

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2480 Session of 2022

INTRODUCED BY GROVE, JAMES, ROTHMAN, COOK, KEEFER, RYAN,  
MILLARD, SAYLOR, ROWE, BERNSTINE AND MOUL, APRIL 4, 2022

REFERRED TO COMMITTEE ON STATE GOVERNMENT, APRIL 4, 2022

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled  
2 "An act relating to the finances of the State government;  
3 providing for cancer control, prevention and research, for  
4 ambulatory surgical center data collection, for the Joint  
5 Underwriting Association, for entertainment business  
6 financial management firms, for private dam financial  
7 assurance and for reinstatement of item vetoes; providing for  
8 the settlement, assessment, collection, and lien of taxes,  
9 bonus, and all other accounts due the Commonwealth, the  
10 collection and recovery of fees and other money or property  
11 due or belonging to the Commonwealth, or any agency thereof,  
12 including escheated property and the proceeds of its sale,  
13 the custody and disbursement or other disposition of funds  
14 and securities belonging to or in the possession of the  
15 Commonwealth, and the settlement of claims against the  
16 Commonwealth, the resettlement of accounts and appeals to the  
17 courts, refunds of moneys erroneously paid to the  
18 Commonwealth, auditing the accounts of the Commonwealth and  
19 all agencies thereof, of all public officers collecting  
20 moneys payable to the Commonwealth, or any agency thereof,  
21 and all receipts of appropriations from the Commonwealth,  
22 authorizing the Commonwealth to issue tax anticipation notes  
23 to defray current expenses, implementing the provisions of  
24 section 7(a) of Article VIII of the Constitution of  
25 Pennsylvania authorizing and restricting the incurring of  
26 certain debt and imposing penalties; affecting every  
27 department, board, commission, and officer of the State  
28 government, every political subdivision of the State, and  
29 certain officers of such subdivisions, every person,  
30 association, and corporation required to pay, assess, or  
31 collect taxes, or to make returns or reports under the laws  
32 imposing taxes for State purposes, or to pay license fees or  
33 other moneys to the Commonwealth, or any agency thereof,  
34 every State depository and every debtor or creditor of the

Commonwealth," providing for Commonwealth grant  
accountability and transparency.

The General Assembly of the Commonwealth of Pennsylvania  
hereby enacts as follows:

Section 1. The act of April 9, 1929 (P.L.343, No.176), known  
as The Fiscal Code, is amended by adding an article to read:

ARTICLE I-K

COMMONWEALTH GRANT ACCOUNTABILITY AND TRANSPARENCY

Section 101-K. Scope and purpose.

(a) Purpose.--The purpose of this article is to establish  
uniform administrative requirements, cost principles and audit  
requirements for Federal awards and Commonwealth awards to non-  
Federal entities. Commonwealth awarding agencies may not impose  
additional or inconsistent requirements, except as provided in 2  
CFR 200.102 (relating to exceptions), unless specifically  
required by Federal or Commonwealth statute. This article and  
the rules adopted under this article shall not apply to private  
awards.

(b) Scope.--This article and the rules adopted under this  
article provide the basis for a systematic and periodic  
collection and uniform submission to the Office of the Budget of  
information of all Federal and Commonwealth financial assistance  
programs by Commonwealth grant-making agencies. This article  
establishes policies related to the delivery of information to  
the public, including through the use of electronic media.

Section 102-K. Definitions.

The following words and phrases when used in this article  
shall have the meanings given to them in this section unless the  
context clearly indicates otherwise:

"Allowable cost." A cost allowable to a project if the  
following apply:

1       (1) The costs are reasonable and necessary for the  
2       performance of the award.

3       (2) The costs are allocatable to the specific project.

4       (3) The costs are treated consistently in like  
5       circumstances to both federally financed activities and other  
6       activities of the non-Federal entity.

7       (4) The costs conform to any limitations of the cost  
8       principles or the sponsored agreement.

9       (5) The costs are accorded consistent treatment. A cost  
10       may not be assigned to a Federal award or Commonwealth award  
11       as a direct cost if any other cost incurred for the same  
12       purpose in similar circumstances has been allocated to the  
13       award as an indirect cost.

14       (6) The costs are determined to be in accordance with  
15       generally accepted accounting principles.

16       (7) The costs are not included as a cost or used to meet  
17       Federal cost-sharing or matching requirements of any other  
18       program in either the current or prior period.

19       (8) The costs of one Federal or Commonwealth grant are  
20       not used to meet the match requirements of another Federal or  
21       Commonwealth grant.

22       (9) The costs are adequately documented.

23       "Auditee." A non-Federal entity that expends Federal awards  
24       or Commonwealth awards that must be audited under this article.

25       "Auditor." An auditor who is a public accountant or a  
26       Federal, Commonwealth or local government audit organization  
27       that meets the general standards specified in generally accepted  
28       government auditing standards. The term does not include  
29       internal auditors of nonprofit organizations.

30       "Auditor General." The Auditor General of the Commonwealth.

1 "Award." Financial assistance that provides support or  
2 stimulation to accomplish a public purpose. The term includes  
3 grants and other agreements in the form of money, or property in  
4 lieu of money, by the Federal or Commonwealth government to an  
5 eligible recipient. The term does not include:

6 (1) technical assistance that provides services instead  
7 of money;

8 (2) other assistance in the form of loans, loan  
9 guarantees, interest subsidies or insurance;

10 (3) direct payments of any kind to individuals; or

11 (4) contracts that must be entered into and administered  
12 under Federal or Commonwealth procurement laws and  
13 regulations.

14 "Budget." The financial plan for the project or program that  
15 the awarding agency or pass-through entity approves during the  
16 award process or in subsequent amendments to the award. It may  
17 include the Federal share or Commonwealth share and non-Federal  
18 share or only the Federal share or Commonwealth share, as  
19 determined by the awarding agency or pass-through entity.

20 "Catalog of Commonwealth Financial Assistance." The  
21 comprehensive source document of Commonwealth financial  
22 assistance program information maintained by the Office of the  
23 Budget.

24 "Catalog of Commonwealth Financial Assistance Number." The  
25 number assigned to a Commonwealth program in the Catalog of  
26 Commonwealth Financial Assistance. The first three digits  
27 represent the Commonwealth agency number and the last four  
28 digits represent the program.

29 "Catalog of Federal Domestic Assistance" or "CFDA." A  
30 database that helps the Federal Government track all programs it

1 has domestically funded.

2 "Catalog of Federal Domestic Assistance number" or "CFDA  
3 number." The number assigned to a Federal program in the CFDA.

4 "Cluster of programs." A grouping of closely related  
5 programs that share common compliance requirements. The types of  
6 clusters of programs include research and development, student  
7 financial aid, and other clusters. A cluster of programs shall  
8 be considered as one program for determining major programs and,  
9 with the exception of research and development, whether a  
10 program-specific audit may be elected.

11 "Cognizant agency for audit." The Federal agency designated  
12 to carry out the responsibilities described in 2 CFR 200.513(a)  
13 (relating to responsibilities).

14 "Commonwealth agency." An agency of the Commonwealth. The  
15 term does not include public institutions of higher education.

