

No. _____

Legislative Reference Bureau

AN ACT

Amending the act of April 9, 1929
(P.L.343, No.176), known as The
Fiscal Code, providing for
Commonwealth grant accountability
and transparency.

INTRODUCED _____ 20 _____

By _____ District
NO. _____By _____ District
NO. _____By _____ District
NO. _____By _____ District
NO. _____

See next page for additional co-sponsors.

☐ Prior Session _____

Referred to Committee on

Date _____ 20 _____

Reported _____ 20 _____

As Committed-Amended

Recommendation

By Hon. _____

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,

1 every State depository and every debtor or creditor of the
2 Commonwealth," providing for Commonwealth grant
3 accountability and transparency.

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

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

8 ARTICLE I-K

9 COMMONWEALTH GRANT ACCOUNTABILITY AND TRANSPARENCY

10 Section 101-K. Scope and purpose.

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

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

27 Section 102-K. Definitions.

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

31 "Allowable cost." A cost allowable to a project if the

1 following apply:

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

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

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

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

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

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

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

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

23 (9) The costs are adequately documented.

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

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

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

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

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

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

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

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

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

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

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

30 "Catalog of Federal Domestic Assistance" or "CFDA." A

1 database that helps the Federal Government track all programs it
2 has domestically funded.

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

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

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

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

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

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

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

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

1 "Commonwealth program." Any of the following:

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

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

8 (3) A cluster of programs.

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

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

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

18 "Cooperative agreement."

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

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

29 (ii) is distinguished from a grant in that it
30 provides for substantial involvement between the awarding

1 agency or pass-through entity and the non-Federal entity
2 in carrying out the activity contemplated by the award.

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

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

8 (1) corrects identified deficiencies;

9 (2) produces recommended improvements; or

10 (3) demonstrates that audit findings are either invalid
11 or do not warrant auditee action.

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

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

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

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

1 Commonwealth.

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

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

12 "Equipment." Tangible personal property, including
13 information technology systems, having a useful life of more
14 than one year and a per-unit acquisition cost that equals or
15 exceeds the lesser of the capitalization level established by
16 the non-Federal entity for financial statement purposes or
17 \$5,000.

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

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

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

28 "Federal award." As follows:

29 (1) (i) the Federal financial assistance that a non-
30 Federal entity receives directly from a Federal awarding

1 agency or indirectly from a pass-through entity;

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

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

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

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

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

26 "Federal program." Any of the following:

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

29 (2) When no CFDA number is assigned, all Federal awards
30 to non-Federal entities from the same agency made for the

1 same purpose should be combined and considered one program.

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

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

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

11 "Financial assistance." As follows:

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

15 (i) grants;

16 (ii) cooperative agreements;

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

19 (iv) direct appropriations;

20 (v) food commodities; and

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

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

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

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

1 the award.

2 "Foreign organization." An entity that is:

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

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

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

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

21 "Foreign public entity." As follows:

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

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

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

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

1 entities.

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

7 "Generally accepted government auditing standards."

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

12 "Grant agreement." The following:

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

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

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

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

1 "Grant application." A specified form that is completed by a
2 non-Federal entity in connection with a request for a specific
3 funding opportunity or a request for financial support of a
4 project or activity.

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

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

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

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

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

24 "Local government." The term shall include:

25 (1) Municipalities.

26 (2) Municipal authorities.

27 (3) Local authorities.

28 (4) School districts.

29 "Major program." A Federal program determined by an auditor
30 to be a major program in accordance with 2 CFR 200.518 (relating

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

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

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

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

15 (2) is not organized primarily for profit; and

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

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

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

25 "Other clusters." The term has the meaning provided by the
26 Office of Management and Budget in the Compliance Supplement of
27 2021. When designating an other cluster, the Secretary of the
28 Commonwealth must identify the Federal awards included in the
29 cluster and advise the subrecipients of compliance requirements
30 applicable to the cluster.

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

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

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

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

14 "Property." Real or personal property.

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

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

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

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

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

1 failure to comply with one or more terms of the grant or
2 subaward.

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

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

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

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

1 "Suspension." A post-award action by a Federal agency or
2 Commonwealth agency or pass-through entity that temporarily
3 withdraws the Federal agency or Commonwealth agency's or pass-
4 through entity's financial assistance sponsorship under an
5 award, pending corrective action by the recipient or
6 subrecipient or pending a decision to terminate the award.

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

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

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

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

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

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

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

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

1 agency. If a Program Audit Guide is not available, the
2 Commonwealth awarding agency must prepare a Program Audit
3 Guide in accordance with the 2 CFR Pt. 200 Subpt. F. For-
4 profit entities are subject to all other general
5 administrative requirements and cost principles applicable to
6 grants.

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

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

26 Section 104-K. Supplemental rules.

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

30 (1) Criteria to define mandatory formula-based grants

1 and discretionary grants.

