

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2480 Session of 2022

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

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, JUNE 22, 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

1 other moneys to the Commonwealth, or any agency thereof,
2 every State depository and every debtor or creditor of the
3 Commonwealth," providing for Commonwealth grant
4 accountability and transparency.

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

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

9 ARTICLE I-K

10 COMMONWEALTH GRANT ACCOUNTABILITY AND TRANSPARENCY

11 Section 101-K. ~~Scope and purpose.~~ PURPOSE, SCOPE AND <--

12 CONSTRUCTION.

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

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

29 (C) CONSTRUCTION.--NOTHING IN THIS ARTICLE SHALL BE <--
30 CONSTRUED TO ALTER OR RESTRICT ANY REGULATORY AUTHORITY OF A
31 COMMONWEALTH AGENCY.

32 Section 102-K. Definitions.

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

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

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

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

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

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

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

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

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

24 (8) The costs of one Federal or Commonwealth grant are
25 not used to meet the match requirements of another Federal or
26 Commonwealth grant-, UNLESS THE GENERAL ASSEMBLY HAS PROVIDED <--
27 AN EXCEPTION TO ALLOW A COMMONWEALTH GRANT TO SERVE AS THE
28 MATCH FOR ANOTHER GRANT.

29 (9) The costs are adequately documented.

30 "Auditee." A non-Federal entity that expends Federal awards

1 or Commonwealth awards that must be audited under this article.

2 "Auditor." An auditor who is a public accountant or a
3 Federal, Commonwealth or local government audit organization
4 that meets the general standards specified in generally accepted
5 government auditing standards. The term does not include
6 internal auditors of nonprofit organizations.

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

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

13 (1) technical assistance that provides services instead
14 of money;

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

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

18 (4) contracts that must be entered into and administered
19 under Federal or Commonwealth procurement laws and
20 regulations.

21 "Budget." The financial plan for the project or program that
22 the awarding agency or pass-through entity approves during the
23 award process or in subsequent amendments to the award. It may
24 include the Federal share or Commonwealth share and non-Federal
25 share or only the Federal share or Commonwealth share, as
26 determined by the awarding agency or pass-through entity.

27 "Catalog of Commonwealth Financial Assistance." The
28 comprehensive source document of Commonwealth financial
29 assistance program information maintained by the Office of the
30 Budget.

1 "Catalog of Commonwealth Financial Assistance Number." The
2 number assigned to a Commonwealth program in the Catalog of
3 Commonwealth Financial Assistance. The first three digits
4 represent the Commonwealth agency number and the last four
5 digits represent the program.

6 "Catalog of Federal Domestic Assistance" or "CFDA." A
7 database that helps the Federal Government track all programs it
8 has domestically funded.

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

11 "Cluster of programs." A grouping of closely related
12 programs that share common compliance requirements. The types of
13 clusters of programs include research and development, student
14 financial aid, and other clusters. A cluster of programs shall
15 be considered as one program for determining major programs and,
16 with the exception of research and development, whether a
17 program-specific audit may be elected.

18 "Cognizant agency for audit." The Federal agency designated
19 to carry out the responsibilities described in 2 CFR 200.513(a)
20 (relating to responsibilities).

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

23 "Commonwealth award." The financial assistance that a non-
24 Federal entity receives from the Commonwealth and that is funded
25 with either Federal funds or Commonwealth funds.

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

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

30 "Commonwealth interest." The acquisition or improvement of

1 real property, equipment or supplies under a Commonwealth award,
2 the dollar amount that is the product of the Commonwealth share
3 of the total project costs and current fair market value of the
4 property or improvements, or both, to the extent that the costs
5 of acquiring or improving the property were included as project
6 costs.

7 "Commonwealth program." Any of the following:

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

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

14 (3) A cluster of programs.

15 "Commonwealth share." The portion of the total project costs
16 that are paid by the Commonwealth.

17 "Contract." A legal instrument by which a non-Federal entity
18 purchases property or services needed to carry out the project
19 or program under an award. The term does not include a legal
20 instrument, even if the non-Federal entity considers it a
21 contract, when the substance of the transaction meets the
22 definition of an award or subaward.

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

24 "Cooperative agreement."

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

28 (i) is used to enter into a relationship with the
29 principal purpose of transferring anything of value from
30 the awarding agency or pass-through entity to the non-

1 Federal entity to carry out a public purpose authorized
2 by law, but is not used to acquire property or services
3 for the awarding agency's or pass-through entity's direct
4 benefit or use; and

5 (ii) is distinguished from a grant in that it
6 provides for substantial involvement between the awarding
7 agency or pass-through entity and the non-Federal entity
8 in carrying out the activity contemplated by the award.

