

(6) another mechanism that meets the requirements of title III and is approved by the Secretary (Sec. 301(b)).

According to section 301(a) of the AT Act, the AFP is designed to allow individuals with disabilities and their family members, guardians, advocates, and authorized representatives to purchase AT. The terms "AT devices" and "AT services" are defined in section 3(a) of the AT Act. When family members, guardians, advocates, and authorized representatives (including employers who have been designated by an individual with a disability as an authorized representative) receive AFP support to purchase AT, the purchase must be on behalf of an individual with a disability, *i.e.*, the AT that is purchased must be solely for the benefit of that individual.

In addition, an applicant must submit the following assurances:

(1) *Nature of the Match*: an assurance that the State will provide the non-Federal share (25 percent) of the cost of the AFP in cash, from State, local, or private sources (Sec. 303(b)(1)). An applicant must identify the amount of Federal funds the State is requesting and the amount of cash that the State is going to generate as a match as well as the source of the cash.

(2) *Permanence of the Program*: an assurance that the AFP will continue on a permanent basis (Sec. 303(b)(2)).

A State's obligation to implement the AFP program consistent with all of the requirements, including reporting requirements, continues throughout the project period until there are no longer any funds available to operate the AFP and all outstanding loans have been repaid.

If a State decides to terminate its AFP while there are still funds available to operate the program, the State must return the Federal share of the funds remaining in the permanent separate account to NIDRR (*e.g.*, 75 percent if the original State:Federal match was 1:3) except for funds being used for grant purposes, such as loan guarantees for outstanding loans. However, before closing out its grant, the State must also return the Federal share of any principal and interest remitted to it on outstanding loans and any other funds remaining in the permanent separate account, such as funds being used as loan guarantees for those loans.

(3) *Consumer Choice and Control*: an assurance that, and information describing the manner in which, the AFP will expand and emphasize consumer choice and control (Sec. 303(b)(3)).

(4) *Supplement Not Supplant*: an assurance that the funds made available

through the grant to support the AFP will be used to supplement and not supplant other Federal, State, and local public funds expended to provide alternative financing mechanisms (Sec. 303(b)(4)).

(5) *Permanent Separate Account*: an assurance that the State will ensure that (A) all funds that support the AFP, including funds repaid during the life of the program, will be placed in a permanent separate account and identified and accounted for separately from any other fund; (B) if the organization administering the program invests funds within this account, the organization will invest the funds in low-risk securities in which a regulated insurance company may invest under the law of the State; and (C) the organization will administer the funds with the same judgment and care that a person of prudence, discretion, and intelligence would exercise in the management of the financial affairs of such person (Sec. 303(b)(5)).

During the first 12-month budget period, a grantee must deposit its matching funds and its Federal award funds in the permanent and separate account.

(6) *Use and Control of Funds*: an assurance that (A) funds comprised of the principal and interest from the account described in paragraph (5) will be available to support the AFP; and (B) any interest or investment income that accrues on or derives from such funds after such funds have been placed under the control of the organization administering the AFP, but before such funds are distributed for purposes of supporting the program, will be the property of the organization administering the program (Sec. 303(b)(6)).

This assurance regarding the use and control of funds applies to all funds derived from the AFP including the original Federal award, the State matching funds, AFP funds generated by either interest bearing accounts or investments, and all principal and interest paid by borrowers of the AFP who are extended loans from the permanent separate account.

(7) *Indirect Costs*: an assurance that the percentage of the funds made available through the grant that is used for indirect costs will not exceed 10 percent (Sec. 303(b)(7)).

For each 12-month budget period, grantees must recalculate their allowable indirect cost rate, which may not exceed 10 percent of the amount of funds in the permanent and separate account and any outstanding loans from that account.

(8) *Contract with a Community-based Organization*: an assurance that the State will enter into a contract with a community-based organization (including a group of such organizations) that has individuals with disabilities involved in organizational decision making at all organizational levels, to administer the AFP. The contract will: (1) Include a provision requiring that the program funds, including the Federal and non-Federal shares of the cost of the program, be administered in a manner consistent with the provisions of title III; (2) include any provision the Secretary requires concerning oversight and evaluation necessary to protect Federal financial interests; and (3) require the community-based organization to enter into a contract, to expand opportunities under title III and facilitate administration of the AFP, with commercial lending institutions or organizations or State financing agencies (Sec. 304 (a) and (b)).

During the first 12-month budget period, a grantee must enter into the contract with a CBO and ensure that the CBO has entered into the contract with the commercial lending institutions or organizations or State financing agencies.

(9) *Administrative Policies and Procedures*: an assurance that the State and any community-based organization that enters into a contract with the State under title III, will submit to the Secretary the following policies and procedures for administration of the AFP: (1) A procedure to review and process in a timely manner requests for financial assistance for immediate and potential technology needs, including consideration of methods to reduce paperwork and duplication of effort, particularly relating to need, eligibility, and determination of the specific AT device or service to be financed through the program; (2) A policy and procedure to ensure that access to the AFP shall be given to consumers regardless of type of disability, age, income level, location of residence in the State, or type of AT device or AT service for which financing is requested through the program; and (3) A procedure to ensure consumer-controlled oversight of the program (Sec. 305).

Grantees must submit the administrative policies and procedures required in this assurance within six months of the start of the grant.

(10) *Data Collection*: an assurance that the State will collect the following: (1) Information on the type of alternative financing mechanisms used by the State and the community-based organization with which each State entered into a