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| DEPARTMENT OF AGRICULTURE | DEPARTMENT OF EDUCATION | CORPORATION FOR NATIONAL AND COMMUNITY SERVICE |
| 7 CFR Parts 3016 and 3019 | 34 CFR Parts 74 and 80 | 45 CFR Parts 2541 and 2543 |
| DEPARTMENT OF ENERGY | NATIONAL ARCHIVES AND RECORDS ADMINISTRATION | DEPARTMENT OF TRANSPORTATION |
| 10 CFR Part 600 | 36 CFR Parts 1207 and 1210 | 49 CFR Parts 18 and 19 |
| SMALL BUSINESS ADMINISTRATION | DEPARTMENT OF VETERANS AFFAIRS | Grants and Cooperative Agreements to State and Local Governments, Universities, Hospitals, and Other Non-Profit Organizations |
| 13 CFR Part 143 | 38 CFR Part 43 | AGENCIES: Department of Agriculture, Department of Commerce, Department of Defense, Department of Education, Department of Energy, Department of Health and Human Services, Department of the Interior, Department of Justice, Department of Labor, Department of State, Department of Transportation, Department of Veterans Affairs, Agency for International Development (IDCA), Corporation for National and Community Service, Environmental Protection Agency, Federal Emergency Management Agency, Federal Mediation and Conciliation Service, General Services Administration, Institute of Museum and Library Services (NFAH), National Aeronautics and Space Administration, National Archives and Records Administration, National Endowment for the Arts (NFAH), National Endowment for the Humanities (NFAH), National Science Foundation, Office of National Drug Control Policy, Small Business Administration, United States Information Agency. |
| NATIONAL AERONAUTICS AND SPACE ADMINISTRATION | ENVIRONMENTAL PROTECTION AGENCY | ACTION: Interim final rule with request for comments. |
| 14 CFR Parts 1260 and 1273 | 40 CFR Parts 30 and 31 | |
| DEPARTMENT OF COMMERCE | GENERAL SERVICES ADMINISTRATION | |
| 15 CFR Part 24 | 41 CFR 105-71 and 105-72 | |
| OFFICE OF NATIONAL DRUG CONTROL POLICY | DEPARTMENT OF THE INTERIOR | |
| 21 CFR Part 1403 | 43 CFR Part 12 | |
| DEPARTMENT OF STATE | FEDERAL EMERGENCY MANAGEMENT AGENCY | |
| 22 CFR Parts 135 and 145 | 44 CFR Part 13 | |
| INTERNATIONAL DEVELOPMENT COOPERATION AGENCY | DEPARTMENT OF HEALTH AND HUMAN SERVICES | |
| Agency for International Development | 45 CFR Parts 74 and 92 | |
| 22 CFR Part 226 | NATIONAL SCIENCE FOUNDATION | |
| UNITED STATES INFORMATION AGENCY | 45 CFR Part 602 | |
| 22 CFR Part 518 | NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES | |
| DEPARTMENT OF JUSTICE | National Endowment for the Arts | |
| 28 CFR Parts 66 and 70 | 45 CFR Part 1157 | |
| DEPARTMENT OF LABOR | National Endowment for the Humanities | |
| 29 CFR Parts 95 and 97 | 45 CFR Part 1174 | |
| FEDERAL MEDIATION AND CONCILIATION SERVICE | Institute of Museum and Library Services | |
| 29 CFR Part 1470 | 45 CFR Part 1183 | |
| DEPARTMENT OF DEFENSE | | |
| 32 CFR Part 33 | | |

education, hospitals, and other non-profit organizations.

DATES: This interim final rule is effective September 29, 1997. Comments must be received on or before October 28, 1997 in order to be assured of consideration.

ADDRESSES: Persons wishing to submit comments on this interim final rule should send them to Charles Gale, Director, Office of Grants Management, Department of Health and Human Services, A-102 Rulemaking Docket, Room 517D, Hubert H. Humphrey Building, 200 Independence Avenue, S.W., Washington, DC 20201. A copy of each communication submitted will be available for public inspection and copying during regular business hours (9:00 a.m.-5:30 p.m. eastern standard time) at the above address.

FOR FURTHER INFORMATION CONTACT: For general issues regarding this interim final rule, contact Charles Gale, Director, Office of Grants Management, Department of Health and Human Services (202) 690-6377. For agency-specific issues, see contact persons for individual agencies in preambles of the individual agencies below.

SUPPLEMENTARY INFORMATION:

Background

The Single Audit Act Amendments of 1996 (Public Law 104-156, 110 Stat. 1396) and the June 24, 1997, revision of Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," (62 FR 35278, June 30, 1997) require agencies to adopt in codified regulations the standards in the revised Circular A-133 by August 29, 1997, so that they will apply to audits of fiscal years beginning after June 30, 1996. The revised Circular A-133 co-locates audit requirements for States, local governments, and non-profit organizations. As a consequence, OMB rescinded OMB Circular A-128, "Audits of State and Local Governments."

This interim final rule amends the agencies' grants management common rule, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," and the agencies' codification of OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," to implement the Single Audit Act Amendments of 1996 and the revised OMB Circular A-133. Some agencies codified only one of the two

rules and these agencies will only be amending their appropriate rules.

Under the provisions of section 7(o) of the Department of Housing and Urban Development Act (42 U.S.C. 3535(o)), any Department of Housing and Urban Development (HUD) proposed or interim final rule that is issued for public comment is subject to prepublication Congressional review for a period of 15 days. Therefore, HUD is not joining in today's common rule but is adopting the common amendments in a separate rulemaking.

The existing agency rules refer to the Single Audit Act of 1984 which was replaced by the Single Audit Act Amendments of 1996, the rescinded OMB Circular A-128, the former title of OMB Circular A-133, and the prior threshold that triggers an audit requirement. This interim final rule corrects these references. Additional changes were made to conform with the Act and revised Circular A-133, such as to reflect that all non-profit hospitals are now subject to the Act, and to reflect the General Accounting Office's revised terminology for financial audits in accordance with generally accepted government auditing standards.

