DETAILED INSTRUCTIONS FOR COMPLETING APPLICATION PACKAGE

1. GENERAL INSTRUCTIONS

The Federal grants application, Form SF-424 application package, is available at www.grants.gov for use by applicant organizations requesting Federal assistance support under all research and demonstration grant programs administered by SSA.

Applications are to be submitted via www.grants.gov unless prior approval is obtained from the SSA Grants Management Team allowing the submission of a non-electronic application package. The SSA Grants Management Team contacts are: Gary Stammer, 410-965-9501; Mary Biddle, 410-965-9501; Ann Dwayer, 410-965-9534; Audrey Adams, 410-965-9469; Phyllis Y. Smith, 410-965-9518.

The application form is comprised of several parts: Table of Contents, One Page Project Summary, Face Page (SF-424), BUDGET INFORMATION (SF-424A), Budget Narrative, Project Narrative, and Assurances.

Please read and follow the instructions carefully to avoid delays and misunderstandings. An application may be considered incomplete and returned if it fails to follow the instructions or if the material presented is insufficient to permit an adequate review.

Project Duration and estimated Project Budgets:

(1) *If the project duration is to be 17 months or less*, the application budget sections should include a budget for the total period of the project (not to exceed 17 months). Thus, Budget Sections A, B, C and D should be completed for the total project period. Budget Section E of the application form should be omitted.

(2) *If the project duration is to be greater than 17 months*, the application budget sections should reflect a budget for the project's initial 12-month budget period only. Budget Sections A, B, C and D of the application should be completed to show the budget for the first year. Budget Section E should be completed to reflect the balance of the Federal funds required for the remainder of the project period. If the application is approved, funds will be awarded for the initial 12-month budget period. Funding will subsequently be provided in up to 12-month increments for the balance of the project, dependent upon

satisfactory performance in achieving the objectives of the project in the initial/subsequent budget period(s), continued relevance of the project activity to SSA, and the availability of fiscal year funds.

2. PART I--FACE SHEET (SF-424)

The Face Page (SF-424) is a multipurpose standard form. Completion instructions are available via online screen level help once the application package is opened on www.grants.gov .

In completing these sections, the "Federal Funds" budget entries will relate to the requested SSA discretionary funds only, and "Non-Federal" will include funds from all other sources (e.g., applicant, state, local, and other). Federal funds other than requested SSA discretionary funding should be included in "Non-Federal" entries.

(a) SECTION A--BUDGET SUMMARY

Grant applicants requesting assistance to conduct activities under grant programs administered by SSA are expected to contribute a minimum of 5 percent towards the total cost of the activity. These costs must be reflected in the grant application. The budget for the activity must include funds requested from SSA and the applicant's share of allowable costs. (Note: to determine if the Non-Federal amount meets the required percentage, divide the Non-Federal amount by the Total amount.)

Use line 1 only. Leave lines 2 through 5 blank.

Columns a and b -- In column a, enter "SSA". In column b, enter **"96.008"**.

Columns c and d -- Leave blank.

Columns e, f and g -- Enter in column e the amount of Federal funds needed to support the project for the first funding period (usually 12 months). Enter in column f the amount of the cost of the project to be borne by Non-Federal funds. Enter in column g the total of columns e and f. The amount shown in column g should agree with the amount shown on the SF-424 Face Sheet (Part I), exclusive of Program Income.

(b) SECTION B--BUDGET CATEGORIES

Section B contains entries for **Federal (SSA) funds only**.

- Use column one only. Leave columns 2 through 5 blank.
- On lines 6a through 6h show the estimated Federal costs for each object class category. Enter costs for the initial (01 year) budget period.
- Provide a narrative budget justification (under SECTION F) that describes how the categorical costs are derived. Detailed calculations must include estimation methods, quantities, unit costs, and other similar quantitative detail sufficient for the calculation to be duplicated.