16 "Commonwealth award." The financial assistance that a non-  
17 Federal entity receives from the Commonwealth and that is funded  
18 with either Federal funds or Commonwealth funds.

19 "Commonwealth awarding agency." A Commonwealth agency that  
20 provides an award to a non-Federal entity.

21 "Commonwealth grant-making agency." The term shall have the  
22 same meaning as Commonwealth awarding agency.

23 "Commonwealth interest." The acquisition or improvement of  
24 real property, equipment or supplies under a Commonwealth award,  
25 the dollar amount that is the product of the Commonwealth share  
26 of the total project costs and current fair market value of the  
27 property or improvements, or both, to the extent that the costs  
28 of acquiring or improving the property were included as project  
29 costs.

30 "Commonwealth program." Any of the following:

1       (1) All Commonwealth awards which are assigned a single  
2       number in the Catalog of Commonwealth Financial Assistance.

3       (2) When no Catalog of Commonwealth Financial Assistance  
4       number is assigned, all Commonwealth awards to non-Federal  
5       entities from the same agency made for the same purpose are  
6       considered one program.

7       (3) A cluster of programs.

8       "Commonwealth share." The portion of the total project costs  
9       that are paid by the Commonwealth.

10      "Contract." A legal instrument by which a non-Federal entity  
11      purchases property or services needed to carry out the project  
12      or program under an award. The term does not include a legal  
13      instrument, even if the non-Federal entity considers it a  
14      contract, when the substance of the transaction meets the  
15      definition of an award or subaward.

16      "Contractor." An entity that receives a contract.

17      "Cooperative agreement."

18      (1) A legal instrument of financial assistance between  
19      an awarding agency or pass-through entity and a non-Federal  
20      entity that:

21              (i) is used to enter into a relationship with the  
22              principal purpose of transferring anything of value from  
23              the awarding agency or pass-through entity to the non-  
24              Federal entity to carry out a public purpose authorized  
25              by law, but is not used to acquire property or services  
26              for the awarding agency's or pass-through entity's direct  
27              benefit or use; and

28              (ii) is distinguished from a grant in that it  
29              provides for substantial involvement between the awarding  
30              agency or pass-through entity and the non-Federal entity

1 in carrying out the activity contemplated by the award.

2 (2) The term does not include a cooperative research and  
3 development agreement, nor an agreement that provides only  
4 direct cash assistance to an individual, a subsidy, a loan, a  
5 loan guarantee or insurance.

6 "Corrective action." Action taken by an auditee that:

7 (1) corrects identified deficiencies;  
8 (2) produces recommended improvements; or  
9 (3) demonstrates that audit findings are either invalid  
10 or do not warrant auditee action.

11 "Cost objective." A program, function, activity, award,  
12 organizational subdivision, contract or work unit for which cost  
13 data is desired and for which provision is made to accumulate  
14 and measure the cost of processes, products, jobs and capital  
15 projects. The term may include a major function of a non-Federal  
16 entity, a particular service or project, an award or an indirect  
17 cost activity.

18 "Cost sharing." The portion of project costs not paid by  
19 Federal or Commonwealth funds, unless otherwise authorized by  
20 statute.

21 "Data Universal Numbering System number." The nine-digit  
22 number established and assigned by Dun and Bradstreet, Inc., to  
23 uniquely identify entities and, under Federal law, is required  
24 for non-Federal entities to apply for, receive and report on a  
25 Federal award.

26 "Debarment and Suspension List." The list maintained by the  
27 Office of the Budget that contains the names of those  
28 individuals and entities that are ineligible, either temporarily  
29 or permanently, from receiving an award of grant funds from the  
30 Commonwealth.

1 "Development." The systematic use of knowledge and  
2 understanding gained from research directed toward the  
3 production of useful materials, devices, systems or methods,  
4 including design and development of prototypes and processes.

5 "Direct costs." Costs that can be identified specifically  
6 with a particular final cost objective, such as a Federal award  
7 or Commonwealth award or a particular sponsored project, an  
8 instructional activity or any other institutional activity, or  
9 that can be directly assigned to such activities relatively  
10 easily with a high degree of accuracy.

11 "Equipment." Tangible personal property, including  
12 information technology systems, having a useful life of more  
13 than one year and a per-unit acquisition cost that equals or  
14 exceeds the lesser of the capitalization level established by  
15 the non-Federal entity for financial statement purposes or  
16 \$5,000.

17 "Executive branch." The branch of State government that is  
18 under the jurisdiction of the Governor.

19 "Federal Acquisition Regulation." The regulation for use by  
20 all executive agencies for the acquisition of supplies and  
21 services with appropriated funds under 48 CFR Ch.1 (relating to  
22 Federal Acquisition Regulation).

23 "Federal agency." The term has the meaning provided to  
24 "agency" under 5 U.S.C. § 552(f) (relating to public  
25 information; agency rules, opinions, orders, records, and  
26 proceedings).

27 "Federal award." As follows:

28 (1) (i) the Federal financial assistance that a non-  
29 Federal entity receives directly from a Federal awarding  
30 agency or indirectly from a pass-through entity;



1           (ii) the cost-reimbursement contract under the  
2           Federal Acquisition Regulations that a non-Federal entity  
3           receives directly from a Federal awarding agency or  
4           indirectly from a pass-through entity; or

5           (iii) the instrument setting forth the terms and  
6           conditions when the instrument is the grant agreement,  
7           cooperative agreement, other agreement for assistance  
8           covered in 2 CFR 200.40(b) (relating to Federal financial  
9           assistance), or the cost-reimbursement contract awarded  
10          under the Federal Acquisition Regulations.

11          (2) The term does not include other contracts that a  
12          Federal agency uses to buy goods or services from a  
13          contractor or a contract to operate Federal Government-owned,  
14          contractor-operated facilities.

15          "Federal awarding agency." The Federal agency that provides  
16          a Federal award directly to a non-Federal entity.

17          "Federal interest." For purposes of 2 CFR 200.329 (relating  
18          to monitoring and reporting program performance) or when used in  
19          connection with the acquisition or improvement of real property,  
20          equipment or supplies under a Federal award, the dollar amount  
21          that is the product of the Federal share of total project costs  
22          and current fair market value of the property or improvements,  
23          or both, to the extent the costs of acquiring or improving the  
24          property were included as project costs.

25          "Federal program." Any of the following:

26               (1) All Federal awards which are assigned a single  
27               number in the CFDA.

28               (2) When no CFDA number is assigned, all Federal awards  
29               to non-Federal entities from the same agency made for the  
30               same purpose should be combined and considered one program.

1       (3) Notwithstanding paragraphs (1) and (2), a cluster of  
2       programs.

3       "Federal share." The portion of the total project costs that  
4       are paid by Federal funds.

5       "Final cost objective." A cost objective to which both  
6       direct and indirect costs have been allocated and, in the non-  
7       Federal entity's accumulation system, is one of the final  
8       accumulation points, such as a particular award, internal  
9       project, or other direct activity of a non-Federal entity.

