### DEPARTMENT OF AGRICULTURE
- 7 CFR Parts 3016 and 3019

### DEPARTMENT OF EDUCATION
- 34 CFR Parts 74 and 80

### CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
- 45 CFR Parts 2541 and 2543

### DEPARTMENT OF ENERGY
- 10 CFR Part 600

### DEPARTMENT OF TRANSPORTATION
- 49 CFR Parts 18 and 19

### SMALL BUSINESS ADMINISTRATION
- 13 CFR Part 143

### DEPARTMENT OF VETERANS AFFAIRS
- 36 CFR Parts 1207 and 1210

### NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
- 14 CFR Parts 1260 and 1273

### ENVIRONMENTAL PROTECTION AGENCY
- 40 CFR Parts 30 and 31

### DEPARTMENT OF THE INTERIOR
- 43 CFR Part 12

### FEDERAL EMERGENCY MANAGEMENT AGENCY
- 44 CFR Part 13

### DEPARTMENT OF HEALTH AND HUMAN SERVICES
- 45 CFR Parts 74 and 92

### INSTITUTE OF MUSEUM AND LIBRARY SERVICES
- 45 CFR Parts 2541 and 2543

### DEPARTMENT OF JUSTICE
- 28 CFR Parts 66 and 70

### NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
- National Endowment for the Arts

### DEPARTMENT OF LABOR
- 29 CFR Parts 95 and 97

### NATIONAL SCIENCE FOUNDATION
- 45 CFR Part 602

### FEDERAL MEDIATION AND CONCILIATION SERVICE
- 29 CFR Part 1470

### NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
- National Endowment for the Humanities

### INSTITUTE OF MUSEUM AND LIBRARY SERVICES
- 45 CFR Part 1174

### DEPARTMENT OF DEFENSE
- 32 CFR Part 33

### FEDERAL MEDIATION AND CONCILIATION SERVICE
- 45 CFR Part 1183

### SUMMARY:
This interim final revision to the agencies' grants management common rule, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," and the agencies' codification of Office of Management and Budget (OMB) Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," is issued to implement the Single Audit Act Amendments of 1996 and the June 24, 1997, revision of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." The agencies' rules provide uniform fiscal and administrative requirements applicable to all types of grants and cooperative agreements to State and local governments, institutions of higher education, hospitals, and other non-profit organizations.

### ACTION:
Interim final rule with request for comments.
education, hospitals, and other non-profit organizations.

DATES: This interim final rule is effective September 29, 1997. Comments must be received on or before October 28, 1997 in order to be assured of consideration.

ADDRESSES: Persons wishing to submit comments on this interim final rule should send them to Charles Gale, Director, Office of Grants Management, Department of Health and Human Services, A–102 Rulemaking Docket, Room 517D, Hubert H. Humphrey Building, 200 Independence Avenue, S.W., Washington, DC 20201. A copy of each communication submitted will be available for public inspection and copying during regular business hours (9:00 a.m.–5:30 p.m. eastern standard time) at the above address.

FOR FURTHER INFORMATION CONTACT: For general issues regarding this interim final rule, contact Charles Gale, Director, Office of Grants Management, Department of Health and Human Services (202) 690–6377. For agency-specific issues, see contact persons for individual agencies in preambles of the specific issues, see contact persons for "Services (202) 690–6377. For agency-specific issues, see contact persons for individual agencies in preambles of the individual agencies below.

SUPPLEMENTARY INFORMATION:

Background


This interim final rule amends the agencies' grants management common rule, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," and the agencies' codification of OMB Circular A–110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," to implement the Single Audit Act Amendments of 1996 and the revised OMB Circular A–133. Some agencies codified only one of the two rules and these agencies will only be amending their appropriate rules.

Under the provisions of section 7(o) of the Department of Housing and Urban Development Act (42 U.S.C. 3535(o)), any Department of Housing and Urban Development (HUD) proposed or interim final rule that is issued for public comment is subject to prepublication Congressional review for a period of 15 days. Therefore, HUD is not joining in today's common rule but is adopting the common amendments in a separate rulemaking.