Line 6a-Personnel -- Enter the total costs of salaries and wages of applicant/grantee staff only. A breakdown of the amounts and percentage of time that comprises the salary must be provided in the budget SECTION G--PERSONNEL. In computing estimated salary charges, an individual's base salary represents the total authorized annual compensation that an applicant organization would be prepared to pay for a specified work period. The base salary excludes income that an individual may be permitted to earn outside of full-time duties to the applicant organization. Do not include costs of consultants or personnel costs of delegate/subgrantee organizations (consultant costs should be included in Line 6h-Other).

Line 6b-Fringe Benefits -- Fringe benefits may be requested as a direct cost to the extent that they are treated consistently by the applicant organization as a direct cost to all sponsors. As an alternative, fringe benefits may be included in the calculation of the applicant organization's indirect costs. If a fringe benefit rate has been negotiated with a Federal agency, indicate the agency and the applicable rate under SECTION F. Otherwise provide a breakdown of items, amounts, and percentages that comprise fringe benefit costs.

Line 6c-Travel -- Enter total estimated costs of all travel by employees of the project. Do not include costs for consultant's travel. Under SECTION F describe and justify the requested travel costs, including the purpose, traveler(s), number of trips involved, destinations, duration of trip, and projected cost per trip (i.e., local transportation, mileage allowances, per diem, air travel, subsistence allowances, etc.).

Line 6d-Equipment -- Enter the total estimated costs of all equipment to be charged to the project. "Equipment" means tangible non-expendable personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. However, consistent with applicant/grantee policy,

lower limits may be established. Under SECTION F, list and fully explain the need for each item of equipment, the cost per unit, number of units, and total estimated cost.

Line 6e-Supplies -- Enter the total estimated costs of all tangible personal property (supplies) other than that included on line 6d. Under SECTION F, list/specify general categories of supplies and explain the need for the items and their costs. Show computations and other information that supports the amount requested.

Note: If computer equipment and/or software is included in the budget, fully describe and justify the need for each item.

Line 6f-Contractual -- Enter the total estimated costs of all contracts, including (1) procurement contracts (except those which belong on other lines such as equipment, supplies, etc.) and (2) contracts with secondary recipient organizations including delegate organizations and specific project(s) or businesses to be financed by the applicant. Under SECTION F, identify the purpose and costs associated. Also include any contracts with organizations for the provision of technical assistance. Do not include payments to individual service contractors on this line. If available at the time of application, attach a list of contractors indicating the name of the organization, the purpose of the contract and the estimated dollar amount of the award.

Note: Whenever the applicant/grantee intends to delegate part of the project to another organization, the applicant/grantee must provide a detailed budget and budget narrative for each delegate organization. The total costs of all such organizations will be part of the amount shown on Line 6f.

All applicants (except State governments) must identify and justify any anticipated procurement that is expected to exceed the simplified acquisition threshold (currently set at $100,000) and to be awarded without competition. Recipients may be required to make available to SSA pre-award review and procurement documents, such as request for proposals or invitations for bids, independent cost estimates, etc. under the conditions identified at HHS regulations 20 CFR Part 435.44 and/or Part 437.36.

Line 6g-Construction -- SSA programs do not have construction authority but may support limited alteration and renovation costs. Amounts included under this category must be fully explained under SECTION F.

Line 6h-Other -- Enter the total of all other direct costs not clearly covered by lines a through g. Such costs, where applicable, may include but are not limited to insurance, fees and travel paid directly to individual consultants, space and equipment rentals, printing and publication, computer use, and training costs. Costs identified as "miscellaneous" and "honoraria" are not allowable. In SECTION F, itemize and fully explain all amounts entered under this category, including the method used in computing the cost.

Line 6i-Total Direct Charges -- Enter the total of Lines 6a through 6h.

Line 6j-Indirect Costs --

Applicants which are State and local governments, enter the total amount of indirect costs. List and explain these costs under SECTION F. Indicate if the costs are claimed in accordance with an approved State cost allocation plan.

