

**SUBCHAPTER A—OFFICE OF HUMAN DEVELOPMENT  
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SUBCHAPTER B—THE ADMINISTRATION FOR CHILDREN,  
YOUTH AND FAMILIES, HEAD START PROGRAM**

**PART 1301—HEAD START GRANTS  
ADMINISTRATION**

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**Subpart A—General**

**§ 1301.1 Purpose and scope.**

This part establishes regulations applicable to program administration and grants management for all grants under the Act, including grants for technical assistance and training and grants for research, demonstration, and pilot projects.

**§ 1301.2 Definitions.**

For the purposes of this part, unless the context requires otherwise:

*Act* means title V of the Economic Opportunity Act of 1964, as amended.

*Budget period* means the interval of time, into which a multi-year period of

assistance (project period) is divided for budgetary and funding purposes.

*Community* means a city, county, a multi-city or multi-county unit within a state, an Indian reservation, or any neighborhood or other geographic area (irrespective of boundaries or political subdivisions) which provides a suitable organizational base and possesses the commonality of interest needed to operate a Head Start program.

*Delegate agency* means a public or private non-profit organization or agency to which a grantee has delegated all or part of its responsibility for operating a Head Start program.

*Development and administrative costs* mean costs incurred in accordance with an approved Head Start budget which do not directly relate to the provision of program component services, including services to children with disabilities, as set forth and described in the Head Start program performance standards (45 CFR part 1304).

*Dual benefit costs* mean costs incurred in accordance with an approved Head Start budget which directly relate to both development and administrative functions and to the program component services, including services to children with disabilities, as set forth and described in the Head Start program performance standards (45 CFR part 1304).

*Head Start Agency* or “grantee” means a local public or private non-profit agency designated to operate a Head Start program by the responsible HHS official, in accordance with part 1302 of this chapter.

*Head Start program* means a program, funded under the Act and carried out by a Head Start agency or a delegate agency, that provides ongoing comprehensive child development services.

*Independent auditor* means an individual accountant or an accounting firm, public or private agency, association, corporation, or partnership, that is sufficiently independent of the agency being audited to render objective

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and unbiased opinions, conclusions, and judgments.

*Indirect costs* mean those costs of a Head Start agency, as approved by the cognizant agency, the agency which has authority to set the grantee's indirect cost rate, which are not readily identifiable with a particular project or program but nevertheless are necessary to the general operation of the agency and the conduct of its activities.

*Major disaster* means any natural disaster or catastrophe which is of such severity and magnitude as to directly affect the capability of the Head Start agency of agencies providing Head Start programs to the damaged community to continue the programs without an increase in the Federal share above 80 percent.

*Program costs* mean costs incurred in accordance with an approved Head Start budget which directly relate to the provision of program component services, including services to children with disabilities, as set forth and described in the Head Start Program Performance Standards (45 CFR part 1304).

*Responsible HHS official* means the official of the Department of Health and Human Services who has authority to make grants under the Act.

*Total approved costs* mean the sum of all costs of the Head Start program approved for a given budget period by the Administration on Children, Youth and Families, as indicated on the Financial Assistance Award. Total approved costs consist of the Federal share plus any approved non-Federal share, including non-Federal share above the statutory minimum.

[44 FR 24061, Apr. 24, 1979, as amended at 57 FR 41884, Sept. 14, 1992]

## Subpart B—General Requirements

### § 1301.10 General.

(a) Except as specified in paragraph (b) of this section, the following HHS regulations shall apply to all grants made under the Act:

45 CFR part 16 Department grant appeals process (except as provided in § 1301.34)  
45 CFR part 46 Protection of Human Subjects  
45 CFR part 74 Administration of grants

## 45 CFR Ch. XIII (10–1–07 Edition)

45 CFR part 75 Informal grant appeals procedures (Indirect cost rates and other cost allocations)

45 CFR part 80 Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services—Effectuation of title VI of the Civil Rights Act of 1964

45 CFR part 81 Practice and procedure for hearings under part 80

45 CFR part 84 Nondiscrimination on the basis of handicap in Federally assisted programs.

(b) 45 CFR part 74 is superseded as follows:

(1) Section 1301.11 of this subpart supersedes § 74.15 of part 74 with respect to insurance and bonding of private, non-profit Head Start agencies; and

(2) Section 1301.12 of this subpart supersedes § 74.61 of part 74 with respect to audit requirements for all Head Start agencies.

### § 1301.11 Insurance and bonding.

(a) Private nonprofit Head Start agencies and their delegate agencies shall carry reasonable amounts of student accident insurance, liability insurance for accidents of their premises, and transportation liability insurance.

(b) Private nonprofit Head Start and delegate agencies shall make arrangements for bonding officials and employees authorized to disburse program funds.

### § 1301.12 Annual audit of Head Start programs.

(a) An audit of the Head Start program covering the prior budget period of each Head Start agency and its delegate agencies, if any, shall be made by an independent auditor to determine:

(1) Whether the agency's financial statements are accurate;

(2) Whether the agency is complying with the terms and conditions of the grant; and

(3) Whether appropriate financial and administrative procedures and controls have been installed and are operating effectively. Head Start agencies shall either include delegate agency audits as a part of their own audits or provide for separate independent audits of their delegate agencies.

(b) Upon a written request showing necessity, the responsible HHS official may approve a period other than the