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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1579 Session of  
2023

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INTRODUCED BY MARCELL, GROVE, GAYDOS, GILLEN, JAMES, KEEFER AND  
KUTZ, JULY 18, 2023

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REFERRED TO COMMITTEE ON STATE GOVERNMENT, JULY 18, 2023

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AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled  
2 "An act relating to the finances of the State government;  
3 providing for cancer control, prevention and research, for  
4 ambulatory surgical center data collection, for the Joint  
5 Underwriting Association, for entertainment business  
6 financial management firms, for private dam financial  
7 assurance and for reinstatement of item vetoes; providing for  
8 the settlement, assessment, collection, and lien of taxes,  
9 bonus, and all other accounts due the Commonwealth, the  
10 collection and recovery of fees and other money or property  
11 due or belonging to the Commonwealth, or any agency thereof,  
12 including escheated property and the proceeds of its sale,  
13 the custody and disbursement or other disposition of funds  
14 and securities belonging to or in the possession of the  
15 Commonwealth, and the settlement of claims against the  
16 Commonwealth, the resettlement of accounts and appeals to the  
17 courts, refunds of moneys erroneously paid to the  
18 Commonwealth, auditing the accounts of the Commonwealth and  
19 all agencies thereof, of all public officers collecting  
20 moneys payable to the Commonwealth, or any agency thereof,  
21 and all receipts of appropriations from the Commonwealth,  
22 authorizing the Commonwealth to issue tax anticipation notes  
23 to defray current expenses, implementing the provisions of  
24 section 7(a) of Article VIII of the Constitution of  
25 Pennsylvania authorizing and restricting the incurring of  
26 certain debt and imposing penalties; affecting every  
27 department, board, commission, and officer of the State  
28 government, every political subdivision of the State, and  
29 certain officers of such subdivisions, every person,  
30 association, and corporation required to pay, assess, or  
31 collect taxes, or to make returns or reports under the laws  
32 imposing taxes for State purposes, or to pay license fees or  
33 other moneys to the Commonwealth, or any agency thereof,  
34 every State depository and every debtor or creditor of the

1 Commonwealth," providing for Commonwealth grant  
2 accountability and transparency.

3 The General Assembly of the Commonwealth of Pennsylvania  
4 hereby enacts as follows:

5 Section 1. The act of April 9, 1929 (P.L.343, No.176), known  
6 as The Fiscal Code, is amended by adding an article to read:

7 ARTICLE I-K

8 COMMONWEALTH GRANT ACCOUNTABILITY AND TRANSPARENCY

9 Section 101-K. Purpose, scope and construction.

10 (a) Purpose.--The purpose of this article is to establish  
11 uniform administrative requirements, cost principles and audit  
12 requirements for Federal awards and Commonwealth awards to non-  
13 Federal entities. Commonwealth awarding agencies may not impose  
14 additional or inconsistent requirements, except as provided in 2  
15 CFR 200.102 (relating to exceptions), unless required by Federal  
16 or Commonwealth statute. This article and the rules adopted  
17 under this article shall not apply to private awards.

18 (b) Scope.--This article and the rules adopted under this  
19 article provide the basis for a systematic and periodic  
20 collection and uniform submission to the Office of the Budget of  
21 information of all Federal and Commonwealth financial assistance  
22 programs by Commonwealth grant-making agencies. This article  
23 establishes policies related to the delivery of information to  
24 the public, including through the use of electronic media.

25 (c) Construction.--Nothing in this article shall be  
26 construed to alter or restrict any regulatory authority of a  
27 Commonwealth agency.

28 Section 102-K. Definitions.

29 The following words and phrases when used in this article  
30 shall have the meanings given to them in this section unless the  
31 context clearly indicates otherwise:

1 "Allowable cost." A cost allowable to a project if the  
2 following apply:

3 (1) The costs are reasonable and necessary for the  
4 performance of the award.

5 (2) The costs are allocatable to the specific project.

6 (3) The costs are treated consistently in like  
7 circumstances to both federally financed activities and other  
8 activities of the non-Federal entity.

9 (4) The costs conform to any limitations of the cost  
10 principles or the sponsored agreement.

11 (5) The costs are accorded consistent treatment. A cost  
12 may not be assigned to a Federal award or Commonwealth award  
13 as a direct cost if any other cost incurred for the same  
14 purpose in similar circumstances has been allocated to the  
15 award as an indirect cost.

16 (6) The costs are determined to be in accordance with  
17 generally accepted accounting principles.

18 (7) The costs are not included as a cost or used to meet  
19 Federal cost-sharing or matching requirements of any other  
20 program in either the current or prior period.

21 (8) The costs of one Federal or Commonwealth grant are  
22 not used to meet the match requirements of another Federal or  
23 Commonwealth grant, unless the General Assembly has provided  
24 an exception to allow a Commonwealth grant to serve as the  
25 match for another grant.

26 (9) The costs are adequately documented.

27 "Auditee." A non-Federal entity that expends Federal awards  
28 or Commonwealth awards that must be audited under this article.

29 "Auditor." An auditor who is a public accountant or a  
30 Federal, Commonwealth or local government audit organization

1 that meets the general standards specified in generally accepted  
2 government auditing standards. The term does not include  
3 internal auditors of nonprofit organizations.

4 "Auditor General." The Auditor General of the Commonwealth.

5 "Award." Financial assistance that provides support or  
6 stimulation to accomplish a public purpose. The term includes  
7 grants and other agreements in the form of money, or property in  
8 lieu of money, by the Federal or Commonwealth government to an  
9 eligible recipient. The term does not include:

10 (1) technical assistance that provides services instead  
11 of money;

12 (2) other assistance in the form of loans, loan  
13 guarantees, interest subsidies or insurance;

14 (3) direct payments of any kind to individuals; or

15 (4) contracts that must be entered into and administered  
16 under Federal or Commonwealth procurement laws and  
17 regulations.

18 "Budget." The financial plan for the project or program that  
19 the awarding agency or pass-through entity approves during the  
20 award process or in subsequent amendments to the award. It may  
21 include the Federal share or Commonwealth share and non-Federal  
22 share or only the Federal share or Commonwealth share, as  
23 determined by the awarding agency or pass-through entity.

24 "Catalog of Commonwealth Financial Assistance." The  
25 comprehensive source document of Commonwealth financial  
26 assistance program information maintained by the Office of the  
27 Budget.

28 "Catalog of Commonwealth Financial Assistance Number." The  
29 number assigned to a Commonwealth program in the Catalog of  
30 Commonwealth Financial Assistance. The first three digits

1 represent the Commonwealth agency number and the last four  
2 digits represent the program.

3 "Catalog of Federal Domestic Assistance" or "CFDA." A  
4 database that helps the Federal Government track all programs it  
5 has domestically funded.

6 "Catalog of Federal Domestic Assistance number" or "CFDA  
7 number." The number assigned to a Federal program in the CFDA.

8 "Cluster of programs." A grouping of closely related  
9 programs that share common compliance requirements. The types of  
10 clusters of programs include research and development, student  
11 financial aid and other clusters. A cluster of programs shall be  
12 considered as one program for determining major programs and,  
13 with the exception of research and development, whether a  
14 program-specific audit may be elected.

