

## Subpart A — Financial Requirements

### §1303.2 Purpose.

This subpart establishes regulations applicable to program administration and grants management for all grants under the Act.

### §1303.3 Other requirements.

Head Start Performance Standard Number	Who is Responsible	Who Implements	Timelines or Ongoing	Form Name
1303.3	Director, CFO	Director, CFO	Ongoing	

The following chart includes HHS regulations that apply to all grants made under the Act:

Cite	Title
45 CFR part 16	Department grant appeals process
45 CFR part 30	HHS Standards and Procedures for Claims collection
45 CFR part 46	Protection of human subjects
45 CFR part 75	Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – See Fiscal Procedures Manual
45 CFR part 80	Nondiscrimination under programs receiving federal assistance through the Department of Health and Human Services- Effectuation of title VI and VII of the Civil Rights Act of 1964
45 CFR part 81	Practice and procedure for hearings under part 80
45 CFR part 84	Nondiscrimination on the basis of handicap in federally assisted programs
45 CFR part 87	Equal treatment for faith-based organizations - not applicable to PACT
2 CFR part 170	FFATA Sub-award and executive compensation – not applicable to PACT
2 CFR 25.110	CCR/DUNS requirement – See Fiscal Procedures Manual

### §1303.4 Federal financial assistance, non-federal match, and waiver requirements.

Head Start Performance Standard Number	Who is Responsible	Who Implements	Timelines or Ongoing	Form Name
1303.4	Director, CFO	Office Mgr., Clerical Staff, Director, CFO		

In accordance with section 640(b) of the Act, federal financial assistance to a grantee will not exceed 80 percent of the approved total program costs. A grantee must contribute 20 percent as non-federal match each budget period. The responsible HHS official may approve a waiver of all, or a portion of the non-federal match requirement based on the grantee's written application submitted for the budget period and any supporting evidence the responsible HHS official requires. In deciding whether to grant a waiver, the responsible HHS official will consider the circumstances specified at section 640(b) of the Act and whether the grantee has made a reasonable effort to comply with the non-federal match requirement.

See Fiscal Procedures Manual.

**§1303.5 Limitations on development and administrative costs.**

Head Start Performance Standard Number	Who is Responsible	Who Implements	Timelines or Ongoing	Form Name
1303.5	Director, CFO	Director, CFO	Ongoing	

**(a) Limitations.**

**(1) Costs to develop and administer a program cannot be excessive or exceed 15 percent of the total approved program costs. Allowable costs to develop and administer a Head Start program cannot exceed 15 percent of the total approved program costs, which includes both federal costs and non-federal match, unless the responsible HHS official grants a waiver under paragraph (b) of this section that approves a higher percentage in order to carry out the purposes of the Act.**

**(2) To assess total program costs and determine whether a grantee meets this requirement, the grantee must:**

- (i) Determine the costs to develop and administer its program, including the local costs of necessary resources;**
- (ii) Categorize total costs as development and administrative or program costs;**
- (iii) Identify and allocate the portion of dual benefits costs that are for development and administration;**
- (iv) Identify and allocate the portion of indirect costs that are for development and administration versus program costs; and,**
- (v) Delineate all development and administrative costs in the grant application and calculate the percentage of total approved costs allocated to development and administration.**

See Fiscal Procedures Manual. (iv) is not applicable to PACT.

**(b) Waivers.**

**(1) The responsible HHS official may grant a waiver for each budget period if a delay or disruption to program services is caused by circumstances beyond the agency's control, or if an agency is unable to administer the program within the 15 percent limitation and if the agency can demonstrate efforts to reduce its development and administrative costs.**

**(2) If at any time within the grant funding cycle, a grantee estimates development and administration costs will exceed 15 percent of total approved costs, it must submit a waiver request to the responsible HHS official that explains why costs exceed the limit, that indicates the time period the waiver will cover, and that describes what the grantee will do to reduce its development and administrative costs to comply with the 15 percent limit after the waiver period.**

At this time PACT does not have any procedures written as this is a waiver and has never been needed in the past. If or when this situation should occur, then PACT will follow the regulations in obtaining a waiver.