Applicants other than State and local governments, enter the total amount of indirect costs. Generally, this line should be used only when the applicant currently has an indirect cost rate approved by SSA or another Federal agency or is awaiting such approval. If the costs are claimed in accordance with an approved indirect cost rate, enclose a copy of the current rate agreement.

If the applicant organization is in the process of renegotiating a rate, it should immediately, upon notification that an award will be made, develop a tentative indirect cost rate proposal based on its most recently completed fiscal year and submit it to the appropriate cognizant Federal agency. It should be noted that when an indirect cost rate is requested, those costs included in the indirect cost pool should not be charged as direct costs to the grant.

Line 7-Program Income -- Enter the estimated amount of income, if any, expected to be generated from this project. Do not add or subtract this amount from the budget total. Under SECTION F, explain the nature, source and anticipated use of program income.

(c) SECTION C--NON-FEDERAL RESOURCES

This section is to record the amounts of "non-Federal" resources that will be used to support the project. "Non-Federal" resources mean other than SSA funds for which the applicant is applying.

Use line 8 only. Leave lines 9 through 12 blank.

Column a -- Enter "SSA".

Column b -- Enter the amount of funds and in-kind contributions to be provided by the applicant.

Column c -- Enter the State contribution. If the applicant is a State agency, enter the non-Federal funds to be contributed by the State other than the applicant.

Column d -- Enter the amount of cash and in-kind contributions to be made from all other sources.

Column e -- Enter the total of columns b, c, and d. The amount in Column e should be equal to the amount in Section A, Line 1, Column f.

(d) SECTION D--FORECASTED CASH NEEDS

Line 13 -- Enter the amount of Federal (SSA) cash needed for the initial budget period of this grant by quarter. (Note: When the initial budget period will be more than 12 months, submit a separate sheet to show each additional 3 months or portion thereof.)

Line 14 -- Enter the amount of cash from all other sources needed by quarter during the budget period.

(e) SECTION E--BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

This section should only be completed when the proposed project duration will be greater than 17 months.

Use line 16 only. Leave lines 17 through 19 blank.

Column a -- Enter "SSA".

Columns b through e -- Enter the amount(s) of Federal funds which will be needed to complete the project over the succeeding funding periods (in years). For example, if the total funding period for the project is three years, then columns b and c would be completed to show the Federal funding requirements for the second and third year of the project (columns d and e would not be completed). **Note:** No project shall be funded beyond the maximum number of years allowed per the grant program announcement.

(f) SECTION F--OTHER BUDGET INFORMATION

Line 21--Use this space and continuation sheets as necessary to fully explain and justify the major items included in the budget categories shown in Section B, column 1. The information provided should include sufficient detail to facilitate a determination as to allowability, relevance to the project, and cost/benefit.

Line 22--Enter the type of Federal agency approved indirect cost rate (provisional, predetermined, final or fixed) that will be in effect during the funding period, the estimated amount of the base to which the rate is applied and the total indirect expense. Also, enter the date the rate was approved, where applicable. Attach a copy of the rate agreement if it was negotiated with a Federal agency other than SSA.

Line 23--Provide any other explanations and continuation sheets required or deemed necessary to justify or explain the budget information.

(g) SECTION G--PERSONNEL

An example for completion of this section is included on the back of the form.

1. Personnel

List all personnel chargeable as a direct cost to the project by title, salary and percentage of effort. Include names for key positions only. The amount shown for "Total salaries and wages" should agree with the amount shown in Section B, column 1, line 6a-Personnel. (Note: If any portion of the personnel cost is to be charged as non-Federal costs, list the non-Federal personnel costs separate from the costs to be charged to Federal (SSA) funds.)

Enter in column 1 the annual (12 months) salary rate for each position which will be filled for all or any part of the year by an incumbent working on the project. This rate may not be more than that paid by the grantee to other employees in comparable positions or, if the grantee has no comparable positions, the rate may not be more than that paid for such services elsewhere in the community.