Under the Administrative Procedure Act, to issue an interim final rule without a prior notice of proposed rulemaking, it is necessary to make a finding that issuing a proposed rule would be impractical, unnecessary, and contrary to the public interest. Since the Single Audit Act Amendments of 1996 and revised OMB Circular A-133, which provide standards applicable to non-Federal entities, are effective for audits of fiscal years beginning after June 30, 1996, a proposed rule would be impractical, unnecessary, and contrary to the public interest.

Impact Analysis

Executive Order 12866

Executive Order 12866 requires that a regulatory impact analysis be prepared for "major" rules, which are defined in the Order as any rule that has an annual effect on the national economy of \$100 million or more, or certain other specified effects.

The participating agencies do not believe that this modification to the agencies' grant rules will have an annual impact of \$100 million or more or the other effects listed in the Order. However, the interim final rule would result in some savings to organizations administering grants or subgrants, primarily due to the increase in the threshold (from \$25,000 to \$300,000) that triggers an audit requirement. For this reason, the participating agencies

have determined that this interim final rule would not create a major rule within the meaning of the Order.

Regulatory Flexibility Act of 1980

The Regulatory Flexibility Act (5 U.S.C. 605(b)) requires that, for each rule with a "significant economic impact on a substantial number of small entities," an analysis must be prepared describing the rule's impact on small entities and identifying any significant alternatives to the rule that would minimize the economic impact on small entities.

The participating agencies certify that this interim final rule will not have a significant economic impact on a substantial number of small entities. The interim final rule does not affect the amount of funds provided in the covered programs, but rather increases the threshold for non-Federal entities subject to audit, thereby reducing burden on some small entities.

Unfunded Mandates Act of 1995

The Unfunded Mandates Act of 1995 (Pub. L. 104-4) requires agencies to prepare several analytic statements before proposing any rule that may result in annual expenditures of \$100 million of State, local, and Indian tribal governments or the private sector. Since this interim final rule will not result in expenditures of this magnitude, the agencies certify that such statements are not necessary.

Paperwork Reduction Act

The participating agencies certify that this interim final rule will impose additional reporting or recordkeeping requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35) after OMB finalizes the new SF-SAC, "Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations." On June 30, 1997, OMB requested public comments on the proposed SF-SAC (62 FR 35302).

Text of the Common Interim Final Rule

The text of the common interim final rule as amended in this document appears below:

PART ____—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. Section ____ .26 is amended by revising paragraphs (a), (b) introductory text, and (b)(1) to read as follows:

____.26 Non-Federal audit.

(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 States, 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, which expends \$300,000 or more (or other amount as specified by OMB) in Federal awards in a fiscal year, shall:

(1) Determine whether State or local subgrantees have met the audit requirements of the Act and whether subgrantees covered by OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," have met the audit requirements of the Act. Commercial contractors (private for-profit and private and governmental organizations) providing goods and services to State and local governments are not required to have a single audit performed. State and local governments should use their own procedures to ensure that the contractors has complied with laws and regulations affecting the expenditure of Federal funds;

* * * * *

PART ____—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

2. Section _____.26 is amended by revising paragraphs (a), (b) and (c) to read as follows:

____.26 Non-Federal audits.

(a) Recipients and subrecipients that are institutions of higher education or other non-profit organizations (including hospitals) shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

(b) State and local governments shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-

7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

(c) For-profit hospitals not covered by the audit provisions of revised OMB Circular A-133 shall be subject to the audit requirements of the Federal awarding agencies.

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Adoption of Common Interim Final Rule

The adoption of the common interim final rule by the agencies in this document appears below.

DEPARTMENT OF AGRICULTURE (USDA)

Office of the Secretary

7 CFR Parts 3016 and 3019

RIN 0505-AA10

FOR FURTHER INFORMATION CONTACT: Patricia Wensel, Director, Office of the Chief Financial Officer, Planning and Accountability Division, 202-720-1175.

ADDITIONAL SUPPLEMENTARY INFORMATION: USDA is joining other Federal agencies in making the common rule amendments in 7 CFR Part 3016, "Uniform Administrative Requirements for Grants and Agreements to State and Local Governments," and 7 CFR Part 3019, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations." USDA is adding amendments in Parts 3016 and 3019 to cross reference that the revised Circular A-133 is codified verbatim in a new Part 3052 of title 7, "Audits of States, Local Governments, and Non-Profit Organizations." The new Part 3052 and amendments to remove the existing audit requirements from 7 CFR Part 3015, "Uniform Federal Assistance Regulations," and 7 CFR Part 3051, "Audits of Institutions of Higher Education and Other Nonprofit Institutions," are published as an interim final rule elsewhere in this **Federal Register**. Additionally, USDA has published a notice in this **Federal Register** to withdraw a Notice of Proposed Rulemaking (NPRM) published in the **Federal Register** on October 17, 1995, because the Single Audit Act Amendments of 1996 and the revised Circular A-133 have replaced the provisions in that NPRM.

List of Subjects

7 CFR Part 3016

Accounting, Audit requirements, Grant programs—Agriculture, reporting and recordkeeping requirements.

7 CFR Part 3019

Accounting, Audit requirements, Grant programs—Agriculture, reporting and recordkeeping requirements.

Issued at Washington, D.C., on August 21, 1997.

Approved:

Irvin T. David,

Acting Chief Financial Officer.

Dan Glickman,

Secretary of Agriculture.

Parts 3016 and 3019 of title 7 of the Code of Federal Regulations are amended as follows:

PART 3016—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 3016 continues to read as follows:

Authority: 5 U.S.C. 301.

2. Section 3016.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

3. Section 3016.26 is amended by adding paragraph (a)(1) and by adding and reserving paragraph (a)(2) to read as follows:

§ 3016.26 Non-Federal audit.

(a) * * *

(1) In USDA, revised OMB Circular A-133 is implemented in 7 CFR Part 3052, "Audits of States, Local Governments, and Non-Profit Organizations."