The existing agency rules refer to the Single Audit Act of 1984 which was replaced by the Single Audit Act Amendments of 1996, the rescinded OMB Circular A–128, the former title of OMB Circular A–133, and the prior threshold that triggers an audit requirement. This interim final rule corrects these references. Additional changes were made to conform with the Act and revised Circular A–133, such as to reflect that all non-profit hospitals are now subject to the Act, and to reflect the General Accounting Office's revised terminology for financial audits in accordance with generally accepted government auditing standards.

Under the Administrative Procedure Act, to issue an interim final rule without a prior notice of proposed rulemaking, it is necessary to make a finding that issuing a proposed rule would be impractical, unnecessary, and contrary to the public interest. Since the Single Audit Act Amendments of 1996 and revised OMB Circular A–133, which provide standards applicable to non-Federal entities, are effective for audits of fiscal years beginning after June 30, 1996, a proposed rule would be impractical, unnecessary, and contrary to the public interest.

Impact Analysis

Executive Order 12866

Executive Order 12866 requires that a regulatory impact analysis be prepared for "major" rules, which are defined in the Order as any rule that has an annual effect on the national economy of $100 million or more, or certain other specified effects.

The participating agencies do not believe that this modification to the agencies' grant rules will have an annual impact of $100 million or more or the other effects listed in the Order. However, the interim final rule would result in some savings to organizations administering grants or subgrants, primarily due to the increase in the threshold (from $25,000 to $300,000) that triggers an audit requirement. For this reason, the participating agencies have determined that this interim final rule would not create a major rule within the meaning of the Order.

The Regulatory Flexibility Act (5 U.S.C. 607(b)) requires that, for each rule with a "significant economic impact on a substantial number of small entities," an analysis must be prepared describing the rule's impact on small entities and identifying any significant alternatives to the rule that would minimize the economic impact on small entities.

The participating agencies certify that this interim final rule will not have a significant economic impact on a substantial number of small entities. The interim final rule does not affect the amount of funds provided in the covered programs, but rather increases the threshold for non-Federal entities subject to audit, thereby reducing burden on some small entities.

The participating agencies certify that this interim final rule will not have a significant economic impact on a substantial number of small entities. The interim final rule does not affect the amount of funds provided in the covered programs, but rather increases the threshold for non-Federal entities subject to audit, thereby reducing burden on some small entities.

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The Unfunded Mandates Act of 1995

The Unfunded Mandates Act of 1995 (Pub. L. 104–4) requires agencies to prepare several analytic statements before proposing any rule that may result in annual expenditures of $100 million of State, local, and Indian tribal governments or the private sector. Since this interim final rule will not result in expenditures of this magnitude, the agencies certify that such statements are not necessary.

Paperwork Reduction Act

The participating agencies certify that this interim final rule will impose additional reporting or recordkeeping requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35) as defined in the new SF–SAC, "Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations." On June 30, 1997, OMB requested public comments on the proposed SF–SAC (62 FR 35302).

Text of the Common Interim Final Rule

The text of the common interim final rule as amended in this document appears below:

PART __—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. Section __ is amended by revising paragraphs (a), (b) introductory text, and (b)(1) to read as follows:
PART 3016—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

3. Section 3016.26 is amended by adding paragraph (a)(1) and by adding and reserving paragraph (a)(2) to read as follows:

§ 3016.26 Non-Federal audit.

(a) [Reserved]

(1) In USDA, revised OMB Circular A–133 is implemented in 7 CFR Part 3052, “Audits of States, Local Governments, and Non-Profit Organizations.”

(2) [Reserved]
DEPARTMENT OF ENERGY

10 CFR Part 600

RIN 1991–AB38

FOR FURTHER INFORMATION CONTACT:

List of Subjects
10 CFR Part 600

Accounting, Administrative practice and procedure, Audit requirements, Government contractors, Grant programs, Intergovernmental relations, Reporting and recordkeeping requirements.