10       "Financial assistance." As follows:

11       (1) For grants and cooperative agreements, assistance  
12       that non-Federal entities receive or administer in the form  
13       of:

14               (i) grants;

15               (ii) cooperative agreements;

16               (iii) noncash contributions or donations of  
17       property, including donated surplus property;

18               (iv) direct appropriations;

19               (v) food commodities; and

20               (vi) other financial assistance, except assistance  
21       listed in paragraph (2).

22       (2) The term includes assistance that non-Federal  
23       entities receive or administer in the form of loans, loan  
24       guarantees, interest subsidies and insurance.

25       (3) The term does not include amounts received as  
26       reimbursement for services rendered to individuals.

27       "Fixed amount awards." A type of grant agreement under which  
28       the awarding agency or pass-through entity provides a specific  
29       level of support without regard to actual costs incurred under  
30       the award.

1 "Foreign organization." An entity that is:

2 (1) a public or private organization located in a  
3 country other than the United States and its territories that  
4 is subject to the laws of the country in which it is located,  
5 irrespective of the citizenship of project staff or place of  
6 performance;

7 (2) a private nongovernmental organization located in a  
8 country other than the United States that solicits and  
9 receives cash contributions from the general public;

10 (3) a charitable organization located in a country other  
11 than the United States that is nonprofit and tax exempt under  
12 the laws of its country of domicile and operation, but is not  
13 a university, college, accredited degree-granting institution  
14 of education, private foundation, hospital, organization  
15 engaged exclusively in research or scientific activities,  
16 church, synagogue, mosque, or other similar entity organized  
17 primarily for religious purposes; or

18 (4) an organization located in a country other than the  
19 United States not recognized as a foreign public entity.

20 "Foreign public entity." As follows:

21 (1) a foreign government or foreign governmental entity;

22 (2) a public international organization that is entitled  
23 to enjoy privileges, exemptions and immunities as an  
24 international organization under the International  
25 Organizations Immunities Act (22 U.S.C. 288-288f);

26 (3) an entity owned, in whole or in part, or controlled  
27 by a foreign government; or

28 (4) any other entity consisting wholly or partially of  
29 one or more foreign governments or foreign governmental  
30 entities.

1 "Generally accepted accounting principles." The term has the  
2 meaning provided in accounting standards issued by the  
3 Government Accounting Standards Board and the Financial  
4 Accounting Standards Board, as those standards exist on the  
5 effective date of this section.

6 "Generally accepted government auditing standards."  
7 Generally accepted government auditing standards issued by the  
8 Comptroller General of the United States that are applicable to  
9 financial audits, as those standards exist on the effective date  
10 of this section.

11 "Grant agreement." The following:

12 (1) A legal instrument of financial assistance between  
13 an awarding agency or pass-through entity and a non-Federal  
14 entity that:

15 (i) is used to enter into a relationship, the  
16 principal purpose of which is to transfer anything of  
17 value from the awarding agency or pass-through entity to  
18 the non-Federal entity to carry out a public purpose  
19 authorized by law and not to acquire property or services  
20 for the awarding agency or pass-through entity's direct  
21 benefit or use; and

22 (ii) is distinguished from a cooperative agreement  
23 in that it does not provide for substantial involvement  
24 between the awarding agency or pass-through entity and  
25 the non-Federal entity in carrying out the activity  
26 contemplated by the award.

27 (2) The term does not include an agreement that provides  
28 only direct cash assistance to an individual, a subsidy, a  
29 loan, a loan guarantee or insurance.

30 "Grant application." A specified form that is completed by a

non-Federal entity in connection with a request for a specific funding opportunity or a request for financial support of a project or activity.

"Hospital." A facility licensed as a hospital under the law of any state or a facility operated as a hospital by the United States, a state, or a subdivision of a state.

"Indirect cost." Costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved.

"Inspector General." The Office of Inspector General of the Commonwealth.

"Loan." A Federal or Commonwealth loan or loan guarantee received or administered by a non-Federal entity. The term does not include a "program income" as defined in 2 CFR 200.80 (relating to program income).

"Loan guarantee." A Federal or Commonwealth government guarantee, insurance or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender. The term does not include the insurance of deposits, shares or other withdrawable accounts in financial institutions.

"Local government." The term shall include:

(1) Municipalities.

(2) Municipal authorities.

(3) Local authorities.

(4) School districts.

"Major program." A Federal program determined by an auditor to be a major program in accordance with 2 CFR 200.518 (relating to major program determination) or a program identified as a

major program by a Federal awarding agency or pass-through entity in accordance with 2 CFR 200.503(e) (relating to relation to other audit requirements).

"Non-Federal entity." A State, local government, Indian tribe, institution of higher education or organization, whether nonprofit or for-profit, that carries out a Federal award or Commonwealth award as a recipient or subrecipient.

"Nonprofit organization." A corporation, trust, association, cooperative or other organization, not including institutions of higher education, that:

(1) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;

(2) is not organized primarily for profit; and

(3) uses net proceeds to maintain, improve, or expand the operations of the organization.

"Obligations." When used in connection with a non-Federal entity's utilization of funds under an award, orders placed for property and services, contracts and subawards made and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.

"Office of Management and Budget." The Office of Management and Budget of the Executive Office of the President.

"Other clusters." The term has the meaning provided by the Office of Management and Budget in the Compliance Supplement of 2021. When designating an other cluster, the Secretary of the Commonwealth must identify the Federal awards included in the cluster and advise the subrecipients of compliance requirements applicable to the cluster.

"Oversight agency for audit." The Federal awarding agency

1 that provides the predominant amount of funding directly to a  
2 non-Federal entity not assigned a cognizant agency for audit.  
3 When there is no direct funding, the awarding agency that is the  
4 predominant source of pass-through funding must assume the  
5 oversight responsibilities.

6 "Pass-through entity." A non-Federal entity that provides a  
7 subaward to a subrecipient to carry out part of a program.

8 "Private award." An award from a person or entity other than  
9 a Federal or Commonwealth entity.

10 "Project cost." Total allowable costs incurred under an  
11 award and all required cost sharing and voluntary committed cost  
12 sharing, including third-party contributions.

13 "Property." Real or personal property.

14 "Public institution of higher education." As defined under  
15 section 2001-C of the act of March 10, 1949 (P.L.30, No.14),  
16 known as the Public School Code of 1949.

17 "Recipient." A non-Federal entity that receives an award  
18 directly from an awarding agency to carry out an activity under  
19 a program. The term does not include subrecipients.

20 "Research and development." All research activities, both  
21 basic and applied, and all development activities that are  
22 performed by a non-Federal entity.

23 "Single Audit Act." The Federal Single Audit Act Amendments  
24 of 1996 (Public Law 104-156, 100 Stat. 1396).

25 "Stop-payment order." A communication from a Commonwealth  
26 grant-making agency to the Office of Comptroller Operations,  
27 following procedures as determined by the Office of Comptroller  
28 Operations, causing the cessation of payments to a recipient or  
29 subrecipient as a result of the recipient's or subrecipient's  
30 failure to comply with one or more terms of the grant or

1 subaward.

