

# Rules and Regulations

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## DEPARTMENT OF AGRICULTURE

### Rural Housing Service

#### 7 CFR Part 3570

RIN 0575-AD02

#### Community Facilities Technical Assistance and Training Grants

**AGENCY:** Rural Housing Service, USDA.

**ACTION:** Final rule with comments.

**SUMMARY:** Title VI, Section 6006 of the Agricultural Act of 2014 (Pub. L. 113-79)(2014 Farm Bill) authorized the Essential Community Facilities Technical Assistance and Training Program. The Act authorizes the Secretary of Agriculture to make grants to public bodies and private nonprofit corporations, (such as States, counties, cities, townships, and incorporated towns and villages, boroughs, authorities, districts, and Indian tribes on Federal and State reservations) that will serve Rural Areas for the purpose of providing technical assistance and training, with respect to essential community facilities programs. This rule implements Section 6006 of the 2014 Farm Bill, by establishing the policies and procedures for the Technical Assistance and Training (TAT) grants program. The intended effect of this action is to assist rural communities in meeting the community facility needs.

**DATES: Effective date:** This final rule is effective March 14, 2016.

**Comments due date:** Written comments on this rule must be received on or before March 14, 2016. The comment period for information collections under the Paperwork Reduction Act of 1995 continues through March 14, 2016.

**ADDRESSES:** You may submit comments to this rule by any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions on Regulations.gov for submitting comments.

• *Mail:* Submit written comments via the U.S. Postal Service to the Branch Chief, Regulations and Paperwork Management Branch, U.S. Department of Agriculture, STOP 0742, 1400 Independence Avenue SW., Washington, DC 20250-0742.

• *Hand Delivery/Courier:* Submit written comments via Federal Express Mail or another mail courier service requiring a street address to the Branch Chief, Regulations and Paperwork Management Branch, U.S. Department of Agriculture, 300 7th Street SW., 7th Floor, Suite 701, Washington, DC 20024.

All written comments will be available for public inspection during regular work hours at the 300 7th Street, SW., address listed above.

#### FOR FURTHER INFORMATION CONTACT:

Nathan Chitwood, Regional Coordinator, Rural Housing Service, U.S. Department of Agriculture, 601 Business Loop 70 West, Suite 235, Columbia, MO 65203 telephone: (573) 876-0965. Email contact: [Nathan.chitwood@wdc.usda.gov](mailto:Nathan.chitwood@wdc.usda.gov).

#### SUPPLEMENTARY INFORMATION:

##### Executive Summary

###### I. Purpose of the Regulatory Action

Section 306(a) of the Consolidated Farm and Rural Development Act (CONACT) (7 U.S.C 1926(a)) was amended by Section 6006 of the Agriculture Act of 2014 (Pub. L. 113-79) to establish the Community Facilities Technical Assistance and Training Grants program. This action is needed to implement Section 6006 of the 2014 Farm Bill, which authorizes grants to be made to Public Bodies, Nonprofit Corporations, and Federally-recognized tribes and Indian Tribes on Federal and State Reservations that will serve Rural Areas for the purpose of enabling the Grantees to provide Technical Assistance and training with respect to Essential Community Facilities authorized under Section 306(a)(1) of the CONACT (7 U.S.C. 1926(a)).

###### II. Cost and Benefits

Because this grant is new to the Agency, there is no history to use to determine a cost to apply. Therefore, the Agency examined similar programs administered by other agencies within

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the Department. The Agency used the Rural Utilities Service (RUS) Water and Environmental Programs (WEP) Technical Assistance and Training (TAT) grant as a comparison. The number of applications and the number of awarded grants used in the calculation are the same as the number of WEP TAT applications and grants awarded last year. The Agency based our calculations upon receiving 70 total applications with 35 of them selected for funding. The costs include the estimated time for 70 applicants to complete and submit an application and for the 35 successful applicants to carry out the activities of an awarded grant. The Agency used similar cost projects as used by WEP for their TAT grant. The total expense for all the applicants and successful applicants was estimate to be approximately \$188,000.

This program will benefit Rural Area residents by providing training, managerial assistance, and assistance to entities making application to the Community Facilities Program. The Agency understands there is a great need for this type of assistance in Rural Areas.

## Executive Order 12866—Classification

This final rule has been reviewed under Executive Order (EO) 12866 and has been determined not significant by the Office of Management and Budget (OMB).

## Programs Affected

The affected programs are listed in the Catalog of Federal Domestic Assistance Program under 10.766, Community Facilities Loans and Grants.

## Executive Order 12372—Intergovernmental Review

This program is subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. The Agency conducts intergovernmental consultations for each loan in the manner delineated in 2 CFR part 415, subpart C. Note that not all States have chosen to participate in the intergovernmental review process. A list of participating States is available at the following Web site: [https://www.whitehouse.gov/omb/grants\\_spoc](https://www.whitehouse.gov/omb/grants_spoc).

### **Executive Order 13175, Consultation and Coordination With Indian Tribal Governments**

This rule has been reviewed in accordance with the requirements of Executive Order 13175, “Consultation and Coordination with Indian Tribal Governments.” Executive Order (EO) 13175 requires Federal agencies to consult and coordinate with tribes on a government-to-government basis on policies that have tribal implications, including regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

The Agency has assessed the impact of this rule on Indian tribes and determined that this rule does not, to our knowledge, have tribal implications that require tribal consultation under EO 13175. However, since technical assistance and training associated with the development of essential community facilities is a resource needed by many Tribes, the Agency commits to provide at least one Tribal Consultation, focused on unique challenges (and potential solutions) coinciding with the implementation of this rule. If a Tribe requests consultation, the Agency will work with the Office of Tribal Relations to ensure meaningful consultation is provided where changes, additions and modifications identified herein are not expressly mandated by Congress. If a tribe would like to engage in consultation with the Agency on this rule, please contact the Agency’s Native American Coordinator at (720) 544-2911 or [AIAN@wdc.usda.gov](mailto:AIAN@wdc.usda.gov).

### **Executive Order 12988—Civil Justice Reform**

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. In accordance with this rule: (1) All State and local laws and regulations that are in conflict with this rule will be preempted; (2) no retroactive effect will be given to this rule; and (3) administrative proceedings of the National Appeals Division (7 CFR part 11) must be exhausted before bringing suit in court challenging action taken under this rule unless those regulations specifically allow bringing suit at an earlier time.

