

§ 96.15

fiscal year 1984, a maximum of 25 percent may be held available for the next fiscal year. From allotments for fiscal year 1985 through fiscal year 1990, a maximum of 15 percent of the amount payable to a grantee and not transferred to another block grant according to section 2604(f) of Public Law 97-35 (42 U.S.C. 8623(f)) may be held available for the next fiscal year. From allotments for fiscal year 1991 through fiscal year 1993, a maximum of 10 percent of the amount payable to a grantee and not transferred to another block grant according to section 2604(f) of Public Law 97-35 (42 U.S.C. 8623(f)) may be held available for the next fiscal year. Beginning with allotments for fiscal year 1994, a maximum of 10 percent of the amount payable to a grantee may be held available for the next fiscal year. No funds may be obligated after the end of the fiscal year following the fiscal year for which they were allotted.

(b) *Expenditure.* No limitations exist on the time for expenditure of block grant funds, except those imposed by statute with respect to the community services, maternal and child health services, and social services block grants.

[47 FR 29486, July 6, 1982; 47 FR 43062, Sept. 30, 1982, as amended at 52 FR 37965, Oct. 13, 1987; 60 FR 21357, May 1, 1995]

§ 96.15 Waivers.

Applications for waivers that are permitted by statute for the block grants should be submitted to the Director, Centers for Disease Control and Prevention in the case of the preventive health and health services block grant; to the Administrator, Substance Abuse and Mental Health Services Administration in the case of the community mental health services block grant and the substance abuse prevention and treatment block grant; to the Director, Maternal and Child Health Bureau in the case of the maternal and child health services block grant; and to the Director, Office of Community Services in the case of the community services block grant, the low-income home energy assistance program and the social services block grant. Beginning with fiscal year 1986, the Secretary's authority to waive the provisions of section 2605(b) of Public Law 97-35 (42 U.S.C.

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8624(b)) under the low-income home energy assistance program is repealed.

[64 FR 55856, Oct. 15, 1999]

§ 96.16 Applicability of title XVII of the Reconciliation Act (31 U.S.C. 7301-7305).

This section interprets the applicability of the general provisions governing block grants set forth in title XVII of the Reconciliation Act (31 U.S.C. 7301-7305):

(a) Except as otherwise provided in this section or unless inconsistent with provisions in the individual block grant statutes, 31 U.S.C. 7301-7305 apply to the community services, preventive health and health services, and alcohol and drug abuse and mental health services block grants.

(b) The requirement in 31 U.S.C. 7303(b) relating to public hearings does not apply to any of the block grants governed by this part. Instead, the provisions in the individual block grant statutes apply.

(c) The maternal and child health services block grant is not subject to any requirements of 31 U.S.C. 7301-7305.

(d) The social services and low-income home energy assistance programs are subject only to 31 U.S.C. 7304.

(e) The audit provisions of 31 U.S.C. 7305 have, in most cases, been overridden by the Single Audit Act. Pub. L. 98-502, 31 U.S.C. 75, et seq., and do not apply to the block grants. Pursuant to § 96.31(b)(2), certain entities may, however, elect to conduct audits under the block grant audit provisions. For entities making this election, the provisions of 31 U.S.C. 7305 apply to the community services block grant.

(f) The applicability of 31 U.S.C. 7303(a) relating to the contents of a report on proposed uses of funds is specified in § 96.10.

[52 FR 37966, Oct. 13, 1987]

§ 96.17 Annual reporting requirements.

(a) Except for the low-income home energy assistance program activity reports, a state must make public and submit to the Department each annual report required by statute:

(1) Within six months of the end of the period covered by the report; or

(2) At the time the state submits its application for funding for the federal or state fiscal year, as appropriate, which begins subsequent to the expiration of that six-month period.

(b) These reports are required annually for preventive health and health services (42 U.S.C. 300w-5(a)(1)), community mental health services (42 U.S.C. 300x *et. seq.*), the prevention and treatment of substance abuse block grant (42 U.S.C. 300x-21 *et. seq.*), maternal and child health services (42 U.S.C. 706(a)(1)), and the social services block grant (42 U.S.C. 1397e(a)). See § 96.82 for requirements governing the submission of activity reports for the low-income home energy assistance program.

[58 FR 60128, Nov. 15, 1993]

Subpart C—Financial Management

§ 96.30 Fiscal and administrative requirements.

(a) *Fiscal control and accounting procedures.* Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to (a) permit preparation of reports required by the statute authorizing the block grant and (b) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant.

(b) *Financial summary of obligation and expenditure of block grant funds—(1) Block grants containing time limits on both the obligation and the expenditure of funds.* After the close of each statutory period for the obligation of block grant funds and after the close of each statutory period for the expenditure of block grant funds, each grantee shall report to the Department:

- (i) Total funds obligated and total funds expended by the grantee during the applicable statutory periods; and
- (ii) The date of the last obligation and the date of the last expenditure.

(2) *Block grants containing time limits only on obligation of funds.* After the close of each statutory period for the obligation of block grant funds, each grantee shall report to the Department:

- (i) Total funds obligated by the grantee during the applicable statutory period; and

- (ii) The date of the last obligation.

(3) *Block grants containing time limits only on expenditure of funds.* After the close of each statutory period for the expenditure of block grant funds, each grantee shall report to the Department:

- (i) Total funds expended by the grantee during the statutory period; and

- (ii) The date of the last expenditure.

(4) *Submission of information.* Grantees shall submit the information required by paragraph (b)(1), (2), and (3) of this section on OMB Standard Form 269A, Financial Status Report (short form). Grantees are to provide the requested information within 90 days of the close of the applicable statutory grant periods.

[47 FR 29486, July 6, 1982, as amended at 52 FR 37966, Oct. 13, 1987; 53 FR 11656, Apr. 8, 1988; 64 FR 55857, Oct. 15, 1999]

§ 96.31 Audits.

(a) *Basic rule.* Grantees and subgrantees are responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations." The audits shall be made by an independent auditor in accordance with generally accepted Government auditing standards covering financial audits.

(b) *Subgrantees.* State or local governments, as those terms are defined for purposes of the Single Audit Act Amendments of 1996, that provide Federal awards to a subgrantee, expending \$300,000 or more (or other amount as specified by OMB) in Federal awards in a fiscal year, shall:

- (1) Determine whether subgrantees have met the audit requirements of the Act. Commercial contractors (private for-profit and private governmental organizations) providing goods