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

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

14 (1) corrects identified deficiencies;

15 (2) produces recommended improvements; or

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

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

25 "Cost sharing." The portion of project costs not paid by
26 Federal or Commonwealth funds, unless otherwise authorized by
27 statute.

28 "Data Universal Numbering System number." The nine-digit
29 number established and assigned by Dun and Bradstreet, Inc., to
30 uniquely identify entities and, under Federal law, is required

1 for non-Federal entities to apply for, receive and report on a
2 Federal award.

3 "Debarment and Suspension List." The list maintained by the
4 Office of the Budget that contains the names of those
5 individuals and entities that are ineligible, either temporarily
6 or permanently, from receiving an award of grant funds from the
7 Commonwealth.

8 "Development." The systematic use of knowledge and
9 understanding gained from research directed toward the
10 production of useful materials, devices, systems or methods,
11 including design and development of prototypes and processes.

12 "Direct costs." Costs that can be identified specifically
13 with a particular final cost objective, such as a Federal award
14 or Commonwealth award or a particular sponsored project, an
15 instructional activity or any other institutional activity, or
16 that can be directly assigned to such activities relatively
17 easily with a high degree of accuracy.

18 "Equipment." Tangible personal property, including
19 information technology systems, having a useful life of more
20 than one year and a per-unit acquisition cost that equals or
21 exceeds the lesser of the capitalization level established by
22 the non-Federal entity for financial statement purposes or
23 \$5,000.

24 "Executive branch." The branch of State government that is
25 under the jurisdiction of the Governor.

26 "Federal Acquisition Regulation." The regulation for use by
27 all executive agencies for the acquisition of supplies and
28 services with appropriated funds under 48 CFR Ch. 1 (relating to
29 Federal Acquisition Regulation).

30 "Federal agency." The term has the meaning provided to

1 "agency" under 5 U.S.C. § 552(f) (relating to public
2 information; agency rules, opinions, orders, records, and
3 proceedings).

4 "Federal award." As follows:

5 (1) (i) the Federal financial assistance that a non-
6 Federal entity receives directly from a Federal awarding
7 agency or indirectly from a pass-through entity;

8 (ii) the cost-reimbursement contract under the
9 Federal Acquisition Regulations that a non-Federal entity
10 receives directly from a Federal awarding agency or
11 indirectly from a pass-through entity; or

12 (iii) the instrument setting forth the terms and
13 conditions when the instrument is the grant agreement,
14 cooperative agreement, other agreement for assistance
15 covered in 2 CFR 200.40(b) (relating to Federal financial
16 assistance), or the cost-reimbursement contract awarded
17 under the Federal Acquisition Regulations.

18 (2) The term does not include other contracts that a
19 Federal agency uses to buy goods or services from a
20 contractor or a contract to operate Federal Government-owned,
21 contractor-operated facilities.

22 "Federal awarding agency." The Federal agency that provides
23 a Federal award directly to a non-Federal entity.

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

1 property were included as project costs.

2 "Federal program." Any of the following:

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

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

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

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

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

17 "Financial assistance." As follows:

18 (1) For grants and cooperative agreements, assistance
19 that non-Federal entities receive or administer in the form
20 of:

21 (i) grants;

22 (ii) cooperative agreements;

23 (iii) noncash contributions or donations of
24 property, including donated surplus property;

25 (iv) direct appropriations;

26 (v) food commodities; and

27 (vi) other financial assistance, except assistance
28 listed in paragraph (2).

29 (2) The term includes assistance that non-Federal
30 entities receive or administer in the form of loans, loan

1 guarantees, interest subsidies and insurance.

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

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

8 "Foreign organization." An entity that is:

9 (1) a public or private organization located in a
10 country other than the United States and its territories that
11 is subject to the laws of the country in which it is located,
12 irrespective of the citizenship of project staff or place of
13 performance;

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

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

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

27 "Foreign public entity." As follows:

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

29 (2) a public international organization that is entitled
30 to enjoy privileges, exemptions and immunities as an

1 international organization under the International
2 Organizations Immunities Act (22 U.S.C. 288-288f);

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

5 (4) any other entity consisting wholly or partially of
6 one or more foreign governments or foreign governmental
7 entities.

8 "Generally accepted accounting principles." The term has the
9 meaning provided in accounting standards issued by the
10 Government Accounting Standards Board and the Financial
11 Accounting Standards Board, as those standards exist on the
12 effective date of this section.

13 "Generally accepted government auditing standards."
14 Generally accepted government auditing standards issued by the
15 Comptroller General of the United States that are applicable to
16 financial audits, as those standards exist on the effective date
17 of this section.