(2) [Reserved]

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PART 3019—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

4. The authority for part 3019 continues to read as follows:

Authority: 5 U.S.C. 301.

5. Section 3019.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

6. Section 3019.26 is further amended by adding paragraph (e) to read as follows:

§ 3019.26 Non-Federal audits.

* * * * *

(e) In USDA, revised OMB Circular A-133 is implemented in 7 CFR Part 3052, "Audits of States, Local Governments, and Non-Profit Organizations."

DEPARTMENT OF ENERGY

10 CFR Part 600

RIN 1991-AB38

FOR FURTHER INFORMATION CONTACT: Cherlyn Seckinger, Procurement Analyst, Office of Procurement and Assistance Policy, U.S. Department of Energy, Washington, DC 20585, (202) 586-8246.

List of Subjects

10 CFR Part 600

Accounting, Administrative practice and procedure. Audit requirements, Government contracts, Grant programs, Intergovernmental relations, Reporting and recordkeeping requirements.

Dated: July 8, 1997.

Richard H. Hopf,

Deputy Assistance Secretary for Procurement and Assistance Management.

Part 600 of title 10 of the Code of Federal Regulations is amended as follows:

PART 600—FINANCIAL ASSISTANCE RULES

1. The authority citation for part 600 continues to read as follows:

Authority: Sections 644 and 646, Pub. L. 95-91, 91 Stat. 599 (42 U.S.C. 7254 and 7256); Pub. L. 97-258, 96 Stat. 1003-1005 (31 U.S.C. 630-6308).

Subpart B—Uniform Administrative Requirements for Grants and Cooperative Agreements With Institutions of Higher Education, Hospitals, Other Non-Profit Organizations and Commercial Organizations

§ 600.126 [____.26] [Amended]

2. Section 600.126 [____.26] is amended as set forth in amendatory instruction 2 at the end of the common preamble.

Subpart C—Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

§ 600.226 [____.26] [Amended]

3. Section 600.226 [____.26] is amended as set forth in amendatory instruction 1 at the end of the common preamble.

SMALL BUSINESS ADMINISTRATION

13 CFR Part 143

FOR FURTHER INFORMATION CONTACT: David R. Kohler, Associate General Counsel for General Law, Office of the

General Counsel, U.S. Small Business Administration, Washington, DC 20416, (202) 205-6642.

List of Subjects in 13 CFR Part 143

Accounting, Audit requirements, Grant programs—Small business, Reporting and recordkeeping requirements.

Part 143 of title 13 of the Code of Federal Regulations is amended as follows:

PART 143—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority citation for part 143 would continue to read as follows:

Authority: 15 U.S.C. 634(b)(6)

§ 143.26 [Amended]

2. Section 143.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

Antonella Pianalto,
Acting Administrator.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

14 CFR Parts 1260 and 1273

RIN 2700-AA95

FOR FURTHER INFORMATION CONTACT: Richard Kall, Procurement Analyst, Contract Management Division (Code HK), Office of Procurement, National Aeronautics and Space Administration, Washington, DC 20546, (202) 358-0459.

List of Subjects

14 CFR 1260

Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

14 CFR 1273

Accounting, Audit requirements, Reporting and recordkeeping requirements.

Laura Layton,
Director, Contract Management Division.

Parts 1273 and 1260 of title 14 of the Code of Federal Regulations are amended as follows:

PART 1273—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 1273 continues to read as follows:

Authority: 42 U.S.C. 2473(c)(5)

§ 1273.26 [Amended]

2. Section 1273.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 1260—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

3. The authority for part 1260 continues to read as follows:

Authority: 42 U.S.C. 2473(c)(5)

§ 1260.126 [____.26] [Amended]

4. Section 1260.126 [____.26] is amended as set forth in amendatory instruction 2 at the end of the common preamble.

DEPARTMENT OF COMMERCE

15 CFR Part 24

[Docket No. 970820199-7199-01]

RIN 0605-AA11

FOR FURTHER INFORMATION CONTACT: John J. Phelan, III., Director, Office of Executive Assistance Management, U.S. Department of Commerce, Office of Executive Assistance Management, Room 6020, 14th Street and Constitution Avenue N.W., Washington, D.C. 20230, Telephone Number 202-482-4115.

List of Subjects in 15 CFR Part 24

Accounting, Audit requirements, Grant programs, Grant administration, Insurance reporting, Reporting and recordkeeping requirements.

Sonya G. Stewart,
Director for Executive Budgeting and Assistance Management.

Part 24 of title 15 of the Code of Federal Regulations is amended as follows:

PART 24—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 24 continues to read as follows:

Authority: 5 U.S.C. 301.

§ 24.26 [Amended]

2. Section 24.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

OFFICE OF NATIONAL DRUG CONTROL POLICY**21 CFR Part 1403**

RIN 3201-ZA01

FOR FURTHER INFORMATION CONTACT: Richard Yamamoto, Program Director, High Intensity Drug Trafficking Areas Program, Office of National Drug Control Policy, Washington, DC. 20503, (202) 395-6755.

List of Subjects in 21 CFR Part 1403

Accounting, Audit requirements, Contract programs, Grant programs, Reporting and recordkeeping requirements.

Barry McCaffrey,
Director.

Part 1403 of title 21 of the Code of Federal Regulations is amended as follows:

PART 1403—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for Part 1403 continues to read as follows:

Authority: 5 U.S.C. 301.

§ 1403.26 [Amended]

2. Section 1403.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

DEPARTMENT OF STATE**22 CFR Parts 135 and 145**

RIN 1400-AA87

FOR FURTHER INFORMATION CONTACT: Gladys Gines, Procurement Analyst, Office of the Procurement Executive, Policy Division, U.S. Department of State, Washington, D.C. 20520, (703) 516-1691.

List of Subjects

22 CFR Part 135

Accounting, Audit requirements, Grant programs, Contract programs, Reporting and recordkeeping requirements.

22 CFR Part 145

Accounting, Audit requirements, Grant programs, Contract programs, Reporting and recordkeeping requirements.