Enter in column 2 the number of months the position will be filled by an incumbent working on the project.

Enter in column 3 the percent of time or effort the incumbent will devote to the project during the number of months shown in column 2.

Enter in column 4 the total amount required as computed from the information shown in columns 1 through 3. Use the following formula:

Annual Salary (Col. 1) X $\frac{\text{No. of Months (col. 2)}}{12}$
X

Percent of Effort (Col. 3) = Total Amount Required (Col. 4)

2. Fringe Benefits
Enter in the parenthesis the applicable fringe benefit rate(s). In column 4, enter the amount determined by applying the rate to the total of the salaries in column 4 to which the rate(s) applies.

3. Option for Salary Detail Submission
Applicants may request that the salary rates and amounts requested for individuals not be made available to reviewing consultants. To do so, an additional copy of this page must be submitted, complete in all respects, except that columns 1 and 4 may be left blank.

4. Function/Task Description
Attach a description of the function or task to be performed for all personnel listed.

PART III--PROJECT NARRATIVE

The project narrative is to be completed in accordance with the published Request For Applications.

NOTICE

TO: SOCIAL SECURITY ADMINISTRATION (SSA) GRANT APPLICANTS AND AWARD RECIPIENTS.

Prior to March 31, 1995, the Social Security Administration (SSA) was a component of the U.S. Department of Health and Human Services (DHHS). The Social Security Independence and Program Improvements Act of 1994, Public Law No. 103-296, enacted August 15, 1994, established SSA as an independent establishment in the Executive Branch, effective March 31, 1995. SSA's published grant regulations include 20 C.F.R. Parts 435, 437 and 438.

In view of SSA's status as an independent establishment, we request that you note the following.

1. In the SSA FEDERAL ASSISTANCE APPLICATION FORM, PART IV ASSURANCES, All references to "Department of Health and Human Services" mean the "Social Security Administration." Also, for the Privacy Act and Freedom of Information Act (page IV.B.), in lieu of referring to the DHHS regulations at 45 CFR Part 5b.2 and 45 CFR Part 5, please refer to the SSA regulations at 20 CFR Part 401.10 and 20 CFR Part 402, respectively.

2. On March 9, 1995, a deviation was granted by DHHS that exempted SSA from the provisions of 45 C.F.R. Part 74, Subpart F. This deviation was in effect at the time SSA became an independent establishment. Thus, the provisions of Subpart F that provide that the DHHS Departmental Appeals Board will hear appeals of final agency decisions adverse to grant recipients are not applicable to grants awarded by SSA. In the event of a dispute over a matter related to a grant, SSA will issue a final decision. There is no right of administrative appeal of a final decision adverse to the grant recipient.

3. PAYMENT PROCEDURES - Payment for all grants awarded by SSA are paid through the SSA Office of Finance. Inquiries regarding payments should be directed to:

Division of Central Accounting and Reporting
Social Security Administration
PO Box 47
Baltimore, Maryland 21235-0047
Telephone (410) 965-0021

We direct the attention of potential SSA grantees to the following statutory provisions, which are contained in SSA's appropriation language.

Public Law 106-113 Title V -- General Provisions

SEC. 503. (a) "No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the Congress or any State legislature, except in presentation to the Congress or any State legislature itself."

SEC. 503. (b) "No part of any appropriation contained in this act shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress or any State legislature."

Sec. 506. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS - It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

Sec. 507. When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds included in this Act, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state: (1) the percentage of the total costs of the program or project which will be financed with Federal money; (2) the dollar amount of Federal funds for the project or program; and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

INSTRUCTIONS FOR COMPLETION OF DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. **The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action.** Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

5. If the organization filing the report in item 4 checks "Subawardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.

6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate Federal identifying number available for the Federal action identified in Item 1 (e.g., Request for Proposal (RFP) number, Invitation for Bid (IFB) number, grant announcement number, the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

10. (a) Enter the full name, address, city, state and zip code of the registrant, under the Lobbying Disclosure Act of 1995, engaged by the reporting entity identified in item 4 to influence the covered Federal action.

