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not meet a minimum cut-off score established for the prior tier.

- (c) The Secretary may establish the minimum cut-off score—
- (1) In the application notice published in the FEDERAL REGISTER; or
- (2) After reviewing the applications to determine the overall range in the quality of applications received.
 - (d) The Secretary may, in any tier-
- (1) Use more than one group of experts to gain different perspectives on an application; and
- (2) Refuse to consider an application if the application is rejected under paragraph (b) of this section by any one of the groups used in the prior tier.

(Authority: 20 U.S.C. 1221e-3 and 3474)

[66 FR 60138, Nov. 30, 2001]

§ 75.225 What procedures does the Secretary use if the Secretary decides to give special consideration to novice applications?

- (a) As used in this section, "novice applicant" means—
- (1) Any applicant for a grant from ED that—
- (i) Has never received a grant or subgrant under the program from which it seeks funding:
- (ii) Has never been a member of a group application, submitted in accordance with §§ 75.127–75.129, that received a grant under the program from which it seeks funding; and
- (iii) Has not had an active discretionary grant from the Federal Government in the five years before the deadline date for applications under the program.
- (2) In the case of a group application submitted in accordance with §§75.127–75.129, a group that includes only parties that meet the requirements of paragraph (a)(1) of this section.
- (b) For the purposes of paragraph (a)(1)(iii) of this section, a grant is active until the end of the grant's project or funding period, including any extensions of those periods that extend the grantee's authority to obligate funds.
- (c) If the Secretary determines that special consideration of novice applications is appropriate, the Secretary may either—
- (1) Establish a separate competition for novice applicants; or

- (2) Give competitive preference to novice applicants under the procedures in 34 CFR 75.105(c)(2).
- (d) Before making a grant to a novice applicant, the Secretary imposes special conditions, if necessary, to ensure the grant is managed effectively and project objectives are achieved.

(Authority: 20 U.S.C. 1221e-3 and 3474)

[66 FR 60138, Nov. 30, 2001; 67 FR 4316, Jan. 29, 2002]

PROCEDURES TO MAKE A GRANT

§ 75.230 How the Department makes a grant; purpose of §§ 75.231-75.236.

If the Secretary selects an application under §§ 75.217, 75.220, or 75.222, the Secretary follows the procedures in §§ 75.231–75.236 to set the amount and determine the conditions of a grant. Sections 75.235–75.236 also apply to grants under formula grant programs.

Cross reference: See \$75.200 How applications for new grants are selected for funding.

(Authority: 20 U.S.C. 1221e-3 and 3474)

§ 75.231 Additional information.

After selecting an application for funding, the Secretary may require the applicant to submit additional information.

(Authority: 20 U.S.C. 1221e-3 and 3474)

§75.232 The cost analysis; basis for grant amount.

- (a) Before the Secretary sets the amount of a new grant, the Secretary does a cost analysis of the project. The Secretary:
- (1) Verifies the cost data in the detailed budget for the project;
- (2) Evaluates specific elements of costs; and
- (3) Examines costs to determine if they are necessary, reasonable, and allowable under applicable statutes and regulations.
- (b) The Secretary uses the cost analysis as a basis for determining the amount of the grant to the applicant. The cost analysis shows whether the applicant can achieve the objectives of the project with reasonable efficiency