15 "Cognizant agency for audit." The Federal agency designated  
16 to carry out the responsibilities described in 2 CFR 200.513(a)  
17 (relating to responsibilities).

18 "Commonwealth agency." An agency of the Commonwealth. The  
19 term does not include public institutions of higher education.

20 "Commonwealth award." The financial assistance that a non-  
21 Federal entity receives from the Commonwealth and that is funded  
22 with either Federal funds or Commonwealth funds.

23 "Commonwealth awarding agency." A Commonwealth agency that  
24 provides an award to a non-Federal entity.

25 "Commonwealth grant-making agency." The term shall have the  
26 same meaning as Commonwealth awarding agency.

27 "Commonwealth program." Any of the following:

28 (1) All Commonwealth awards which are assigned a single  
29 number in the Catalog of Commonwealth Financial Assistance.

30 (2) When no Catalog of Commonwealth Financial Assistance

1 number is assigned, all Commonwealth awards to non-Federal  
2 entities from the same agency made for the same purpose are  
3 considered one program.

4 (3) A cluster of programs.

5 "Commonwealth share." The portion of the total project costs  
6 that are paid by the Commonwealth.

7 "Contract." A legal instrument by which a non-Federal entity  
8 purchases property or services needed to carry out the project  
9 or program under an award. The term does not include a legal  
10 instrument, even if the non-Federal entity considers the legal  
11 instrument a contract, when the substance of the transaction  
12 meets the definition of an award or subaward.

13 "Contractor." An entity that receives a contract.

14 "Cooperative agreement."

15 (1) A legal instrument of financial assistance between  
16 an awarding agency or pass-through entity and a non-Federal  
17 entity that:

18 (i) is used to enter into a relationship with the  
19 principal purpose of transferring anything of value from  
20 the awarding agency or pass-through entity to the non-  
21 Federal entity to carry out a public purpose authorized  
22 by law, but is not used to acquire property or services  
23 for the awarding agency's or pass-through entity's direct  
24 benefit or use; and

25 (ii) is distinguished from a grant in that the legal  
26 instrument provides for substantial involvement between  
27 the awarding agency or pass-through entity and the non-  
28 Federal entity in carrying out the activity contemplated  
29 by the award.

30 (2) The term does not include a cooperative research and

1 development agreement, nor an agreement that provides only  
2 direct cash assistance to an individual, a subsidy, a loan, a  
3 loan guarantee or insurance.

4 "Corrective action." Action taken by an auditee that:

- 5 (1) corrects identified deficiencies;  
6 (2) produces recommended improvements; or  
7 (3) demonstrates that audit findings are either invalid  
8 or do not warrant auditee action.

9 "Cost objective." A program, function, activity, award,  
10 organizational subdivision, contract or work unit for which cost  
11 data is desired and for which provision is made to accumulate  
12 and measure the cost of processes, products, jobs and capital  
13 projects. The term may include a major function of a non-Federal  
14 entity, a particular service or project, an award or an indirect  
15 cost activity.

16 "Cost sharing." The portion of project costs not paid by  
17 Federal or Commonwealth funds, unless otherwise authorized by  
18 statute.

19 "Data Universal Numbering System number." The nine-digit  
20 number established and assigned by Dun and Bradstreet, Inc., to  
21 uniquely identify entities and, under Federal law, is required  
22 for non-Federal entities to apply for, receive and report on a  
23 Federal award.

24 "Debarment and Suspension List." The list maintained by the  
25 Office of the Budget that contains the names of those  
26 individuals and entities that are ineligible, either temporarily  
27 or permanently, from receiving an award of grant funds from the  
28 Commonwealth.

29 "Development." The systematic use of knowledge and  
30 understanding gained from research directed toward the

1 production of useful materials, devices, systems or methods,  
2 including design and development of prototypes and processes.

3 "Direct costs." Costs that can be identified specifically  
4 with a particular final cost objective, such as a Federal award  
5 or Commonwealth award or a particular sponsored project, an  
6 instructional activity or any other institutional activity, or  
7 that can be directly assigned to such activities relatively  
8 easily with a high degree of accuracy.

9 "Equipment." Tangible personal property, including  
10 information technology systems, having a useful life of more  
11 than one year and a per-unit acquisition cost that equals or  
12 exceeds the lesser of the capitalization level established by  
13 the non-Federal entity for financial statement purposes or  
14 \$5,000.

15 "Federal Acquisition Regulation." The regulation for use by  
16 all executive agencies for the acquisition of supplies and  
17 services with appropriated funds under 48 CFR Ch. 1 (relating to  
18 Federal Acquisition Regulation).

19 "Federal agency." The term has the meaning provided to  
20 "agency" under 5 U.S.C. § 552(f) (relating to public  
21 information; agency rules, opinions, orders, records, and  
22 proceedings).

23 "Federal award." As follows:

24 (1) (i) the Federal financial assistance that a non-  
25 Federal entity receives directly from a Federal awarding  
26 agency or indirectly from a pass-through entity;

27 (ii) the cost-reimbursement contract under the  
28 Federal Acquisition Regulations that a non-Federal entity  
29 receives directly from a Federal awarding agency or  
30 indirectly from a pass-through entity; or

1           (iii) the instrument specifying the terms and  
2           conditions when the instrument is the grant agreement,  
3           cooperative agreement, other agreement for assistance  
4           covered in 2 CFR 200.40(b) (relating to Federal financial  
5           assistance), or the cost-reimbursement contract awarded  
6           under the Federal Acquisition Regulations.

7           (2) The term does not include other contracts that a  
8           Federal agency uses to buy goods or services from a  
9           contractor or a contract to operate Federal Government-owned,  
10           contractor-operated facilities.

11           "Federal awarding agency." The Federal agency that provides  
12           a Federal award directly to a non-Federal entity.

13           "Federal program." Any of the following:

14           (1) All Federal awards which are assigned a single  
15           number in the CFDA.

16           (2) When no CFDA number is assigned, all Federal awards  
17           to non-Federal entities from the same agency made for the  
18           same purpose should be combined and considered one program.

19           (3) Notwithstanding paragraphs (1) and (2), a cluster of  
20           programs.

21           "Federal share." The portion of the total project costs that  
22           are paid by Federal funds.

23           "Final cost objective." A cost objective to which both  
24           direct costs and indirect costs have been allocated and, in the  
25           non-Federal entity's accumulation system, is one of the final  
26           accumulation points, such as a particular award, internal  
27           project or other direct activity of a non-Federal entity.

28           "Financial assistance." As follows:

29           (1) For grants and cooperative agreements, assistance  
30           that non-Federal entities receive or administer in the form

1 of:

2 (i) grants;

3 (ii) cooperative agreements;

4 (iii) noncash contributions or donations of

5 property, including donated surplus property;

6 (iv) direct appropriations;

7 (v) food commodities; and

8 (vi) other financial assistance, except assistance

9 listed in paragraph (2).

10 (2) The term includes assistance that non-Federal  
11 entities receive or administer in the form of loans, loan  
12 guarantees, interest subsidies and insurance.

13 (3) The term does not include amounts received as  
14 reimbursement for services rendered to individuals.