Dated: July 8, 1997.

Richard H. Hopf,
Deputy Assistant Secretary for Procurement and Assistance Management.

Part 600 of title 10 of the Code of Federal Regulations is amended as follows:

PART 600—FINANCIAL ASSISTANCE RULES

1. The authority citation for part 600 continues to read as follows:


Subpart B—Uniform Administrative Requirements for Grants and Cooperative Agreements With Institutions of Higher Education, Hospitals, Other Non-Profit Organizations and Commercial Organizations

§ 600.126 [Amended]

2. Section 600.126 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

Subpart C—Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

§ 600.226 [Amended]

3. Section 600.226 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

SMALL BUSINESS ADMINISTRATION

13 CFR Part 143

FOR FURTHER INFORMATION CONTACT:

List of Subjects in 13 CFR Part 143

Accounting, Audit requirements, Grant programs—Small business, Reporting and recordkeeping requirements.

PART 143—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority citation for part 143 would continue to read as follows:

Authority: 15 U.S.C. 634(b)(6)

§ 143.26 [Amended]

2. Section 143.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

Antonella Pianalto,
Acting Administrator.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

14 CFR Parts 1260 and 1273

RIN 2700–AA95

FOR FURTHER INFORMATION CONTACT:

List of Subjects
14 CFR Part 1260

Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

14 CFR Part 1273

Accounting, Audit requirements, Reporting and recordkeeping requirements.

Laura Layton,
Director, Contract Management Division.

PART 1260—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

3. The authority for part 1260 continues to read as follows:

Authority: 42 U.S.C. 2473(c)(5)

§ 1260.126 [Amended]

4. Section 1260.126 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

DEPARTMENT OF COMMERCE

15 CFR Part 24

[Docket No. 970820199–7199–01]

RIN 0605–AA11


List of Subjects in 15 CFR Part 24

Accounting, Audit requirements, Grant administration, Small business, Insurance reporting, Reporting and recordkeeping requirements.

Sonya G. Stewart,
Director for Executive Budgeting and Assistance Management.

PART 24 of title 15 of the Code of Federal Regulations is amended as follows:

PART 24—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 24 continues to read as follows:

Authority: 5 U.S.C. 301.

§ 24.26 [Amended]

2. Section 24.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.
OFFICE OF NATIONAL DRUG CONTROL POLICY

21 CFR Part 1403
RIN 3201–ZA01

FOR FURTHER INFORMATION CONTACT:

List of Subjects in 21 CFR Part 1403
Accounting, Audit requirements, Contract programs, Grant programs, Reporting and recordkeeping requirements.
Barry McCaffrey, Director.

Part 1403 of title 21 of the Code of Federal Regulations is amended as follows:

PART 1403—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for Part 1403 continues to read as follows:
   Authority: 5 U.S.C. 301.

§ 1403.26 [Amended]
2. Section 1403.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

DEPARTMENT OF STATE

22 CFR Parts 135 and 145
RIN 1400–AA87


List of Subjects 22 CFR Part 135
Accounting, Audit requirements, Grant programs, Contract programs, Reporting and recordkeeping requirements.

List of Subjects 22 CFR Part 145
Accounting, Audit requirements, Grant programs, Contract programs, Reporting and recordkeeping requirements.

PART 135—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 135 continues to read as follows:

§ 135.26 [Amended]
2. Section 135.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 145—GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

3. The authority for part 145 continues to read as follows:

§ 145.26 [Amended]
4. Section 145.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
Agency for International Development
22 CFR Part 226
RIN 0412–AA36

FOR FURTHER INFORMATION CONTACT: M/O/P, Diana Esposito (703) 875–1529.

List of Subjects 22 CFR Part 226
Accounting, Audit requirements, Grant Programs, Reporting and recordkeeping requirements.
Marcus L. Stevenson, Director, Office of Procurement.