Robert E. Lloyd,

Procurement Executive, Acting.

Parts 135 and 145 of title 22 of the Code of Federal Regulations are amended as follows:

PART 135—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 135 continues to read as follows:

Authority: 22 U.S.C. 2658.

§ 135.26 [Amended]

2. Section 135.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 145—GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

3. The authority for part 145 continues to read as follows:

Authority: 22 U.S.C. 2658.1.

§ 145.26 [Amended]

4. Section 145.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Agency for International Development

22 CFR Part 226

RIN 0412-AA36

FOR FURTHER INFORMATION CONTACT: M/OP/P, Diana Esposito (703) 875-1529.

List of Subjects

22 CFR Part 226

Accounting, Audit requirements, Grant Programs, Reporting and recordkeeping requirements.

Marcus L. Stevenson,

Director, Office of Procurement.

Part 226 of Title 22 of the Code of Federal Regulations is amended as follows:

PART 226—ADMINISTRATION OF ASSISTANCE AWARDS TO U.S. NON-GOVERNMENTAL ORGANIZATIONS

1. The authority for part 226 continues to read as follows:

Authority: Sec. 621, Pub. L. 87-195, 75 Stat. 445, (22 U.S.C. 2381) as amended; E.O. 12163, Sept. 29, 1979, 44 FR 56673; 3 CFR 1979 Comp., p. 435.

§ 226.26 [Amended]

2. Section 226.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

UNITED STATES INFORMATION AGENCY**22 CFR Part 518**

RIN 3116-AA13

FOR FURTHER INFORMATION CONTACT: Fannie L. Allen, Chief, Grants Division, Office of Contracts, U.S. Information Agency, Washington, DC 20547, (202) 205-5477 or Connie L. Stinson, Senior Grants Officer, Office of Contracts, Grants Division, Washington, DC 20547 on (202) 205-8383.

List of Subjects

22 CFR Part 518

Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

Edward G. Müller,

Acting Agency Procurement Executive.

Part 518 of title 22 of the Code of Federal Regulations is amended as follows:

PART 518—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

1. The authority for part 518 continues to read as follows:

Authority: 22 U.S.C. 2658; 31 U.S.C. 503 and 1111; Reorganization Plan No. 2 of 1977, 42 FR 62461, 3 CFR, 1977 Comp. p. 200; E.O. 12048, 43 FR 13361, 3 CFR, 1978 Comp. p. 168.

§ 518.26 [Amended]

2. Section 518.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

DEPARTMENT OF JUSTICE**28 CFR Parts 66 and 70**

[A.G. Order No. 2107-97]

RIN 1121-AA-45

FOR FURTHER INFORMATION CONTACT: James McKay, Director, Financial Management Division, Office of Justice Programs, U.S. Department of Justice, Washington, DC 20531, (202) 616-2687.

ADDITIONAL SUPPLEMENTARY INFORMATION: DOJ's existing 28 CFR Part 70, § 70.26, includes provision for commercial organizations to follow OMB Circular A-133. DOJ is including this requirement in the amended rule.

List of Subjects

28 CFR Part 66

Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

28 CFR Part 70

Accounting, Audit requirements, Grant programs, Reporting and recordkeeping.

Janet Reno,
Attorney General.

Parts 66 and 70 of title 28 of the Code of Federal Regulations are amended as follows:

PART 66—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 66 continues to read as follows:

Authority: The Omnibus Crime Control and Safe Streets Act of 1968, 42 U.S.C. 3711, et seq. (as amended); Juvenile Justice and Delinquency Prevention Act of 1974, 42 U.S.C. 5601, et seq. (as amended); Victims of Crime Act of 1984, 42 U.S.C. 10601, et seq. (as amended); 18 U.S.C. 4042; and U.S.C. 4351–4353.

§ 66.26 [Amended]

2. Section 66.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 70—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS AND OTHER NON-PROFIT ORGANIZATIONS

3. The authority for part 70 continues to read as follows:

Authority: 5 U.S.C. 301; The Omnibus Crime Control and Safe Streets Act of 1968, 42 U.S.C. 3711, et seq. (as amended); Juvenile Justice and Delinquency Prevention Act of 1974, 42 U.S.C. 5601, et seq. (as amended); Victims of Crime Act of 1984, 42 U.S.C. 10601, et seq. (as amended); 18 U.S.C. 4042; and U.S.C. 4351–4353.

4. Section 70.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

5. Section 70.26 is further amended by adding paragraph (d) to read as follows:

§ 70.26 Non-Federal Audits.

* * * * *

(d) Commercial organizations must follow the audit threshold in revised OMB Circular A–133 in determining whether to conduct an audit in accordance with Government Auditing Standards.

DEPARTMENT OF LABOR

29 CFR Parts 95 and 97

RIN 1291–AA25

FOR FURTHER INFORMATION CONTACT: Al Stewart, Director, Office of the Acquisition Advocate, U.S. Department of Labor, Washington, DC 20210, (202) 219–9174.

List of Subjects

29 CFR Part 95

Accounting, Audit requirements, Contract programs, Grant programs, Reporting and recordkeeping.

29 CFR Part 97

Accounting, Audit requirements, Contract programs, Grant programs, Reporting and recordkeeping requirements.

Patricia W. Lattimore,
Acting Assistant Secretary for Administration and Management.

Parts 95 and 97 of title 29 of the Code of Federal Regulations are amended as follows:

PART 95—GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS, AND WITH COMMERCIAL ORGANIZATIONS, FOREIGN GOVERNMENTS, ORGANIZATIONS UNDER THE JURISDICTION OF FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS

1. The authority for part 95 continues to read as follows:

Authority: 5 U.S.C. 301; OMB Circular A–110; Secretary of Labor’s Order 4–76.

§ 95.26 [Amended]

2. Section 95.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

PART 97—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 97 continues to read as follows:

Authority: 5 U.S.C. 301; OMB Circular A–102.

