National Park Service, Interior

§ 72.37 Pass-through funding.

Section 1006(a)(1) of the Act states that at the discretion of the applicant jurisdiction, and if consistent with an approved application, Rehabilitation and Innovation grants may be transferred in whole or in part to independent special purpose local governments, private non-profit agencies (including incorporated community or neighborhood groups) or city, county, or regional park authorities, provided that assisted recreation areas owned or managed by them offer recreation opportunities to the general public within the boundaries of the applicant’s jurisdiction. No UPARR funds may be passed through for Recovery Action Program grants. The decision on whether or not to pass money through to non-profit organizations or governmental units is made by the applicant jurisdiction which is responsible for the grant; not NPS. Organizations, agencies or governmental units seeking funding assistance on a pass-through basis must work with an applicant jurisdiction in the preparation of the UPARR application, and the applicant jurisdiction will be responsible for the submission of the application. The applicant jurisdiction has full responsibility and liability for funds passed through to subgrantees. In the event of default by the pass-through recipient, the applicant jurisdiction must assume responsibility for ensuring that all provisions of the grant agreement are carried out, including the continued delivery of recreation services resulting from the grant. The pass-through of funds may constitute the entire grant...
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proposal submitted by an applicant jurisdiction, or may be only a portion of it.

(a) Applicant responsibilities. The applicant jurisdiction possesses full responsibility and liability for funds passed-through to subgrantees. It should take precautions to ensure that pass-through agencies can reasonably be expected to comply with grant requirements.

(1) Application requirements. The applicant jurisdiction is responsible for actual preparation and submission of both the pre- and final grant applications. Organizations, agencies or governmental units seeking funding assistance on a pass-through basis must work with the applicant jurisdiction. The applicant jurisdiction may request any or all of the necessary documentation from the subgrantee. It is essential that applicants take precautions to pass-through grants only to reliable and capable agencies or organizations that can reasonably be expected to comply with grant and project requirements.

(2) Recommended pass-through recipient standards. Because the grantee has full responsibility for the pass-through grant, the grantee should ensure that subgrantees meet the following minimum standards.

(i) Demonstrate a history of providing recreation services to the distressed community. The history of providing recreation services must be commensurate with the amount of UPARR assistance requested. A pass-through subgrantee may be a non-profit or neighborhood organization which has provided other social services to the community, or a newly formed, but reliable and capable group which can reasonably be expected to comply with grant and project requirements.

(ii) Take responsibility for the same application, administration and compliance responsibilities as that of the applicant jurisdiction.

(iii) Certify that property improved or developed with UPARR funds will remain dedicated to public recreation use.

(iv) Work through and with the applicant jurisdiction.

(v) Demonstrate that the existing, or soon to be developed, recreation property which it owns or operates is accessible to residents of targeted distressed areas.

(vi) Demonstrate adequate tenure and control of the property to be rehabilitated or used for innovation, through lease or ownership.

(vii) Establish a contractual agreement with the applicant jurisdiction which is binding and enforceable to assure that the applicant jurisdiction can adequately meet its contractual obligations under the grant.

(viii) Be empowered to contract or otherwise conduct the activities to be supported as a result of the grant.

(ix) Not discriminate on the basis of residence except in reasonable fee differentials.

(x) Be generally recognized as a provider of service to urban residents.

(xi) Have adequate financial resources, the necessary experience, organization, technical qualifications and facilities; or a firm commitment, arrangement, or ability to obtain such.

(xii) Have an adequate financial management system which provides efficient and effective accountability and control of all property, funds, and assets sufficient to meet grantee needs and grantee audit requirements.

(xiii) Private non-profit agencies or corporations should also be properly incorporated as a non-profit organization with an elected and autonomous board which meets regularly.

(b) Pass-through property and fee limitations. Rehabilitation or Innovation assistance on property not in public ownership, operated by a private non-profit organization through a pass-through grant, will be limited to that portion of the property which directly provides recreation services. Such recreation services must be available to the public on a non-membership, non-fee, or reasonable fee basis, and during reasonable prime time. If a fee is charged or is required for the services resulting through the Rehabilitation or Innovation grant, the fee should be comparable to prevailing local rates for similar services. Charges for recreation services will only be permitted if they do not unfairly jeopardize participation in the recreation service by the disadvantaged population.