

GRANT COMPLIANCE

- 301.41. Verification.
- 301.42. Recordkeeping.
- 301.43. Reports.
- 301.44. Audits.

GENERAL PROVISIONS**§ 301.1. Definitions.**

The following words and terms when used in this chapter, have the following meanings unless the context clearly indicates otherwise:

Act—The act of January 25, 1966 (P. L. 1542 (1965)) (71 P. S. §§ 1530.1—1530.7).

Advisory panel—A committee appointed by the Council whose membership is comprised of individuals whose expertise, training, and concern is directed specifically to one or more of the various art forms.

Amendment letter—A letter by which the Council notifies a grantee of changes in the amount, terms, or conditions of a grant.

Award letter—The letter by which the Council notifies a grant applicant that favorable action concerning a grant application has been taken by the Council and which sets forth the terms and conditions of the grant.

Council—The Commonwealth of Pennsylvania Council on the Arts.

Grant—The award of financial assistance to an individual, organization, or governmental unit.

Grant agreement—The documents evidencing a grant—that is: application; award letter; grant confirmation; and, if applicable, amendment letter and grant amendment confirmation.

Grant amendment—A change in the terms or conditions of a grant.

Grant amendment confirmation—The document evidencing review and approval of a grant amendment.

Grant confirmation—The document evidencing review and approval of a grant.

Grantee—An individual or organization whose application for a grant has been acted upon favorably by the Council.

§ 301.2. Authority for making grants.

Grants are awarded by the Council under the authority of sections 4 and 5 of the act (71 P. S. §§ 1530.4 and 1530.5) and this chapter from funds appropriated by the General Assembly or funds provided by the Federal government or other sources.

§ 301.3. Purpose of grant programs.

The purpose of grant programs is to encourage, assist and develop the arts in this Commonwealth.

§ 301.4. Grant programs.

Grant programs will be as established by the Council and will be as set forth in the Council's "Guide to Programs," which will be published annually on a fiscal-year basis. The "Guide to Programs" will be available at no charge to prospective grant applicants.

ELIGIBILITY**§ 301.11. Eligibility of applicants.**

The following are eligible to apply for grants from the Council:

- (1) Nonprofit organizations or county governments or local governments which provide or propose to provide arts programs or services in this Commonwealth.
- (2) Individuals who are residents of this Commonwealth and who are artistically creative or who endeavor to make the arts more accessible to the citizens of the Commonwealth.

§ 301.12. Award of grant not guaranteed.

Nothing contained in these regulations, Council publications or staff representations shall be construed as implying or representing that an eligible applicant shall have the right to receive Council funds.

APPLICATION PROCEDURE**§ 301.21. Application forms.**

All grant applications shall be made on forms provided by the Council in such manner as the Council shall direct. The Council may direct that any application shall be accompanied by such additional information as the Council may require and that this be done on such supplemental forms as the Council may direct.

§ 301.22. Acceptance of terms and conditions.

By completing, signing, and submitting a grant application to the Council, the applicant will be deemed to have certified to the Council that it shall be legally bound by the terms, conditions, and provisions of the grant, including but not limited to the following:

- (1) Duly enacted statutes governing civil rights, equal employment opportunity, and access for the handicapped.

(2) Terms, conditions, and program guidelines set forth in the Council's "Guide to Programs" for the fiscal year for which the application is submitted.

(3) Conditions, restrictions, and changes imposed by the Council in making the award unless objected to in writing within 30 days of the date of mailing of the award letter.

§ 301.23. Review process.

(a) Grant applications will be initially reviewed by Council staff to determine that all requisite information has been provided. Council staff may seek additional information or suggest modifications to the application.

(b) Grant applications will be reviewed by the appropriate advisory panel, which will, after review, recommend favorable or unfavorable action on the application.

(c) Advisory panels will submit their recommendations to the Council or its Executive Director for final action.

(d) The Council, in its discretion, will determine which applications will be acted upon by the Council and which will be acted upon by the Executive Director. The Council may provide for action by the Executive Director without advisory panel recommendation with respect to specified applications.

AWARD OF GRANTS

§ 301.31. Notification of council action.

(a) Notification of favorable Council action on an application will be by award letter which will set forth the terms and conditions of the grant as approved by the Council.

(b) Applicants will be notified by letter of unfavorable Council action, but no formal statement of reasons for unfavorable action will be made by the Council.

(c) Notices under this section will be given in as prompt and expeditious a manner as is practicable.

§ 301.32. Processing of grants.

(a) After issuance of the award letter, if no objection is received in writing from the grantee within 30 days of the date of mailing, the grantee will be deemed to have accepted the grant as described in the award letter.

(b) Grantees may accelerate processing by notifying the Council of their full acceptance of the grant in writing prior to the expiration of the 30-day period.

(c) A grantee who objects to the terms and conditions set forth in the award letter shall present such objections in writing to the Council, which may either modify the terms or rescind the grant.

(d) Modification of the terms of the grant, made pursuant to the grantee's objections, will be set forth in a second award letter which will supersede the ini-

tial award letter. The grantee must consent in writing to the terms of the second award letter within 30 days of the date of mailing or the grant will be rescinded automatically.

(e) Following compliance with the provisions of this section for acceptance of the grant terms and conditions, the grant agreement will be processed for review and approval. Thereafter, following receipt by the Council of invoices and rebudget, if applicable, from the grantee, processing for payment will be initiated.

(f) No grant will be processed for payment to any grantee who has not complied with all reporting requirements of the Council for any prior grant.

(g) A copy of the grant confirmation will be forwarded to the grantee with the first payment check.

§ 301.33. Amendment of grants.

(a) After a grant has been processed, notification of any modifications in terms or conditions will be made to the grantee by amendment letter.

(b) If grantee does not object in writing within 30 days of the date of mailing to the terms set forth in the amendment letter, the grantee will be deemed to have consented to the modifications.

(c) Grantees may accelerate the processing by indicating in writing acceptance of the amendment letter terms prior to the expiration of the 30-day period.

(d) If the grantee objects in writing to the amendment letter terms within the 30-day period, the Council may issue a second amendment letter superseding the initial amendment letter. If grantee fails to consent in writing within 30 days of the date of mailing to the terms of the second amendment letter, the grant amendment will be cancelled automatically.

(e) Following compliance with the provisions of this section for acceptance of the grant amendment terms, the amendment letter and grant amendment confirmation will be processed for review and approval. Thereafter, following receipt by the Council of invoices and rebudget, if applicable, from the grantee, processing for payment will be initiated.

(f) A copy of the grant amendment confirmation will be forwarded to the grantee with the first payment check issued subsequent to the change.

GRANT COMPLIANCE

§ 301.41. Verification.

Grantees shall comply with all grant requirements, terms, and conditions; and the Council will verify such compliance.

§ 301.42. Recordkeeping.

(a) Grant recipients shall keep and maintain financial records in accordance with generally accepted accounting practice so as to assure that the determination—

that grant funds are being or have been used for the purpose and under the terms and conditions of the grant—can be readily made by the Council.

(b) Grantees shall keep sufficient records to make possible the ready determination that other than financial terms and conditions of the grant have been complied with by the grantee.

§ 301.43. Reports.

Grantees shall provide the Council with such reports, including progress reports, as the Council may from time to time require.

§ 301.44. Audits.

Agencies of the Commonwealth, so empowered, are authorized to examine the financial records of grantees for the purpose of making audits, transcripts, and excerpts, during business hours upon notice and request to the grantee.

[Next page is 401-1.]