2 "Stop-payment procedure." The procedure created by the  
3 Office of the Comptroller which effects a stop-payment order and  
4 the lifting of a stop-payment order upon the request of the  
5 Commonwealth grant-making agency.

6 "Student financial aid." Federal awards under those programs  
7 of general student assistance, such as those authorized by Title  
8 IV of the Higher Education Act of 1965, as amended (20 U.S.C.  
9 1070-1099d), that are administered by the United States  
10 Department of Education and similar programs provided by other  
11 Federal agencies. The term does not include Federal awards under  
12 programs that provide fellowships or similar Federal awards to  
13 students on a competitive basis or for specified studies or  
14 research.

15 "Subaward." A Federal award or Commonwealth award provided  
16 by a pass-through entity to a subrecipient for the subrecipient  
17 to carry out part of a Federal award received by the pass-  
18 through entity. The term does not include payments to a  
19 contractor or payments to an individual that is a beneficiary of  
20 a Federal program. A subaward may be provided through any form  
21 of legal agreement, including an agreement that the pass-through  
22 entity considers a contract.

23 "Subrecipient." A non-Federal entity that receives a Federal  
24 subaward or Commonwealth subaward from a pass-through entity to  
25 carry out part of a Federal program. The term does not include  
26 an individual that is a beneficiary of the program. A  
27 subrecipient may also be a recipient of other Federal awards or  
28 Commonwealth awards directly from a Federal awarding agency or  
29 Commonwealth awarding agency.

30 "Suspension." A post-award action by a Federal agency or



Commonwealth agency or pass-through entity that temporarily withdraws the Federal agency or Commonwealth agency's or pass-through entity's financial assistance sponsorship under an award, pending corrective action by the recipient or subrecipient or pending a decision to terminate the award.

"Uniform administrative requirements, cost principles, and audit requirements for Federal awards." The rules applicable to grants contained in 2 CFR Pt. 200 (relating to uniform administrative requirements, cost principles, and audit requirements for Federal awards).

"Voluntary committed cost sharing." Cost sharing that is specifically pledged on a voluntary basis in the proposal's budget or the award on the part of the non-Federal entity and that becomes a binding requirement of the award.

Section 103-K. Adoption of Federal rules applicable to grants.

(a) Rules.--On or before July 1, 2022, the Office of the Budget shall adopt rules that adopt the Uniform Guidance at 2 CFR Pt. 200 (relating to uniform administrative requirements, cost principles, and audit requirements for Federal awards). The rules, which shall apply to all Federal awards and Commonwealth awards effective on or after July 1, 2022, shall include the following:

(1) Administrative requirements. In accordance with 2 CFR Pt. 200 Subpts. B (relating to general provisions), C (relating to pre-Federal award requirements and contents of Federal awards) and D (relating to post Federal award requirements), the rules shall set forth the uniform administrative requirements for grant and cooperative agreements, including the requirements for the management by Commonwealth awarding agencies of Federal grant programs

1 before Federal awards and Commonwealth awards have been made  
2 and requirements that Commonwealth awarding agencies may  
3 impose on non-Federal entities in Federal awards and  
4 Commonwealth awards.

5 (2) In accordance with 2 CFR Pt. 200 Subpt. E (relating  
6 to cost principles), the rules shall establish principles for  
7 determining the allowable costs incurred by non-Federal  
8 entities under Federal awards and Commonwealth awards. The  
9 principles are intended for cost determination, but are not  
10 intended to identify the circumstances or dictate the extent  
11 of Federal or Commonwealth pass-through participation in  
12 financing a particular program or project. The principles  
13 shall provide that Federal awards and Commonwealth awards  
14 bear their fair share of cost recognized under these  
15 principles, except where restricted or prohibited by Federal  
16 or Commonwealth law.

17 (3) Audit and single audit requirements and audit  
18 follow-up. In accordance with 2 CFR Pt. 200 Subpt. F  
19 (relating to audit requirements) and the Federal Single Audit  
20 Act Amendments of 1996, the rules shall set forth standards  
21 to obtain consistency and uniformity among Federal awarding  
22 agencies and Commonwealth awarding agencies for the audit of  
23 non-Federal entities expending Federal awards and  
24 Commonwealth awards. These provisions shall also set forth  
25 the policies and procedures for Federal and Commonwealth  
26 pass-through entities when using the results of these audits.  
27 This paragraph shall not apply to for-profit subrecipients.  
28 Audits of for-profit subrecipients must be conducted pursuant  
29 to a Program Audit Guide issued by the Federal awarding  
30 agency. If a Program Audit Guide is not available, the

1 Commonwealth awarding agency must prepare a Program Audit  
2 Guide in accordance with the 2 CFR Pt. 200 Subpt. F. For-  
3 profit entities are subject to all other general  
4 administrative requirements and cost principles applicable to  
5 grants.

6 (b) Public institutions of higher education.--For public  
7 institutions of higher education, this section shall apply only  
8 to awards funded by Federal awards from a Commonwealth agency to  
9 a public institution of higher education. Federal pass-through  
10 awards from a Commonwealth agency to public institutions of  
11 higher education are governed by and must comply with Federal  
12 guidelines under 2 CFR Pt. 200.

13 (c) For-profit subrecipients.--The Commonwealth grant-making  
14 agency is responsible for establishing requirements, as  
15 necessary, to ensure compliance by a for-profit subrecipient.  
16 The agreement with the for-profit subrecipient shall describe  
17 the applicable compliance requirements and the for-profit  
18 subrecipient's compliance responsibility. Methods to ensure  
19 compliance for Federal awards and Commonwealth awards made to  
20 for-profit subrecipients shall include pre-award audits,  
21 monitoring during the agreement and post-award audits. The  
22 Office of the Budget shall provide advice and technical  
23 assistance to the Commonwealth grant-making agency as is  
24 necessary or indicated.

25 Section 104-K. Supplemental rules.

26 (a) Adoption of rules.--On or before July 1, 2022, the  
27 Office of the Budget shall adopt supplemental rules pertaining  
28 to the following:

29 (1) Criteria to define mandatory formula-based grants  
30 and discretionary grants.

1       (2) The award of one-year grants for new applicants.

2       (3) The award of competitive grants in three-year terms  
3 with one-year initial terms with the option to renew for up  
4 to two additional years to coincide with the Federal award.

5       (4) The issuance of grants, including:

6           (i) public notice of announcements of funding  
7 opportunities;

8           (ii) the development of uniform grant applications;

9           (iii) Commonwealth agency review of merit of  
10 proposals and risk posed by applicants;

11           (iv) specific conditions for individual recipients,  
12 including the use of a fiscal agent and additional  
13 corrective conditions;

14           (v) certifications and representations;

15           (vi) pre-award costs;

16           (vii) performance measures and Statewide prioritized  
17 goals; and

18           (viii) for mandatory formula grants, the merit of  
19 the proposal and the risk posed should result in  
20 additional reporting, monitoring or measures, such as  
21 reimbursement-basis only.