    (b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).

16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspects of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.

PART _____ - NEW RESTRICTIONS ON LOBBYING

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Appendix A to Part ___ - Certification Regarding Lobbying

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Authority: Section 319, Public Law 101-121 (31 U.S.C. 1352) (citation to Agency rulemaking authority); as amended by sec. 10, Public Law 104-65.

Subpart A - General

___.100 Conditions on use of funds.

(a) No appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(b) Each person who requests or receives from an agency a Federal contract, grant, loan, or cooperative agreement shall file with that agency a certification, set forth in Appendix A, that the person has not made, and will not make, any payment prohibited by paragraph (a) of this section.

(c) Each person who requests or receives from an agency a Federal contract, grant, loan, or a cooperative agreement shall file with that agency a disclosure form, set forth in Appendix B, if such person has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered Federal action), which would be prohibited under paragraph (a) of this section if paid for with appropriated funds.

(d) Each person who requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan shall file with that agency a statement, set forth in Appendix A, whether that person has made or has agreed to make any payment to influence or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with that loan insurance or guarantee.

(e) Each person who requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan shall file with that agency a disclosure form, set forth in Appendix B, if that person has made or has agreed to make any payment to influence or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with that loan insurance or guarantee.

___.105 Definitions.

For purposed of this part:

(a) Agency, as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

(b) Covered Federal action means any of the following Federal actions:
(1) The awarding of any Federal contract;
(2) The making of any Federal grant;
(3) The making of any Federal loan;
(4) The entering into of any cooperative agreement; and,
(5) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan. Loan guarantees and loan insurance are addressed independently within this part.

(c) Federal contract means an acquisition contract awarded by an agency, including those subject to the Federal Acquisition Regulation (FAR), and any other acquisition contract for real or personal property or services not subject to the FAR.

(d) Federal cooperative agreement means a cooperative agreement entered into by an agency.

(e) Federal grant means an award of financial assistance in the form of money, or property in lieu of money, by the Federal Government or a direct appropriation made by law to any person. The term does not include technical assistance which provides services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, loan insurance, interest

subsidies, insurance, or direct United States cash assistance to an individual.

(f) Federal loan means a loan made by an agency. The term does not include loan guarantee or loan insurance.

(g) Indian Tribe and tribal organization have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

(h) Influencing or attempting to influence means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

(i) Loan guarantee and loan insurance means an agency's guarantee or insurance of a loan made by a person.

(j) Local government means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

(k) officer or employee of an agency includes the following individuals who are employed by an agency:

(1) An individual who is appointed to a position in the Government under title 5, U.S. Code, including a position under a temporary appointment;
(2) A member of the uniformed services as defined in section 101(3), title 37, U.S. Code;
(3) A special Government employee as defined in section 202, title 18, U.S. Code; and,
(4) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, U.S. appendix 2.

(l) Person means an individual corporation, company, association, authority, firm, partnership, society, State and local government, regardless of whether such entity is operated for-profit, or not for-profit. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

(m) Reasonable compensation means, with respect to a regularly employed officer or employee of any person, compensation that is consistent with the normal compensation for such officer or employee for work that is not furnished to, not funded by, or not furnished in cooperation with the Federal Government.

(n) Reasonable payment means, with respect to professional and other technical services, a payment in an amount that is consistent with the amount normally paid for such services in the private sector.

(o) Recipient includes all contractors, subcontractors at any tier, and subgrantees at any tier of the recipient of funds received in connection with a Federal contract, grant, loan, or cooperative agreement. The term excludes

an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

(p) Regularly employed means, with respect to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement or a commitment providing for the United States to insure or guarantee a loan, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract, grant, loan, cooperative agreement, loan insurance commitment, or loan guarantee commitment. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

(q) State means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

___.110 Certification and Disclosure.

(a) Each person shall file a certification, and a disclosure form, if required, with each submission that initiates agency consideration of such person for:

(1) Award of a Federal contract, grant, or cooperative agreement exceeding $100,000; or

(2) An award of a Federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding $150,000.