§ 97.26 [Amended]

2. Section 97.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

FEDERAL MEDIATION AND CONCILIATION SERVICE

29 CFR Part 1470

RIN 3076–AA01

FOR FURTHER INFORMATION CONTACT: Peter L. Regner, Director of Program Services, Federal Mediation and Conciliation Service, Washington, DC 20427 (202) 606–8181.

List of Subjects

29 CFR Part 1470

Accounting Audit Requirements, Grant Programs, Reporting and Recordkeeping requirements.

John Calhoun Wells,
Director of Federal Mediation and Conciliation Service.

PART 1470—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 1470 continues to read as follows:

Authority: 29 U.S.C. 175a.

§ 1470.26 [Amended]

2. Section 1470.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

DEPARTMENT OF DEFENSE

Office of the Secretary

32 CFR Part 33

RIN 0790–AG49

FOR FURTHER INFORMATION CONTACT: Mark Herbst; ODDR&E(R); 3080 Defense Pentagon; Washington, DC 20301–3080, (703) 325–4132.

List of Subjects

32 CFR Part 33

Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

Linda M. Bynum,
Alternate OSD Federal Register Liaison Officer, Department of Defense.

Part 33 of title 32 of the Code of Federal Regulations is amended as follows:

PART 33—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 33 continues to read as follows:

Authority: 5 U.S.C. 301; 10 U.S.C. 113.

§ 33.26 [Amended]

2. Section 33.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

DEPARTMENT OF EDUCATION**34 CFR Parts 74 and 80**

RIN 1890-AA04

FOR FURTHER INFORMATION CONTACT:

Kathy Thomas, U.S. Department of Education, 600 Independence Avenue, S.W., Room 3652, ROB-3, Washington, D.C. 20202-4258. Telephone: (202) 708-7227. Internet: kathy__thomas@ed.gov. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 between 8 a.m. and 8 p.m., Eastern time, Monday through Friday.

List of Subjects*34 CFR Part 74*

Accounting, Audit requirements, Colleges and universities, Grant programs, Hospitals, Nonprofit organizations, Reporting and recordkeeping.

34 CFR Part 80

Accounting, Audit requirements, Grant programs, Indians, Intergovernmental relations, Loan programs, Reporting and recordkeeping requirements.

Richard W. Riley,

Secretary of Education.

Parts 74 and 80 of title 34 of the Code of Federal Regulations are amended as follows:

PART 74—ADMINISTRATION OF GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

1. The authority for part 74 continues to read as follows:

Authority: 20 U.S.C. 1221e-3 and 3474; OMB Circular A-110, unless otherwise noted.

§ 74.26 [Amended]

2. Section 74.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

PART 80—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

3. The authority for part 80 continues to read as follows:

Authority: 20 U.S.C. 1221e-3(a)(1) and 3474, OMB Circular A-102, unless otherwise noted.

§ 80.26 [Amended]

4. Section 80.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

Appendix to Part 80 [Removed]

5. The Appendix to part 80 is removed.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION**36 CFR Parts 1207 and 1210**

RIN 3095-AA78

FOR FURTHER INFORMATION CONTACT:

Nancy Allard, NARA Regulatory Contact, at 301-713-7360, ext. 226.

List of Subjects*36 CFR Part 1207*

Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

36 CFR Part 1210

Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

John W. Carlin,

Archivist of the United States.

Parts 1207 and 1210 of title 36 of the Code of Federal Regulations are amended as follows:

PART 1207—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 1207 is revised to read:

Authority: 44 U.S.C. 2104(a); 44 U.S.C. 2501-2506.

§ 1207.26 [Amended]

2. Section 1207.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 1210—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

3. The authority for part 1210 continues to read:

Authority: 44 U.S.C. 2104(a); 44 U.S.C. 2501-2506.

§ 1210.26 [Amended]

4. Section 1210.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

DEPARTMENT OF VETERANS AFFAIRS**38 CFR Part 43**

RIN 2900-AJ00

FOR FURTHER INFORMATION CONTACT:

Nancy Tackett, Office of Assistant Secretary for Policy and Planning (008), Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420, (202) 273-5033.

List of Subjects*38 CFR Part 43*

Accounting, Audit requirements, Grant programs, Indians, Intergovernmental relations, Reporting and recordkeeping requirements.

Approved: August 20, 1997.

Hershel W. Gober,

Acting Secretary of Veterans Affairs.

Part 43 of title 38 of the Code of Federal Regulations is amended as follows:

PART 43—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 43 continues to read as follows:

Authority: 38 U.S.C. 501, 1712.

§ 43.26 [Amended]

2. Section 43.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

ENVIRONMENTAL PROTECTION AGENCY**40 CFR Parts 30 and 31**

[FRL-5881-5]

RIN 2030-AA54

FOR FURTHER INFORMATION CONTACT:

Peggy Louise Anthony, Grant Policy Specialist, Office of Grants and Debarment, U.S. Environmental Protection Agency, Washington, D.C. 20460, (202) 564-5364.

List of Subjects*40 CFR Part 30*

Accounting, Audit requirements, Grant programs—environment, protection of public health, pollution control, Reporting and recordkeeping requirements.

40 CFR Part 31

Accounting, Audit requirements, Grant programs—environment, protection of public health, pollution control, Reporting and recordkeeping requirements.

Dated: August 19, 1997.

Carol M. Browner,
Administrator, U.S. Environmental Protection Agency.

Parts 30 and 31 of title 40 of the Code of Federal Regulations are amended as follows:

PART 31—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 31 continues to read as follows:

Authority: 33 U.S.C. 1251 et seq.; 42 U.S.C. 7401 et seq.; 42 U.S.C. 6901 et seq.; 42 U.S.C. 300f et seq.; 7 U.S.C. 136 et seq.; 15 U.S.C. 2601 et seq.; 42 U.S.C. 9601 et seq.; 20 U.S.C. 4011 et seq.; 33 U.S.C. 1401 et seq.