22       (5) The development of uniform budget requirements,  
23 which shall include:

24           (i) mandatory submission of budgets as part of the  
25 grant application process;

26           (ii) mandatory requirements regarding contents of  
27 the budget, including, at a minimum, common detail line  
28 items specified under guidelines issued by the Office of  
29 the Budget;

30           (iii) a requirement that the budget allow

flexibility to add lines describing costs that are common for the services provided as outlined in the grant application;

(iv) a requirement that the budget include information necessary for analyzing cost and performance for use in budgeting for results; and

(v) caps on the amount of salaries that may be charged to grants based on the limitations imposed by Federal agencies.

(6) The development of prequalification requirements for applicants, including the fiscal condition of the organization and the provision of the following information:

(i) organization name;

(ii) Federal Employee Identification Number;

(iii) Data Universal Numbering System number;

(iv) fiscal condition;

(v) whether the applicant is in good standing with the Secretary of the Commonwealth;

(vi) past performance in administering grants;

(vii) whether the applicant is on the Debarment and Suspension List maintained by the Office of the Budget;

(viii) whether the applicant is on the Federal Excluded Parties List; and

(ix) whether the applicant is on the Sanctioned Party List maintained by the Pennsylvania Department of Healthcare.

(b) Public institutions of higher education.--For public institutions of higher education, this section shall apply only to awards funded by Federal awards from a Commonwealth agency to a public institution of higher education.

1 Section 105-K. Catalog of Commonwealth Financial Assistance.

2 The Catalog of Commonwealth Financial Assistance shall be a  
3 single, authoritative, Commonwealth-wide and comprehensive  
4 source document of Commonwealth financial assistance program  
5 information developed and administered by the Secretary of the  
6 Budget. The catalog shall contain, at a minimum, the following  
7 information:

8 (1) An introductory section that contains catalog  
9 highlights, an explanation of how to use the catalog, an  
10 explanation of the catalog and its contents and suggested  
11 grant proposal writing methods and grant application  
12 procedures.

13 (2) A comprehensive indexing system that categorizes  
14 programs by issuing agency, eligible applicant, application  
15 deadlines, function, popular name and subject area.

16 (3) Comprehensive appendices showing Commonwealth  
17 assistance programs that require coordination through this  
18 article and regulatory, legislative and executive order  
19 authority for each program, commonly used abbreviations and  
20 acronyms, agency regional and local office addresses, and  
21 sources of additional information.

22 (4) A list of programs that have been added to or  
23 deleted from the catalog and the various program numbers and  
24 title changes.

25 (5) Program number, title and popular name, if  
26 applicable.

27 (6) The name of the department or agency or independent  
28 agency and primary organization subunit administering the  
29 program.

30 (7) The enabling legislation.

1       (8) The type or types of financial and nonfinancial  
2 assistance offered by the program.

3       (9) Uses and restrictions placed upon the program.

4       (10) Eligibility requirements, including applicant  
5 eligibility criteria, beneficiary eligibility criteria and  
6 required credentials and documentation.

7       (11) Objectives and goals of the program.

8       (12) Information regarding application and award  
9 processing, application deadlines, range of approval or  
10 disapproval time, appeal procedure and availability of a  
11 renewal or extension of assistance.

12       (13) Assistance considerations, including an explanation  
13 of the award formula, matching requirements, and the length  
14 and time-phasing of the assistance.

15       (14) Post-assistance requirements, including any  
16 reports, audits and records that may be required.

17       (15) Program accomplishments describing quantitative  
18 measures of program performance.

19       (16) Regulations, guidelines and literature containing  
20 citations to the laws of this Commonwealth and the Code of  
21 Federal Regulations and other pertinent informational  
22 materials.

23       (17) The names, telephone numbers and e-mail addresses  
24 of persons to be contacted for detailed program information  
25 at the headquarters and regional and local levels.

26 Section 106-K. Conflicts of interest.

27       The Office of the Budget shall adopt rules regarding conflict  
28 of interest policies for awards. A non-Federal entity must  
29 disclose in writing any potential conflict of interest to the  
30 pass-through entity in accordance with applicable awarding

1 agency policy.

2 Section 107-K. Mandatory disclosures.

3 The Office of the Budget shall adopt rules requiring that the  
4 applicant for an award disclose, in a timely manner and in  
5 writing to the pass-through entity, all violations of Federal or  
6 Commonwealth criminal law involving fraud, bribery or gratuity  
7 violations potentially affecting the award. Failure to make the  
8 required disclosures may result in any of the following remedial  
9 actions:

10 (1) The temporary withholding of cash payments pending  
11 correction of the deficiency by the awarding agency or non-  
12 Federal entity or more severe enforcement action by the pass-  
13 through entity.

14 (2) Disallowance of all or part of the cost of the  
15 activity or action not in compliance.

16 (3) Whole or partial suspension or termination of the  
17 award.

18 (4) Initiation of suspension or debarment proceedings as  
19 authorized under rules adopted under section 103-K(a) and  
20 awarding agency regulations or, in the case of a pass-through  
21 entity, recommendation that the proceeding be initiated by  
22 the awarding agency.

23 (5) Withholding further awards for the project or  
24 program.

25 (6) Taking any other remedial action that may be legally  
26 available.

27 Section 108-K. Applicability.

28 (a) General rule.--The requirements established under this  
29 article apply to Commonwealth grant-making agencies that make  
30 Federal awards and Commonwealth awards to non-Federal entities.



1 These requirements apply to all costs related to Federal awards  
2 and Commonwealth awards. The requirements established under this  
3 article do not apply to private awards.

4 (b) Limitation.--Nothing in this article shall prohibit the  
5 use of Commonwealth funds for purposes of Federal match or  
6 maintenance of effort.

7 (c) Terms and conditions.--The following shall apply:

8 (1) The terms and conditions of Federal awards and  
9 Commonwealth awards shall apply to subawards and  
10 subrecipients unless this article or the terms and conditions  
11 of the Federal award or Commonwealth award specifically  
12 indicate otherwise.

13 (2) Non-Federal entities shall comply with requirements  
14 of this article regardless of whether the non-Federal entity  
15 is a recipient or subrecipient of a Federal award or  
16 Commonwealth award.

17 (3) Pass-through entities shall comply with the  
18 requirements set forth under the rules adopted under section  
19 103-K(a), but not to any requirements in this article  
20 directed towards Federal awarding agencies or Commonwealth  
21 awarding agencies, unless the requirements of the Federal  
22 awards or Commonwealth awards indicate otherwise.

23 (4) When a non-Federal entity is awarded a cost-  
24 reimbursement contract, only 2 CFR 200.330 (relating to  
25 reporting on real property), 2 CFR 200.331 (relating to  
26 subrecipient and contractor determinations) and 2 CFR 200.332  
27 (relating to requirements for pass-through entities) shall be  
28 incorporated by reference into the contract. When the cost  
29 accounting standards are applicable to the contract, the  
30 standards shall take precedence over the requirements of this

1 article unless they are in conflict with 2 CFR Pt. 200 Subpt.  
2 F (relating to audit requirements). Costs that are made  
3 unallowable under 10 U.S.C. § 2324(e) (Public Law 99-145, 99  
4 Stat. 682) and 41 U.S.C. § 4304(a) (relating to specific  
5 costs not allowable), as described in the Federal Acquisition  
6 Regulation, subparts 31.2 and 31.603, are never allowable.  
7 For requirements other than those covered in 2 CFR 200.330,  
8 200.331 and 200.332, the terms of the contract and the  
9 Federal Acquisition Regulation apply. With the exception of 2  
10 CFR Pt. 200 Subpt. F, in any circumstances where the  
11 provisions of Federal statutes or regulations differ from the  
12 provisions of this article, the provision of the Federal  
13 statutes or regulations govern. This includes, for agreements  
14 with Indian tribes, the provisions of the Indian Self-  
15 Determination and Education and Assistance Act, as amended,  
16 25 U.S.C. Subch. II (relating to Indian self-determination  
17 and education assistance).