15 "Foreign public entity." As follows:

16 (1) a foreign government or foreign governmental entity;

17 (2) a public international organization that is entitled

18 to enjoy privileges, exemptions and immunities as an

19 international organization under the International

20 Organizations Immunities Act (22 U.S.C. 288-288f);

21 (3) an entity owned, in whole or in part, or controlled  
22 by a foreign government; or

23 (4) any other entity consisting wholly or partially of

24 one or more foreign governments or foreign governmental

25 entities.

26 "Generally accepted accounting principles." The term has the  
27 meaning provided in accounting standards issued by the

28 Government Accounting Standards Board and the Financial

29 Accounting Standards Board, as those standards exist on the

30 effective date of this section.

1 "Generally accepted government auditing standards."  
2 Generally accepted government auditing standards issued by the  
3 Comptroller General of the United States that are applicable to  
4 financial audits, as those standards exist on the effective date  
5 of this section.

6 "Grant agreement." The following:

7 (1) A legal instrument of financial assistance between  
8 an awarding agency or pass-through entity and a non-Federal  
9 entity that:

10 (i) is used to enter into a relationship, the  
11 principal purpose of which is to transfer anything of  
12 value from the awarding agency or pass-through entity to  
13 the non-Federal entity to carry out a public purpose  
14 authorized by law and not to acquire property or services  
15 for the awarding agency or pass-through entity's direct  
16 benefit or use; and

17 (ii) is distinguished from a cooperative agreement  
18 in that the legal instrument of financial assistance does  
19 not provide for substantial involvement between the  
20 awarding agency or pass-through entity and the non-  
21 Federal entity in carrying out the activity contemplated  
22 by the award.

23 (2) The term does not include an agreement that provides  
24 only direct cash assistance to an individual, a subsidy, a  
25 loan, a loan guarantee or insurance.

26 "Grant application." A specified form that is completed by a  
27 non-Federal entity in connection with a request for a specific  
28 funding opportunity or a request for financial support of a  
29 project or activity.

30 "Hospital." A facility licensed as a hospital under the law

1 of any state or a facility operated as a hospital by the United  
2 States, a state or a subdivision of a state.

3 "Indirect cost." Costs incurred for a common or joint  
4 purpose benefiting more than one cost objective and not readily  
5 assignable to the cost objectives specifically benefited without  
6 effort disproportionate to the results achieved.

7 "Inspector General." The Office of Inspector General of the  
8 Commonwealth.

9 "Loan." A Federal or Commonwealth loan or loan guarantee  
10 received or administered by a non-Federal entity. The term does  
11 not include a "program income" as defined in 2 CFR 200.80  
12 (relating to program income).

13 "Loan guarantee." A Federal or Commonwealth government  
14 guarantee, insurance or other pledge with respect to the payment  
15 of all or a part of the principal or interest on any debt  
16 obligation of a non-Federal borrower to a non-Federal lender.  
17 The term does not include the insurance of deposits, shares or  
18 other withdrawable accounts in financial institutions.

19 "Local government." The term shall include:

- 20 (1) Municipalities.  
21 (2) Municipal authorities.  
22 (3) Local authorities.  
23 (4) School districts.

24 "Major program." A Federal program determined by an auditor  
25 to be a major program in accordance with 2 CFR 200.518 (relating  
26 to major program determination) or a program identified as a  
27 major program by a Federal awarding agency or pass-through  
28 entity in accordance with 2 CFR 200.503(e) (relating to relation  
29 to other audit requirements).

30 "Non-Federal entity." A State, local government, Indian

1 tribe, institution of higher education or organization, whether  
2 nonprofit or for-profit, that carries out a Federal award or  
3 Commonwealth award as a recipient or subrecipient.

4 "Nonprofit organization." A corporation, trust, association,  
5 cooperative or other organization, not including institutions of  
6 higher education, that:

7 (1) is operated primarily for scientific, educational,  
8 service, charitable, or similar purposes in the public  
9 interest;

10 (2) is not organized primarily for profit; and

11 (3) uses net proceeds to maintain, improve, or expand  
12 the operations of the organization.

13 "Obligations." When used in connection with a non-Federal  
14 entity's utilization of funds under an award, orders placed for  
15 property and services, contracts and subawards made and similar  
16 transactions during a given period that require payment by the  
17 non-Federal entity during the same or a future period.

18 "Office of Management and Budget." The Office of Management  
19 and Budget of the Executive Office of the President.

20 "Other clusters." The term has the meaning provided by the  
21 Office of Management and Budget in the Compliance Supplement of  
22 2021. When designating an other cluster, the Secretary of the  
23 Commonwealth must identify the Federal awards included in the  
24 cluster and advise the subrecipients of compliance requirements  
25 applicable to the cluster.

26 "Pass-through entity." A non-Federal entity that provides a  
27 subaward to a subrecipient to carry out part of a program.

28 "Private award." An award from a person or entity other than  
29 a Federal or Commonwealth entity.

30 "Project cost." Total allowable costs incurred under an

1 award and all required cost sharing and voluntary committed cost  
2 sharing, including third-party contributions.

3 "Property." Real or personal property.

4 "Public institution of higher education." As defined under  
5 section 2001-C of the act of March 10, 1949 (P.L.30, No.14),  
6 known as the Public School Code of 1949.

7 "Recipient." A non-Federal entity that receives an award  
8 directly from an awarding agency to carry out an activity under  
9 a program. The term does not include subrecipients.

10 "Research and development." All research activities, both  
11 basic and applied, and all development activities that are  
12 performed by a non-Federal entity.

13 "Single Audit Act." The Federal Single Audit Act Amendments  
14 of 1996 (Public Law 104-156, 100 Stat. 1396).

15 "Stop-payment order." A communication from a Commonwealth  
16 grant-making agency to the Office of Comptroller Operations,  
17 following procedures as determined by the Office of Comptroller  
18 Operations, causing the cessation of payments to a recipient or  
19 subrecipient as a result of the recipient's or subrecipient's  
20 failure to comply with one or more terms of the grant or  
21 subaward.

22 "Stop-payment procedure." The procedure created by the  
23 Office of the Comptroller which effects a stop-payment order and  
24 the lifting of a stop-payment order upon the request of the  
25 Commonwealth grant-making agency.

26 "Student financial aid." Federal awards under those programs  
27 of general student assistance, such as those authorized by 20  
28 U.S.C. Ch. 28 Subch. IV (relating to student assistance), that  
29 are administered by the United States Department of Education  
30 and similar programs provided by other Federal agencies. The

1 term does not include Federal awards under programs that provide  
2 fellowships or similar Federal awards to students on a  
3 competitive basis or for specified studies or research.

4 "Subaward." A Federal award or Commonwealth award provided  
5 by a pass-through entity to a subrecipient for the subrecipient  
6 to carry out part of a Federal award received by the pass-  
7 through entity. The term does not include payments to a  
8 contractor or payments to an individual that is a beneficiary of  
9 a Federal program. A subaward may be provided through any form  
10 of legal agreement, including an agreement that the pass-through  
11 entity considers a contract.