18 "Grant agreement." The following:

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, the
23 principal purpose of which is to transfer anything of
24 value from the awarding agency or pass-through entity to
25 the non-Federal entity to carry out a public purpose
26 authorized by law and not to acquire property or services
27 for the awarding agency or pass-through entity's direct
28 benefit or use; and

29 (ii) is distinguished from a cooperative agreement
30 in that it does not provide for substantial involvement

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

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

7 "Grant application." A specified form that is completed by a
8 non-Federal entity in connection with a request for a specific
9 funding opportunity or a request for financial support of a
10 project or activity.

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

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

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

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

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

30 "Local government." The term shall include:

- 1 (1) Municipalities.
- 2 (2) Municipal authorities.
- 3 (3) Local authorities.
- 4 (4) School districts.

5 "Major program." A Federal program determined by an auditor
6 to be a major program in accordance with 2 CFR 200.518 (relating
7 to major program determination) or a program identified as a
8 major program by a Federal awarding agency or pass-through
9 entity in accordance with 2 CFR 200.503(e) (relating to relation
10 to other audit requirements).

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

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

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

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

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

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

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

1 "Other clusters." The term has the meaning provided by the
2 Office of Management and Budget in the Compliance Supplement of
3 2021. When designating an other cluster, the Secretary of the
4 Commonwealth must identify the Federal awards included in the
5 cluster and advise the subrecipients of compliance requirements
6 applicable to the cluster.

7 "Oversight agency for audit." The Federal awarding agency
8 that provides the predominant amount of funding directly to a
9 non-Federal entity not assigned a cognizant agency for audit.
10 When there is no direct funding, the awarding agency that is the
11 predominant source of pass-through funding must assume the
12 oversight responsibilities.

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

15 "Private award." An award from a person or entity other than
16 a Federal or Commonwealth entity.

17 "Project cost." Total allowable costs incurred under an
18 award and all required cost sharing and voluntary committed cost
19 sharing, including third-party contributions.

20 "Property." Real or personal property.

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

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

27 "Research and development." All research activities, both
28 basic and applied, and all development activities that are
29 performed by a non-Federal entity.

30 "Single Audit Act." The Federal Single Audit Act Amendments

1 of 1996 (Public Law 104-156, 100 Stat. 1396).

2 "Stop-payment order." A communication from a Commonwealth
3 grant-making agency to the Office of Comptroller Operations,
4 following procedures as determined by the Office of Comptroller
5 Operations, causing the cessation of payments to a recipient or
6 subrecipient as a result of the recipient's or subrecipient's
7 failure to comply with one or more terms of the grant or
8 subaward.

9 "Stop-payment procedure." The procedure created by the
10 Office of the Comptroller which effects a stop-payment order and
11 the lifting of a stop-payment order upon the request of the
12 Commonwealth grant-making agency.

13 "Student financial aid." Federal awards under those programs
14 of general student assistance, such as those authorized by Title
15 IV of the Higher Education Act of 1965, as amended (20 U.S.C.
16 1070-1099d), that are administered by the United States
17 Department of Education and similar programs provided by other
18 Federal agencies. The term does not include Federal awards under
19 programs that provide fellowships or similar Federal awards to
20 students on a competitive basis or for specified studies or
21 research.

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

30 "Subrecipient." A non-Federal entity that receives a Federal

1 subaward or Commonwealth subaward from a pass-through entity to
2 carry out part of a Federal program. The term does not include
3 an individual that is a beneficiary of the program. A
4 subrecipient may also be a recipient of other Federal awards or
5 Commonwealth awards directly from a Federal awarding agency or
6 Commonwealth awarding agency.

7 "Suspension." A post-award action by a Federal agency or
8 Commonwealth agency or pass-through entity that temporarily
9 withdraws the Federal agency or Commonwealth agency's or pass-
10 through entity's financial assistance sponsorship under an
11 award, pending corrective action by the recipient or
12 subrecipient or pending a decision to terminate the award.

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

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

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

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

30 (1) Administrative requirements. In accordance with 2

1 CFR Pt. 200 Subpts. B (relating to general provisions), C
2 (relating to pre-Federal award requirements and contents of
3 Federal awards) and D (relating to post Federal award
4 requirements), the rules shall set forth the uniform
5 administrative requirements for grant and cooperative
6 agreements, including the requirements for the management by
7 Commonwealth awarding agencies of Federal grant programs
8 before Federal awards and Commonwealth awards have been made
9 and requirements that Commonwealth awarding agencies may
10 impose on non-Federal entities in Federal awards and
11 Commonwealth awards.

