

DEPARTMENT OF HEALTH CARE FINANCE

NOTICE OF FINAL RULEMAKING

The Director of the Department of Health Care Finance (DHCF), pursuant to the Authority set forth in An Act to enable the District of Columbia to receive federal financial assistance under Title XIX of the Social Security Act for a medical assistance program, and for other purposes approved December 27, 1967 (81 Stat.774; D.C. Official Code §1-307.02 (2006 Repl. & 2012 Supp.)) and Section 6(6) of the Department of Health Care Finance Establishment Act of 2007, effective February 27, 2008 (D.C. Law 17-109; D.C. Official Code § 7-771.05 (6) (2008 Repl.)), hereby gives notice of the adoption of a new Chapter 18 of Title 29 (Public Welfare) of the District of Columbia Municipal Regulations (DCMR), entitled, "Health Care Benefit Grants".

The Department of Health Care Finance Establishment Act authorizes the Director of DHCF to execute grants with governmental bodies, public and private agencies, institutions and organizations. These final rules establish the standards for determining who may receive a grant and under what circumstances, and establish the procedures for awarding a grant. These rules were developed to be consistent with the requirements set forth in the Grantmaking Sourcebook, issued by the District's Office of Partnerships and Grant Services.

The Health Information Technology and Clinical Health Act of 2009, enacted under Title XIII of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5) authorizes the establishment of the state-wide Health Information Exchange. Having a patient's health history immediately available can mean the difference between a provider delivering an appropriate level of care or care that could adversely impact a patient. The establishment of a grant program allows the District to assist providers to establish a secure electronic connectivity between hospitals located in the District of Columbia and a state designated health information exchange for advanced health information exchange services. This exchange of information ensures coordination of patient care that should result in efficiencies in the delivery of care.

A Notice of Emergency and Proposed rulemaking was published in the *DC Register* on July 12, 2013 t 60 DCR 10144. No comments were received and no substantive changes have been made. These rules were adopted by the Director on October 21, 2013, and shall become effective on the date of publication of this notice in the *DC Register*.

Title 29 (Public Welfare) of the DCMR is amended as follows:

Add a new Chapter 18, HEALTH CARE BENEFIT GRANTS, to read as follows:

CHAPTER 18 HEALTH CARE BENEFIT GRANTS**1800 GENERAL PROVISIONS**

1800.1 This chapter establishes uniform requirements for transferring money or other things of value to recipients outside the District government, where the Department is authorized to make grants.

1800.2 The Director of the Department of Health Care Finance (Department) is authorized to make a grant where:

- (a) A statute authorizes the Department to support or stimulate the activity of the recipient;
- (b) The Department will not be substantially involved in the activity that is supported or stimulated; and
- (c) The Department is not acquiring any property or service of which the District government is a direct beneficiary.

1800.3 The Department is authorized to make grants pursuant to the Department of Health Care Finance Establishment Act of 2007 for the following purposes:

- (a) To maximize the well-being and quality of life for eligible low-income individuals and other populations through the provision of leadership and discretion in administering responsive, effective, and efficient health care benefits;
- (b) To develop a comprehensive efficient, and cost effective health care system for the District's uninsured, underinsured, and low-income residents;
- (c) To develop eligibility, service coverage and service delivery and reimbursement policies for the District's healthcare financing programs that ensure improved access and efficient delivery of services;
- (d) To ensure that the District's healthcare programs maximize available federal financial assistance; and
- (e) To support the healthcare policy, delivery and access initiatives of the Department of Health and other District agencies through sound health-care financing.

1800.4 The Department shall ensure that no individual in a decision-making capacity shall engage in any activity including participation in the selection of a grantee, the administration of an award, or an activity supported by award funds, if the appearance of or an actual conflict of interest would be involved.

1801 GRANT OFFICER

1801.1 The Director shall appoint a Grant Officer who shall serve as the Department's point of contact for grant making activities and shall forward the Grant Officer's

name to the Office of the City Administrator and the Office of Partnership and Grant Services.