### **Environmental Impact Statement**

The document has been reviewed in accordance with 7 CFR part 1940,

subpart G, “Environmental Program.” The Agency has determined that this action does not constitute a major Federal action significantly affecting the quality of the human environment and, in accordance with the National Environmental Policy Act of 1969, 42 U.S.C. 4321 *et seq.*, an Environmental Impact Statement is not required.

### **Unfunded Mandates Reform Act**

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104-4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and the private sector. Under section 202 of the UMRA, the Agency generally must prepare a written Statement, including a cost-benefit analysis, for proposed and final rules with “Federal mandates” that may result in expenditures to State, local, or tribal governments, in the aggregate, or to the private sector, of \$100 million or more in any 1 year. When such a Statement is needed for a rule, section 205 of the UMRA generally requires the Agency to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, most cost-effective, or least burdensome alternative that achieves the objectives of the rule. This final rule contains no Federal mandates (under the regulatory provisions of title II of the UMRA) for State, local, and tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of the UMRA.

### **Regulatory Flexibility Act**

The Regulatory Flexibility Act (5 U.S.C. 601–612) (RFA) generally requires an agency to prepare a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements under the Administrative Procedure Act or any other statute unless the Agency certifies that the rule will not have an economically significant impact on a substantial number of small entities. Small entities include small businesses, small organizations, and small governmental jurisdictions. This rule has been reviewed with regard to the requirements of the Regulatory Flexibility Act (5 U.S.C. 601–612). The undersigned has determined and certified by signature of this document that this rule will not have a significant economic impact on a substantial number of small entities because this rulemaking action does not involve a new or expanded program.

### **Executive Order—13132—Federalism**

It has been determined, under EO 13132, Federalism, that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment. The policies contained in this rule do not have any substantial direct effect on States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Nor does this rule impose substantial direct compliance costs on State and local governments. Therefore, consultation with the States is not required.

### **E-Government Act Compliance**

The Agency is committed to complying with the E-Government Act, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

### **Paperwork Reduction Act**

In accordance with the Paperwork Reduction Act of 1995, the Agency is now seeking the Office of Management and Budget (OMB) approval of the reporting and recordkeeping requirements contained in this rule. This information collection requirement will not become effective until approved by OMB.

*Title:* Community Facilities Technical Assistance and Training Grants.

*OMB Number:* 0575-NEW.

*Type of Request:* New collection.

*Abstract:* This is a new information collection. This information is vital to the Agency to make wise decisions regarding the eligibility of Projects and Applicants in order to reduce the risk associated with making grants, to ensure compliance with the rule, and to ensure that funds obtained from the Government are used appropriately. This collection of information is necessary in order to implement the Community Facilities Technical Assistance and Training Grants regulation.

The following estimates are based on the average over the first three years the program is in place.

*Estimate of Burden:* Public reporting burden for this collection of information is estimated to average 47 hours per response.

*Respondents:* Rural developers, public bodies, local governments, non-profits and federally recognized tribes.

*Estimated Number of Respondents:* 70.

*Estimated Number of Responses:* 70.  
*Estimated Total Annual Burden on Respondents:* 3,290.

**Comments:** Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of functions of Agency, including whether the information will have practical utility; (b) the accuracy of the Agency estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. Comments may be sent to Jeanne Jacobs, Regulations and Paperwork Management Branch, U.S. Department of Agriculture, Rural Development, STOP 0742, 1400 Independence Ave. SW., Washington, DC 20250. All responses to this notice will be summarized and included in the request for OMB approval. All comments will also become a matter of public record.

#### Non-Discrimination Policy

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

If you wish to file a Civil Rights program complaint of discrimination, complete the *USDA Program Discrimination Complaint Form* (PDF), found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue SW., Washington, DC 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

Individuals who are deaf, hard of hearing or have speech disabilities and you wish to file either an EEO or program complaint please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

Persons with disabilities who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

#### Discussion of the Final Rule

The following paragraphs discuss each section of the Final rule and provide additional information on the Agency's intent in implementing each section.

##### A. Purpose (§ 3570.251)

This section describes the purpose, scope and applicability of the program. The Agency will make grants to Nonprofit Corporations and Public Bodies, including Federally recognized Tribes and Indian Tribes on Federal and State reservations, to provide to associations Technical Assistance and/or training with respect to essential community facilities programs. In many cases there is a need to hire outside consultants to prepare reports, such as Architectural or financial feasibility, and surveys necessary to request financial assistance to develop the identified community facilities. The Grantee can then assist in preparing applications for financial assistance. If an existing community facility borrower or grantee needs to improve the management, including financial management, related to their existing community facility operations, the Grantee may assist in providing such service. The Agency may also request assistance with other areas of need that have been identified. Any area of need identified will be announced in the Notice.

The Agency recognizes and understands that many smaller, low income rural communities have very limited resources and staff to identify needs, develop application for financing, and operate essential community facilities. In many cases, those communities are governed by volunteers who lack the time or the expertise to develop an essential community facility. These grants will allow the Agency to provide funds to those communities so they may obtain the types of services they need in order to develop their community facility.

It is the intent of this program to assist entities in rural area in accessing funding under the Rural Housing Services Community Facilities Programs.

#### B. Definitions and Abbreviations (§ 3570.252)

This section presents program specific definitions to clarify terms used in the rule. Program definitions are found at 7 CFR 3570.63, and apply to this regulation. Many of the definitions in this section are self-explanatory. The following definitions have specific meaning to this regulation:

1. Actual Capacity: The Rural Community Development Initiative (RCDI) Grant uses this term. This term is significant because it describes the level of expertise required by the Technical Assistance Provider. The eligible purposes of the RCDI program are different than this program. The Agency used the basic language of the definition of capacity in the RCDI Grant and modified it to meet the eligible purposes of this grant.

2. Applicant: To be eligible to apply for TAT grant funds, the applicant must be a public body or a private nonprofit corporation, (such as State, county, city, township, and incorporated town and village, borough, authority, district, and Indian tribes on Federal and State reservation). A Nonprofit corporation that applies for this program as a Technical Assistance Provider must be designated tax-exempt by the Internal Revenue Service. This was added by the Agency to ensure that Nonprofit corporations that apply are not structured to only benefit the members of the corporation. This same requirement exists in other USDA grant programs such as the Rural Utilities Service Technical Assistance and Training Grant Program. Nonprofit Corporations applying as Ultimate Recipients must demonstrate Community Ties to the Rural Area. Public bodies and Indian Tribes applying as Ultimate Recipients do not need to further demonstrate Community Ties under this regulation.