(b) Each person shall file a certification, and a disclosure form, if required, upon receipt by such person of:

(1) A Federal contract, grant, or cooperative agreement exceeding $100,000; or

(2) A Federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding $150,000, unless such person previously filed a certification, and a disclosure form, if required, under paragraph (a) of this section.

(c) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that required disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraphs (a) or (b) of this section. An event that materially affects the accuracy of the information reported includes:

(1) A cumulative increase of $25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or

(2) A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or,

(3) A change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.

(d) Any person who requests or receives from a person referred to in paragraphs (a) or (b) of this section:

(1) A subcontract exceeding $100,000 at any tier under a Federal contract;

(2) A subgrant, contract, or subcontract exceeding $100,000 at any tier under a Federal grant;
(3) A contract or subcontract exceeding $100,000 at any tier under a Federal loan exceeding $150,000; or,
(4) A contract or subcontract exceeding $100,000 at any tier under a Federal cooperative agreement,

shall file a certification, and a disclosure form, if required, to the next tier above.

(e) disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraphs (a) or (b) of this section. That person shall forward all disclosure forms to the agency.

(f) Any certification or disclosure form filed under paragraph (e) shall be treated as a material representation of fact upon which all receiving tiers shall rely. All liability arising from an erroneous representation shall be borne solely by the tier filing that representation and shall not be shared by any tier to which the erroneous representation is forwarded. Submitting an erroneous certification or disclosure constitutes a failure to file the required certification or disclosure, respectively. If a person fails to file a required certification or disclosure, the United States may pursue all available remedies, including those authorized by section 1352, title 31, U.S. Code.

(g) For awards and commitments in process prior to December 23, 1989, but not made before that date, certifications shall be required at award or commitment, covering activities occurring between December 23, 1989, and the date of award or commitment. However, for awards and commitments in process prior to the December 23, 1989 effective date of these provisions, but not made before December 23, 1989, disclosure forms shall not be required at time of award or commitment but shall be filed within 30 days.

(h) No reporting is required for an activity paid for with appropriated funds if that activity is allowable under either Subpart B or C.

Subpart B - Activities by Own Employees

___.200 Agency and legislative liaison.

(a) The prohibition on the use of appropriated funds, in _.100 (a) , does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement if the payment is for agency and legislative liaison activities not directly related to a covered Federal action.

(b) For purposes of paragraph (a) of this section, providing any information specifically requested by an agency or Congress is allowable at any time.

(c) For purposes of paragraph (a) of this section, the following agency and legislative liaison activities are allowable at any time only where they are not related to a specific solicitation for any covered Federal action:
(1) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and,
(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for any agency's use.

(d) For purposes of paragraph (a) of this section, the following agency and legislative liaison activities are allowable only where they are prior to formal solicitation of any covered. Federal action:

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and, (3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.

(e) Only those activities expressly authorized by this section are allowable under this section.

___.205 Professional and technical services.

(a) The prohibition on the use of appropriated funds, in _.100 (a), does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement or an extension, continuation, renewal, amendment, or notification of a Federal contract, grant, loan, or cooperative agreement if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal contract, grant, loan, or cooperative agreement or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal contract, grant, loan, or cooperative agreement.

(b) For purposes of paragraph (a) of this section "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communications with the intent to influence made by a professional (such as a licensed lawyer) or a technical person (such as a licensed accountant) are not allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in the preparation, submission or negotiation of a covered Federal action. Thus, for example, communications with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspects of his or her client's proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications with the intent to influence made by an engineer providing an engineering analysis prior to the preparation or submission of a bid or proposal are not allowable under this section since the engineer is providing technical services, but not directly in the preparation, submission or negotiation of covered Federal action.