§ 31.26 [Amended]

2. Section 31.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 30—GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

3. The authority for part 30 continues to read as follows:

Authority: 7 U.S.C. 135 et seq.; 15 U.S.C. 2601 et seq.; 33 U.S.C. 1251 et seq.; 42 U.S.C. 241, 242b, 243, 246, 300f, 300j-1, 300j-2, 300j-3; 42 U.S.C. 1857 et seq.; 42 U.S.C. 7401 et seq.; 42 U.S.C. 6901 et seq.; 42 U.S.C. 9601 et seq.

§ 30.26 [Amended]

4. Section 30.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

GENERAL SERVICES ADMINISTRATION**41 CFR Parts 105-71 and 105-72**

RIN 3090-AG59

FOR FURTHER INFORMATION CONTACT:
Susan Dobrow, Public Buildings Service, General Services Administration, Washington, DC 20405, (202) 501-1542.

List of Subjects**41 CFR 105-71**

Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

41 CFR 105-72

Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

Paul Chistolini,

Deputy Commissioner, Public Buildings Service.

Parts 105-71 and 105-72 of title 41 of the Code of Federal Regulations are amended as follows:

PART 105-71—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 105-71 continues to read as follows:

Authority: Sec. 205(c), 63 Stat. 390 (40 U.S.C. 486(c)).

§ 105-71.126 [____.26] [Amended]

2. Section 105-71.126 [____.26] is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 105-72—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

3. The authority for part 105-72 continues to read as follows:

Authority: Sec. 205(c), 63 Stat. 390 (40 U.S.C. 486(c)).

§ 105-72.306 [____.26] [Amended]

4. Section 105-72.306 [____.26] is amended as set forth in amendatory instruction 2 at the end of the common preamble.

DEPARTMENT OF THE INTERIOR**Office of the Secretary****43 CFR Part 12**

RIN 1090-AA62

FOR FURTHER INFORMATION CONTACT:
Debra E. Sonderman, (Director, Procurement and Property Management Systems), (202) 208-3336.

ADDITIONAL SUPPLEMENTARY INFORMATION:

Although the Department is joining in the publication of this common rule, several other changes in addition to those which will amend regulations implementing the grants management common rule, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," and Office of Management and Budget (OMB) Circular A-110, "Uniform

Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," are required to be made to 43 CFR Part 12.

Specifically, several references to the previous version of OMB Circular A-133 have to be revised to reflect the new title, the references to the previous OMB Circular A-128 have to be deleted, and other changes have to be made to reflect changes in Part 12 since the original publication of Subpart A. In addition, the Department's implementation of OMB Circular A-128 at Subpart B must be removed now that the Circular has been rescinded.

List of Subjects 43 CFR Part 12

Accounting, Administrative practice and procedure, Audit requirements, Cooperative agreements, Grant programs, Grants administration, Reporting and recordkeeping requirements.

Dated: August 18, 1997.

Robert T. Lamb,
Acting Assistant Secretary-Policy,
Management and Budget.

Part 12 of title 43 of the Code of Federal Regulations is amended as follows:

PART 12—ADMINISTRATIVE AND AUDIT REQUIREMENTS AND COST PRINCIPLES FOR ASSISTANCE PROGRAMS

1. The authority for part 12 is revised to read as follows:

Authority: 5 U.S.C. 301; 31 U.S.C. 6101 note, 7501; 41 U.S.C. 252a, 701 et seq; sec. 501, Pub. L. 104-206, 110 Stat. 2984; sec. 307, Pub. L. 104-208, 110 Stat. 3009; E.O. 12549, 3 CFR, 1986 Comp., p. 189; E.O. 12674, 3 CFR, 1989 Comp., 215; E.O. 12689, 3 CFR, 1989 Comp., p. 235; E.O. 12731, 3 CFR, 1990 Comp., p. 306; OMB Circular A-102; OMB Circular A-110; and OMB Circular A-133.

Subpart A—Administrative and Audit Requirements and Cost Principles for Assistance Programs

2. Section 12.2 is amended by revising paragraphs (a) and (b) to read as follows:

§ 12.2 Policy.

(a) All financial assistance awards and subawards, in the form of grants and cooperative agreements, in accordance with paragraph (b) of this section, are subject to subparts C, D, E, and F of this part, OMB Circulars A-102, "Grants and Cooperative Agreements with State and Local Governments," A-110, "Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," A-87,

“Cost Principles for State and Local Governments,” A-21, “Cost Principles for Educational Institutions,” A-122, “Cost Principles for Non-Profit Organizations,” and A-133, “Audits of States, Local Governments, and Non-Profit Organizations.”

(b)(1) Governmental recipients and subrecipients are subject to subparts C, D, and E of this part, Circulars A-87 and A-133.

(2) Institutions of higher education which are recipients or subrecipients are subject to subparts D, E, and F of this part, Circulars A-110, A-21, and A-133.

(3) Non-profit organizations which are recipients or subrecipients are subject to subparts D, E, and F of this part, Circulars A-110, A-122, and A-133.

* * * * *

Subpart B—[Removed and reserved]

3. Subpart B (§§ 12.11 through 12.31 and appendix to subpart) is removed and reserved.

Subpart C—Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

§ 12.66 [____.26] [Amended]

4. Section 12.66 [____.26] is amended as set forth in amendatory instruction 1 at the end of the common preamble.

Subpart F—Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations

§ 12.926 [____.26] [Amended]

5. The text of § 12.926 [____.26] is revised to read as set forth following amendatory instruction 2 at the end of the common preamble.

FEDERAL EMERGENCY MANAGEMENT AGENCY

44 CFR Part 13

RIN 3067-AC70

FOR FURTHER INFORMATION CONTACT: Charles F. McNulty, Federal Emergency Management Agency, 500 C Street SW., Washington, DC 20472, 202-646-3422.

List of Subjects in 44 CFR Part 13

Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.
James L. Witt,
Director.

Part 13 of title 44 of the code of Federal Regulations is amended as follows:

PART 13—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority citation for Part 13 is amended to read as follows:

Authority: Reorganization Plan No. 3 of 1978; 43 FR 41943, 3 CFR, 1978 Comp., p. 329; E.O. 12148, 44 FR 43239, 3 CFR, 1979 Comp., p. 412.