3. Audit: Audit is a general term that is used throughout the Agency. The requirements for when an audit is required can be found at 2 CFR parts 200 and 400.

4. Community Ties: this definition is needed to demonstrate the requisite significant ties to the local Rural Area. This definition was taken from existing Agency guidance for the CF program.

5. CONACT: This is the general abbreviation of the Consolidated Farm and Rural Development Act and is widely used throughout the Agency.

6. Conflict of Interest: This is a standard definition that is used by CF in their other programs.

7. DUNS: This is the general abbreviation for the Data Universal Numbering System (DUNS) which is obtained through Dun and Bradstreet. It is a general term used throughout the Agency.

8. Generally Accepted Accounting Principles (GAAP): the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice. These include the standards, conventions, and rules that accountants follow in recording and summarizing and in the preparation of financial statements.

9. Indian Tribe: This is the same definition that is used in the Community Facilities Loan and Grant Program. The language in the statute specifically mentioned Indian Tribes located on Federal or State recognized Indian reservations; however, the list of examples was inexhaustive. The Agency determined that this language was not intended to prohibit Indian Tribes not located on a Federal or State recognized reservation from being eligible. The Agency has added all Federal and State recognized Indian Tribes as eligible to apply for this grant. The language is the same as the applicant eligibility requirements of the Community Facility Programs.

10. Jurisdiction: This definition was added so that the Agency could give priority to those projects that serve multiple units of local governance such as counties, cities, townships, special use districts and others.

11. Letter of Conditions: This is a general term used throughout the Agency to describe the document issued by the Agency that lists the requirements that must be met before grant funds are made available to the Grantee.

12. Low Income: The Agency intends for this program to assist low income areas. Additional points are awarded to projects serving low income areas. The Agency will compare the median household income (MHI) of the projects service area to the state's nonmetropolitan median household income. To be inclusive, the Agency is defining low income as being below the state's nonmetropolitan median household income or the poverty line whichever is higher. The MHI is based upon the service area of the facility, not the location. The State's MHI can be obtained by contacting the Agency. The poverty line is defined in a separate definition.

13. Multi-Jurisdictional: The Agency wants to give priority to those projects that cover more than one unit of government. Points are awarded to projects based upon the number of jurisdictions involved in the project. For the purpose of the grant priority will be given to a project that covers at least two jurisdictions. Two or more counties or cities, or Tribes that work together on a project would be considered multi-jurisdictional.

14. Professional Services: The Agency recognizes that one of the major hurdles a potential applicant faces is obtaining funds to hire a professional provider such as an architect, engineer, accountant, and other types of professional services. In order to submit a complete application to the Agency for Community Facility Loans and Grant the applicant may have to provide a preliminary architectural report (PAR), a preliminary engineering report, a financial feasibility report completed by an independent third party, or other types of professional assistance. These professional services many times are not provided by a technical assistance provider. The Agency separated out these types of services so an applicant may apply for grant funds to contract directly for these types of services without having a technical services provider.

15. Project: This is a term used throughout the Agency to describe the eligible purpose that the applicant is seeking grant funding for.

16. Project Cost: This is a term throughout the Agency to describe the amount of funds needed to complete the proposed Project.

17. Secretary: This is the general term used to describe the Secretary of Agriculture.

18. Technical Assistance: The Agency intends for this definition to be broad in order to give applicants the flexibility to solve problems that are important in the rural areas they serve. The technical assistance can include feasibility studies, gathering information for environmental reviews, obtaining professional services, assisting with bookkeeping, providing training for existing facilities, and other types of problem solving activities, but must be for an eligible CF project.

19. Technical Assistance Provider: This is the entity that provides the Technical Assistance.

20. Ultimate Recipient: The Ultimate Recipient is the entity that is assisted by the applicant. An applicant may also be the Ultimate Recipient. For example, a city may apply for grant funds to hire an architect to complete a Preliminary Architectural Report (PAR) for the

construction of a fire station. If the Applicant and the Ultimate Recipient are the same entity, they must meet the definition of both the Applicant and the Ultimate recipient.

*C. Compliance With Federal and State Requirements (§ 3570.253)*

This section lists some of the Federal and State Requirements that also apply to this grant.

*D. Source of Funds (§ 3570.254)*

By statute, the Secretary must make available for this program at least three percent (3%) of the annual appropriated funds for the Community Facilities Loan, Grant and Guaranteed Programs. The Secretary cannot make more than five percent (5%) of those funds available. Because the Agency recognizes that these funds are in great demand to assist entities in rural areas, the Secretary will make the maximum of five percent (5%) available each year unless the Secretary lowers the amount by announcing the reduction in a Notice in the **Federal Register**. These funds will be available until July 31 of each year. The Agency has established this date so that any unused TAT funds may be reverted back to other CF program accounts so that the Agency is able to utilize the funds for other CF projects. The Agency believes there is adequate need for the TAT funds and that they will be utilized by the July 31 deadline. Any unused funds will revert back to the Community Facilities Loan, Grant and Guaranteed Programs.

*E. Matching Funds (§ 3570.255)*

The Agency encourages any applicant to use matching funds, if available, in order to maximize the program benefit and outreach and to encourage the partnership between the government and the private sector. Priority will be given those applicants who commit matching funds in the amount of at least 5% of the total project costs.

*F. Allocation of Funds (§ 3570.256)*

The Agency will administer these funds and award them on a competitive basis.

*G. Statute and Regulation Reference (§ 3570.257)*

All references to statutes and regulations will include all successor statutes and regulations.

*H. Environmental and Intergovernmental Review (§ 3570.261)*

This section lists the environmental and intergovernmental review policies that must be met. The intergovernmental review process may

not be required in every state. To see if the intergovernmental review is required in your state, you can contact the State Office.

#### *I. Applicant Eligibility Requirements (\$ 3570.262)*

This section addresses the eligibility requirement for the Applicant and the Ultimate recipient. The Applicant may apply as a Technical Assistance Provider (not the Ultimate Recipient) or as an Ultimate Recipient.