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

24 (3) Audit and single audit requirements and audit
25 follow-up. In accordance with 2 CFR Pt. 200 Subpt. F
26 (relating to audit requirements) and the Federal Single Audit
27 Act Amendments of 1996, the rules shall set forth standards
28 to obtain consistency and uniformity among Federal awarding
29 agencies and Commonwealth awarding agencies for the audit of
30 non-Federal entities expending Federal awards and

1 Commonwealth awards. These provisions shall also set forth
2 the policies and procedures for Federal and Commonwealth
3 pass-through entities when using the results of these audits.
4 This paragraph shall not apply to for-profit subrecipients.
5 Audits of for-profit subrecipients must be conducted pursuant
6 to a Program Audit Guide issued by the Federal awarding
7 agency. If a Program Audit Guide is not available, the
8 Commonwealth awarding agency must prepare a Program Audit
9 Guide in accordance with the 2 CFR Pt. 200 Subpt. F. For-
10 profit entities are subject to all other general
11 administrative requirements and cost principles applicable to
12 grants.

13 (b) Public institutions of higher education.--For public
14 institutions of higher education, this section shall apply only
15 to awards funded by Federal awards from a Commonwealth agency to
16 a public institution of higher education. Federal pass-through
17 awards from a Commonwealth agency to public institutions of
18 higher education are governed by and must comply with Federal
19 guidelines under 2 CFR Pt. 200.

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

1 necessary or indicated.

2 Section 104-K. Supplemental rules.

3 (a) Adoption of rules.--On or before July 1, 2022, the THE <--
4 Office of the Budget shall adopt supplemental rules pertaining
5 to the following:

6 (1) Criteria to define mandatory formula-based grants
7 and discretionary grants.

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

9 (3) The award of competitive grants in three-year terms
10 with one-year initial terms with the option to renew for up
11 to two additional years to coincide with the Federal award, <--
12 PROVIDED THAT THE TERM LENGTH OF COMPETITIVE GRANTS MAY BE
13 ALTERED WITH APPROVAL OF THE SECRETARY OF THE BUDGET.

14 (4) The issuance of grants, including:

15 (i) public notice of announcements of funding
16 opportunities;

17 (ii) the development of uniform grant applications;

18 (iii) Commonwealth agency review of merit of
19 proposals and risk posed by applicants;

20 (iv) specific conditions for individual recipients,
21 including the use of a fiscal agent and additional
22 corrective conditions;

23 (v) certifications and representations;

24 (vi) pre-award costs;

25 (vii) performance measures and Statewide prioritized
26 goals; and

27 (viii) for mandatory formula grants, the merit of
28 the proposal and the risk posed should result in
29 additional reporting, monitoring or measures, such as
30 reimbursement-basis only.

1 (5) The development of uniform budget requirements,
2 which shall include:

3 (i) mandatory submission of budgets as part of the
4 grant application process;

5 (ii) mandatory requirements regarding contents of
6 the budget, including, at a minimum, common detail line
7 items specified under guidelines issued by the Office of
8 the Budget;

9 (iii) a requirement that the budget allow
10 flexibility to add lines describing costs that are common
11 for the services provided as outlined in the grant
12 application;

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

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

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

22 (i) organization name;

23 (ii) Federal Employee Identification Number;

24 (iii) Data Universal Numbering System number;

25 (iv) fiscal condition;

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

28 (vi) past performance in administering grants;

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

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

3 (ix) whether the applicant is on the Sanctioned
4 Party List maintained by the Department of Health.

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

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

10 The Catalog of Commonwealth Financial Assistance shall be a
11 single, authoritative, Commonwealth-wide and comprehensive
12 source document of Commonwealth financial assistance program
13 information developed and administered by the Secretary of the
14 Budget. The catalog shall contain, at a minimum, the following
15 information:

16 (1) An introductory section that contains catalog
17 highlights, an explanation of how to use the catalog, an
18 explanation of the catalog and its contents and suggested
19 grant proposal writing methods and grant application
20 procedures.

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

24 (3) Comprehensive appendices showing Commonwealth
25 assistance programs that require coordination through this
26 article and regulatory, legislative and executive order
27 authority for each program, commonly used abbreviations and
28 acronyms, agency regional and local office addresses, and
29 sources of additional information.

30 (4) A list of programs that have been added to or

1 deleted from the catalog and the various program numbers and
2 title changes.

3 (5) Program number, title and popular name, if
4 applicable.

5 (6) The name of the department or agency or independent
6 agency and primary organization subunit administering the
7 program.

8 (7) The enabling legislation.

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

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

12 (10) Eligibility requirements, including applicant
13 eligibility criteria, beneficiary eligibility criteria and
14 required credentials and documentation.

15 (11) Objectives and goals of the program.

16 (12) Information regarding application and award
17 processing, application deadlines, range of approval or
18 disapproval time, appeal procedure and availability of a
19 renewal or extension of assistance.