12 "Subrecipient." A non-Federal entity that receives a Federal  
13 subaward or Commonwealth subaward from a pass-through entity to  
14 carry out part of a Federal program. The term does not include  
15 an individual that is a beneficiary of the program. A  
16 subrecipient may also be a recipient of other Federal awards or  
17 Commonwealth awards directly from a Federal awarding agency or  
18 Commonwealth awarding agency.

19 "Suspension." A post-award action by a Federal agency or  
20 Commonwealth agency or pass-through entity that temporarily  
21 withdraws the Federal agency or Commonwealth agency's or pass-  
22 through entity's financial assistance sponsorship under an  
23 award, pending corrective action by the recipient or  
24 subrecipient or pending a decision to terminate the award.

25 "Uniform administrative requirements, cost principles and  
26 audit requirements for Federal awards." The rules applicable to  
27 grants contained in 2 CFR Pt. 200 (relating to uniform  
28 administrative requirements, cost principles, and audit  
29 requirements for Federal awards).

30 "Voluntary committed cost sharing." Cost sharing that is

1 specifically pledged on a voluntary basis in the proposal's  
2 budget or the award on the part of the non-Federal entity and  
3 that becomes a binding requirement of the award.

4 Section 103-K. Adoption of Federal rules applicable to grants.

5 (a) Rules.--The Office of the Budget shall adopt rules that  
6 adopt the Uniform Guidance at 2 CFR Pt. 200 (relating to uniform  
7 administrative requirements, cost principles, and audit  
8 requirements for Federal awards). The rules, which shall apply  
9 to all Federal awards and Commonwealth awards, shall include the  
10 following:

11 (1) Administrative requirements. In accordance with 2  
12 CFR Pt. 200 Subpts. B (relating to general provisions), C  
13 (relating to pre-Federal award requirements and contents of  
14 Federal awards) and D (relating to post Federal award  
15 requirements), the rules shall specify the uniform  
16 administrative requirements for grant and cooperative  
17 agreements, including the requirements for the management by  
18 Commonwealth awarding agencies of Federal grant programs  
19 before Federal awards and Commonwealth awards have been made  
20 and requirements that Commonwealth awarding agencies may  
21 impose on non-Federal entities in Federal awards and  
22 Commonwealth awards.

23 (2) In accordance with 2 CFR Pt. 200 Subpt. E (relating  
24 to cost principles), the rules shall establish principles for  
25 determining the allowable costs incurred by non-Federal  
26 entities under Federal awards and Commonwealth awards. The  
27 principles are intended for cost determination, but are not  
28 intended to identify the circumstances or dictate the extent  
29 of Federal or Commonwealth pass-through participation in  
30 financing a particular program or project. The principles

1 shall provide that Federal awards and Commonwealth awards  
2 bear the fair share of cost recognized under these  
3 principles, except where restricted or prohibited by Federal  
4 or Commonwealth law.

5 (3) Audit and single audit requirements and audit  
6 follow-up. In accordance with 2 CFR Pt. 200 Subpt. F  
7 (relating to audit requirements) and the Federal Single Audit  
8 Act Amendments of 1996, the rules shall specify standards to  
9 obtain consistency and uniformity among Federal awarding  
10 agencies and Commonwealth awarding agencies for the audit of  
11 non-Federal entities expending Federal awards and  
12 Commonwealth awards. These provisions shall also specify the  
13 policies and procedures for Federal and Commonwealth pass-  
14 through entities when using the results of these audits. This  
15 paragraph shall not apply to for-profit subrecipients. Audits  
16 of for-profit subrecipients must be conducted pursuant to a  
17 Program Audit Guide issued by the Federal awarding agency. If  
18 a Program Audit Guide is not available, the Commonwealth  
19 awarding agency must prepare a Program Audit Guide in  
20 accordance with the 2 CFR Pt. 200 Subpt. F. For-profit  
21 entities are subject to all other general administrative  
22 requirements and cost principles applicable to grants.

23 (b) Public institutions of higher education.--For public  
24 institutions of higher education, this section shall apply only  
25 to awards funded by Federal awards from a Commonwealth agency to  
26 a public institution of higher education. Federal pass-through  
27 awards from a Commonwealth agency to public institutions of  
28 higher education are governed by and must comply with Federal  
29 guidelines under 2 CFR Pt. 200.

30 (c) For-profit subrecipients.--The Commonwealth grant-making

1 agency is responsible for establishing requirements, as  
2 necessary, to ensure compliance by a for-profit subrecipient.  
3 The agreement with the for-profit subrecipient shall describe  
4 the applicable compliance requirements and the for-profit  
5 subrecipient's compliance responsibility. Methods to ensure  
6 compliance for Federal awards and Commonwealth awards made to  
7 for-profit subrecipients shall include pre-award audits,  
8 monitoring during the agreement and post-award audits. The  
9 Office of the Budget shall provide advice and technical  
10 assistance to the Commonwealth grant-making agency as is  
11 necessary or indicated.

12 Section 104-K. Supplemental rules.

13 (a) Adoption of rules.-- The Office of the Budget shall  
14 adopt supplemental rules pertaining to the following:

15 (1) Criteria to define mandatory formula-based grants  
16 and discretionary grants.

17 (2) The award of one-year grants for new applicants.

18 (3) The award of competitive grants in three-year terms  
19 with one-year initial terms with the option to renew for up  
20 to two additional years to coincide with the Federal award,  
21 provided that the term length of competitive grants may be  
22 altered with approval of the Secretary of the Budget.

23 (4) The issuance of grants, including:

24 (i) public notice of announcements of funding  
25 opportunities;

26 (ii) the development of uniform grant applications;

27 (iii) Commonwealth agency review of merit of  
28 proposals and risk posed by applicants;

29 (iv) specific conditions for individual recipients,  
30 including the use of a fiscal agent and additional

1 corrective conditions;

2 (v) certifications and representations;

3 (vi) pre-award costs;

4 (vii) performance measures and Statewide prioritized  
5 goals; and

6 (viii) for mandatory formula grants, the merit of  
7 the proposal and the risk posed should result in  
8 additional reporting, monitoring or measures, such as  
9 reimbursement-basis only.

10 (5) The development of uniform budget requirements,  
11 which shall include:

12 (i) mandatory submission of budgets as part of the  
13 grant application process;

14 (ii) mandatory requirements regarding contents of  
15 the budget, including, at a minimum, common detail line  
16 items specified under guidelines issued by the Office of  
17 the Budget;

18 (iii) a requirement that the budget allow  
19 flexibility to add lines describing costs that are common  
20 for the services provided as outlined in the grant  
21 application;

22 (iv) a requirement that the budget include  
23 information necessary for analyzing cost and performance  
24 for use in budgeting for results; and

25 (v) caps on the amount of salaries that may be  
26 charged to grants based on the limitations imposed by  
27 Federal agencies.

28 (6) The development of prequalification requirements for  
29 applicants, including the fiscal condition of the  
30 organization and the provision of all of the following

1 information:

2 (i) Organization name.

3 (ii) Federal Employee Identification Number.

4 (iii) Data Universal Numbering System number.

5 (iv) Fiscal condition.

6 (v) Whether the applicant is in good standing with  
7 the Secretary of the Commonwealth.

8 (vi) Past performance in administering grants.