1. Applicants applying as Technical Assistance Providers must be a Nonprofit corporation with a tax exempt status from the IRS, a Public Body, or Federally recognized Indian Tribe or Indian Tribe on a Federal or State reservation. A Technical Assistance Provider does not have to be located in the rural area. It is the experience of the agency that many experienced Technical Assistance Providers are located outside of the rural area. Therefore, there is no community ties requirement for Technical Assistance Providers. There is a tax-exempt status requirement however. This exists to ensure that the Technical Assistance Providers are operating on a not for profit basis. The applicant may provide the technical assistance through its existing staff, be assisted by an affiliate or member organization that has experience, or contract out for no more than 49% of the expertise needed to provide the technical assistance. The Agency determined that if the applicant had to contract for more than 49% of the technical assistance provided, then the applicant did not possess adequate experience. This same requirement is used in the Agency's Rural Community Development Initiative (RCDI) which also provides technical assistance and training grants.

2. Applicants applying as Ultimate Recipients must meet these same requirements, except that if they are a Nonprofit Corporation, they don't need to demonstrate a tax-exempt status from the IRS. Ultimate Recipients that are nonprofit corporations must demonstrate Community Ties as outlined in § 3570.262(b)(3)(i) through (iii). It is the opinion of the Agency that such ties are necessary to ensure that the project will carry out a public purpose and continue to primarily serve a Rural Area. Ultimate Recipients that are Public bodies or Indian Tribes are not required to further demonstrate Community Ties since these ties are demonstrated by the way the Public Bodies and Indian Tribes are structured. This program is meant to assist entities apply for funding from the Community Facilities programs. If the ultimate

recipient for this grant is not eligible to obtain funding from the Community Facilities program, the use of these funds does not meet the intent of this grant.

#### *J. Eligible Project Purposes (\$ 3570.263)*

The statute defines the eligible uses of grant funds. The Agency did not further restrict the purposes in the regulation. The Agency wants this grant program to provide great flexibility and allow the applicants and ultimate recipients to assess their needs and request funds that meet one or more of the eligible purposes.

#### *K. Ineligible Project Purposes (\$ 3570.264)*

This section lists activities that cannot be funded with these grants. This grant program is not intended to fund duplicate services including those previously performed. Grant funds cannot be used to pay for expenses reimbursed by other funding sources. Since this is a technical assistance and training grant program, grant funds may not be used to purchase real estate, improve or develop office space or repair and maintain private property. If an applicant or ultimate recipient has these needs, the Community Facilities programs may provide funding for this purpose. Furthermore, funding such purposes with a TAT grant would be duplicative and inconsistent with the authorized intended use of these funds. An applicant cannot obtain grant funds to do outreach to generate applications for the Community Facilities Program without there having been community involvement in identifying an existing need. The applicant may work with ultimate recipients to assist them in making applications to the Community Facilities programs. The assistance may include preparing budgets, compiling information requested by the Agency, or any other assistance which may be requested by the ultimate recipient. The Agency also limited the amount of indirect or administrative costs that can be incurred as part of the project to ten percent (10%). The Agency determined that the demand for these funds far exceed the amount of funds available. The limit on the amount of funds that can be used for indirect or

administrative costs will allow more grant funds to be available to assist ultimate recipients. Grant funds may not be used to prepare environmental assessments for the ultimate recipient to make application to the Community Facilities programs. The Agency is ultimately responsible for completing environmental assessments; therefore, the Agency has determined that these

grant funds cannot be used for that purpose. The statute further requires that the grant benefit Rural Areas. In order to meet this requirement, the Agency is requiring the ultimate recipient and project to be located in a Rural Area. If either is not located in a Rural Area the project would not be eligible for a TAT grant. The Agency determined that grant funds must be used to provide assistance to a project that primarily serves an area that is considered low income. Limited grant funds should be targeted to those areas with low income. The Community Facilities grant program prohibits projects in areas with a median household income (MHI) exceeding 90% of the State's MHI. This grant is more inclusive as it allows the MHI of the project's service area to be up to 100% of the state's MHI to maximize the number of low income communities that are eligible for this assistance.

#### *L. Applications (\$ 3570.267)*

This section outlines what is required to submit an application for grant funding. The Agency will publish an annual Notice in the **Federal Register** which will state the application filing period. The Notice will advise the public where applications are to be submitted and how they may contact the Agency with questions regarding the application process. The Agency will accept electronic applications through the Grants.gov Web site. Instructions for submitting applications via grants.gov will be available on the grants.gov Web site. The applicant should be aware that the application process via grants.gov may take several days to complete. The applicant will have the option to submit paper applications to an address in the **Federal Register** Notice. The required forms and narrative information that needs to be submitted in the application packet is listed in this section.

#### *M. Grant Processing (\$ 3570.272)*

This section describes how applications will be processed by the Agency. The procedures described in this section are standard procedures and are meant to encourage complete applications and provide the necessary assistance to applicants.

#### *N. Scoring (\$ 3570.273)*

The Agency will score and rank applications based on the income of the service area of the Ultimate Recipients, Multi-Jurisdictions, soundness of approach, matching funds, State Director discretionary points and Administrator discretionary points. Congress mandated that the Agency give priority to applicants that have

experience providing technical assistance and training. Because of this mandate from Congress, the Agency gave significant weight to this priority (maximum 40 points). The Agency may revise this scoring process in its annual Notice in the **Federal Register**.

**O. Funds Disbursement (§ 3570.274)**

All funds will be disbursed in accordance with 2 CFR parts 200 and 400. The grantee may receive advance payments if the grantee demonstrates it has the financial management systems in place to control the grant funds and account for the use of all the grant funds. The Grantee can request a reimbursement method of payment by using Standard Form SF 270 "Request for Advance or Reimbursement". If the project includes matching funds, the request for grant funds must also account for the usage of any required matching funds.

**P. Grant Cancellation or Major Changes (§ 3570.275)**

Any grant cancellations and major changes will be in accordance with 2 CFR parts 200 and 400. This section outlines the requirements for making changes in the scope of work. The Agency understands that projects can change and other needs may be identified. Therefore, the Agency is willing to allow the grantee to request changes to the project. Any changes to the scope of work must also be eligible grant purposes.

**Q. Reporting (§ 3570.276)**

This section outlines the reporting requirements the grantee must follow. Reports will be required to be submitted according to the schedule set in the grant agreement, which will be no more frequent than quarterly. The Agency uses these reports to monitor the progress of the project. The report must show how grant funds and any matching funds are spent. The reports will include the SF 425 "Federal Financial Report" and a Project Performance Report. The Agency and the grantee will use these reports to make sure the time schedules are being met and address any challenges that the grantee may be facing. The Agency requires the grantee to list actual accomplishments for each reporting period. The grantee must explain why any objectives were not achieved during the reporting cycle. The Agency will require the grantee to provide a summary of the race, sex, and national origin of the ultimate recipients. This information is used by the Agency to monitor any possible discrimination in its Federal programs. The Agency is

requiring additional information to be submitted with the final report. The Agency requests grantees to describe challenges they faced during the project, advice they would give to future grantees, the strengths and weaknesses of the grant, what improvements could be made to the grant process, and the post-grant plans for the project. The Agency will use this feedback to improve the grant process.