Part 226 of Title 22 of the Code of Federal Regulations is amended as follows:

PART 226—ADMINISTRATION OF ASSISTANCE AWARDS TO U.S. NON-GOVERNMENTAL ORGANIZATIONS

1. The authority for part 226 continues to read as follows:

§ 226.26 [Amended]
2. Section 226.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

DEPARTMENT OF JUSTICE

28 CFR Parts 66 and 70
[AG Order No. 2107–97]

RIN 1121–AA45

FOR FURTHER INFORMATION CONTACT: James McKay, Director, Financial Management Division, Office of Justice Programs, U.S. Department of Justice, Washington, DC 20531, (202) 616–2687.

ADDITIONAL SUPPLEMENTARY INFORMATION: DOJ’s existing 28 CFR Part 70, § 70.26, includes provision for commercial organizations to follow OMB Circular A–133. DOJ is including this requirement in the amended rule.
List of Subjects

28 CFR Part 66
Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

28 CFR Part 70
Accounting, Audit requirements, Grant programs, Reporting and recordkeeping.
Janet Reno,
Attorney General.

Parts 66 and 70 of title 28 of the Code of Federal Regulations are amended as follows:

PART 66—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 66 continues to read as follows:


§ 66.26 [Amended]
2. Section 66.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 70—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS AND OTHER NON-PROFIT ORGANIZATIONS

3. The authority for part 70 continues to read as follows:


4. Section 70.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.
5. Section 70.26 is further amended by adding paragraph (d) to read as follows:

§ 70.26 Non-Federal Audits.
  * * * * *
(d) Commercial organizations must follow the audit threshold in revised OMB Circular A–133 in determining whether to conduct an audit in accordance with Government Auditing Standards.

DEPARTMENT OF LABOR

29 CFR Parts 95 and 97
RIN 1291–AA25


List of Subjects

29 CFR Part 95
Accounting, Audit requirements, Contract programs, Grant programs, Reporting and recordkeeping.

29 CFR Part 97
Accounting, Audit requirements, Contract programs, Grant programs, Reporting and recordkeeping requirements.
Patricia W. Lattimore,
Acting Assistant Secretary for Administration and Management.

Parts 95 and 97 of title 29 of the Code of Federal Regulations are amended as follows:

PART 95—GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS, AND WITH COMMERCIAL ORGANIZATIONS, FOREIGN GOVERNMENTS, ORGANIZATIONS UNDER THE JURISDICTION OF FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS

1. The authority for part 95 continues to read as follows:

Authority: 5 U.S.C. 301; OMB Circular A–110; Secretary of Labor’s Order 4–76.

§ 95.26 [Amended]
2. Section 95.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 97—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 97 continues to read as follows:


§ 97.26 [Amended]
2. Section 97.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

FEDERAL MEDIATION AND CONCILIATION SERVICE

29 CFR Part 1470
RIN 3076–AA01


List of Subjects

29 CFR Part 1470
Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.
John Calhoun Wells,
Director of Federal Mediation and Conciliation Service.

PART 1470—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 1470 continues to read as follows:


§ 1470.26 [Amended]
2. Section 1470.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

DEPARTMENT OF DEFENSE

Office of the Secretary

32 CFR Part 33
RIN 0790–AG49

FOR FURTHER INFORMATION CONTACT: Mark Herbst; ODDR&E(R); 3080 Defense Pentagon; Washington, DC 20301–3080, (703) 325–4132.

List of Subjects

32 CFR Part 33
Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.
Linda M. Bynum,
Alternate OSD Federal Register Liaison Officer, Department of Defense.

Part 33 of title 32 of the Code of Federal Regulations is amended as follows:

PART 33—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 33 continues to read as follows:

§ 74.26 [Amended]
2. Section 74.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

DEPARTMENT OF EDUCATION
34 CFR Parts 74 and 80

RIN 1890-AA04
FOR FURTHER INFORMATION CONTACT: Kathy Thomas, U.S. Department of Education, 600 Independence Avenue, S.W., Room 3652, ROB-3, Washington, D.C. 20202-4258. Telephone: (202) 708-7227. Internet: kathy_thomas@ed.gov. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 between 8 a.m. and 8 p.m., Eastern time, Monday through Friday.