1801.2 At minimum, the Department's Grant Officer shall be conversant with:

- (a) The federal uniform administrative requirements for grants; and
- (b) The local requirements governing grants and subgrants.

1802 PRE-AWARD PROCESS

1802.1 Except as provided in Section 1803, all local or federal grants and subgrants to grantees shall be made on a competitive basis.

1802.2 Grant funds awarded as a result of a grant competition must be competed each successive grant term unless:

- (a) The funds are awarded as part of an extension of the original grant;
- (b) The Department has unobligated funds from the original grant that it wishes to award to the original grantee(s);
- (c) The terms of the grant allow the Department to add or modify grant awards; or
- (d) The original award document specifically allows otherwise.

1803 EXCEPTED AWARDS

1803.1 The Department may make a grant award on a sole source basis in appropriate circumstances as determined by the Director in his/her sole discretion that include, but are not limited to:

- (a) The authorization for the award designates the grantee;
- (b) The applicable law defines eligibility in such a way that there is only one eligible applicant;
- (c) There is a recognized coalition or group of service providers through which the broadest community participation may be obtained in serving the targeted clientele; or
- (d) When the services required by the Department are available from only one source and no other type of services will satisfy Department requirements.

- 1803.2 The Department may make a grant award as an earmark if the earmark is clearly authorized by legislation or Agreement that provides the grant funds.
- 1803.3 The Department shall make excepted awards in the same manner as competitive awards except that the Department need not use a review panel.
- 1803.4 The Department shall prepare a written "sole source justification" memorandum signed by the Director explaining the circumstances that justified the absence of competition.
- 1803.5 The sole source justification memorandum shall be maintained in the Department's records in accordance with Section 1815.

1804 PERFORMANCE STANDARDS

- 1804.1 The Department shall establish standards for grantees in making determinations of demonstrated performance prior to the award of grants and subgrants.
- 1804.2 Determinations of demonstrated performance shall be in writing and take into consideration such matters as whether the applicant has:
- (a) Adequate financial resources or the ability to obtain them;
 - (b) The ability to meet the program design specifications at a reasonable and competitive cost, as well as the ability to meet performance goals;
 - (c) A satisfactory record of past performance in the grant or subgrant subject area, including demonstrated quality of service delivery;
 - (d) Documentation that the grantee has the legal status (*i.e.* business license, non-profit incorporation, etc.) to conduct business within the District of Columbia;
 - (e) A satisfactory record of integrity, business ethics, and fiscal accountability;
 - (f) The necessary organization, experience, accounting and operational controls; and
 - (g) The technical skills to perform the work.
- 1804.3 In the alternative, the Department may determine that an applicant has demonstrated performance by an objective review of available documentation at the discretion of the Director. The rationale for any approvals of demonstrated performance by the alternative process shall be documented in writing and maintained in the Department's records in accordance with Section 1815.

1805 NOTICE OF FUNDS AVAILABILITY (NOFA)

1805.1 Before making a grant or subgrant, the Department shall prepare a Notice of Funds Availability (NOFA) which shall include:

- (a) A brief description of the purposes for which funds are available;
- (b) The criteria for eligible applicants; and
- (c) The time and location at which the Request for Application (RFA) may be obtained and the process and timetable for submission.

1805.2 Except as provided in Section 1805.3, the Department shall forward the NOFA to the Office of the Secretary (Office of Documents and Administrative Issuance) for publication in the *D.C. Register* no later than 14 days prior to the release of the RFA.

1805.3 The Department may submit the NOFA for publication less than 14 days prior to release of the RFA where the Department determines there is good cause to do so.

1805.4 The Department shall provide a copy of its NOFAs and RFAs to the Office of the City Administrator and the Office for Partnerships and Grant Services (OPGS) no later than three (3) business days prior to publication in the weekly Funding Alert and posting on the District's Grants Clearinghouse on the OPGS website.

1805.5 The Department may choose to disseminate a NOFA by publishing it in local newspapers and community newsletters, direct mailing to all prospective applicants or any other reasonable form of distribution.