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

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

25 (15) Program accomplishments describing quantitative
26 measures of program performance.

27 (16) Regulations, guidelines and literature containing
28 citations to the laws of this Commonwealth and the Code of
29 Federal Regulations and other pertinent informational
30 materials.

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

4 Section 106-K. Conflicts of interest.

5 The Office of the Budget shall adopt rules regarding conflict
6 of interest policies for awards. A non-Federal entity must
7 disclose in writing any potential conflict of interest to the
8 pass-through entity in accordance with applicable awarding
9 agency policy.

10 Section 107-K. Mandatory disclosures.

11 The Office of the Budget shall adopt rules requiring that the
12 applicant for an award disclose, in a timely manner and in
13 writing to the pass-through entity, all violations of Federal or
14 Commonwealth criminal law involving fraud, bribery or gratuity
15 violations potentially affecting the award. Failure to make the
16 required disclosures may result in any of the following remedial
17 actions:

18 (1) The temporary withholding of cash payments pending
19 correction of the deficiency by the awarding agency or non-
20 Federal entity or more severe enforcement action by the pass-
21 through entity.

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

24 (3) Whole or partial suspension or termination of the
25 award.

26 (4) Initiation of suspension or debarment proceedings as
27 authorized under rules adopted under section 103-K(a) and
28 awarding agency regulations or, in the case of a pass-through
29 entity, recommendation that the proceeding be initiated by
30 the awarding agency.

1 (5) Withholding further awards for the project or
2 program.

3 (6) Taking any other remedial action that may be legally
4 available.

5 Section 108-K. Applicability.

6 (a) General rule.--The requirements established under this
7 article apply to Commonwealth grant-making agencies that make
8 Federal awards and Commonwealth awards to non-Federal entities.
9 These requirements apply to all costs related to Federal awards
10 and Commonwealth awards. The requirements established under this
11 article do not apply to private awards.

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

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

16 (1) The terms and conditions of Federal awards and
17 Commonwealth awards shall apply to subawards and
18 subrecipients unless this article or the terms and conditions
19 of the Federal award or Commonwealth award specifically
20 indicate otherwise.

21 (2) Non-Federal entities shall comply with requirements
22 of this article regardless of whether the non-Federal entity
23 is a recipient or subrecipient of a Federal award or
24 Commonwealth award.

25 (3) Pass-through entities shall comply with the
26 requirements set forth under the rules adopted under section
27 103-K(a), but not to any requirements in this article
28 directed towards Federal awarding agencies or Commonwealth
29 awarding agencies, unless the requirements of the Federal
30 awards or Commonwealth awards indicate otherwise.

1 (4) When a non-Federal entity is awarded a cost-
2 reimbursement contract, only 2 CFR 200.330 (relating to
3 reporting on real property), 2 CFR 200.331 (relating to
4 subrecipient and contractor determinations) and 2 CFR 200.332
5 (relating to requirements for pass-through entities) shall be
6 incorporated by reference into the contract. When the cost
7 accounting standards are applicable to the contract, the
8 standards shall take precedence over the requirements of this
9 article unless they are in conflict with 2 CFR Pt. 200 Subpt.
10 F (relating to audit requirements). Costs that are made
11 unallowable under 10 U.S.C. § 2324(e) (Public Law 99-145, 99
12 Stat. 682) and 41 U.S.C. § 4304(a) (relating to specific
13 costs not allowable), as described in the Federal Acquisition
14 Regulation, subparts 31.2 and 31.603, are never allowable.
15 For requirements other than those covered in 2 CFR 200.330,
16 200.331 and 200.332, the terms of the contract and the
17 Federal Acquisition Regulation apply. With the exception of 2
18 CFR Pt. 200 Subpt. F, in any circumstances where the
19 provisions of Federal statutes or regulations differ from the
20 provisions of this article, the provision of the Federal
21 statutes or regulations govern. This includes, for agreements
22 with Indian tribes, the provisions of the Indian Self-
23 Determination and Education and Assistance Act, as amended,
24 25 U.S.C. Subch. II (relating to Indian self-determination
25 and education assistance).

26 (d) For-profit and foreign organizations.--Commonwealth
27 grant-making agencies may apply 2 CFR Pt. 200 Subpts. A
28 (relating to acronyms and definitions), B (relating to general
29 provisions), C (relating to pre-Federal award requirements and
30 contents of Federal awards), D (relating to post Federal award

1 requirements and E (relating to cost principles), to for-profit
2 entities, foreign public entities or foreign organizations,
3 except where the awarding agency determines that the application
4 would be inconsistent with the international obligations of the
5 United States or the statute or regulations of a foreign
6 government.