**List of Subjects in 7 CFR Part 3570**

Grant programs—Housing and community development, Reporting requirements, Rural areas, and Technical assistance.

For the reasons stated in the preamble, Chapter XXXV, title 7 of the Code of Federal Regulations is amended as follows:

**PART 3570—COMMUNITY PROGRAMS**

- 1. The authority citation for part 3570 continues to read as follows:

**Authority:** 5 U.S.C. 301; 7 U.S.C. 1989.

- 2. Add and reserve subparts C, D, and E.
- 3. Add subpart F, consisting of §§ 3570.251 through 3570.300, to read as follows:

**Subpart F—Community Facilities Technical Assistance and Training Grants**

Sec.

- 3570.251 Purpose.
- 3570.252 Definitions and abbreviations.
- 3570.253 Compliance with Federal and State requirements.
- 3570.254 Source of funds.
- 3570.255 Matching funds.
- 3570.256 Allocation of funds.
- 3570.257 Statute and regulation references.
- 3570.258–3570.260 [Reserved]
- 3570.261 Environmental and intergovernmental review.
- 3570.262 Applicant eligibility requirements.
- 3570.263 Eligible project purposes.
- 3570.264 Ineligible project purposes.
- 3570.265–3570.266 [Reserved]
- 3570.267 Applications.
- 3570.268–3570.271 [Reserved]
- 3570.272 Grant processing.
- 3570.273 Scoring.
- 3570.274 Fund disbursement.
- 3570.275 Grant cancellation or major changes.
- 3570.276 Reporting.
- 3570.277 Audit or financial statement.
- 3570.278–3570.280 [Reserved]
- 3570.281 Grant servicing.
- 3570.282 [Reserved]
- 3570.283 Exception authority.
- 3570.284 Review or appeal rights.
- 3570.285–3570.299 [Reserved]
- 3570.300 OMB control number.

**Subpart F—Community Facilities Technical Assistance and Training Grants**

**§ 3570.251 Purpose.**

This subpart contains the provisions and procedures by which the Agency will administer the Essential Community Facilities Technical Assistance and Training Program. The purpose of the program is to provide technical assistance and training with respect to essential community facilities programs. To meet this purpose, the Agency will make grants to public bodies and private nonprofit corporations, (such as States, counties, cities, townships, and incorporated towns and villages, boroughs, authorities, districts, and Indian tribes on Federal and State reservations) to provide associations Technical Assistance and/or training with respect to essential community facilities programs. The Technical Assistance and/or training will assist communities, Indian Tribes, and Nonprofit Corporations to identify and plan for community facility needs that exist in their area. Once those needs have been identified, the Grantee can assist in identifying public and private resources to finance those identified community facility needs.

**§ 3570.252 Definitions and abbreviations.**

The definitions and abbreviations in § 3570.53 apply to this subpart unless otherwise provided. In addition, these definitions and abbreviations are used in this subpart:

**Actual capacity.** The demonstrated ability of the Technical Assistance Provider to develop the capacity of Ultimate Recipients in the areas of developing applications for the Community Facilities program, improving the management capabilities of their community facilities, and providing training.

**Administrator.** The Administrator of the Rural Housing Service (RHS).

**Applicant.** Public bodies and private nonprofit corporations, (such as States, counties, cities, townships, and incorporated towns and villages, boroughs, authorities, districts, and Indian tribes on Federal and State reservations) that has applied for, or intends to apply for, a Technical Assistance and Training Grant under this subpart. The applicant must be either a Technical Assistance Provider or an Ultimate Recipient.

**Audit.** An examination of an organization's financial statements by an independent Certified Public Accountant (CPA), for the purpose of expressing an opinion on the fairness

with which the Statements present the financial position, results of operations, and changes in cash flows in conformity with Generally Accepted Accounting Principles (GAAP) and for determining whether the Applicant or Ultimate Recipient of Federal government funding has complied with the applicable laws, regulations, and contract for those events reflected in the financial Statements. All audits must meet the requirements of 2 CFR 200.500–200.518.

**Community ties.** The significant ties to the Rural Area that need to be demonstrated by a Nonprofit corporation who is an Ultimate Recipient, by either substantial public funding through taxes, revenue bonds or other local Government sources, and/or substantial voluntary community funding; and, a broadly-based ownership and control by members of the community. It can also be demonstrated by local membership and control characteristics.

**CONACT.** The Consolidated Farm and Rural Development Act (7 U.S.C. 1926 *et seq.*).

**Conflict of interest.** A situation in which a person or entity has competing personal, professional, or financial interests that make it difficult for the person or business to act impartially. Regarding use of both grant and matching funds, Federal procurement standards prohibit transactions that involve a real or apparent conflict of interest for owners, employees, officers, agents, or their immediate family members having a financial or other interest in the outcome of the Project; or that restrict open and free competition for unrestrained trade. Specifically, Project funds may not be used for services or goods going to, or coming from, a person or entity with a real or apparent Conflict of Interest, including, but not limited to, owner(s) and their immediate family members. An example of Conflict of Interest occurs when the Grantee's employees, board of directors, or the immediate family of either, have the appearance of a professional or personal financial interest in the Applicant receiving the benefits or services of the grant.

**DUNS.** A Data Universal Numbering System (DUNS) which is obtained from Dun and Bradstreet and is used when applying for Federal financial assistance.

**Generally Accepted Accounting Principles (GAAP).** A widely accepted set of rules, conventions, standards and procedures for reporting financial information, as established by the Financial Accounting Standards Board.

**Indian Tribe.** Any Indian Tribe, band, nation, or other organized group or community, including Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688) [43 U.S.C. 1601 *et seq.*], which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

**Jurisdiction.** A unit of government or other entity with similar powers. Examples include, but are not limited to: City, county, district, special purpose district, township, town, borough, village, and State.

**Letter of Conditions.** A legal document presented to the Applicant selected for funding that outlines all conditions that must be agreed to and accepted before final grant approval.

**Low income.** A median household income (MHI) that does not exceed the State Non-Metropolitan Median Household Income (SNMHI) or the Poverty Line, whichever is higher.

