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applications will be used substantially for the transmission, distribution, and delivery of health, education, or social service information, and that use of such facilities and equipment may be shared among these and additional public or other services;

(9) That the provision has been made to submit a summary and factual evaluation of the results of the demonstration at least annually for each year in which funds are received, in the form of a report suitable for dissemination to groups representative of national health, education, and social service telecommunications interests; and,

(10) That the project has potential for stimulating cooperation and sharing among institutions and agencies, both within and across disciplines.

(d) *Applicant's performance on prior award.* Where the applicant has previously received an award from the Department of Health and Human Services, the applicant's compliance or noncompliance with requirements applicable to such prior award as reflected in past written evaluation reports, memoranda on performance, and completeness of required submissions: *Provided,* That in any case where the Assistant Secretary proposes to deny assistance based upon the applicant's noncompliance with requirements applicable to a prior award, he shall do so only after affording the applicant reasonable notice and an opportunity to rebut the proposed basis for denial of assistance.

[40 FR 23295, May 29, 1975, as amended at 42 FR 36149, July 13, 1977]

§ 63.7 Disposition of applications.

(a) *Approval, disapproval, or deferral.* On the basis of the review of an application pursuant to § 63.6 the Assistant Secretary will either (1) approve the application in whole or in part, for such amount of funds and subject to such conditions as he/she deems necessary or desirable for the completion of the approved project, (2) disapprove the application, or (3) defer action on the application for such reasons as lack of funds or a need for further review.

(b) *Notification of disposition.* The Assistant Secretary will notify the applicant in writing of the disposition of its application. A signed notification of

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grant award will be issued to notify the applicant of an approved project application.

§ 63.8 Supplemental regulations and grant conditions.

(a) *Grants under section 232 of the Community Services Act.* (1) Any grants awarded with funds appropriated under section 232 of the Community Services Act shall be subject to the following regulations issued by the Director of the Community Services Administration (formerly the Office of Economic Opportunity):

45 CFR 1060.2	(Income Poverty Guidelines.)
45 CFR 1060.3	(Limitation on Benefits to Those Voluntarily Poor.)
45 CFR 1067.1	(Suspension and Termination of Assistance.)
45 CFR 1068.6	(Grantee Compliance with IRS Requirements for Withheld Federal Income and Social Security Taxes.)
45 CFR 1069.1	(Employee Participation in Direct Action.)
45 CFR 1069.2	(Limitations with Respect to Unlawful Demonstrations, Rioting, and Civil Disturbances.)
45 CFR 1070.1	(Public Access to Grantee Information.)

No other portions of Chapter X of this title are applicable to such grants.

(2) Grants awarded with funds appropriated under section 232 of the Community Services Act shall also be subject to the applicable statutory requirements in sections 242, 243, and 244, and title VI of the Community Services Act. The Assistant Secretary will advise grantees of the nature of these requirements at or prior to the time of award.

(3) In the event that any provision of this part is inconsistent with a provision of law or a regulation referenced in paragraphs (a)(1) and (2) of this section with respect to any grant funded under section 232 of the Community Services Act, the provision of this part shall, to the extent of any such inconsistency, not be effective.

(b) *Grants under other statutory authority.* Grants awarded by the Assistant Secretary may be subject to regulations, other than those set forth in this part, which have been issued under the authority of statutes authorizing particular awards. In such a case, that fact will be set forth in the program announcement soliciting applications for such grants published in the FEDERAL REGISTER pursuant to § 63.3.

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(c) *Other regulations applicable to grants under this part.* Federal financial assistance provided under this part shall be subject to the following additional regulations except as otherwise provided in this part:

(1) Part 74 of this title, establishing uniform administrative requirements and cost principles for grants by the Department of Health and Human Services.

(2) Part 80 of this title, effectuating the provisions of title VI of the Civil Rights Act of 1964; and

(3) Part 16 of this title, establishing a Departmental Grant Appeals Board for the resolution of specified post-award grant disputes.

Subpart B—Financial Provisions

§ 63.16 Scope of subpart.

This subpart sets forth supplemental financial provisions which apply to all grants awarded by the Assistant Secretary, except as specified in § 63.23 of this subpart.

[40 FR 23295, May 29, 1975, as amended at 42 FR 36149, July 13, 1977]

§ 63.17 Amount of award.

Federal assistance shall be provided only to meet allowable costs incurred by the award recipient in carrying out an approved project in accordance with the authorizing legislation and the regulations of this part.

§ 63.18 Limitations on costs.

The amount of the award shall be set forth in the grant award document. The total cost to the Government will not exceed the amount set forth in the grant award document or any modification thereof approved by the Assistant Secretary which meets the requirements of applicable statutes and regulations. The Government shall not be obligated to reimburse the grantee for costs incurred in excess of such amount unless and until the Assistant Secretary has notified the grantee in writing that such amount has been increased and has specified such increased amount in a revised grant award document. Such revised amount shall thereupon constitute the max-

imum cost to the Government for the performance of the grant.

§ 63.19 Budget revisions and minor deviations.

Pursuant to § 74.102(d) of this title, paragraphs (b)(3) and (b)(4) of that section are waived.

§ 63.20 Period during which grant funds may be obligated.

(a) The amount of the grant award shall remain available for obligation by the grantee during the period specified in the grant award or until otherwise terminated. Such period may be extended by revision of the grant with or without additional funds pursuant to paragraph (b) of this section where otherwise permitted by law.

(b) When it is determined that special or unusual circumstances will delay the completion of the project beyond the period for obligation, the grantee must in writing request the Assistant Secretary to extend such period and must indicate the reasons therefor.

§ 63.21 Obligation and liquidation by grantee.

Obligations will be considered to have been incurred by a grantee on the basis of documentary evidence of binding commitments for the acquisition of goods or property or for the performance of work, except that funds for personal services, for services performed by public utilities, for travel, and for the rental of facilities, shall be considered to have been obligated as of the time such services were rendered, such travel was performed, and such rented facilities were used, respectively.

§ 63.22 Cost sharing.

Policy Research funds shall not be used to pay any recipient of a grant for the conduct of a research project an amount equal to as much as the entire cost of the project.

§ 63.23 Telecommunications Demonstration Grants.

The provisions of this section apply only to grants awarded under authority of 392A of the Communications Act of 1934.