List of Subjects
34 CFR Part 74
A. According, Audit requirements, Colleges and universities, Grant programs, Hospitals, Nonprofit organizations, Reporting and recordkeeping.

34 CFR Part 80
A. Accounting, Audit requirements, Grant programs, Indians, Intergovernmental relations, Loan programs, Reporting and recordkeeping requirements.

Richard W. Riley, Secretary of Education.

Parts 74 and 80 of title 34 of the Code of Federal Regulations are amended as follows:

PART 74—ADMINISTRATION OF GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS
1. The authority for part 74 continues to read as follows:

Authority: 20 U.S.C. 1221e-3(a)(1) and 3474, OMB Circular A-102, unless otherwise noted.

§ 80.26 [Amended]
4. Section 80.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

Appendix to Part 80 [Removed]
5. The Appendix to part 80 is removed.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
36 CFR Parts 1207 and 1210

RIN 3095-AA78
FOR FURTHER INFORMATION CONTACT: Nancy Allard, NARA Regulatory Contact, at 301-713-7360, ext. 226.

List of Subjects
36 CFR Part 1207
A. Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

36 CFR Part 1210
A. Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

John W. Carlin, Archivist of the United States.

Parts 1207 and 1210 of title 36 of the Code of Federal Regulations are amended as follows:

PART 1207—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS
1. The authority for part 1207 is revised to read:

Authority: 44 U.S.C. 2104(a); 44 U.S.C. 2501-2506.

§ 1207.26 [Amended]
2. Section 1207.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 1210—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS
3. The authority for part 1210 continues to read:

Authority: 44 U.S.C. 2104(a); 44 U.S.C. 2501-2506.

§ 1210.26 [Amended]
4. Section 1210.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

DEPARTMENT OF VETERANS AFFAIRS
38 CFR Part 43

RIN 2900-AJ00
FOR FURTHER INFORMATION CONTACT: Nancy Tackett, Office of Assistant Secretary for Policy and Planning (008), Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420, (202) 273-5033.

List of Subjects
38 CFR Part 43
A. Accounting, Audit requirements, Grant programs, Indians, Intergovernmental relations, Reporting and recordkeeping requirements.

Approved: August 20, 1997.

Hershel W. Gober, Acting Secretary of Veterans Affairs.

Part 43 of title 38 of the Code of Federal Regulations is amended as follows:

PART 43—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS
1. The authority for part 43 continues to read as follows:


§ 43.26 [Amended]
2. Section 43.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

ENVIRONMENTAL PROTECTION AGENCY
40 CFR Parts 30 and 31

[FRL-5881-5]
RIN 2030-AA54

List of Subjects
40 CFR Part 30
A. Accounting, Audit requirements, Grant programs—environment, protection of public health, pollution control, Reporting and recordkeeping requirements.
40 CFR Part 31
Accounting, Audit requirements, Grant programs—environment, protection of public health, pollution control, Reporting and recordkeeping requirements.

Carol M. Browner,
Administrator, U.S. Environmental Protection Agency.
Parts 30 and 31 of title 40 of the Code of Federal Regulations are amended as follows:

PART 31—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 31 continues to read as follows:


§ 31.26 [Amended]
2. Section 31.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 30—GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

3. The authority for part 30 continues to read as follows:


§ 30.26 [Amended]
4. Section 30.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

GENERAL SERVICES ADMINISTRATION

41 CFR Parts 105–71 and 105–72

41 CFR 105–72
Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

41 CFR 105–72
Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.
Paul Chistolini,
Deputy Commissioner, Public Buildings Service.
Parts 105–71 and 105–72 of title 41 of the Code of Federal Regulations are amended as follows:

PART 105—71—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 105–71 continues to read as follows:

Authority: Sec. 205(c), 63 Stat. 390 (40 U.S.C. 486(c)).