7 (e) Public institutions of higher education.--For public
8 institutions of higher education, the provisions of this article
9 shall apply only to awards funded by Commonwealth appropriations
10 and Federal pass-through awards from a Commonwealth agency to
11 public institutions of higher education. 2 CFR Pt. 200 shall
12 apply to public institutions of higher education.

13 (f) Enhanced processes of grant-making agency.--Each grant-
14 making agency shall enhance its processes to monitor and address
15 noncompliance with reporting requirements and with program
16 performance standards. Where applicable, the process may include
17 a corrective action plan. The monitoring process shall include a
18 plan for tracking and documenting performance-based contracting
19 decisions.

20 ~~(g) American Rescue Plan Act of 2021. Notwithstanding any <--~~
21 ~~provision of law to the contrary, grants awarded from Federal~~
22 ~~money received under under Title IX, Subtitle M, section 9901 of~~
23 ~~the American Rescue Plan Act of 2021 (Public Law 117 2, 135~~
24 ~~Stat. 4) are subject to the provisions of this article, but only~~
25 ~~to the extent required by Section 9901 of the American Rescue~~
26 ~~Plan Act of 2021 and other applicable Federal law or regulation.~~
27 ~~Section 109-K. Applicability.~~

28 (a) General rule.--Except as otherwise provided in this
29 section, the requirements established under this article apply
30 to Commonwealth grant-making agencies that make Federal awards

1 and Commonwealth awards to non-Federal entities. These
2 requirements apply to all costs related to Federal awards and
3 Commonwealth awards. The requirements established under this
4 article do not apply to private awards, to allocations of
5 Commonwealth revenues paid over by the Treasurer to units of
6 local government and other taxing districts.

7 (b) Application to subawards and subrecipients.--The terms
8 and conditions of Federal awards and Commonwealth awards apply
9 to subawards and subrecipients unless a particular section of
10 this article or the terms and conditions of the Federal award or
11 Commonwealth award specifically indicate otherwise.

12 (c) Non-Federal entities.--Non-Federal entities shall comply
13 with requirements of this article regardless of whether the non-
14 Federal entity is a recipient or subrecipient of a Federal award
15 or Commonwealth award. Pass-through entities shall comply with
16 the requirements set forth under the rules adopted under section
17 103-K(a), but not to any requirements in this article directed
18 towards Federal awarding agencies or Commonwealth awarding
19 agencies, unless the requirements of the Federal awards or
20 Commonwealth awards indicate otherwise.

21 Section 110-K. Commonwealth grant-making agency
22 responsibilities.

23 (a) Rules and responsibilities.--The requirements and
24 responsibilities of Commonwealth grant-making agencies and non-
25 Federal entities are set forth in this article. A Commonwealth
26 agency making awards to non-Federal entities must adopt by rule
27 the language in 2 CFR Pt. 200 Subpts. C (relating to pre-Federal
28 award requirements and contents of Federal awards), D (relating
29 to post Federal award requirements, E (relating to cost
30 principles) and F (relating to audit requirements) unless

1 different provisions are required by law.

2 (b) Chief accountability officer.--Each Commonwealth grant-
3 making agency shall appoint a chief accountability officer who
4 shall serve as a liaison to the Grant Accountability and
5 Transparency Unit and who shall be responsible for the
6 Commonwealth agency's implementation of and compliance with the
7 rules.

8 (c) Responsibilities of Commonwealth grant-making agency.--
9 In order to effectively measure the performance of recipients
10 and subrecipients, each Commonwealth grant-making agency shall
11 do the following:

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

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

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

30 (1) Each Commonwealth grant-making agency shall, when it

1 is in the best interests of the Commonwealth, request that
2 the Office of the Comptroller issue a stop-payment order in
3 accordance with section 117-K.

4 (2) Upon notification by the Grant Accountability and
5 Transparency Unit that a stop-payment order for a recipient
6 or subrecipient has been requested by a Commonwealth grant-
7 making agency, each Commonwealth grant-making agency that has
8 issued a grant to that recipient or subrecipient shall
9 determine if it remains in the best interests of the
10 Commonwealth to continue to issue payments to the recipient
11 or subrecipient.

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

16 Section 111-K. Office of the Budget.

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

18 (1) provide technical assistance and interpretations of
19 policy requirements in order to ensure effective and
20 efficient implementation of this article by Commonwealth
21 grant-making agencies; and

22 (2) have the authority to approve any exceptions to the
23 requirements of this article and shall adopt rules governing
24 the criteria to be considered when an exception is requested,
25 which shall only be made in particular cases where adequate
26 justification is presented.

