
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

1 Commonwealth," providing for Commonwealth grant
2 accountability and transparency.

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

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

7 ARTICLE I-K

8 COMMONWEALTH GRANT ACCOUNTABILITY AND TRANSPARENCY

9 Section 101-K. Scope and purpose.

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

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

26 Section 102-K. Definitions.

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

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

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

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

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

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

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

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

23 "Local government." The term shall include:

- 24 (1) Municipalities.
25 (2) Municipal authorities.
26 (3) Local authorities.
27 (4) School districts.

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

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

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

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

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

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

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

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

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

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

30 "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

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

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

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

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

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

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

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

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

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

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

13 (i) organization name;

14 (ii) Federal Employee Identification Number;

15 (iii) Data Universal Numbering System number;

16 (iv) fiscal condition;

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

19 (vi) past performance in administering grants;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (i) general and technical competencies;

22 (ii) programmatic expertise;

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

26 (iv) knowledge of compliance requirements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 Section 113-K. Audit requirements.

11 The following shall apply:

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

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

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

30 (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

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

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

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

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

15 (i) The name of the grant.

16 (ii) The grant number.

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

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

20 (v) Any other relevant information.

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

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

30 (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

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

5 Section 120-K. Required certifications.

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

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

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

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