§ 105–71.126 [____26] [Amended]
2. Section 105–71.126 [____26] is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 105–72—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

3. The authority for part 105–72 continues to read as follows:

Authority: Sec. 205(c), 63 Stat. 390 (40 U.S.C. 486(c)).

§ 105–72.306 [____26] [Amended]

DEPARTMENT OF THE INTERIOR
Office of the Secretary

43 CFR Part 12

RIN 1090–AA62
FOR FURTHER INFORMATION CONTACT:
Debra E. Sonderman, (Director, Procurement and Property Management Systems), (202) 208–3336.

ADDITIONAL SUPPLEMENTARY INFORMATION:
Although the Department is joining in the publication of this common rule, several other changes in addition to those which will amend regulations implementing the grants management common rule, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” and Office of Management and Budget (OMB) Circular A–110, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations,” are required to be made to 43 CFR Part 12. Specifically, several references to the previous version of OMB Circular A–133 have to be revised to reflect the new title, the references to the previous OMB Circular A–128 have to be deleted, and other changes have to be made to reflect changes in Part 12 since the original publication of Subpart A. In addition, the Department’s implementation of OMB Circular A–128 at Subpart B must be removed now that the Circular has been rescinded.

List of Subjects 43 CFR Part 12
Accounting, Administrative practice and procedure, Audit requirements, Cooperative agreements, Grant programs, Grants administration, Reporting and recordkeeping requirements.

Dated: August 18, 1997.
Robert T. Lamb,
Acting Assistant Secretary-Policy, Management and Budget.

Part 12 of title 43 of the Code of Federal Regulations is amended as follows:

PART 12—ADMINISTRATIVE AND AUDIT REQUIREMENTS AND COST PRINCIPLES FOR ASSISTANCE PROGRAMS

1. The authority for part 12 is revised to read as follows:


Subpart A—Administrative and Audit Requirements and Cost Principles for Assistance Programs

2. Section 12.2 is amended by revising paragraphs (a) and (b) to read as follows:

§ 12.2 Policy.
(a) All financial assistance awards and subawards, in the form of grants and cooperative agreements, in accordance with paragraph (b) of this section, are subject to subparts C, D, E, and F of this part, OMB Circulars A–102, “Grants and Cooperative Agreements with State and Local Governments,” A–110, “Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations,” A–87,

(b)(1) Governmental recipients and subrecipients are subject to subparts C, D, and E of this part, Circulars A–87 and A–133.

(2) Institutions of higher education which are recipients or subrecipients are subject to subparts D, E, and F of this part, Circulars A–110, A–21, and A–133.

(3) Non-profit organizations which are recipients or subrecipients are subject to subparts D, E, and F of this part, Circulars A–110, A–122, and A–133.

* * * * *

Subpart B—[Removed and reserved]

3. Subpart B (§§ 12.11 through 12.31 and appendix to subpart) is removed and reserved.

Subpart C—Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

§ 12.66 [Amended]

4. Section 12.66 (___).26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

Subpart F—Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations

§ 12.926 [Amended]

5. The text of § 12.926 (___).26 is revised to read as set forth following amendatory instruction 2 at the end of the common preamble.

FEDERAL EMERGENCY MANAGEMENT AGENCY

45 CFR Part 13

RIN 3067–AC70


List of Subjects in 44 CFR Part 13

Accounting, Auditing, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

James L. Witt, Director.

Part 13 of title 44 of the code of Federal Regulations is amended as follows:

PART 13—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority citation for Part 13 is amended to read as follows:


§ 13.26 [Amended]

2. Section 13.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

45 CFR Parts 74 and 92

RIN 0991–AA92


ADDITIONAL SUPPLEMENTARY INFORMATION: In order to maintain the Department's rules for audits of commercial organizations which receive HHS awards (currently at 45 CFR 74.26(a)(2) and (3)) we are adding that text to the common rule amendment at 45 CFR 74.26(d). Commercial organizations are not covered by OMB Circular A–133.