9 (vii) Whether the applicant is on the Debarment and  
10 Suspension List maintained by the Office of the Budget.

11 (viii) Whether the applicant is on the Federal  
12 Excluded Parties List.

13 (ix) Whether the applicant is on the Sanctioned  
14 Party List maintained by the Department of Health.

15 (b) Public institutions of higher education.--For public  
16 institutions of higher education, this section shall apply only  
17 to awards funded by Federal awards from a Commonwealth agency to  
18 a public institution of higher education.

19 Section 105-K. Catalog of Commonwealth Financial Assistance.

20 The Catalog of Commonwealth Financial Assistance shall be a  
21 single, authoritative, Commonwealth-wide and comprehensive  
22 source document of Commonwealth financial assistance program  
23 information developed and administered by the Secretary of the  
24 Budget. The catalog shall contain, at a minimum, the following  
25 information:

26 (1) An introductory section that contains catalog  
27 highlights, an explanation of how to use the catalog, an  
28 explanation of the catalog and the catalog's contents and  
29 suggested grant proposal writing methods and grant  
30 application procedures.

1           (2) A comprehensive indexing system that categorizes  
2 programs by issuing agency, eligible applicant, application  
3 deadlines, function, popular name and subject area.

4           (3) Comprehensive appendices showing Commonwealth  
5 assistance programs that require coordination through this  
6 article and regulatory, legislative and executive order  
7 authority for each program, commonly used abbreviations and  
8 acronyms, agency regional and local office addresses and  
9 sources of additional information.

10          (4) A list of programs that have been added to or  
11 deleted from the catalog and the various program numbers and  
12 title changes.

13          (5) Program number, title and popular name, if  
14 applicable.

15          (6) The name of the department or agency or independent  
16 agency and primary organization subunit administering the  
17 program.

18          (7) The enabling legislation.

19          (8) The type or types of financial and nonfinancial  
20 assistance offered by the program.

21          (9) Uses and restrictions placed upon the program.

22          (10) Eligibility requirements, including applicant  
23 eligibility criteria, beneficiary eligibility criteria and  
24 required credentials and documentation.

25          (11) Objectives and goals of the program.

26          (12) Information regarding application and award  
27 processing, application deadlines, range of approval or  
28 disapproval time, appeal procedure and availability of a  
29 renewal or extension of assistance.

30          (13) Assistance considerations, including an explanation

1 of the award formula, matching requirements and the length  
2 and time-phasing of the assistance.

3 (14) Post-assistance requirements, including any  
4 reports, audits and records that may be required.

5 (15) Program accomplishments describing quantitative  
6 measures of program performance.

7 (16) Regulations, guidelines and literature containing  
8 citations to the laws of this Commonwealth and the Code of  
9 Federal Regulations and other pertinent informational  
10 materials.

11 (17) The names, telephone numbers and email addresses of  
12 persons to be contacted for detailed program information at  
13 the headquarters and regional and local levels.

14 Section 106-K. Conflicts of interest.

15 The Office of the Budget shall adopt rules regarding conflict  
16 of interest policies for awards. A non-Federal entity must  
17 disclose in writing any potential conflict of interest to the  
18 pass-through entity in accordance with applicable awarding  
19 agency policy.

20 Section 107-K. Mandatory disclosures.

21 The Office of the Budget shall adopt rules requiring that the  
22 applicant for an award disclose, in a timely manner and in  
23 writing to the pass-through entity, all violations of Federal or  
24 Commonwealth criminal law involving fraud, bribery or gratuity  
25 violations potentially affecting the award. Failure to make the  
26 required disclosures may result in any of the following remedial  
27 actions:

28 (1) The temporary withholding of cash payments pending  
29 correction of the deficiency by the awarding agency or non-  
30 Federal entity or more severe enforcement action by the pass-

1 through entity.

2 (2) Disallowance of all or part of the cost of the  
3 activity or action not in compliance.

4 (3) Whole or partial suspension or termination of the  
5 award.

6 (4) Initiation of suspension or debarment proceedings as  
7 authorized under rules adopted under section 103-K(a) and  
8 awarding agency regulations or, in the case of a pass-through  
9 entity, recommendation that the proceeding be initiated by  
10 the awarding agency.

11 (5) Withholding further awards for the project or  
12 program.

13 (6) Taking any other remedial action that may be legally  
14 available.

15 Section 108-K. Applicability.

16 (a) General rule.--The requirements established under this  
17 article apply to Commonwealth grant-making agencies that make  
18 Federal awards and Commonwealth awards to non-Federal entities.  
19 These requirements apply to all costs related to Federal awards  
20 and Commonwealth awards. The requirements established under this  
21 article do not apply to private awards.

22 (b) Limitation.--Nothing in this article shall prohibit the  
23 use of Commonwealth funds for purposes of Federal match or  
24 maintenance of effort.

25 (c) Terms and conditions.--

26 (1) The terms and conditions of Federal awards and  
27 Commonwealth awards shall apply to subawards and  
28 subrecipients unless this article or the terms and conditions  
29 of the Federal award or Commonwealth award specifically  
30 indicate otherwise.

1       (2) Non-Federal entities shall comply with requirements  
2 of this article regardless of whether the non-Federal entity  
3 is a recipient or subrecipient of a Federal award or  
4 Commonwealth award.

5       (3) Pass-through entities shall comply with the  
6 requirements specified under the rules adopted under section  
7 103-K(a), but not to any requirements in this article  
8 directed toward Federal awarding agencies or Commonwealth  
9 awarding agencies, unless the requirements of the Federal  
10 awards or Commonwealth awards indicate otherwise.

11       (4) When a non-Federal entity is awarded a cost-  
12 reimbursement contract, only 2 CFR 200.330 (relating to  
13 reporting on real property), 2 CFR 200.331 (relating to  
14 subrecipient and contractor determinations) and 2 CFR 200.332  
15 (relating to requirements for pass-through entities) shall be  
16 incorporated by reference into the contract. When the cost  
17 accounting standards are applicable to the contract, the  
18 standards shall take precedence over the requirements of this  
19 article unless they are in conflict with 2 CFR Pt. 200 Subpt.  
20 F (relating to audit requirements). Costs that are made  
21 unallowable under the former 10 U.S.C. § 2324(e) and 41  
22 U.S.C. § 4304(a) (relating to specific costs not allowable),  
23 as described in the Federal Acquisition Regulation, subparts  
24 31.2 and 31.603, are never allowable. For requirements other  
25 than those covered in 2 CFR 200.330, 200.331 and 200.332, the  
26 terms of the contract and the Federal Acquisition Regulation  
27 apply. With the exception of 2 CFR Pt. 200 Subpt. F, in any  
28 circumstances where the provisions of Federal statutes or  
29 regulations differ from the provisions of this article, the  
30 provision of the Federal statutes or regulations govern. This

1 includes, for agreements with Indian tribes, the provisions  
2 of the Indian Self-Determination and Education and Assistance  
3 Act, as amended, 25 U.S.C. Subch. II (relating to Indian  
4 self-determination and education assistance).

