 provides guidance implementing the requirements of the Single Audit Act of 1984, as amended (31 U.S.C., Chapter 75).

For other guidance:

- OMB Circular A-89, "Federal Domestic Assistance Program Information," which provides guidance to agencies for implementing the Federal Program Information Act, as amended (31 U.S.C., Chapter 61);
- OMB guidance on nonprocurement suspension and debarment, issued under Section 6 of Executive Order 12549, and last amended on June 26, 1995, at 60 FR 33036, which includes OMB guidance on drug-free workplace that is issued under the Drug-Free Workplace Act of 1988, as amended (41 U.S.C. 701 *et seq.*); and
- OMB guidance on lobbying restrictions (last amended on January 19, 1996, at 61 FR 1412), for Federal agencies' implementation of the requirements of 31 U.S.C. 1352.