We are removing part 74’s discussion of hospitals which are not affiliated with an institution of higher education (currently at 45 CFR 74.26(b)(1) and (2)) because those hospitals are now covered by Circular A–and A–133. We are also removing the instructions for submission of audit reports (currently at 45 CFR 74.26(d)) because that topic is covered by the new Circular. Additionally, we have added a parenthetical in 45 CFR 74.26(d)(1) that makes clear that for-profit hospitals are included in the scope of that section.

List of Subjects

45 CFR Part 74

Accounting, Auditing, Administrative practice and procedures, Audit requirements, Grants administration, Grant programs, Reporting and recordkeeping requirements.

45 CFR Part 92

Accounting, Auditing, Administrative practice and procedures, Audit requirements, Grants administration, Grant programs, Reporting and recordkeeping requirements.

(Catalog of Federal Domestic Assistance does not apply.)

Dated: August 18, 1997.

Donna E. Shalala,
Secretary.

Parts 92 and 74 of title 45 of the Code of Federal Regulations are amended as follows:

PART 92—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 92 continues to read as follows:

Authority: 5 U.S.C. 301.

§ 92.26 [Amended]

2. Section 92.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 74—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR AWARDS AND SUBAWARDS TO INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, OTHER NONPROFIT ORGANIZATIONS, AND COMMERCIAL ORGANIZATIONS; AND CERTAIN GRANTS AND AGREEMENTS WITH STATES, LOCAL GOVERNMENTS AND INDIAN TRIBAL GOVERNMENTS

1. The authority for part 74 continues to read as follows:


2. Section 74.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

3. Section 74.26(d) is revised to read as follows:

§ 74.26 Non-Federal audits.

* * * * *

(d)(1) Recipients and subrecipients that are commercial organizations (including for-profit hospitals) have two options regarding audits:

(i) A financial related audit (as defined in the Government Auditing Standards, GPO Stock #020–000–00–265–4) of a particular award in accordance with Government Auditing Standards, in those cases where the recipient receives awards under only one HHS program; or, if awards are received under multiple HHS programs, a financial related audit of all HHS awards in accordance with Government Auditing Standards; or

(ii) An audit that meets the requirements contained in OMB Circular A–133.

(2) Commercial organizations that receive annual HHS awards totaling less than OMB Circular A–133’s audit requirement threshold are exempt from requirements for a non-Federal audit for
that year, but records must be available for review by appropriate officials of Federal agencies.

NATIONAL SCIENCE FOUNDATION

45 CFR Part 602

RIN 3145–AA35

FOR FURTHER INFORMATION CONTACT: Jean Feldman, Head, Policy Office, Division of Contracts, Policy & Oversight, 703–306–1243, e-mail jfeldman@nsf.gov.

List of Subjects

45 CFR Part 602

Accounting, Audit requirements, Contract programs, Grant programs, Reporting and recordkeeping requirements.

Joseph L. Kull, Chief Financial Officer.

Part 602 of title 42 of the Code of Federal Regulations is amended as follows:

PART 602—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 602 continues to read as follows:
   Authority: 42 U.S.C. 1870(a).

§ 602.26 [Amended]

2. Section 602.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

NATIONAL ENDOWMENT FOR THE HUMANITIES

45 CFR Part 1174

RIN 3136–AA23


List of Subjects

45 CFR Part 1174

Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

Sheldon Hackney, Chairman.

Part 1174 of title 45 of the Code of Federal Regulations is amended as follows:

PART 1174—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 1174 continues to read as follows:

§ 1174.26 [Amended]

2. Section 1174.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

45 CFR Part 1183

RIN 3137–AA09

FOR FURTHER INFORMATION CONTACT: Mary Estelle Kennelly, Acting Program Director, Office of Museum Services, Institute of Museum and Library Services, Washington, DC 20560, 202/606–8547.

List of Subjects

45 CFR Part 1183

Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

John Gomperts, Acting Chief Operating Officer.

