

§ 1709.7

must be made, in writing to the Administrator, within 10 days after the applicant is notified of the determination to reject the application. Appeals must state the basis for the appeal and shall be submitted to the Administrator, Rural Utilities Service, U.S. Department of Agriculture, 1400 Independence Ave., SW., STOP 1500, Washington, DC 20250-1500. Thereafter, the Administrator will review the appeal to determine whether to sustain, reverse, or modify the original determination. The Administrator's determination shall be final. A written copy of the Administrator's decision will be furnished promptly to the applicant.

§ 1709.7 Applicant eligibility.

An outstanding judgment obtained against an applicant by the United States in a Federal Court (other than in the United States Tax Court), which has been recorded, shall cause the applicant to be ineligible to receive a grant or loan under this part until the judgment is paid in full or otherwise satisfied. RUS financial assistance under this part may not be used to satisfy the judgment.

§ 1709.8 Electronic submission.

Applicants may submit applications and reports electronically if so provided in the applicable grant announcement and grant agreements or if other regulations provide for electronic submission. Any electronic submissions must be in the form prescribed in the applicable grant announcement, grant agreement, or regulation.

§ 1709.9 Grant awards and advance of funds.

The grantee must execute a grant agreement that is acceptable to the Agency. The grantee must sign and return the grant agreement to the Agency, within the time specified, before any grant funds will be advanced.

§ 1709.10 Ineligible grant purposes.

Grant funds under this part may not be used to:

(a) Pay costs of preparing the application package for funding under programs in this part, or for any finders fees or incentives for persons or enti-

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ties assisting in the preparation or submission of an application.

(b) Fund political activities;

(c) Pay any judgment or debt owed to the United States; or

(d) Pay construction costs of the project incurred prior to the date of grant award except as provided herein. Construction work should not be started and obligations for such work or materials should not be incurred before the grant is approved.

(1) Applicants may request Agency approval for reimbursement of pre-award construction obligations if there are compelling reasons for proceeding with construction before grant approval. Such requests may be approved if the Agency determines that:

(i) Compelling reasons, as determined by the Agency, exist for incurring obligations before grant approval;

(ii) The obligations will be incurred for authorized grant purposes;

(iii) All environmental requirements applicable to the Agency and the applicant have been met;

(iv) The applicant has the legal authority to incur the obligations at the time proposed, and payment of the debts will remove any basis for any mechanic's, material, or other liens that may attach to the grant financed property; and

(v) The expenditure is incurred no more than 18 months before the date of the Administrator's approval of the grant award.

(2) The Agency may authorize payment of approved pre-award project construction obligations at the time of award approval. The applicant's request and the Agency's authorization for paying such obligations shall be in writing.

§ 1709.11 Award conditions.

In addition to all other grant requirements, all approved applicants will be required to do the following:

(a) Enter into a grant agreement with the Agency in form and substance acceptable to the Agency;

(b) Request advances or reimbursements, as applicable, as provided in the grant agreement; and

(c) Maintain a financial management system that is acceptable to the Agency.