18 (d) For-profit and foreign organizations.--Commonwealth  
19 grant-making agencies may apply 2 CFR Pt. 200 Subpts. A  
20 (relating to acronyms and definitions), B (relating to general  
21 provisions), C (relating to pre-Federal award requirements and  
22 contents of Federal awards), D (relating to post Federal award  
23 requirements and E (relating to cost principles), to for-profit  
24 entities, foreign public entities or foreign organizations,  
25 except where the awarding agency determines that the application  
26 would be inconsistent with the international obligations of the  
27 United States or the statute or regulations of a foreign  
28 government.

29 (e) Public institutions of higher education.--For public  
30 institutions of higher education, the provisions of this article

1 shall apply only to awards funded by Commonwealth appropriations  
2 and Federal pass-through awards from a Commonwealth agency to  
3 public institutions of higher education. 2 CFR Pt. 200 shall  
4 apply to public institutions of higher education.

5 (f) Enhanced processes of grant-making agency.--Each grant-  
6 making agency shall enhance its processes to monitor and address  
7 noncompliance with reporting requirements and with program  
8 performance standards. Where applicable, the process may include  
9 a corrective action plan. The monitoring process shall include a  
10 plan for tracking and documenting performance-based contracting  
11 decisions.

12 (g) American Rescue Plan Act of 2021.--Notwithstanding any  
13 provision of law to the contrary, grants awarded from Federal  
14 money received under under Title IX, Subtitle M, section 9901 of  
15 the American Rescue Plan Act of 2021 (Public Law 117-2, 135  
16 Stat. 4) are subject to the provisions of this article, but only  
17 to the extent required by Section 9901 of the American Rescue  
18 Plan Act of 2021 and other applicable Federal law or regulation.  
19 Section 109-K. Applicability.

20 (a) General rule.--Except as otherwise provided in this  
21 section, the requirements established under this article apply  
22 to Commonwealth grant-making agencies that make Federal awards  
23 and Commonwealth awards to non-Federal entities. These  
24 requirements apply to all costs related to Federal awards and  
25 Commonwealth awards. The requirements established under this  
26 article do not apply to private awards, to allocations of  
27 Commonwealth revenues paid over by the Treasurer to units of  
28 local government and other taxing districts.

29 (b) Application to subawards and subrecipients.--The terms  
30 and conditions of Federal awards and Commonwealth awards apply

1 to subawards and subrecipients unless a particular section of  
2 this article or the terms and conditions of the Federal award or  
3 Commonwealth award specifically indicate otherwise.

4 (c) Non-Federal entities.--Non-Federal entities shall comply  
5 with requirements of this article regardless of whether the non-  
6 Federal entity is a recipient or subrecipient of a Federal award  
7 or Commonwealth award. Pass-through entities shall comply with  
8 the requirements set forth under the rules adopted under section  
9 103-K(a), but not to any requirements in this article directed  
10 towards Federal awarding agencies or Commonwealth awarding  
11 agencies, unless the requirements of the Federal awards or  
12 Commonwealth awards indicate otherwise.

13 Section 110-K. Commonwealth grant-making agency  
14 responsibilities.

15 (a) Rules and responsibilities.--The requirements and  
16 responsibilities of Commonwealth grant-making agencies and non-  
17 Federal entities are set forth in this article. A Commonwealth  
18 agency making awards to non-Federal entities must adopt by rule  
19 the language in 2 CFR Pt. 200 Subpts. C (relating to pre-Federal  
20 award requirements and contents of Federal awards), D (relating  
21 to post Federal award requirements, E (relating to cost  
22 principles) and F (relating to audit requirements) unless  
23 different provisions are required by law.

24 (b) Chief accountability officer.--Each Commonwealth grant-  
25 making agency shall appoint a chief accountability officer who  
26 shall serve as a liaison to the Grant Accountability and  
27 Transparency Unit and who shall be responsible for the  
28 Commonwealth agency's implementation of and compliance with the  
29 rules.

30 (c) Responsibilities of Commonwealth grant-making agency.--

In order to effectively measure the performance of recipients and subrecipients, each Commonwealth grant-making agency shall do the following:

(1) Require recipients and subrecipients to relate financial data to performance accomplishments of the award and, when applicable, require recipients and subrecipients to provide cost information to demonstrate cost-effective practices. The recipient's and subrecipient's performance should be measured in a way that will help the Commonwealth grant-making agency to improve program outcomes, share lessons learned, and spread the adoption of promising practices.

(2) Provide recipients and subrecipients with clear performance goals, indicators, and milestones and must establish performance reporting frequency and content to not only allow the Commonwealth agency to understand the recipient's progress, but also to facilitate identification of promising practices among recipients and subrecipients and build the evidence upon which the Commonwealth agency's program and performance decisions are made.

(d) Stop-payment order.--The following shall apply:

(1) Each Commonwealth grant-making agency shall, when it is in the best interests of the Commonwealth, request that the Office of the Comptroller issue a stop-payment order in accordance with section 117-K.

(2) Upon notification by the Grant Accountability and Transparency Unit that a stop-payment order for a recipient or subrecipient has been requested by a Commonwealth grant-making agency, each Commonwealth grant-making agency that has issued a grant to that recipient or subrecipient shall

1 determine if it remains in the best interests of the  
2 Commonwealth to continue to issue payments to the recipient  
3 or subrecipient.

4 (3) The Office of the Budget shall provide advice and  
5 technical assistance to the Commonwealth grant-making  
6 agencies as is necessary or indicated in order to ensure  
7 compliance with this article.

8 Section 111-K. Office of the Budget.

9 (a) Responsibilities.--The Office of the Budget shall:

10 (1) provide technical assistance and interpretations of  
11 policy requirements in order to ensure effective and  
12 efficient implementation of this article by Commonwealth  
13 grant-making agencies; and

14 (2) have the authority to approve any exceptions to the  
15 requirements of this article and shall adopt rules governing  
16 the criteria to be considered when an exception is requested,  
17 which shall only be made in particular cases where adequate  
18 justification is presented.

19 (b) Grant Accountability and Transparency Unit.--The Office  
20 of the Budget shall, on or before July 1, 2022, establish the  
21 Grant Accountability and Transparency Unit, which shall be  
22 funded with a portion of the administrative funds provided under  
23 existing and future Federal and Commonwealth pass-through  
24 grants. The amounts charged shall be allocated based on the  
25 actual cost of the services provided to Commonwealth grant-  
26 making agencies and public institutions of higher education in  
27 accordance with the applicable Federal cost principles contained  
28 in 2 CFR Pt. 200 (relating to uniform administrative  
29 requirements, cost principles, and audit requirements for  
30 Federal awards) and this article will not cause the reduction in

the amount of any Federal awards or Commonwealth grant awards that have been or will be directed towards Commonwealth agencies or public institutions of higher education.