**Multi-jurisdictional.** Concerning two or more Jurisdictions.

**Professional services.** Services provided by a person or entity having specialized knowledge and skills to plan, design, prepare procurement, construction, or other technical support documents, administer construction contracts, and/or other related services for a Project.

**Project.** The Technical Assistance that an Applicant is currently planning as described in the Project description in the application, to be financed in whole or in part with Agency assistance.

**Secretary.** The Secretary of Agriculture.

**Technical Assistance.** A function such as supervision, oversight, training, or professional consultation related to an Essential Community Facility that is performed for the benefit of an Ultimate Recipient or proposed Ultimate Recipient, which is a problem solving activity, as determined by the Agency.

**Technical Assistance Provider.** Grantee who will provide technical assistance to Ultimate Recipients.

**Ultimate Recipient.** Entity receiving assistance from the Grantee. If a Nonprofit corporation is either applying for funding as an Ultimate Recipient or is benefitting from the TAT Grant as the Ultimate Recipient, it must demonstrate Community Ties to the Rural Area. These ties may be demonstrated by:

(1) Obtaining substantial public funding through taxes revenue bonds, or other local Government sources, and/or substantial voluntary community funding, or

(2) Having a broadly-based ownership and control by members of the community, or

(3) Demonstrating all of the following characteristics:

- (i) Members of the organization are primarily from the local rural community,
- (ii) Membership is open to all adults in the local rural community,
- (iii) Members of the organization have ultimate control of the proposed community facility; and

(iv) The organization receives the majority of its funding from its members or their volunteer efforts. Public bodies and Indian Tribes that are applying for funding as Ultimate Recipients or are the benefitting from TAT grant funds as the Ultimate Recipient are not required to further demonstrate Community ties to the local Rural Areas.

#### **§ 3570.253 Compliance with Federal and State requirements.**

(a) **Federal statutory requirements.** Applicants must comply with, all applicable Federal laws and Executive Order requirements including, but not limited to:

- (1) Section 504 of the Rehabilitation Act of 1973.
- (2) Civil Rights Act of 1964.
- (3) The American with Disabilities Act (ADA) of 1990.
- (4) Executive Order 12549 Debarment and Suspension and 2 CFR parts 180 and 417.

(5) Section 319 of Public Law 101–121 on Lobbying.

- (6) Age Discrimination Act of 1975.
- (7) Fair Housing Act of 1968.
- (8) Executive Order 11246 Equal Employment Opportunity.
- (9) Title IX of the Education Amendments of 1972.

(10) 2 CFR parts 200 and 400 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”.

(b) State laws, local laws, regulatory commission regulations. Applicants must comply with all applicable state and local laws and regulatory commission regulations. If there are conflicts between this subpart and State or local laws or regulations, the provisions of this subpart will control.

#### **§ 3570.254 Source of funds.**

The Agency will reserve 5 percent of any funds annually appropriated to carry out each of the Essential Community Facilities grant, loan and loan guarantee programs unless otherwise noted in the annual Notice published in the **Federal Register**. TAT reserved grant funds not obligated by July 31 of each fiscal year will be used

to fund Essential Community Facilities grant, loan, and/or loan guarantee programs.

#### § 3570.255 Matching funds.

Any matching funds must comply with the requirements outlined at 2 CFR 200.306.

#### § 3570.256 Allocation of funds.

The Agency will administer these grant funds and will award them on a competitive basis.

#### § 3570.257 Statute and regulation references.

All references to statutes and regulations are to include any and all successor statutes and regulations.

#### §§ 3570.258–3570.260 [Reserved]

#### § 3570.261 Environmental and intergovernmental review.

All grants awarded under this subpart are subject to the environmental requirements of 7 CFR part 1940, subpart G. Technical Assistance under this program is categorically excluded unless extraordinary circumstances exist.

#### § 3570.262 Applicant eligibility requirements.

There are two types of Applicants. The applicant must be either a Technical Assistance Provider or an Ultimate Recipient, and must meet eligibility requirements before being considered for Agency assistance.

(a) Applicants applying as Technical Assistance Providers must:

(1) Be a public body or a private nonprofit corporation, (such as States, counties, cities, townships, and incorporated towns and villages, boroughs, authorities, districts, and Indian tribes on Federal and State reservations);

(2) Be legally established and located within one of the following:

- (i) A State as defined § 3570.252; or
- (ii) The District of Columbia; and

(3) Have the proven ability, background, experience (as evidenced by the organization's satisfactory completion of Project(s) similar to those proposed), legal authority and actual capacity to provide Technical Assistance and/or training to Ultimate Recipients as provided in § 3570.252. To meet the requirement of actual capacity, an Applicant must either:

(i) Have the necessary resources to provide Technical Assistance and/or training to associations in Rural Areas through its staff,

(ii) Be assisted by an affiliate or member organization which has such background and experience and which

agrees, in writing, that it will provide the technical assistance, or

(iii) May contract with a nonaffiliated organization for not more than 49 percent of the awarded grant to provide the proposed technical assistance.

(4) Nonprofits applying as Technical Assistance Providers must be designated tax exempt by the Internal Revenue Service.

(b) Applicants applying as Ultimate Recipients must be:

- (1) A public body,
- (2) An Indian Tribe, or

(3) A Nonprofit corporation that demonstrates Community ties to the Rural Area by:

(i) Obtaining substantial public funding through taxes revenue bonds, or other local Government sources, and/or substantial voluntary community funding,

(ii) Having a broadly-based ownership and control by members of the community, or

(iii) Demonstrating all of the following characteristics:

(A) Members of the organization are primarily from the local rural community,

(B) Membership is open to all adults in the local rural community,

(C) Members of the organization have ultimate control of the proposed community facility; and

(D) The organization receives the majority of its funding from its members or their volunteer efforts.

#### § 3570.263 Eligible project purposes.

(a) Grant funds and any matching funds may be used by Technical Assistance Providers to:

(1) Assist communities in identifying and planning for community facility needs;

(2) Identify resources to finance community facility needs from public and private sources;

(3) Prepare reports and surveys necessary to request financial assistance to develop community facilities;

(4) Prepare applications for Agency financial assistance;

(5) Improve the management, including financial management, related to the operation of community facilities; or

(6) Assist with other areas of need identified by the Secretary.

(b) Grant Funds and any matching funds may be used by Ultimate Recipients only to prepare reports and surveys necessary to request financial assistance to develop community facilities. Applicants applying as Ultimate Recipients will be limited to this purpose.