(c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(d) Only those services expressly authorized by this section are allowable under this section.

___.210 Reporting.

No reporting is required with respect to payments of reasonable compensation made to regularly employed officers or employees of a person.

Subpart C - Activities by Other than own Employees

___.300 Professional and technical services.

(a) The prohibition on the use of appropriated funds, in _.100 (a), does not apply in the case of any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action, if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal contract, grant, loan, or cooperative agreement or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal contract, grant, loan, or cooperative agreement.

(b) The reporting requirements in ___.110 (a) and (b) regarding filing a disclosure form by each person, if required, shall not apply with respect to professional or technical services rendered directly in the preparation, submission, or negotiation of any commitment providing for the United States to insure or guarantee a loan.

(c) For purposes of paragraph (a) of this section "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communications with the intent to influence made by a professional (such as a licensed lawyer) or a technical person (such as a licensed accountant) are not allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in the preparation, submission or negotiation of a covered Federal action. Thus, for example, communications with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspects of his or her client's proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications with the intent to influence made by an engineer providing an engineering analysis prior to the preparation or submission of a bid or proposal are not allowable under this section since the engineer is providing technical services but not directly in the preparation, submission or negotiation of a covered Federal action.

(d) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(e) Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(f) only those services expressly authorized by this section are allowable under this section.

Subpart D - Penalties and Enforcement

___.400 Penalties.

(a) Any person who makes an expenditure prohibited herein shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such expenditure.

(b) Any person who fails to file or amend the disclosure form (see Appendix B) to be filed or amended if required herein, shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

(c) A filing or amended filing on or after the date on which an administrative action for the imposition of a civil penalty is commenced does not prevent the imposition of such civil penalty for a failure occurring before that date. An administrative action is commenced with respect to a failure when an investigating official determines in writing to commence an investigation of an allegation of such failure.

(d) in determining whether to impose a civil penalty, and the amount of any such penalty, by reason of a violation by any person the agency shall consider the nature, circumstances, extent, and gravity of the violation, the effect on the ability of such person to continue in business, any prior violations by such person, the degree of culpability of such person, the ability of the person to pay the penalty, and such other matters as may be appropriate.

(e) First offenders under paragraph (a) and (b) of this section shall be subject to a civil penalty of $10,000, absent aggravating circumstances. Second and subsequent offenses by persons shall be subject to an appropriate civil penalty between $10,000 and $100,000, as determined by the agency head or his or her designee.

(f) An imposition of a civil penalty under this section does not prevent the United States from seeking any other remedy that may apply to the same conduct that is the basis for the imposition of such civil penalty.

___ .405 Penalty procedures.

Agencies shall impose and collect civil penalties pursuant to the provisions of the Program Fraud and Civil Remedies Act, 31 U.S.C. sections 3803 (except subsection (c)) , 3804, 3805, 3806, 3807, 3808, and 3812, insofar as these provisions are not inconsistent with the requirement herein.

___ .410 Enforcement.

The head of each agency shall take such actions as are necessary to ensure that the provisions herein are vigorously implemented and enforced in that agency.

Governmentwide Debarment and Suspension (Nonprocurement)
(20 CFR Part 436)

Executive Order (E.O.) 12549, which is implemented by 20 CFR Part 436, provides that, to the extent permitted by law, Executive departments and agencies shall participate in a governmentwide system for nonprocurement debarment and suspension. A person who is debarred or suspended shall be excluded from Federal financial and nonfinancial assistance and benefits under Federal programs and activities. Debarment or suspension of a participant in a program by one agency shall have governmentwide effect.

In accordance with 20 CFR Part 436, any debarment, suspension, proposed debarment or other governmentwide exclusion initiated under the Federal Acquisition Regulation (FAR) on or after August 25, 1995 shall be recognized by and effective for Executive Branch agencies and participants as an exclusion under this regulation. Similarly, any debarment, suspension or other governmentwide exclusion initiated under this regulation on or after August 25, 1995 shall be recognized by and effective for those agencies as a debarment or suspension under the FAR.