(c) Improper payment elimination.--The Office of the Budget shall research and provide recommendations to the General Assembly regarding the adoption of legislation in accordance with the Federal Improper Payments Elimination and Recovery Improvement Act of 2012 (Public Law 112-248, 126 Stat. 2390 et seq.). The report to the General Assembly shall be filed with the Secretary of the Senate and the Chief Clerk of the House of Representatives in electronic form only, in the manner that the Secretary and the Chief Clerk shall direct.

Section 112-K. Grant Accountability and Transparency Unit responsibilities.

(a) Responsibilities.--The Grant Accountability and Transparency shall have the following responsibilities:

(1) Develop minimum requirements applicable to the staff of grant applicants to manage and execute grant awards for programmatic and administrative purposes, including grant management specialists with:

(i) general and technical competencies;

(ii) programmatic expertise;

(iii) fiscal expertise and systems necessary to adequately account for the source and application of grant funds for each program; and

(iv) knowledge of compliance requirements.

(2) Develop minimum training requirements, including annual training requirements.

(3) Accurate, current and complete disclosure of the financial results of each funded award, as set forth in the

financial monitoring and reporting Section of 2 CFR Pt. 200  
(relating to uniform administrative requirements, cost  
principles, and audit requirements for Federal awards).

(4) Develop criteria for requiring the retention of a  
fiscal agent and for becoming a fiscal agent.

(5) Develop disclosure requirements in the grant  
application pertaining to:

(i) related-party status between grantees and grant-  
making agencies;

(ii) past employment of applicant officers and grant  
managers;

(iii) disclosure of current or past employment of  
members of immediate family; and

(iv) disclosure of senior management of grantee  
organization and their relationships with contracted  
vendors.

(6) Implement rules prohibiting a grantee from charging  
any cost allocatable to a particular award or cost objective  
to other Federal awards or Commonwealth awards to overcome  
fund deficiencies, to avoid restrictions imposed by law or  
terms of the Federal awards or for other reasons.

(7) Implement rules prohibiting a non-Federal entity  
from earning or keeping any profit resulting from Federal or  
Commonwealth financial assistance, unless prior approval has  
been obtained from the Office of the Budget and is expressly  
authorized by the terms and conditions of the award.

(8) Maintain a Debarment and Suspension List that  
contains the names of those individuals and entities that are  
ineligible, either temporarily or permanently, to receive an  
award of grant funds from the Commonwealth.



1       (9) Ensure the adoption of standardized rules for the  
2 implementation of this article by Commonwealth grant-making  
3 agencies. The Grant Accountability and Transparency Unit  
4 shall provide such advice and technical assistance to the  
5 Commonwealth grant-making agencies as is necessary or  
6 indicated in order to ensure compliance with this article.

7       (10) Coordinate financial and single audit reviews.

8       (11) Coordinate on-site reviews of grantees and  
9 subrecipients.

10       (12) Maintain the Catalog of Commonwealth Financial  
11 Assistance, which shall be posted on an publicly accessible  
12 Internet website maintained by the Office of the Budget.

13       (b) Limitations.--The following shall apply:

14       (1) The Grant Accountability and Transparency Unit shall  
15 have no power or authority regarding the approval,  
16 disapproval, management or oversight of grants entered into  
17 or awarded by a Commonwealth agency or by a public  
18 institution of higher education.

19       (2) The power or authority existing under law to grant  
20 or award grants by a Commonwealth agency or by a public  
21 institution of higher education shall remain with that  
22 Commonwealth agency or public institution of higher  
23 education.

24       (3) The Grant Accountability and Transparency Unit shall  
25 be responsible for providing technical assistance to guide  
26 the Administrative Code amendments proposed by Commonwealth  
27 grant-making agencies to comply with this article and shall  
28 be responsible for establishing standardized policies and  
29 procedures for Commonwealth grant-making agencies in order to  
30 ensure compliance with 2 CFR Pt. 200 (relating to uniform

administrative requirements, cost principles and audit requirements for Federal awards), which must be adhered to by the Commonwealth grant-making agencies throughout the life cycle of the grant.

(c) Transfer prohibited.--The powers and functions of grant making by Commonwealth agencies or public institutions of higher education may not be transferred to, nor may prior grant approval be transferred to, any other person, office, or entity within the Commonwealth.

Section 113-K. Audit requirements.

The following shall apply:

(1) The standards set forth in 2 CFR Pt. 200 Subpt. F (relating to audit requirements) and any other standards that apply directly to Federal or Commonwealth agencies shall apply to audits of fiscal years beginning on or after December 26, 2014.

(2) Books and records must be available for review or audit by appropriate officials of the pass-through entity, and the agency, the Auditor General, the Inspector General, appropriate officials of the agency and the Federal Government Accountability Office.

(3) The Office of the Budget shall adopt rules for audits of grants from a Federal or Commonwealth pass-through entity that are not subject to the Single Audit Act because the amount of the Federal award is less than \$750,000 or the subrecipient is an exempt entity and that are reasonably consistent with 2 CFR Pt. 200 (relating to uniform administrative requirements, cost principles and audit requirements for Federal awards).

(4) This article shall not affect the any audit function

1 of the Auditor General.

2 Section 114-K. Review date.

3 The Office of the Budget shall review this article at least  
4 once every five years in conjunction with the Federal review of  
5 the Uniform Administrative Requirements, Cost Principles, and  
6 Audit Requirements for Federal Awards as required by 2 CFR  
7 200.109 (relating to review date) in order to determine whether  
8 any existing rules need to be revised or new rules adopted.

9 Section 115-K. Agency implementation.

10 All Commonwealth grant-making agencies shall implement the  
11 rules issued by the Office of the Budget. The standards under  
12 this article become effective once implemented by the  
13 Commonwealth grant-making agencies. Commonwealth grant-making  
14 agencies shall implement the policies and procedures applicable  
15 to Federal awards and Commonwealth awards by adopting rules for  
16 non-Federal entities.

17 Section 116-K. Annual report.

18 Effective January 1, 2023, and each January 1 thereafter, the  
19 Office of the Budget shall submit to the Governor and the  
20 General Assembly a report that demonstrates the efficiencies,  
21 cost savings and reductions in fraud, waste and abuse as a  
22 result of the implementation of this article and the rules  
23 adopted by the Office of the Budget in accordance with this  
24 article. The report shall include, but not be limited to:

25 (1) the number of entities placed on the Debarment and  
26 Suspension List;

27 (2) any savings realized as a result of the  
28 implementation of this article;

29 (3) any reduction in the number of duplicative audit  
30 report reviews;

1       (4) the number of persons trained to assist grantees and  
2       subrecipients; and

3       (5) the number of grantees and subrecipients to whom a  
4       fiscal agent was assigned.