27 (b) Grant Accountability and Transparency Unit.--The Office
28 of the Budget shall, ~~on or before July 1, 2022,~~ establish the <--
29 Grant Accountability and Transparency Unit, which shall be
30 funded with a portion of the administrative funds provided under

1 existing and future Federal and Commonwealth pass-through
2 grants. The amounts charged shall be allocated based on the
3 actual cost of the services provided to Commonwealth grant-
4 making agencies and public institutions of higher education in
5 accordance with the applicable Federal cost principles contained
6 in 2 CFR Pt. 200 (relating to uniform administrative
7 requirements, cost principles, and audit requirements for
8 Federal awards) and this article will not cause the reduction in
9 the amount of any Federal awards or Commonwealth grant awards
10 that have been or will be directed towards Commonwealth agencies
11 or public institutions of higher education.

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

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

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

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

29 (i) general and technical competencies;

30 (ii) programmatic expertise;

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

4 (iv) knowledge of compliance requirements.

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

7 (3) Accurate, current and complete disclosure of the
8 financial results of each funded award, as set forth in the
9 financial monitoring and reporting Section of 2 CFR Pt. 200
10 (relating to uniform administrative requirements, cost
11 principles, and audit requirements for Federal awards).

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

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

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

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

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

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

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

30 (7) Implement rules prohibiting a non-Federal entity

1 from earning or keeping any profit resulting from Federal or
2 Commonwealth financial assistance, unless prior approval has
3 been obtained from the Office of the Budget and is expressly
4 authorized by the terms and conditions of the award.

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

9 (9) Ensure the adoption of standardized rules for the
10 implementation of this article by Commonwealth grant-making
11 agencies. The Grant Accountability and Transparency Unit
12 shall provide such advice and technical assistance to the
13 Commonwealth grant-making agencies as is necessary or
14 indicated in order to ensure compliance with this article.

15 (10) Coordinate financial and single audit reviews.

16 (11) Coordinate on-site reviews of grantees and
17 subrecipients.

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

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

22 (1) The Grant Accountability and Transparency Unit shall
23 have no power or authority regarding the approval,
24 disapproval, management or oversight of grants entered into
25 or awarded by a Commonwealth agency or by a public
26 institution of higher education.

27 (2) The power or authority existing under law to grant
28 or award grants by a Commonwealth agency or by a public
29 institution of higher education shall remain with that
30 Commonwealth agency or public institution of higher

1 education.

2 (3) The Grant Accountability and Transparency Unit shall
3 be responsible for providing technical assistance to guide
4 the Administrative Code amendments proposed by Commonwealth
5 grant-making agencies to comply with this article and shall
6 be responsible for establishing standardized policies and
7 procedures for Commonwealth grant-making agencies in order to
8 ensure compliance with 2 CFR Pt. 200 (relating to uniform
9 administrative requirements, cost principles and audit
10 requirements for Federal awards), which must be adhered to by
11 the Commonwealth grant-making agencies throughout the life
12 cycle of the grant.

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

18 Section 113-K. Audit requirements.

19 The following shall apply:

20 (1) The standards set forth in 2 CFR Pt. 200 Subpt. F
21 (relating to audit requirements) and any other standards that
22 apply directly to Federal or Commonwealth agencies shall
23 apply to audits of fiscal years beginning on or after July 1, <--
24 2022.

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

30 (3) The Office of the Budget shall adopt rules for

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

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

10 Section 114-K. Review date.

11 The Office of the Budget shall review this article at least
12 once every five years in conjunction with the Federal review of
13 the Uniform Administrative Requirements, Cost Principles, and
14 Audit Requirements for Federal Awards as required by 2 CFR
15 200.109 (relating to review date) in order to determine whether
16 any existing rules need to be revised or new rules adopted.

17 Section 115-K. Agency implementation.

18 All Commonwealth grant-making agencies shall implement the
19 rules issued by the Office of the Budget. The standards under
20 this article become effective once implemented by the
21 Commonwealth grant-making agencies. Commonwealth grant-making
22 agencies shall implement the policies and procedures applicable
23 to Federal awards and Commonwealth awards by adopting rules for
24 non-Federal entities.

25 Section 116-K. Annual report.

26 Effective January 1, ~~2023~~ 2024, and each January 1 <--
27 thereafter, the Office of the Budget shall submit to the
28 Governor and the General Assembly a report that demonstrates the
29 efficiencies, cost savings and reductions in fraud, waste and
30 abuse as a result of the implementation of this article and the

1 rules adopted by the Office of the Budget in accordance with
2 this article. The report shall include, but not be limited to:

3 (1) the number of entities placed on the Debarment and
4 Suspension List;

5 (2) any savings realized as a result of the
6 implementation of this article;

7 (3) any reduction in the number of duplicative audit
8 report reviews;

9 (4) the number of persons trained to assist grantees and
10 subrecipients; and

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

13 Section 117-K. Stop-payment procedures.

14 (a) Factors and procedure.--On or before July 1, 2022, the <--

15 THE Office of the Budget shall adopt rules pertaining to the <--

16 following:

17 (1) factors to be considered in determining whether to
18 issue a stop-payment order, which shall include whether or
19 not a stop-payment order is in the best interests of the
20 Commonwealth;

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

23 (3) procedures for notification to the recipient or
24 subrecipient of the issuance of a stop-payment order, the
25 lifting of a stop-payment order and any other related
26 information.