§ 13.26 [Amended]

2. Section 13.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

45 CFR Parts 74 and 92

RIN 0991-AA92

FOR FURTHER INFORMATION CONTACT: Charles Gale, Director, Office of Grants Management, 202-690-6377; for the hearing impaired only: TDD 202-690-6415.

ADDITIONAL SUPPLEMENTARY INFORMATION: In order to maintain the Department’s rules for audits of commercial organizations which receive HHS awards (currently at 45 CFR 74.26(a)(2) and (3)) we are adding that text to the common rule amendment at 45 CFR 74.26(d). Commercial organizations are not covered by OMB Circular A-133.

We are removing part 74’s discussion of hospitals which are not affiliated with an institution of higher education (currently at 45 CFR 74.26(b)(1) and (2)) because those hospitals are now covered by Circular A-133. We are also removing the instructions for submission of audit reports (currently at 45 CFR 74.26(d)) because that topic is covered by the new Circular. Additionally, we have added a parenthetical in 45 CFR 74.26(d)(1) that makes clear that for-profit hospitals are included in the scope of that section.

List of Subjects

45 CFR Part 74

Accounting, Administrative practice and procedures, Audit requirements, Grants administration, Grant programs, Reporting and recordkeeping requirements.

45 CFR Part 92

Accounting, Administrative practice and procedures, Audit requirements, Grants administration, Grant programs, Reporting and recordkeeping requirements.

(Catalog of Federal Domestic Assistance does not apply.)

Dated: August 18, 1997.

Donna E. Shalala,
Secretary.

Parts 92 and 74 of title 45 of the Code of Federal Regulations are amended as follows:

PART 92—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 92 continues to read as follows:

Authority: 5 U.S.C. 301.

§ 92.26 [Amended]

2. Section 92.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 74—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR AWARDS AND SUBAWARDS TO INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, OTHER NONPROFIT ORGANIZATIONS, AND COMMERCIAL ORGANIZATIONS; AND CERTAIN GRANTS AND AGREEMENTS WITH STATES, LOCAL GOVERNMENTS AND INDIAN TRIBAL GOVERNMENTS

1. The authority for part 74 continues to read as follows:

Authority: 5 U.S.C. 301; OMB Circular A-110 (58 FR 62992, November 29, 1993).

2. Section 74.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

3. Section 74.26(d) is revised to read as follows:

§ 74.26 Non-Federal audits.

* * * * *

(d)(1) Recipients and subrecipients that are commercial organizations (including for-profit hospitals) have two options regarding audits:

(i) A financial related audit (as defined in the Government Auditing Standards, GPO Stock #020-000-00-265-4) of a particular award in accordance with Government Auditing Standards, in those cases where the recipient receives awards under only one HHS program; or, if awards are received under multiple HHS programs, a financial related audit of all HHS awards in accordance with Government Auditing Standards; or

(ii) An audit that meets the requirements contained in OMB Circular A-133.

(2) Commercial organizations that receive annual HHS awards totaling less than OMB Circular A-133’s audit requirement threshold are exempt from requirements for a non-Federal audit for

that year, but records must be available for review by appropriate officials of Federal agencies.

NATIONAL SCIENCE FOUNDATION

45 CFR Part 602

RIN 3145-AA35

FOR FURTHER INFORMATION CONTACT: Jean Feldman, Head, Policy Office, Division of Contracts, Policy & Oversight, 703-306-1243, e-mail jfeldman@nsf.gov.

List of Subjects

45 CFR Part 602

Accounting, Audit requirements, Contract programs, Grant programs, Reporting and recordkeeping requirements.

Joseph L. Kull,
Chief Financial Officer.

Part 602 of title 42 of the Code of Federal Regulations is amended as follows:

PART 602—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 602 continues to read as follows:

Authority: 42 U.S.C. 1870(a).

§ 602.26 [Amended]

2. Section 602.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

National Endowment for the Arts

45 CFR Part 1157

RIN 3135-AA14

FOR FURTHER INFORMATION CONTACT: Ms. Donna M. DiRicco, Grants and Contracts Officer, National Endowment for the Arts, (202) 682-5403.

List of Subjects in 45 CFR Part 1157

Accounting, Audit requirements, Contract programs, Grant programs, Reporting and recordkeeping requirements.

Laurence M. Baden,
Director of Administration.

Part 1157 of title 45 of the Code of Federal Regulations is amended as follows:

PART 1157—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 1157 continues to read as follows:

Authority: 20 U.S.C. 959.

§ 1157.26 [Amended]

2. Section 1157.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

NATIONAL ENDOWMENT FOR THE HUMANITIES

45 CFR Part 1174

RIN 3136-AA23

FOR FURTHER INFORMATION CONTACT: David J. Wallace, Director, Grants Office, National Endowment for the Humanities, (202) 606-8494.

List of Subjects

45 CFR Part 1174

Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.
Sheldon Hackney,
Chairman.

Part 1174 of title 45 of the Code of Federal Regulations is amended as follows:

PART 1174—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 1174 continues to read as follows:

Authority: 20 U.S.C. 959(a)(1).

§ 1174.26 [Amended]

2. Section 1174.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

45 CFR Part 1183

RIN 3137-AA09

FOR FURTHER INFORMATION CONTACT: Mary Estelle Kennelly, Acting Program Director, Office of Museum Services, Institute of Museum and Library Services, Washington, DC 20560, 202/606-8547.

List of Subjects

45 CFR Part 1183

Accounting, Audit requirements, Grant programs, Reporting and recordkeeping requirements.

Diane B. Frankel,
Director, IMLS.

Part 1183 of title 45 of the Code of Federal Regulations is amended as follows:

PART 1183—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 1183 continues to read as follows:

Authority: 20 U.S.C. 961.