5 (d) For-profit and foreign organizations.--Commonwealth  
6 grant-making agencies may apply 2 CFR Pt. 200 Subpts. A  
7 (relating to acronyms and definitions), B (relating to general  
8 provisions), C (relating to pre-Federal award requirements and  
9 contents of Federal awards), D (relating to post Federal award  
10 requirements and E (relating to cost principles), to for-profit  
11 entities, foreign public entities or foreign organizations,  
12 except where the awarding agency determines that the application  
13 would be inconsistent with the international obligations of the  
14 United States or the statute or regulations of a foreign  
15 government.

16 (e) Public institutions of higher education.--For public  
17 institutions of higher education, the provisions of this article  
18 shall apply only to awards funded by Commonwealth appropriations  
19 and Federal pass-through awards from a Commonwealth agency to  
20 public institutions of higher education. 2 CFR Pt. 200 shall  
21 apply to public institutions of higher education.

22 (f) Enhanced processes of grant-making agency.--Each grant-  
23 making agency shall enhance its processes to monitor and address  
24 noncompliance with reporting requirements and with program  
25 performance standards. Where applicable, the process may include  
26 a corrective action plan. The monitoring process shall include a  
27 plan for tracking and documenting performance-based contracting  
28 decisions.

29 Section 109-K. Applicability.

30 (a) General rule.--Except as otherwise provided in this

1 section, the requirements established under this article apply  
2 to Commonwealth grant-making agencies that make Federal awards  
3 and Commonwealth awards to non-Federal entities. These  
4 requirements apply to all costs related to Federal awards and  
5 Commonwealth awards. The requirements established under this  
6 article do not apply to private awards, to allocations of  
7 Commonwealth revenues paid over by the Treasurer to units of  
8 local government and other taxing districts.

9 (b) Application to subawards and subrecipients.--The terms  
10 and conditions of Federal awards and Commonwealth awards apply  
11 to subawards and subrecipients unless a particular section of  
12 this article or the terms and conditions of the Federal award or  
13 Commonwealth award specifically indicate otherwise.

14 (c) Non-Federal entities.--Non-Federal entities shall comply  
15 with the requirements of this article regardless of whether the  
16 non-Federal entity is a recipient or subrecipient of a Federal  
17 award or Commonwealth award. Pass-through entities shall comply  
18 with the requirements specified under the rules adopted under  
19 section 103-K(a), but not to any requirements in this article  
20 directed toward Federal awarding agencies or Commonwealth  
21 awarding agencies, unless the requirements of the Federal awards  
22 or Commonwealth awards indicate otherwise.

23 Section 110-K. Commonwealth grant-making agency  
24 responsibilities.

25 (a) Rules and responsibilities.--The requirements and  
26 responsibilities of Commonwealth grant-making agencies and non-  
27 Federal entities are specified in this article. A Commonwealth  
28 agency making awards to non-Federal entities must adopt by rule  
29 the language in 2 CFR Pt. 200 Subpts. C (relating to pre-Federal  
30 award requirements and contents of Federal awards), D (relating

1 to post Federal award requirements, E (relating to cost  
2 principles) and F (relating to audit requirements) unless  
3 different provisions are required by law.

4 (b) Chief accountability officer.--Each Commonwealth grant-  
5 making agency shall appoint a chief accountability officer who  
6 shall serve as a liaison to the Grant Accountability and  
7 Transparency Unit and who shall be responsible for the  
8 Commonwealth agency's implementation of and compliance with the  
9 rules.

10 (c) Responsibilities of Commonwealth grant-making agency.--  
11 In order to effectively measure the performance of recipients  
12 and subrecipients, each Commonwealth grant-making agency shall  
13 do the following:

14 (1) Require recipients and subrecipients to relate  
15 financial data to performance accomplishments of the award  
16 and, when applicable, require recipients and subrecipients to  
17 provide cost information to demonstrate cost-effective  
18 practices. The recipient's and subrecipient's performance  
19 should be measured in a way that will help the Commonwealth  
20 grant-making agency to improve program outcomes, share  
21 lessons learned and spread the adoption of promising  
22 practices.

23 (2) Provide recipients and subrecipients with clear  
24 performance goals, indicators and milestones and must  
25 establish performance reporting frequency and content to not  
26 only allow the Commonwealth agency to understand the  
27 recipient's progress, but also to facilitate identification  
28 of promising practices among recipients and subrecipients and  
29 build the evidence upon which the Commonwealth agency's  
30 program and performance decisions are made.

1 (d) Stop-payment order.--

2 (1) Each Commonwealth grant-making agency shall, when it  
3 is in the best interests of the Commonwealth, request that  
4 the Office of the Comptroller issue a stop-payment order in  
5 accordance with section 117-K.

6 (2) Upon notification by the Grant Accountability and  
7 Transparency Unit that a stop-payment order for a recipient  
8 or subrecipient has been requested by a Commonwealth grant-  
9 making agency, each Commonwealth grant-making agency that has  
10 issued a grant to that recipient or subrecipient shall  
11 determine if it remains in the best interests of the  
12 Commonwealth to continue to issue payments to the recipient  
13 or subrecipient.

14 (3) The Office of the Budget shall provide advice and  
15 technical assistance to the Commonwealth grant-making  
16 agencies as is necessary or indicated in order to ensure  
17 compliance with this article.

18 Section 111-K. Office of the Budget.

19 (a) Responsibilities.--The Office of the Budget shall:

20 (1) provide technical assistance and interpretations of  
21 policy requirements in order to ensure effective and  
22 efficient implementation of this article by Commonwealth  
23 grant-making agencies; and

24 (2) have the authority to approve any exceptions to the  
25 requirements of this article and shall adopt rules governing  
26 the criteria to be considered when an exception is requested,  
27 which shall only be made in particular cases where adequate  
28 justification is presented.

29 (b) Grant Accountability and Transparency Unit.--The Office  
30 of the Budget shall establish the Grant Accountability and

1 Transparency Unit, which shall be funded with a portion of the  
2 administrative funds provided under existing and future Federal  
3 and Commonwealth pass-through grants. The amounts charged shall  
4 be allocated based on the actual cost of the services provided  
5 to Commonwealth grant-making agencies and public institutions of  
6 higher education in accordance with the applicable Federal cost  
7 principles contained in 2 CFR Pt. 200 (relating to uniform  
8 administrative requirements, cost principles, and audit  
9 requirements for Federal awards) and this article will not cause  
10 the reduction in the amount of any Federal awards or  
11 Commonwealth grant awards that have been or will be directed  
12 toward Commonwealth agencies or public institutions of higher  
13 education.

14 (c) Improper payment elimination.--The Office of the Budget  
15 shall research and provide recommendations to the General  
16 Assembly regarding the adoption of legislation in accordance  
17 with the Federal Improper Payments Elimination and Recovery  
18 Improvement Act of 2012 (Public Law 112-248, 126 Stat. 2390 et  
19 seq.). The report to the General Assembly shall be filed with  
20 the Secretary of the Senate and the Chief Clerk of the House of  
21 Representatives in electronic form only, in the manner that the  
22 Secretary and the Chief Clerk shall direct.