PART 1183—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 1183 continues to read as follows:

§ 1183.26 [Amended]

2. Section 1183.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

45 CFR Parts 2541 and 2543

RIN 3045–AA14

FOR FURTHER INFORMATION CONTACT: Organizations receiving assistance under the National and Community Service Act should contact Michael Kenefick at (202) 606–5000, ext. 101. Organizations receiving assistance under the Domestic Volunteer Service Act should contact Larry Floyd at (214) 767–5461.

List of Subjects

45 CFR Parts 2541 and 2543

Accounting, Audit requirements, Indians, Intergovernmental relations, Reporting and recordkeeping requirements.

John Gomperts, Acting Chief Operating Officer.

PARTS 2541 and 2543 of title 45 of the Code of Federal Regulations are amended as follows:
PART 2541—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 2541 continues to read as follows:
   Authority: 42 U.S.C. 4950 et seq. and 12501 et seq.

§ 2541.260 [Amended]
2. Section 2541.260 [__].26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 2543—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

3. The authority for part 2543 continues to read as follows:
   Authority: 42 U.S.C. 12501 et seq.

§ 2543.26 [Amended]
4. Section 2543.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

DEPARTMENT OF TRANSPORTATION
Office of the Secretary
49 CFR Parts 18 and 19

RIN 2105–AC66

FOR FURTHER INFORMATION CONTACT:

ADDITIONAL SUPPLEMENTAL INFORMATION:
Additional Departmental clarifying audit requirements contained in 49 CFR part 18.26 (d) and (e) are no longer required, and are being deleted as part of this rulemaking. These paragraphs make references to audit requirements that have been superseded by OMB Circular A–133.

List of Subjects
49 CFR Part 18
   Accounting, Audit requirements, Contract programs, Grant programs, Intergovernmental relations, Reporting and recordkeeping requirements.
52 CFR Part 19
   Accounting, Administrative practices and procedures, Audit requirements, Grant programs, Reporting and recordkeeping requirements. Rodney E. Slater, Secretary of Transportation.

PART 18—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 18 continues to read as follows:

§ 18.26 [Amended]
2. Section 18.26 is further amended by removing paragraphs (d) and (e).

PART 19—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

4. The authority for part 19 continues to read as follows:

§ 19.26 [Amended]
5. Section 19.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

DEPARTMENT OF AGRICULTURE
Office of the Chief Financial Officer
7 CFR Chapter XXX and Parts 3015, 3051, and 3052

RIN 0505–AA10

Grants and Cooperative Agreements to State and Local Governments, Universities, Hospitals, and Other Non-Profit Organizations

AGENCY: Office of the Chief Financial Officer, USDA.

ACTION: Interim final rule.

SUMMARY: This interim final rule amendment is issued to implement the Single Audit Act Amendments of 1996 (Public Law 104–156, 110 Stat. 1396) and the June 24, 1997, revision of OMB Circular A–133, “Audits of States, Local Governments, and Non-Profit Organizations” and to replace the existing audit requirements that are superseded by Public Law 104–156 and the revised A–133.

DATES: This interim final rule is effective September 29, 1997. Comments must be received on or before October 28, 1997 in order to be assured of consideration.

ADDRESSES: Persons wishing to submit comments on this interim final rule should send them to Patricia Wensel, Director, Planning and Accountability Division, Department of Agriculture, 1400 Independence Avenue, S.W., Room 3027 South Building, Washington, D.C. 20250. A copy of each communication submitted will be available for public inspection during regular business hours (8:30 a.m.–5:00 p.m.) at the above address.

FOR FURTHER INFORMATION CONTACT:
Patricia Wensel, Director, Office of the Chief Financial Officer, Planning and Accountability Division, 202–720–1175.

SUPPLEMENTARY INFORMATION:
Background


On November 10, 1981, the Department of Agriculture published 7 CFR Part 3015, as a final rule to provide Departmentwide policies and standards for the administration of grants and cooperative agreements. Part 3015