Definitions

(From 20 CFR Part 436)

Covered transactions. For purposes of these regulations, a covered transaction is a primary covered transaction or a lower tier covered transaction. Covered transactions at any tier need not involve the transfer of Federal funds.

(i) Primary covered transaction. Except as noted in paragraph (a)(2) of this section, a primary covered transaction is any nonprocurement transaction between an agency and a person, regardless of type, including: grants, cooperative agreements, scholarships, fellowships, contracts of assistance, loans, loan guarantees, subsidies, insurance, payments for specified use, donation agreements and any other nonprocurement transactions between a Federal agency and a person. Primary covered. transactions also include those transactions specially designated by the U. S. Department of Housing and Urban Development in such agency's regulations governing debarment and suspension.

(ii) Lower tier covered transaction. A lower tier covered transaction is:

(A) Any transaction between a participant and a person other than a procurement contract for goods or services,

regardless of type, under a primary covered transaction.

(B) Any procurement contract for goods or services between a participant and a person, regardless of type, expected to equal or exceed the Federal procurement small purchase threshold fixed at 10 U.S.C. 2304(g) and 41 U.S.C. 253(g) (currently $100,000) under a primary covered transaction.

(C) Any procurement contract for goods or services between a participant and a person under a covered transaction, regardless of amount, under which that person will have a critical influence on or substantive control over that covered transaction. Such persons are:

(1) Principal investigators.

(2) Providers of Federally-required audit services.

(3) Researchers.

Debarment. An action taken by a debarring official in accordance with these regulations to exclude a person from participating in covered transactions. A person so excluded is "debarred."

Ineligible. Excluded from participation in Federal nonprocurement programs pursuant to a determination of ineligibility under statutory, executive order, or regulatory authority, other than Executive Order 12549 and its agency implementing regulations; for example, excluded pursuant to the Davis-Bacon Act and its implementing regulations, the equal employment opportunity acts and executive orders, or the environmental protection acts and executive orders. A person is ineligible where the determination of ineligibility affects such person's eligibility to participate in more than one covered transaction.

Participant. Any person who submits a proposal for, enters into, or reasonably may be expected to enter into a covered transaction. This term also includes any person who acts on behalf of or is authorized to commit a participant in a covered transaction as an agent or representative of another participant.

Person. Any individual, corporation, partnership, association, unit of government or legal entity, however organized, except: foreign governments or foreign governmental entities, public international organizations, foreign government owned (in whole or in part) or controlled entities, and entities consisting wholly or partially of foreign governments or foreign governmental entities.

Principal. Officer, director, owner, partner, key employee, or other person within a participant with primary management or supervisory responsibilities; or a person who has a critical influence on or substantive control over a covered transaction, whether or not employed by the participant. Persons who have a critical influence or substantive control over a covered transaction are:

(1) Principal investigators.

(2) Researchers.

Proposal. A solicited or unsolicited bid, application, request, invitation to consider or similar communication by or on behalf of a person seeking to participate or to receive a benefit directly or indirectly, in or under a covered transaction.

Suspension. An action taken by a suspending official in accordance with these regulations that immediately excludes a person from participating in covered transactions for a temporary period, pending completion of an investigation and such legal, debarment and Program Fraud Civil Remedies or proceedings as may ensue. A person excluded is "suspended."

Voluntary exclusion or voluntarily excluded. A status of nonparticipation or limited participation in covered transactions assumed by a person pursuant to the terms of a settlement.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS-PRIMARY COVERED TRANSACTIONS

Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal" and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 20 CFR Part 436. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not

proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings..

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION--LOWER TIER COVERED TRANSACTIONS

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal" and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive order 12549: 20 CFR Part 436. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may but is not required to check the Nonprocurement List (Tel. #).

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and voluntary Exclusion-Lower Tier covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.