#### § 3570.264 Ineligible project purposes.

Ineligible purposes for grant funds and any matching funds include, but are not limited to:

(a) Duplicate services, such as those previously performed by an association's consultant in developing a Project, including feasibility, design, Professional Services, and cost estimates prior to receiving the grant award.

(b) Purchase real estate or vehicles, improve or renovate office space, or repair and maintain privately owned property.

(c) Pay the costs for construction, improvement, rehabilitation, modification, or operation and maintenance of an Essential Community Facility.

(d) Procure applications for the Agency's community facilities or other loan or grant program. Grant funds cannot be used to generate new applications; however, as stated in § 3570.262(c)(4) funds can be used to assist with application preparation for Agency programs.

(e) Pay for other costs that are not allowed under 2 CFR part 200.

(f) Pay an outstanding judgment obtained by the U.S. in a Federal Court (other than in the United States Tax Court), which has been recorded. An Applicant will be ineligible to receive a grant until the judgment is paid in full or otherwise satisfied.

(g) Intervene in Federal or adjudicatory proceedings.

(h) Fund political or lobbying activities.

(i) Conduct an income survey associated with developing a complete application for a potential Applicant.

(j) Pay for indirect or administrative costs in excess of 10% of the amount of grant.

(k) Prepare environmental assessments.

(l) Provide assistance to an Ultimate Recipient, or a Project, that is not located in a Rural Area.

(m) Pay for expenses incurred more than three years after the date of the grant agreement.

(n) Provide assistance to a Project that primarily serves an area that is not considered Low Income.

(o) Fund a project where a Conflict of Interest exists.

#### §§ 3570.265–3570.266 [Reserved]

#### § 3570.267 Applications.

(a) *Filing period.* The Agency will publish an annual notice in the **Federal Register** stating the filing period, where to file, and all other applicable information necessary to submit a complete application.

(b) *Application requirements.* To file an application, an organization must provide their DUNS number. An organization may obtain a DUNS number from Dun and Bradstreet by calling (1-866-705-5711). To file a complete application the following information must be submitted:

- (1) "Application for Federal Assistance (For Non-Construction)
- (2) "Budget Information—Non-Construction Programs."
- (3) "Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transaction."
- (4) "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative 1—for Grantees Other Than Individuals."
- (5) "Certification Regarding Debarment."
- (6) Attachment regarding assistance provided to Agency Employees as required by RD Instruction 1900-D (1900.153(a)), as applicable.
- (7) "Equal Opportunity Agreement."
- (8) "Assurance Agreement."
- (9) Indirect Cost Rate Agreement (if applicable, Applicant must include approved cost agreement rate schedule).
- (10) Statement of Compliance with Title VI of the Civil Rights Act of 1964.
- (11) "Disclosure of Lobbying Activities" (include only if grant exceeds \$100,000).
- (c) *Supporting information.* All applications shall be accompanied by the following supporting information:
  - (1) For Nonprofit Corporations,
    - (i) Certified copies of current organizational documents including Certificate of Incorporation, bylaws, and Certificate of Good Standing.
    - (ii) Evidence of tax exempt status from the Internal Revenue Service if applying as a Technical Assistance Provider, and
    - (iii) Evidence of Community Ties to a Rural Area if a Nonprofit Corporation applying as an Ultimate Recipient.
  - (2) For applicants applying as a Technical Assistance Provider, a narrative of their experience in providing services similar to those proposed. The narrative will provide a brief description of successfully completed Projects including the need that was identified and objectives accomplished.
  - (3) Latest financial information to show the Applicant's financial capacity to carry out proposed work. A current Audit is preferred; however, Applicants may submit a balance sheet and an income Statement in lieu of an Audit report.
  - (4) Documentation of cash matching funds, if applicable.

(5) List of proposed services to be provided.

(6) For Applicants applying as Technical Assistance Providers who have not identified the Ultimate Recipients, a narrative explaining how they will select Ultimate Recipients to be assisted with grant funds.

(7) Estimated breakdown of costs (direct and indirect) including those to be funded by Grantee as well as matching funds and other sources. Sufficient detail will be provided to permit the Agency to determine if the costs are allowed, reasonable, and applicable.

(8) Evidence that a Financial Management System used to track Project costs is in place or proposed.

(9) Documentation relevant to scoring criteria including, but not limited to:

(i) List of Ultimate Recipients to be served and the county, State or States where assistance will be provided. Identify Ultimate Recipients by name, or other characteristics such as size, income, location, and provide MHI and population data.

(ii) Description of type of Technical Assistance and/or training to be provided and the tasks to be contracted.

(iii) Description of how the Project will be evaluated, clearly stated goals, and the method proposed to measure results.

(iv) Documentation of the need for the proposed service. Provide detailed explanation of how the proposed service differs from other similar services being provided in same area.

(v) Personnel on staff or to be contracted to provide services and their experience with similar Projects.

(vi) Statement indicating the number of months it will take to complete the Project or service, and

(vii) Documentation on cost effectiveness of Project. Provide the cost per Ultimate Recipient to be served or the proposed cost of personnel to provide assistance.

#### **§§ 3570.268—3570.271 [Reserved]**

#### **§ 3570.272 Grant processing.**

(a)-(c) [Reserved]

(d) Applications that are not selected for funding due to low rating will be notified by the Agency. Applications that cannot be funded in the fiscal year that the application was received will not be retained for consideration in the following fiscal year.

(e) Applicants selected for funding will need to accept the conditions set forth in the Letter of Conditions, meet all such conditions, and complete a grant agreement which outlines the terms and conditions of the grant award before grant funds will be disbursed.

#### **§ 3570.273 Scoring.**

The Agency will score each application using the following scoring factors unless otherwise provided in an annual Notice in the **Federal Register**:

(a) *Experience:* Applicant Experience at developing and implementing successful technical assistance and/or training programs:

- (1) More than 10 years—40 points.
- (2) More than 5 years to 10 years—25 points.

(3) 3 to 5 years—10 points.

(b) *No prior grants received:*

- (1) Applicant has never received a TAT Grant—5 points.

(2) [Reserved]

(c) *Population:* The average population of proposed area(s) to be served:

(1) 2,500 or less—15 points.

(2) 2,501 to 5,000—10 points.

(3) 5,001 to 10,000—5 points.

(d) *MHI:* The average median household income (MHI) of proposed area to be served is below the higher of the poverty line or:

(1) 60 percent of the State's MHI—15 points.

(2) 70 percent of the State MHI—10 points.