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

30 (1) policies regarding the issuance of stop-payment

1 orders;

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

4 (3) policies regarding corrective actions required of
5 recipients and subrecipients in the event a stop-payment
6 order is issued; and

7 (4) policies regarding the coordination of
8 communications between the Office of the Comptroller and
9 Commonwealth grant-making agencies regarding the issuance of
10 stop-payment orders and the lifting of such orders.

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

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

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

23 (i) The name of the grant.

24 (ii) The grant number.

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

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

28 (v) Any other relevant information.

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

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

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

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

13 (2) Upon notice from the Treasurer, the Grant
14 Accountability and Transparency Unit shall notify all
15 Commonwealth grant-making agencies who have issued grants to
16 a recipient or subrecipient subject to a stop-payment order
17 that a stop-payment order has been requested by another
18 Commonwealth grant-making agency.

19 (3) Upon notice from the Grant Accountability and
20 Transparency Unit, each Commonwealth grant-making agency who
21 has issued a grant to a recipient or subrecipient subject to
22 a stop-payment order shall review and assess all grants
23 issued to that recipient or subrecipient. Commonwealth
24 agencies shall use factors provided by the Office of the
25 Budget or the Grant Accountability and Transparency Unit to
26 determine whether it is the best interests of the
27 Commonwealth to request a stop-payment order.

28 Section 118-K. Documentation of award decisions.

29 (a) General rule.--Each award that is granted pursuant to an
30 application process must include documentation to support the

1 award. For each Federal award or Commonwealth award that is
2 granted following an application process, the Commonwealth
3 grant-making agency shall create a grant award file. The grant
4 award file shall contain, at a minimum:

5 (1) A description of the grant.

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

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

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

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

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

16 (7) A written determination, signed by an authorized
17 representative of the Commonwealth grant-making agency,
18 setting forth the reason for the grant award decision, if
19 applicable.

20 (8) The notice of award.

21 (9) Any other pre-award documents.

22 (10) The grant agreement and any renewals, if
23 applicable;

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

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

27 (b) Information not included.--The grant file shall not
28 include trade secrets or other competitively sensitive,
29 confidential or proprietary information.

30 (c) Maintenance of grant file.--Each grant file shall be

1 maintained by the Commonwealth grant-making agency and, subject
2 to the provisions of the Freedom of Information Act (Public Law
3 89-487, 80 Stat. 250), shall be available for public inspection
4 and copying within seven calendar days following award of the
5 grant.

6 Section 119-K. Certifications and representations.

7 Unless prohibited by Federal or Commonwealth law, regulation
8 or administrative rule, each Commonwealth awarding agency or
9 pass-through entity is authorized to require the recipient or
10 subrecipient to submit certifications and representations
11 required by Federal or Commonwealth law, regulation or
12 administrative rule.

13 Section 120-K. Required certifications.

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

20 By signing this report and/or payment request, I certify to
21 the best of my knowledge and belief that this report is true,
22 complete, and accurate; that the expenditures, disbursements,
23 and cash receipts are for the purposes and objectives set
24 forth in the terms and conditions of the Federal award or
25 Commonwealth award; and that supporting documentation has
26 been submitted as required by the grant agreement. I
27 acknowledge that approval for any item or expenditure
28 described herein shall be considered conditional subject to
29 further review and verification in accordance with the
30 monitoring and records retention provisions of the grant

1 agreement. I am aware that any false, fictitious, or
2 fraudulent information, or the omission of any material fact,
3 may subject me to criminal, civil or administrative penalties
4 for fraud, false statements, false claims or otherwise.

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

7 (a) Prior expenses.--In the event that a recipient or
8 subrecipient incurs expenses related to the grant award prior to
9 the execution of the grant agreement but within the term of the
10 grant, and the grant agreement is executed more than 30 days
11 after the effective date of the grant, the recipient or
12 subrecipient must submit to the Commonwealth grant-making agency
13 a report that accounts for eligible grant expenditures and
14 project activities from the effective date of the grant up to
15 and including the date of execution of the grant agreement.

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

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

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

25 Section 2. This act shall take effect in ~~60~~ 180 days. <--