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

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

6 (4) The issuance of grants, including:

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

9 (ii) the development of uniform grant applications;

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

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

15 (v) certifications and representations;

16 (vi) pre-award costs;

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

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

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

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

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

1 (iii) a requirement that the budget allow
2 flexibility to add lines describing costs that are common
3 for the services provided as outlined in the grant
4 application;

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

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

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

14 (i) organization name;

15 (ii) Federal Employee Identification Number;

16 (iii) Data Universal Numbering System number;

17 (iv) fiscal condition;

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

20 (vi) past performance in administering grants;

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

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

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

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

1 a public institution of higher education.

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

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

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

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

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

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

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

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

1 (7) The enabling legislation.

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

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

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

8 (11) Objectives and goals of the program.

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

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

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

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

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

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

27 Section 106-K. Conflicts of interest.

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

1 pass-through entity in accordance with applicable awarding
2 agency policy.

3 Section 107-K. Mandatory disclosures.

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

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

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

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

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

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

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

28 Section 108-K. Applicability.

29 (a) General rule.--The requirements established under this
30 article apply to Commonwealth grant-making agencies that make

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

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

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

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

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

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

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

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

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

(e) Public institutions of higher education.--For public

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

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

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

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

30 (b) Application to subawards and subrecipients.--The terms

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

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

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

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

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

1 (c) Responsibilities of Commonwealth grant-making agency.--
2 In order to effectively measure the performance of recipients
3 and subrecipients, each Commonwealth grant-making agency shall
4 do the following:

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

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

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

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

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

1 issued a grant to that recipient or subrecipient shall
2 determine if it remains in the best interests of the
3 Commonwealth to continue to issue payments to the recipient
4 or subrecipient.

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

9 Section 111-K. Office of the Budget.

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

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

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

20 (b) Grant Accountability and Transparency Unit.--The Office
21 of the Budget shall, on or before July 1, 2022, establish the
22 Grant Accountability and Transparency Unit, which shall be
23 funded with a portion of the administrative funds provided under
24 existing and future Federal and Commonwealth pass-through
25 grants. The amounts charged shall be allocated based on the
26 actual cost of the services provided to Commonwealth grant-
27 making agencies and public institutions of higher education in
28 accordance with the applicable Federal cost principles contained
29 in 2 CFR Pt. 200 (relating to uniform administrative
30 requirements, cost principles, and audit requirements for

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

1 financial results of each funded award, as set forth in the
2 financial monitoring and reporting Section of 2 CFR Pt. 200
3 (relating to uniform administrative requirements, cost
4 principles, and audit requirements for Federal awards).

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

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

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

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

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

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

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

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

28 (8) Maintain a Debarment and Suspension List that
29 contains the names of those individuals and entities that are
30 ineligible, either temporarily or permanently, to receive an

1 award of grant funds from the Commonwealth.

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

8 (10) Coordinate financial and single audit reviews.

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

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

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

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

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

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

1 ensure compliance with 2 CFR Pt. 200 (relating to uniform
2 administrative requirements, cost principles and audit
3 requirements for Federal awards), which must be adhered to by
4 the Commonwealth grant-making agencies throughout the life
5 cycle of the grant.

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

11 Section 113-K. Audit requirements.

12 The following shall apply:

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

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

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

1 (4) This article shall not affect the any audit function
2 of the Auditor General.

3 Section 114-K. Review date.

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

10 Section 115-K. Agency implementation.

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

18 Section 116-K. Annual report.

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

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

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

30 (3) any reduction in the number of duplicative audit

1 report reviews;

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

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

6 Section 117-K. Stop-payment procedures.

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

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

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

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

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

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

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

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

30 (4) policies regarding the coordination of

1 communications between the Office of the Comptroller and
2 Commonwealth grant-making agencies regarding the issuance of
3 stop-payment orders and the lifting of such orders.

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

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

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

16 (i) The name of the grant.

17 (ii) The grant number.

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

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

21 (v) Any other relevant information.

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

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

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

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

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

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

21 Section 118-K. Documentation of award decisions.

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

28 (1) A description of the grant.

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

30 (3) All applications received in response to the notice

1 of opportunity, if applicable.

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

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

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

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

13 (8) The notice of award.

14 (9) Any other pre-award documents.

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

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

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

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

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

29 Section 119-K. Certifications and representations.

30 Unless prohibited by Federal or Commonwealth law, regulation

1 or administrative rule, each Commonwealth awarding agency or
2 pass-through entity is authorized to require the recipient or
3 subrecipient to submit certifications and representations
4 required by Federal or Commonwealth law, regulation or
5 administrative rule.

6 Section 120-K. Required certifications.

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

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

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

30 (a) Prior expenses.--In the event that a recipient or

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

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

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

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

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