

Administration for Children and Families, HHS

§ 1303.5

Subpart A—Financial Requirements

and grants management for all grants under the Act.

§ 1303.2 Purpose.

This subpart establishes regulations applicable to program administration

§ 1303.3 Other requirements.

The following chart includes HHS regulations that apply to all grants made under the Act:

Cite	Title
45 CFR part 16	Department grant appeals process.
45 CFR part 30	HHS Standards and Procedures for Claims collection.
45 CFR part 46	Protection of human subjects.
45 CFR part 75	Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
45 CFR part 80	Nondiscrimination under programs receiving federal assistance through the Department of Health and Human Services—Effectuation of title VI and VII of the Civil Rights Act of 1964.
45 CFR part 81	Practice and procedure for hearings under part 80.
45 CFR part 84	Nondiscrimination on the basis of handicap in federally assisted programs.
45 CFR part 87	Equal treatment for faith based organizations.
2 CFR part 170	FFATA Sub-award and executive compensation.
2 CFR 25.110	CCR/DUNS requirement.

§ 1303.4 Federal financial assistance, non-federal match, and waiver requirements.

In accordance with section 640(b) of the Act, federal financial assistance to a grant recipient will not exceed 80 percent of the approved total program costs. A grant recipient must contribute 20 percent as non-federal match each budget period. The responsible HHS official may approve a waiver of all or a portion of the non-federal match requirement on the basis of the grant recipient's written application submitted for the budget period and any supporting evidence the responsible HHS official requires. In deciding whether to grant a waiver, the responsible HHS official will consider the circumstances specified at section 640(b) of the Act and whether the grant recipient has made a reasonable effort to comply with the non-federal match requirement.

§ 1303.5 Limitations on development and administrative costs.

(a) *Limitations.* (1) Costs to develop and administer a program cannot be excessive or exceed 15 percent of the total approved program costs. Allowable costs to develop and administer a Head Start program cannot exceed 15 percent of the total approved program costs, which includes both federal costs and non-federal match, unless the responsible HHS official grants a waiver under paragraph (b) of this section that

approves a higher percentage in order to carry out the purposes of the Act.

(2) To assess total program costs and determine whether a grant recipient meets this requirement, the grant recipient must:

(i) Determine the costs to develop and administer its program, including the local costs of necessary resources;

(ii) Categorize total costs as development and administrative or program costs;

(iii) Identify and allocate the portion of dual benefits costs that are for development and administration;

(iv) Identify and allocate the portion of indirect costs that are for development and administration versus program costs; and,

(v) Delineate all development and administrative costs in the grant application and calculate the percentage of total approved costs allocated to development and administration.

(b) *Waivers.* (1) The responsible HHS official may grant a waiver for each budget period if a delay or disruption to program services is caused by circumstances beyond the agency's control, or if an agency is unable to administer the program within the 15 percent limitation and if the agency can demonstrate efforts to reduce its development and administrative costs.

(2) If at any time within the grant funding cycle, a grant recipient estimates development and administration

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costs will exceed 15 percent of total approved costs, it must submit a waiver request to the responsible HHS official that explains why costs exceed the limit, that indicates the time period the waiver will cover, and that describes what the grant recipient will do to reduce its development and administrative costs to comply with the 15 percent limit after the waiver period.

Subpart B—Administrative Requirements

§ 1303.10 Purpose.

A grant recipient must observe standards of organization, management, and administration that will ensure, so far as reasonably possible, that all program activities are conducted in a manner consistent with the purposes of the Act and the objective of providing assistance effectively, efficiently, and free of any taint of partisan political bias or personal or family favoritism.

§ 1303.11 Limitations and prohibitions.

An agency must adhere to sections 644(e), 644(g)(3), 653, 654, 655, 656, and 657A of the Act. These sections pertain to union organizing, the Davis-Bacon Act, limitations on compensation, non-discrimination, unlawful activities, political activities, and obtaining parental consent.

§ 1303.12 Insurance and bonding.

An agency must have an ongoing process to identify risks and have cost-effective insurance for those identified risks; a grant recipient must require the same for its delegates. The agency must specifically consider the risk of accidental injury to children while participating in the program. The grant recipient must submit proof of appropriate coverage in its initial application for funding. The process of identifying risks must also consider the risk of losses resulting from fraudulent acts by individuals authorized to disburse Head Start funds. Consistent with 45 CFR part 75, if the agency lacks sufficient coverage to protect the federal government's interest, the agency must maintain adequate fidelity bond coverage.

45 CFR Ch. XIII (10–1–24 Edition)

Subpart C—Protections for the Privacy of Child Records

§ 1303.20 Establishing procedures.

A program must establish procedures to protect the confidentiality of any personally identifiable information (PII) in child records.

§ 1303.21 Program procedures—applicable confidentiality provisions.

(a) If a program is an educational agency or institution that receives funds under a program administered by the Department of Education and therefore is subject to the confidentiality provisions under the Family Educational Rights and Privacy Act (FERPA), then it must comply with those confidentiality provisions of FERPA instead of the provisions in this subpart.

(b) If a program serves a child who is referred to, or found eligible for services under, IDEA, then a program must comply with the applicable confidentiality provisions in Part B or Part C of IDEA to protect the PII in records of those children, and, therefore, the provisions in this subpart do not apply to those children.

§ 1303.22 Disclosures with, and without, parental consent.

(a) *Disclosure with parental consent.* (1) Subject to the exceptions in paragraphs (b) and (c) of this section, the procedures to protect PII must require the program to obtain a parent's written consent before the program may disclose such PII from child records.

(2) The procedures to protect PII must require the program to ensure the parent's written consent specifies what child records may be disclosed, explains why the records will be disclosed, and identifies the party or class of parties to whom the records may be disclosed. The written consent must be signed and dated.

(3) "Signed and dated written consent" under this part may include a record and signature in electronic form that:

- (i) Identifies and authenticates a particular person as the source of the electronic consent; and,
- (ii) Indicates such person's approval of the information.