§ 1183.26 [Amended]

2. Section 1183.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

45 CFR Parts 2541 and 2543

RIN 3045-AA14

FOR FURTHER INFORMATION CONTACT: Organizations receiving assistance under the National and Community Service Act should contact Michael Kenefick at (202) 606-5000, ext. 101. Organizations receiving assistance under the Domestic Volunteer Service Act should contact Larry Floyd at (214) 767-5461.

List of Subjects

45 CFR Part 2541

Accounting, Audit requirements, Grant programs, Indians, Intergovernmental relations, Reporting and recordkeeping requirements.

45 CFR Part 2543

Accounting, Administrative practice and procedures, Audit requirements, Grant programs—health, Grant programs—social, Grants administration, Reporting and recordkeeping requirements.

John Gomperts,
Acting Chief Operating Officer.

Parts 2541 and 2543 of title 45 of the Code of Federal Regulations are amended as follows:

PART 2541—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 2541 continues to read as follows:

Authority: 42 U.S.C. 4950 *et seq.* and 12501 *et seq.*

§ 2541.260 [____.26] [Amended]

2. Section 2541.260 [____.26] is amended as set forth in amendatory instruction 1 at the end of the common preamble.

PART 2543—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

3. The authority for part 2543 continues to read as follows:

Authority: 42 U.S.C. 12501 *et seq.*

§ 2543.26 [Amended]

4. Section 2543.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

49 CFR Parts 18 and 19

RIN 2105-AC66

FOR FURTHER INFORMATION CONTACT: Robert G. Taylor, U.S. Department of Transportation, Office of Acquisition and Grant Management, M-62, 400 Seventh Street, S.W., Room 9401, Washington, DC 20590, (202) 366-4289.

ADDITIONAL SUPPLEMENTAL INFORMATION: Additional Departmental clarifying audit requirements contained in 49 CFR part 18.26 (d) and (e) are no longer required, and are being deleted as part of this rulemaking. These paragraphs make references to audit requirements that have been superseded by OMB Circular A-133.

List of Subjects

49 CFR Part 18

Accounting, Audit requirements, Contract programs, Grant programs, Intergovernmental relations, Reporting and recordkeeping requirements.

52 CFR Part 19

Accounting, Administrative practices and procedures, Audit requirements,

Grant programs, Reporting and recordkeeping requirements.

Rodney E. Slater,

Secretary of Transportation.

Parts 18 and 19 of title 49 of the Code of Federal Regulations are amended as follows:

PART 18—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

1. The authority for part 18 continues to read as follows:

Authority: 49 U.S.C. 322(a).

§ 18.26 [Amended]

2. Section 18.26 is amended as set forth in amendatory instruction 1 at the end of the common preamble.

3. Section 18.26 is further amended by removing paragraphs (d) and (e).

PART 19—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

4. The authority for part 19 continues to read as follows:

Authority: 49 U.S.C. 322(a).

§ 19.26 [Amended]

5. Section 19.26 is amended as set forth in amendatory instruction 2 at the end of the common preamble.

[FR Doc. 97-22829 Filed 8-28-97; 8:45 am]

BILLING CODES 3410-KS-M; 6450-01-M; 7510-01-M; 3180-02-M; 4710-05-M; 6116-01-M; 8230-01-M; 4410-18-M; 4510-23-M; 6372-01-M; 5000-04-M; 4000-01-M; 7515-01-M; 8320-01-M; 6560-50-M; 6820-23-M; 4310-RF-M; 6718-01-M; 4150-04-M; 7555-01-M; 7537-01-M; 7536-01-M; 5900-04-M; 6050-28-M

DEPARTMENT OF AGRICULTURE

Office of the Chief Financial Officer

7 CFR Chapter XXX and Parts 3015, 3051, and 3052

RIN 0505-AA10

Grants and Cooperative Agreements to State and Local Governments, Universities, Hospitals, and Other Non-Profit Organizations

AGENCY: Office of the Chief Financial Officer, USDA.

ACTION: Interim final rule.

SUMMARY: This interim final rule amendment is issued to implement the Single Audit Act Amendments of 1996 (Public Law 104-156, 110 Stat. 1396) and the June 24, 1997, revision of OMB Circular A-133, "Audits of States, Local

Governments, and Non-Profit Organizations" and to replace the existing audit requirements that are superseded by Public Law 104-156 and the revised A-133.

DATES: This interim final rule is effective September 29, 1997. Comments must be received on or before October 28, 1997 in order to be assured of consideration.

ADDRESSES: Persons wishing to submit comments on this interim final rule should send them to Patricia Wensel, Director, Planning and Accountability Division, Department of Agriculture, 1400 Independence Avenue, S.W., Room 3027 South Building, Washington, D.C. 20250. A copy of each communication submitted will be available for public inspection during regular business hours (8:30 a.m.-5:00 p.m.) at the above address.

FOR FURTHER INFORMATION CONTACT: Patricia Wensel, Director, Office of the Chief Financial Officer, Planning and Accountability Division, 202-720-1175.

SUPPLEMENTARY INFORMATION:

Background

USDA is (1) removing existing audit requirements from 7 CFR Part 3015, "Uniform Federal Assistance Regulations," and 7 CFR Part 3051, "Audits of Institutions of Higher Education and Other Nonprofit Institutions," and (2) codifying revised Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" (62 FR 35278, June 30, 1997) in a new 7 CFR Part 3052, "Audits of States, Local Governments, and Non-Profit Organizations." Elsewhere in this **Federal Register**, USDA has published an interim final rule to amend the common rule sections on audit in 7 CFR Parts 3016, "Uniform Administrative Requirements for Grants and Agreements to State and Local Governments," and 3019, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," and a notice to withdraw the October 17, 1995 (60 FR 53717), proposed rule whose audit provisions have been superseded by the Single Audit Act Amendments of 1996 (Public Law 104-156, 110 Stat. 1396) and the June 24, 1997, revision of OMB Circular A-133.

On November 10, 1981, the Department of Agriculture published 7 CFR Part 3015, as a final rule to provide Departmentwide policies and standards for the administration of grants and cooperative agreements. Part 3015