23 Section 112-K. Grant Accountability and Transparency Unit  
24 responsibilities.

25 (a) Responsibilities.--The Grant Accountability and  
26 Transparency shall have the following responsibilities:

27 (1) Develop minimum requirements applicable to the staff  
28 of grant applicants to manage and execute grant awards for  
29 programmatic and administrative purposes, including grant  
30 management specialists with:

1           (i) general and technical competencies;  
2           (ii) programmatic expertise;  
3           (iii) fiscal expertise and systems necessary to  
4           adequately account for the source and application of  
5           grant funds for each program; and  
6           (iv) knowledge of compliance requirements.

7           (2) Develop minimum training requirements, including  
8           annual training requirements.

9           (3) Accurate, current and complete disclosure of the  
10           financial results of each funded award, as specified in the  
11           financial monitoring and reporting Section of 2 CFR Pt. 200  
12           (relating to uniform administrative requirements, cost  
13           principles, and audit requirements for Federal awards).

14           (4) Develop criteria for requiring the retention of a  
15           fiscal agent and for becoming a fiscal agent.

16           (5) Develop disclosure requirements in the grant  
17           application pertaining to:

18           (i) related-party status between grantees and grant-  
19           making agencies;

20           (ii) past employment of applicant officers and grant  
21           managers;

22           (iii) disclosure of current or past employment of  
23           members of immediate family; and

24           (iv) disclosure of senior management of the grantee  
25           organization and their relationships with contracted  
26           vendors.

27           (6) Implement rules prohibiting a grantee from charging  
28           any cost allocatable to a particular award or cost objective  
29           to other Federal awards or Commonwealth awards to overcome  
30           fund deficiencies, to avoid restrictions imposed by law or

1 terms of the Federal awards or for other reasons.

2 (7) Implement rules prohibiting a non-Federal entity  
3 from earning or keeping any profit resulting from Federal or  
4 Commonwealth financial assistance, unless prior approval has  
5 been obtained from the Office of the Budget and is expressly  
6 authorized by the terms and conditions of the award.

7 (8) Maintain a Debarment and Suspension List that  
8 contains the names of those individuals and entities that are  
9 ineligible, either temporarily or permanently, to receive an  
10 award of grant funds from the Commonwealth.

11 (9) Ensure the adoption of standardized rules for the  
12 implementation of this article by Commonwealth grant-making  
13 agencies. The Grant Accountability and Transparency Unit  
14 shall provide such advice and technical assistance to the  
15 Commonwealth grant-making agencies as is necessary or  
16 indicated in order to ensure compliance with this article.

17 (10) Coordinate financial and single audit reviews.

18 (11) Coordinate on-site reviews of grantees and  
19 subrecipients.

20 (12) Maintain the Catalog of Commonwealth Financial  
21 Assistance, which shall be posted on a publicly accessible  
22 Internet website maintained by the Office of the Budget.

23 (b) Limitations.--

24 (1) The Grant Accountability and Transparency Unit shall  
25 have no power or authority regarding the approval,  
26 disapproval, management or oversight of grants entered into  
27 or awarded by a Commonwealth agency or by a public  
28 institution of higher education.

29 (2) The power or authority existing under law to grant  
30 or award grants by a Commonwealth agency or by a public

1 institution of higher education shall remain with that  
2 Commonwealth agency or public institution of higher  
3 education.

4 (3) The Grant Accountability and Transparency Unit shall  
5 be responsible for providing technical assistance to guide  
6 the Administrative Code amendments proposed by Commonwealth  
7 grant-making agencies to comply with this article and shall  
8 be responsible for establishing standardized policies and  
9 procedures for Commonwealth grant-making agencies in order to  
10 ensure compliance with 2 CFR Pt. 200 (relating to uniform  
11 administrative requirements, cost principles and audit  
12 requirements for Federal awards), which must be adhered to by  
13 the Commonwealth grant-making agencies throughout the life  
14 cycle of the grant.

15 (c) Transfer prohibited.--The powers and functions of grant  
16 making by Commonwealth agencies or public institutions of higher  
17 education may not be transferred to, nor may prior grant  
18 approval be transferred to, any other person, office or entity  
19 within the Commonwealth.

20 Section 113-K. Audit requirements.

21 The following shall apply:

22 (1) The standards specified in 2 CFR Pt. 200 Subpt. F  
23 (relating to audit requirements) and any other standards that  
24 apply directly to Federal or Commonwealth agencies shall  
25 apply to audits.

26 (2) Books and records must be available for review or  
27 audit by appropriate officials of the pass-through entity,  
28 and the agency, the Auditor General, the Inspector General,  
29 appropriate officials of the agency and the Federal  
30 Government Accountability Office.

1           (3) The Office of the Budget shall adopt rules for  
2           audits of grants from a Federal or Commonwealth pass-through  
3           entity that are not subject to the Single Audit Act because  
4           the amount of the Federal award is less than \$750,000 or the  
5           subrecipient is an exempt entity and that are reasonably  
6           consistent with 2 CFR Pt. 200 (relating to uniform  
7           administrative requirements, cost principles and audit  
8           requirements for Federal awards).

9           (4) This article shall not affect any audit function of  
10          the Auditor General.

11 Section 114-K. Review date.

12          The Office of the Budget shall review this article at least  
13          once every five years in conjunction with the Federal review of  
14          the Uniform Administrative Requirements, Cost Principles, and  
15          Audit Requirements for Federal Awards as required by 2 CFR  
16          200.109 (relating to review date) in order to determine whether  
17          any existing rules need to be revised or new rules adopted.

18 Section 115-K. Agency implementation.

19          All Commonwealth grant-making agencies shall implement the  
20          rules issued by the Office of the Budget. The standards under  
21          this article become effective once implemented by the  
22          Commonwealth grant-making agencies. Commonwealth grant-making  
23          agencies shall implement the policies and procedures applicable  
24          to Federal awards and Commonwealth awards by adopting rules for  
25          non-Federal entities.

26 Section 116-K. Annual report.

27          Effective January 1, 2025, and each January 1 thereafter, the  
28          Office of the Budget shall submit to the Governor and the  
29          General Assembly a report that demonstrates the efficiencies,  
30          cost savings and reductions in fraud, waste and abuse as a

1 result of the implementation of this article and the rules  
2 adopted by the Office of the Budget in accordance with this  
3 article. The report shall include, but not be limited to:

4 (1) the number of entities placed on the Debarment and  
5 Suspension List;

6 (2) any savings realized as a result of the  
7 implementation of this article;

8 (3) any reduction in the number of duplicative audit  
9 report reviews;

10 (4) the number of persons trained to assist grantees and  
11 subrecipients; and

12 (5) the number of grantees and subrecipients to whom a  
13 fiscal agent was assigned.

14 Section 117-K. Stop-payment procedures.

15 (a) Factors and procedure.--The Office of the Budget shall  
16 adopt rules pertaining to the following:

17 (1) factors to be considered in determining whether to  
18 issue a stop-payment order, which shall include whether or  
19 not a stop-payment order is in the best interests of the  
20 Commonwealth;

21 (2) factors to be considered in determining whether a  
22 stop-payment order should be lifted; and

23 (3) procedures for notification to the recipient or  
24 subrecipient of the issuance of a stop-payment order, the  
25 lifting of a stop-payment order and any other related  
26 information.