1806 REQUEST FOR APPLICATION (RFA)

1806.1 The Department shall prepare an RFA consistent with the OPGS Grants Manual, which shall include:

- (a) A description of the purpose of the program, including a definition of the type and range of services and activities that a grantee or subgrantee shall carry out under a grant or subgrant.
- (b) Where applicable, a requirement that the applicant propose measurable goals, objectives and timeframes, target recipients, and provide a plan of formal evaluation for each specific service proposed by the applicant.
- (c) A "Purpose of Program" section which specifies the time period for which all services will be funded and any other special requirements emanating from the authorizing statute, federal grant agreement or regulations.

- (d) Where applicable, the criteria for scoring applications including, but not limited to:
 - (1) Justification of the need for grant funds, if desirable;
 - (2) Soundness of proposed service delivery plan;
 - (3) Adequacy and reasonableness of proposed resources; and,
 - (4) Required and demonstrated capability for managing the proposed project.
- (e) A reasonable deadline for submitting applications which shall be thirty (30) days unless the Director determines that circumstances warrant a shorter or longer deadline.
- (f) A requirement that the applicant disclose in a written statement, the truth of which is sworn or attested to by the applicant, whether the applicant, or where applicable, any of its officers, partners, principals, members, associates or key employees, within the last three (3) years prior to the date of the application, has:
 - (1) Been indicted or had charges brought against them (if still pending) and/or been convicted of:
 - (i) any crime or offense arising directly or indirectly from the conduct of the applicant's organization, or
 - (ii) any crime or offense involving financial misconduct or fraud; or
 - (2) Been the subject of legal proceedings arising directly from the provision of services by the organization.
- (g) If any response to the disclosures require in Section 1806.1(f) is in the affirmative, the applicant shall fully describe such indictments, charges, convictions, or legal proceedings (and the status and disposition thereof) and surrounding circumstances in writing and provide documentation of the circumstances.

1806.2 Each RFA shall contain the following terms and conditions:

- (a) Funding for this award is contingent on continued funding from the grantor. The RFA does not commit the Department to make an award.
- (b) The Department reserves the right to accept or deny any or all applications if the Department determines it is in the best interest of the Department to

do so. The Department shall notify the applicant if it rejects that applicant's proposal. The Department may suspend or terminate an outstanding RFA pursuant to its own grant making rule(s) or any applicable federal regulation or requirement.

- (c) The Department reserves the right to issue addenda and/or amendments subsequent to the issuance of the RFA, or to rescind the RFA.
- (d) The Department shall not be liable for any costs incurred in the preparation of applications in response to the RFA. Applicant agrees that all costs incurred in developing the application are the applicant's sole responsibility.
- (e) The Department may conduct pre-award on-site visits to verify information submitted in the application and to determine if the applicant's facilities are appropriate for the services intended.
- (f) The Department may enter into negotiations with an applicant and adopt a firm funding amount or other revision of the applicant's proposal that may result from negotiations.
- (g) The Department shall provide the citations to the statute and implementing regulations that authorize the grant or subgrant including all applicable federal and District regulations.
- (h) The Department shall describe payment provisions identifying how the grantee will be paid for performing under the award; reporting requirements, including programmatic, financial and any special reports required by the granting Department; and compliance conditions that must be met by the grantee.
- (i) If there are any conflicts between the terms and conditions of the RFA and any applicable federal or local law or regulation, or any ambiguity related thereto, then the provisions of the applicable law or regulation shall control and it shall be the responsibility of the applicant to ensure compliance.

1807 APPLICATION SUBMISSION

- 1807.1 The applicant shall submit a complete application packet on or before the deadline for submission as specified in the RFA.
- 1807.2 An application submitted after the deadline for submission specified in the RFA will not be considered.