(3) 90 percent of the State's MHI—5 points.

(e) *Multi-jurisdictional:* The proposed technical assistance or training project a part of a Multi-jurisdictional project comprised of:

(1) More than 10 jurisdictions—15 points.

(2) More than 5 to 10 jurisdictions—10 points.

(3) 3 to 5 jurisdictions—5 points.

(f) *Soundness of approach:* Up to 10 points.

(1) *Needs assessment:* The problem/issue being addressed is clearly defined, supported by data, and addresses the needs;

(2) *Goals & objectives:* are clearly defined, tied to the need as defined in the work plan, and are measurable;

(3) *Work plan:* clearly articulates a well thought out approach to accomplishing objectives & clearly identifies who will be served by the project;

(4) The proposed activities are needed in order for a complete Community Facilities loan and/or grant application.

(g) *Matching funds:*

(1) There is evidence of the commitment of other cash funds of 20% of the total project costs 10 points.

(2) There is evidence of the commitment of other cash funds of 10% of the total project costs 5 points.

(h) *State Director discretionary points.* The State Director may award up to 10 discretionary points for the highest

priority project in each state, up to 7 points for the second highest priority project in each state and up to 5 points for the third highest priority project that address unforeseen exigencies or emergencies, such as the loss of a community facility due to an accident or natural disaster, or other areas of need in their particular state. The State Director will place written documentation in the project file each time the State Director assigns these points—Up to 10 points.

(i) *Administrator discretionary points.* The Administrator may award up to 20 discretionary points for projects to address geographic distribution of funds, emergency conditions caused by economic problems, natural disasters and other initiatives identified by the Secretary—Up to 20 points.

#### **§ 3570.274 Fund disbursement.**

The Agency will make payments under this agreement in accordance with 2 CFR 200.305. All requests for advances or reimbursements must be in compliance with 2 CFR 200.306 and include any required matching fund usage.

#### **§ 3570.275 Grant cancellation or major changes.**

Any change in the scope of the Project, budget adjustments of more than 10 percent of the total budget, and any other significant change in the Project must be in compliance with 2 CFR 200.308 and 200.339. The changes must be requested in writing and approved by the Agency in writing. Any change not approved may be cause for termination of the grant.

#### **§ 3570.276 Reporting.**

(a) The Grantee must provide periodic reports as required by the Agency. A financial status report, SF 425 “Federal Financial Report,”, and a project performance report will be required as provided in the grant agreement. The financial status report must show how grant funds and matching funds have been used to date. A final report may serve as the last report. Grantees shall constantly monitor performance to ensure that time schedules are being met and projected goals by time periods are being accomplished. The Project performance reports shall include, but are not limited to, the following:

(1) A description of the activities that the funds reflected in the financial status report were used for;

(2) A comparison of actual accomplishments to the objectives for that period;

(3) Reasons why established objectives were not met, if applicable;

(4) Problems, delays, or adverse conditions which will affect attainment of overall program objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular objectives during established time periods. This disclosure shall be accomplished by a Statement of the action taken or planned to resolve the situation;

(5) Objectives and timetables established for the next reporting period;

(6) A summary of the race, sex, and national origin of the Ultimate Recipients;

(7) The final report will also address the following:

(i) What have been the most challenging or unexpected aspects of this grant?

(ii) What advice would you give to other organizations planning a similar grant? What are the strengths and limitations of this grant? If you had the opportunity, what would you have done differently?

(iii) Are there any post-grant plans for this Project? If yes, how will they be financed?

(b) [Reserved]

#### **§ 3570.277 Audit or financial statement.**

The Grantee will provide an Audit report or financial Statement in accordance with 2 CFR 200.500–200.517 and as follows:

(a) Grantees expending \$750,000 or more Federal funds per fiscal year will submit an Audit conducted in accordance with 2 CFR parts 200, 215, 220, 225, 230 and 400, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.”

(b) Grantees expending less than \$750,000 will provide annual financial Statements covering the grant period, consisting of the organization’s statement of income and expense and balance sheet signed by an appropriate Official of the organization. Financial statements will be submitted within 90 days after the Grantee’s fiscal year.

#### **§ 3570.278—3570.280 [Reserved]**

#### **§ 3570.281 Grant servicing.**

Grants will be serviced in accordance with 7 CFR part 1951, subpart E.

#### **§ 3570.282 [Reserved]**

#### **§ 3570.283 Exception authority.**

The Administrator may make an exception to any requirement or provision of this subpart, if such an exception is necessary to implement the intent of the authorizing statutes in a time of national emergency or in

accordance with a Presidentially-declared disaster, or on a case-by-case basis, when such an exception is in the best financial interest of the Federal Government and is otherwise not in conflict with applicable laws. No exceptions, however, will be granted for Applicant, Ultimate Recipient, or Project eligibility.

#### **§ 3570.284 Review or appeal rights.**

A person may seek a review of an Agency decision under this subpart from the appropriate Agency official that oversees the program in question or appeal to the USDA National Appeals Division in accordance with 7 CFR part 11.

#### **§§ 3570.285–3570.299 [Reserved]**

#### **§ 3570.300 OMB control number.**

The reporting and recordkeeping requirements contained in this regulation have been submitted to the Office of Management and Budget (OMB) for approval.

Dated: December 11, 2015.

**Tony Hernandez,**

*Administrator, Rural Housing Service.*

[FR Doc. 2016-00479 Filed 1-13-16; 8:45 am]

**BILLING CODE 3410-XV-P**

## **DEPARTMENT OF TRANSPORTATION**

### **Federal Aviation Administration**

#### **14 CFR Part 39**

**[Docket No. FAA-2015-1275; Directorate Identifier 2014-NM-070-AD; Amendment 39-18354; AD 2015-26-06]**

**RIN 2120-AA64**

#### **Airworthiness Directives; Airbus Airplanes**

**AGENCY:** Federal Aviation Administration (FAA), Department of Transportation (DOT).

**ACTION:** Final rule.

**SUMMARY:** We are superseding Airworthiness Directive (AD) 2004-14-09 for certain Airbus Model A320-211, -212, and -231 airplanes. AD 2004-14-09 required repetitive inspections for fatigue cracking of the lower surface panel on the wing center box, and repair if necessary; and modification of the lower surface panel on the wing center box, which constitutes terminating action for the repetitive inspections. This new AD retains the requirements of AD 2004-14-09, reduces the compliance times for the repetitive inspections, and requires an additional repair for certain airplanes. This AD was