5       Section 117-K. Stop-payment procedures.

6       (a) Factors and procedure.--On or before July 1, 2022, the  
7       Office of the Budget shall adopt rules pertaining to the  
8       following:

9           (1) factors to be considered in determining whether to  
10          issue a stop-payment order, which shall include whether or  
11          not a stop-payment order is in the best interests of the  
12          Commonwealth;

13          (2) factors to be considered in determining whether a  
14          stop-payment order should be lifted; and

15          (3) procedures for notification to the recipient or  
16          subrecipient of the issuance of a stop-payment order, the  
17          lifting of a stop-payment order and any other related  
18          information.

19       (b) Policies.--On or before December 31, 2022, the Office of  
20       the Budget shall, in conjunction with Commonwealth grant-making  
21       agencies, adopt rules pertaining to the following:

22           (1) policies regarding the issuance of stop-payment  
23           orders;

24           (2) policies regarding the lifting of stop-payment  
25           orders;

26           (3) policies regarding corrective actions required of  
27           recipients and subrecipients in the event a stop-payment  
28           order is issued; and

29           (4) policies regarding the coordination of  
30           communications between the Office of the Comptroller and

Commonwealth grant-making agencies regarding the issuance of stop-payment orders and the lifting of such orders.

(c) Stop-payment procedures.--On or before July 1, 2022, the Office of Comptroller Operations in the Office of Budget shall establish stop-payment procedures that shall cause the cessation of payments to a recipient or subrecipient. A temporary or permanent cessation of payments will occur pursuant to a stop-payment order requested by a Commonwealth grant-making agency and implemented by the Office of Comptroller Operations.

(d) Stop-payment orders file.--Each Commonwealth grant-making agency shall maintain a file pertaining to all stop-payment orders, which shall include, at a minimum:

(1) The notice to the recipient or subrecipient that a stop-payment order has been issued. The notice shall include:

(i) The name of the grant.

(ii) The grant number.

(iii) The name of the Commonwealth agency that issued the grant.

(iv) The reasons for the stop-payment order.

(v) Any other relevant information.

(2) The order lifting the stop-payment order, if applicable.

(e) Factors to consider.--The Grant Accountability and Transparency Unit shall determine and disseminate factors that Commonwealth agencies shall consider when determining whether it is in the best interests of the Commonwealth to permanently or temporarily cease payments to a recipient or subrecipient who has had a stop-payment order requested by another Commonwealth agency.

(f) Grants from other agencies.--The following shall apply:

1       (1) The Treasurer and the Office of the Budget shall  
2       determine if a recipient or subrecipient subject to a stop-  
3       payment order has received grants from other Commonwealth  
4       grant-making agencies.

5       (2) Upon notice from the Treasurer, the Grant  
6       Accountability and Transparency Unit shall notify all  
7       Commonwealth grant-making agencies who have issued grants to  
8       a recipient or subrecipient subject to a stop-payment order  
9       that a stop-payment order has been requested by another  
10      Commonwealth grant-making agency.

11      (3) Upon notice from the Grant Accountability and  
12      Transparency Unit, each Commonwealth grant-making agency who  
13      has issued a grant to a recipient or subrecipient subject to  
14      a stop-payment order shall review and assess all grants  
15      issued to that recipient or subrecipient. Commonwealth  
16      agencies shall use factors provided by the Office of the  
17      Budget or the Grant Accountability and Transparency Unit to  
18      determine whether it is the best interests of the  
19      Commonwealth to request a stop-payment order.

20      Section 118-K. Documentation of award decisions.

21      (a) General rule.--Each award that is granted pursuant to an  
22      application process must include documentation to support the  
23      award. For each Federal award or Commonwealth award that is  
24      granted following an application process, the Commonwealth  
25      grant-making agency shall create a grant award file. The grant  
26      award file shall contain, at a minimum:

27              (1) A description of the grant.

28              (2) The notice of opportunity, if applicable.

29              (3) All applications received in response to the notice  
30      of opportunity, if applicable.

1       (4) Copies of any written communications between an  
2       applicant and the Commonwealth grant-making agency, if  
3       applicable.

4       (5) The criteria used to evaluate the applications, if  
5       applicable.

6       (6) The scores assigned to each applicant according to  
7       the criteria, if applicable.

8       (7) A written determination, signed by an authorized  
9       representative of the Commonwealth grant-making agency,  
10       setting forth the reason for the grant award decision, if  
11       applicable.

12       (8) The notice of award.

13       (9) Any other pre-award documents.

14       (10) The grant agreement and any renewals, if  
15       applicable;

16       (11) All post-award, administration, and close-out  
17       documents relating to the grant.

18       (12) Any other information relevant to the grant award.

19       (b) Information not included.--The grant file shall not  
20       include trade secrets or other competitively sensitive,  
21       confidential or proprietary information.

22       (c) Maintenance of grant file.--Each grant file shall be  
23       maintained by the Commonwealth grant-making agency and, subject  
24       to the provisions of the Freedom of Information Act (Public Law  
25       89-487, 80 Stat. 250), shall be available for public inspection  
26       and copying within seven calendar days following award of the  
27       grant.

28       Section 119-K. Certifications and representations.

29       Unless prohibited by Federal or Commonwealth law, regulation  
30       or administrative rule, each Commonwealth awarding agency or

pass-through entity is authorized to require the recipient or subrecipient to submit certifications and representations required by Federal or Commonwealth law, regulation or administrative rule.

Section 120-K. Required certifications.

To assure that expenditures are proper and in accordance with the terms and conditions of the grant award and approved project budgets, all periodic and final financial reports, and all payment requests under the grant agreement, must include a certification, signed by an official who is authorized to legally bind the grantee or subrecipient, that reads as follows:

By signing this report and/or payment request, I certify to the best of my knowledge and belief that this report is true, complete, and accurate; that the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award or Commonwealth award; and that supporting documentation has been submitted as required by the grant agreement. I acknowledge that approval for any item or expenditure described herein shall be considered conditional subject to further review and verification in accordance with the monitoring and records retention provisions of the grant agreement. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise.

Section 121-K. Expenditures prior to grant execution and reporting requirements.

(a) Prior expenses.--In the event that a recipient or subrecipient incurs expenses related to the grant award prior to



1 the execution of the grant agreement but within the term of the  
2 grant, and the grant agreement is executed more than 30 days  
3 after the effective date of the grant, the recipient or  
4 subrecipient must submit to the Commonwealth grant-making agency  
5 a report that accounts for eligible grant expenditures and  
6 project activities from the effective date of the grant up to  
7 and including the date of execution of the grant agreement.

8 (b) Time period.--The recipient or subrecipient must submit  
9 a report under subsection (a) to the Commonwealth grant-making  
10 agency within 30 days of execution of the grant agreement.

11 (c) Permitted expenses.--Only expenses that are reasonable,  
12 allowable and in furtherance of the purpose of the grant award  
13 shall be reimbursed.

14 (d) Report approval required.--The Commonwealth grant-making  
15 agency must approve the report prior to issuing any payment to  
16 the recipient or subrecipient.

17 Section 2. This act shall take effect in 60 days.