27 (b) Policies.--On or before December 31, 2023, the Office of  
28 the Budget shall, in conjunction with Commonwealth grant-making  
29 agencies, adopt rules pertaining to the following:

30 (1) policies regarding the issuance of stop-payment

1 orders;

2 (2) policies regarding the lifting of stop-payment  
3 orders;

4 (3) policies regarding corrective actions required of  
5 recipients and subrecipients in the event a stop-payment  
6 order is issued; and

7 (4) policies regarding the coordination of  
8 communications between the Office of the Comptroller and  
9 Commonwealth grant-making agencies regarding the issuance of  
10 stop-payment orders and the lifting of such orders.

11 (c) Stop-payment procedures.--On or before July 1, 2023, the  
12 Office of Comptroller Operations in the Office of Budget shall  
13 establish stop-payment procedures that shall cause the cessation  
14 of payments to a recipient or subrecipient. A temporary or  
15 permanent cessation of payments will occur pursuant to a stop-  
16 payment order requested by a Commonwealth grant-making agency  
17 and implemented by the Office of Comptroller Operations.

18 (d) Stop-payment orders file.--Each Commonwealth grant-  
19 making agency shall maintain a file pertaining to all stop-  
20 payment orders, which shall include, at a minimum:

21 (1) The notice to the recipient or subrecipient that a  
22 stop-payment order has been issued. The notice shall include:

23 (i) The name of the grant.

24 (ii) The grant number.

25 (iii) The name of the Commonwealth agency that  
26 issued the grant.

27 (iv) The reasons for the stop-payment order.

28 (v) Any other relevant information.

29 (2) The order lifting the stop-payment order, if  
30 applicable.

1 (e) Factors to consider.--The Grant Accountability and  
2 Transparency Unit shall determine and disseminate factors that  
3 Commonwealth agencies shall consider when determining whether it  
4 is in the best interests of the Commonwealth to permanently or  
5 temporarily cease payments to a recipient or subrecipient who  
6 has had a stop-payment order requested by another Commonwealth  
7 agency.

8 (f) Grants from other agencies.--

9 (1) The Treasurer and the Office of the Budget shall  
10 determine if a recipient or subrecipient subject to a stop-  
11 payment order has received grants from other Commonwealth  
12 grant-making agencies.

13 (2) Upon notice from the Treasurer, the Grant  
14 Accountability and Transparency Unit shall notify all  
15 Commonwealth grant-making agencies who have issued grants to  
16 a recipient or subrecipient subject to a stop-payment order  
17 that a stop-payment order has been requested by another  
18 Commonwealth grant-making agency.

19 (3) Upon notice from the Grant Accountability and  
20 Transparency Unit, each Commonwealth grant-making agency who  
21 has issued a grant to a recipient or subrecipient subject to  
22 a stop-payment order shall review and assess all grants  
23 issued to that recipient or subrecipient. Commonwealth  
24 agencies shall use factors provided by the Office of the  
25 Budget or the Grant Accountability and Transparency Unit to  
26 determine whether it is in the best interests of the  
27 Commonwealth to request a stop-payment order.

28 Section 118-K. Documentation of award decisions.

29 (a) General rule.--Each award that is granted pursuant to an  
30 application process must include documentation to support the

1 award. For each Federal award or Commonwealth award that is  
2 granted following an application process, the Commonwealth  
3 grant-making agency shall create a grant award file. The grant  
4 award file shall contain, at a minimum:

5 (1) A description of the grant.

6 (2) The notice of opportunity, if applicable.

7 (3) All applications received in response to the notice  
8 of opportunity, if applicable.

9 (4) Copies of any written communications between an  
10 applicant and the Commonwealth grant-making agency, if  
11 applicable.

12 (5) The criteria used to evaluate the applications, if  
13 applicable.

14 (6) The scores assigned to each applicant according to  
15 the criteria, if applicable.

16 (7) A written determination, signed by an authorized  
17 representative of the Commonwealth grant-making agency,  
18 specifying the reason for the grant award decision, if  
19 applicable.

20 (8) The notice of award.

21 (9) Any other pre-award documents.

22 (10) The grant agreement and any renewals, if  
23 applicable;

24 (11) All post-award, administration and close-out  
25 documents relating to the grant.

26 (12) Any other information relevant to the grant award.

27 (b) Information not included.--The grant file shall not  
28 include trade secrets or other competitively sensitive,  
29 confidential or proprietary information.

30 (c) Maintenance of grant file.--Each grant file shall be

1 maintained by the Commonwealth grant-making agency and, subject  
2 to the provisions of the Freedom of Information Act (Public Law  
3 89-487, 80 Stat. 250), shall be available for public inspection  
4 and copying within seven calendar days following award of the  
5 grant.

6 Section 119-K. Certifications and representations.

7 Unless prohibited by Federal or Commonwealth law, regulation  
8 or administrative rule, each Commonwealth awarding agency or  
9 pass-through entity is authorized to require the recipient or  
10 subrecipient to submit certifications and representations  
11 required by Federal or Commonwealth law, regulation or  
12 administrative rule.

13 Section 120-K. Required certifications.

14 To assure that expenditures are proper and in accordance with  
15 the terms and conditions of the grant award and approved project  
16 budgets, all periodic and final financial reports, and all  
17 payment requests under the grant agreement, must include a  
18 certification, signed by an official who is authorized to  
19 legally bind the grantee or subrecipient, that reads as follows:

20 By signing this report and/or payment request, I certify  
21 to the best of my knowledge and belief that this report  
22 is true, complete, and accurate; that the expenditures,  
23 disbursements, and cash receipts are for the purposes and  
24 objectives set forth in the terms and conditions of the  
25 Federal award or Commonwealth award; and that supporting  
26 documentation has been submitted as required by the grant  
27 agreement. I acknowledge that approval for any item or  
28 expenditure described herein shall be considered  
29 conditional subject to further review and verification in  
30 accordance with the monitoring and records retention

1 provisions of the grant agreement. I am aware that any  
2 false, fictitious, or fraudulent information, or the  
3 omission of any material fact, may subject me to  
4 criminal, civil or administrative penalties for fraud,  
5 false statements, false claims or otherwise.

6 Section 121-K. Expenditures prior to grant execution and  
7 reporting requirements.

8 (a) Prior expenses.--In the event that a recipient or  
9 subrecipient incurs expenses related to the grant award prior to  
10 the execution of the grant agreement but within the term of the  
11 grant, and the grant agreement is executed more than 30 days  
12 after the effective date of the grant, the recipient or  
13 subrecipient must submit to the Commonwealth grant-making agency  
14 a report that accounts for eligible grant expenditures and  
15 project activities from the effective date of the grant up to  
16 and including the date of execution of the grant agreement.

17 (b) Time period.--The recipient or subrecipient must submit  
18 a report under subsection (a) to the Commonwealth grant-making  
19 agency within 30 days of execution of the grant agreement.

20 (c) Permitted expenses.--Only expenses that are reasonable,  
21 allowable and in furtherance of the purpose of the grant award  
22 shall be reimbursed.

23 (d) Report approval required.--The Commonwealth grant-making  
24 agency must approve the report prior to issuing any payment to  
25 the recipient or subrecipient.

26 Section 2. This act shall take effect in 180 days.