

and 29 CFR Part 97 (Administrative Requirements).

e. Profit Making Commercial Firms—Federal Acquisition Regulation (FAR)—48 CFR Part 31 (Cost Principles), and 29 CFR Part 95 (Administrative Requirements). In addition, the audit requirements at 20 CFR 627.480 applies to commercial recipients.

f. All entities must comply with 29 CFR Parts 93 and 98, and, where applicable, 29 CFR Parts 96 and 99.

## 2. Administrative Costs

ACWIA 2000 Section 111(c)(6) provides that an entity that receives a grant to carry out a program or project under section 414(c)(1)(A) of ACWIA may not use more than 10 percent of the amount of the grant to pay administrative costs associated with the program or project. Administrative costs are defined at 20 CFR 667.220. In general, however, this grant does not contemplate or permit the purchase of capital equipment.

## 3. Start-Up Costs

ACWIA 2000 Section 111(c)(3) limits the amount of start-up costs of partnerships or new training projects, which may be charged to these grants. Except for partnerships of small businesses, the limit is the lesser of five (5) percent of any single grant or costs not to exceed \$75,000. For partnerships consisting primarily of small businesses, the limit is the lesser of ten (10) percent of the cost allocable for a single grant or a maximum of \$150,000.

## C. Reporting Requirements

The grantee is required to provide the reports and documents listed below:

**Quarterly Financial Reports.** A Quarterly Financial Status Report (SF269) is required until such time as all funds have been expended or the period of availability has expired. Quarterly reports are due 30 days after the end of each calendar year quarter. Grantees must use ETA's On-Line Electronic Reporting System.

**Progress Reports.** The grantee must submit a quarterly progress report to the designated Federal Project Officer within 30 days following each quarter. Two copies are to be submitted providing a detailed account of activities undertaken during that quarter including:

1. # Completing training this quarter
2. # Completing training overall
3. # Enrolled in training
4. # Expected to complete training by end of project
5. # New job placements as a result of training

6. # Promotions resulting from the training

7. # Wage increases resulting from training and amount of wage increases resulting from training

8. # Certifications and/or /degrees, by type, awarded as result of training

**Note:** DOL may require additional data elements, e.g., veteran status, to be collected and reported on either a regular basis or special request basis. Grantees must agree to meet DOL reporting requirements.

A narrative section is also required for each quarterly report, including:

1. General overview of project progress, new developments and resolution of previous issues and problems.
2. Explanation of any problems and issues encountered and planned response.
3. Lessons learned in the areas of project administration and management, training delivery, partnership relationships and other related areas.
4. Discussion of the occupational areas for which skills training is being provided, including a listing of the occupations being trained, training delivery, number of students per occupation and other relevant information that provides a reasonable picture of the occupational training being conducted.

**Final Report.** A draft final report which summarizes project activities and employment outcomes and related results of the training project must be submitted no later than 60 days prior to the expiration date of the grant. After responding to DOL questions and comments on the draft report, three copies of the final report must be submitted no later than the grant expiration date. Grantees must agree to use a designated format specified by DOL for preparing the final report.

## D. Evaluation

As required by ACWIA 2000, applications must include an agreement that the program or project shall be subject to evaluation by the Secretary of Labor to measure its effectiveness. To measure the impact of these skill training grants, ETA will arrange for or conduct an independent evaluation of the outcomes and benefits of the projects. Grantees must agree to make records on participants, employers and funding available and to provide access to program operating personnel and to participants, as specified by the evaluator(s) under the direction of ETA, including after the expiration date of the grant.

## E. Matching Funds

Applicants must demonstrate the ability to provide resources equivalent to at least 100 percent of the grant award amount as a match. This statutory match may be provided in cash or in-kind, and Federal resources may not be counted against the matching requirement. At least one-half of the non-Federal matching funds must be from the business or businesses or business-related nonprofit organizations involved. The match requirement applies to the entire Federal grant funding level. The application must clearly describe the size, nature, and quality of the non-Federal match and how the match will be used to further the goals of the project.

Applicants should describe the nature of the match to ensure that activities counted as match are permitted under the H-1B program. To be allowable as part of the match, a cost must be an allowable training cost that could conceivably be charged to Federal grant funds. If the cost cannot be charged to the grant funds, then it cannot be charged to match either.

For the purposes of the H-1B Grant Program, there is one exception to the allowable cost rule for matching funds. Grantees may include as training costs the salaries and wages employers pay for their employees while the employees are participating in skills training. These costs are allowable as match provided that: (a) The trainees are bona-fide employees; (b) the employer pays only regular salary and wages, but not overtime, benefits, or other costs, for each trainee for time spent attending classes during working hours; and (c) the trainee remains employed with the employer for sixty days after the completion of training.

## Part III—Application Process

### A. Eligible Applicants

ACWIA 2000, Section 111(c)(2)(A)(ii) [29 U.S.C. 2916 a (c)(2)(A)(ii)] specifies that the Secretary shall, in consultation with the Secretary of Commerce, subject to the availability of funds in the H-1B Nonimmigrant Petitioner Account, award 25 percent of the grants to partnerships that consist of at least two businesses or a business-related nonprofit organization that represents more than one business, and that may include any educational, labor, community and faith-based organization, or workforce investment board.

Grant funds awarded under the 25 percent provision may be used only to carry out a strategy that would otherwise not be eligible for funds