out more efficiently through one program than through two or more programs; and

(2) To carry out the same activities, such as training activities or activities related to exchanging information on service experiences, through each of the projects assisted through the program.

§ 2517.410 What must a qualified organization include in an application for a grant or a subgrant?

- (a) In order to apply to the Corporation for a direct grant, a qualified organization must submit the following: (1) A plan describing the goals and activities of the proposed program:
- (2) A proposal containing the specific program, budget, and other information specified by the Corporation in the grant application package; and
- (3) Assurances that the applicant will—
- (i) Keep such records and provide such information to the Corporation with respect to the program as may be required for fiscal audits and program evaluation:
- (ii) Comply with the nonduplication, nondisplacement, and grievance procedure requirements of part 2540 of this chapter; and
- (iii) Prior to placing a participant in the program, consult with the appropriate local labor organization, if any, representing employees in the area in which the program will be carried out who are engaged in the same or similar work as the work proposed to be carried out by the program, to prevent the displacement of those employees.
- (b) In order to apply to a State Commission or a grantmaking entity for a subgrant, a qualified organization must submit the following: (1) A plan describing the goals and activities of the proposed program; and
- (2) Such specific program, budget, and other information as the Commission or entity reasonably requires.

Subpart E—Application Review

\$2517.500 How is an application reviewed?

In reviewing an application for a grant or a subgrant, the Corporation, a State Commission, or a grantmaking

- entity will apply the following criteria:
 (a) The quality of the program proposed.
- (b) The innovation of, and feasibility of replicating, the program.
- (c) The sustainability of the program, based on—
- (1) Strong and broad-based community support;
- (2) Multiple funding sources or private funding; and
- (3) Coordination with the State Plan under part 2513 of this chapter and other federally-assisted activities.
- (d) The quality of the leadership of the program, past performance of the program, and the extent to which the program builds on existing programs.
 - (e) The applicant's efforts—
- (1) To recruit participants from among residents of the communities in which projects would be conducted;
- (2) To ensure that the projects are open to participants of different ages, races, genders, ethnicities, abilities and disabilities, and economic backgrounds; and
- (3) To involve participants and community residents in the design, leadership, and operation of the program.
- (f) The extent to which projects would be located in areas that are—
- (1) Empowerment zones, redevelopment areas, or other areas with high concentrations of low-income people; or
 - (2) Environmentally distressed.

Subpart F—Distribution of Funds

§ 2517.600 How are funds for community-based service-learning programs distributed?

All funds are distributed by the Corporation through competitive grants.

Subpart G—Funding Requirements

§ 2517.700 Are matching funds required?

- (a) Yes. The Corporation share of the cost of carrying out a program funded under this part may not exceed—
- (1) Ninety percent of the total cost for the first year for which the program receives assistance;
- (2) Eighty percent of the total cost for the second year;

§ 2517.710

- (3) Seventy percent of the total cost for the third year; and
- (4) Fifty percent of the total cost for the fourth year and any subsequent year.
- (b) In providing for the remaining share of the cost of carrying out a program, each recipient of assistance must provide for that share through a payment in cash or in kind, fairly evaluated, including facilities, equipment, or services, and may provide for that share through State sources, local sources, or Federal sources (other than funds made available under the national service laws).
- (c) However, the Corporation may waive the requirements of paragraph (b) of this section in whole or in part with respect to any program in any fiscal year if the Corporation determines that the waiver would be equitable due to lack of available financial resources at the local level.

§ 2517.710 Are there limits on the use of funds?

Yes. The following limits apply to funds available under this part:

- (a) (1) Not more than five percent of the grant funds provided under this part for any fiscal year may be used to pay for administrative costs, as defined in §2510.20 of this chapter.
- (2) The distribution of administrative costs between the grant and any subgrant will be subject to the approval of the Corporation.
- (3) In applying the limitation on administrative costs the Corporation will approve one of the following methods in the award document:
- (i) Limit the amount or rate of indirect costs that may be paid with Corporation funds under a grant or subgrant to five percent of total Corporation funds expended, provided that—
- (A) Organizations that have an established indirect cost rate for Federal awards will be limited to this method; and
- (B) Unreimbursed indirect costs may be applied to meeting operational matching requirements under the Corporation's award:
- (ii) Specify that a fixed rate of five percent or less (not subject to supporting cost documentation) of total

Corporation funds expended may be used to pay for administrative costs, provided that the fixed rate is in conjunction with an overall 15 percent administrative cost factor to be used for organizations that do not have established indirect cost rates; or

- (iii) Utilize such other method that the Corporation determines in writing is consistent with OMB guidance and other applicable requirements, helps minimize the burden on grantees or subgrantees, and is beneficial to grantees or subgrantees and the Federal Government.
- (b) (1) An SEA or Indian tribe must spend between ten and 15 percent of the grant to build capacity through training, technical assistance, curriculum development, and coordination activities
- (2) The Corporation may waive this requirement in order to permit an SEA or a tribe to use between ten percent and 20 percent of the grant funds to build capacity. To be eligible to receive the waiver, the SEA or tribe must submit an application to the Corporation.
- (c) Funds made available under this part may not be used to pay any stipend, allowance, or other financial support to any participant in a service-learning program under this part except reimbursement for transportation, meals, and other reasonable out-of-pocket expenses directly related to participation in a program assisted under this part.

[63 FR 18137, Apr. 14, 1998]

§ 2517.720 What is the length of a grant?

A grant under this part is for a period of up to three years, subject to satisfactory performance and annual appropriations.

§ 2517.730 May an applicant submit more than one application to the Corporation for the same project at the same time?

No. The Corporation will reject an application for a project if an application for funding or educational awards for the same project is already pending before the Corporation.