- 1807.3 A completed application shall include all information requested in the RFA, as well as the information specified in Section 1807.4.
- 1807.4 As part of the application packet, the applicant shall submit a Statement of Certification, signed by the duly authorized officer of the applicant organization, the truth of which is sworn or attested to by the applicant which states:
- (a) The individuals, by name, title, address, and phone number who are authorized to negotiate with the Department on behalf of the organization;
 - (b) That the applicant is able to maintain adequate files and records and can and will meet all reporting requirements;
 - (c) That all fiscal records are kept in accordance with Generally Accepted Accounting Principles (GAAP) and account for all funds, tangible assets, revenue, and expenditures whatsoever; that all fiscal records are accurate, complete and current at all times; and that these records will be made available for audit and inspection as required;
 - (d) That the applicant is current on payment of all federal and District taxes, including Unemployment Insurance taxes and Workers' Compensation premiums. This statement of certification shall be accompanied by a certificate from the District of Columbia Office of Tax and Revenue (OTR) stating that the entity has complied with the filing requirements of District of Columbia tax laws and has paid taxes due to the District of Columbia, or is in compliance with any payment agreement with OTR;
 - (e) That the applicant has the demonstrated administrative and financial capability to provide and manage the proposed services and ensure an adequate administrative, performance, and audit trail;
 - (f) That, if required by the Department, the applicant is able to secure a bond, in an amount not less than the total amount of the funds awarded, against losses of money and other property caused by fraudulent or dishonest act committed by any employee, board member, officer, partner, shareholder, or trainee;
 - (g) That the applicant is not proposed for debarment or presently debarred, suspended, or declared ineligible, as required by Executive Order 12549, "Debarment and Suspension," and implemented by 2 CFR § 180, for prospective participants in primary covered transactions and is not proposed for debarment or presently debarred as a result of any actions by the District of Columbia Contract Appeals Board, the Office of Contracting and Procurement, or any other District contract regulating agency;

- (h) That the applicant has the financial resources and technical expertise necessary for the production, construction, equipment and facilities adequate to perform the grant or subgrant, or the ability to obtain them;
- (i) That the applicant has the ability to comply with the required or proposed delivery or performance schedule, taking into consideration all existing and reasonably expected commercial and governmental business commitments;
- (j) That the applicant has a satisfactory record performing similar activities as detailed in the award or, if the grant award is intended to encourage the development and support of organizations without significant previous experience, that the applicant has otherwise established that it has the skills and resources necessary to perform the grant;
- (k) That the applicant has a satisfactory record of integrity and business ethics;
- (l) That the applicant has the necessary organization, experience, accounting and operational controls, and technical skills to implement the grant, or the ability to obtain them;
- (m) That the applicant is in compliance with the applicable District licensing and tax laws and regulations;
- (n) That the applicant complies with provisions of the Drug-Free Workplace Act;
- (o) That the applicant meets all other qualifications and eligibility criteria necessary to receive an award under applicable laws and regulations; and
- (p) That the applicant will, if successful, indemnify, defend and hold harmless the Government of the District of Columbia and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this grant or subgrant from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the District on account of any claim therefore, except where such indemnification is prohibited by law.

1807.5

Where applicable, the applicant shall provide the name of all of its insurance carriers and the type of insurance provided (*e.g.*, its general liability insurance carrier and automobile insurance carrier, workers' compensation insurance carrier, fidelity bond holder (if applicable)).

1807.6 Upon a request, an applicant shall provide a copy of its most recent and complete set of audited or unaudited financial statements or if audited financial statements have never been prepared due to the size or newness of an organization, the applicant shall provide, at a minimum, an Organizational Budget, an Income Statement (or Profit and Loss Statement), and a Balance Sheet certified by an authorized representative of the organization, and any letters, filings, etc. submitted to the IRS within the three (3) years before the date of the grant application.

1807.7 Upon request, the applicant shall provide evidence of being a legally-authorized entity (e.g., 501(c)(3) determination letter) and a current business license, if relevant for the applicant's business status and any correspondence or other communication received from the IRS within the three (3) years before submission of the grant application that relates to the applicant's tax status.

1808 APPLICATION REVIEW

1808.1 After the NOFA has been published and the RFA released, the Department shall appoint a review panel comprised of a minimum of three individuals.

1808.2 Each review panelist shall:

- (a) Have knowledge and expertise in the objectives of the grant, the RFA and the administrative requirements mandated by the source of the funds; and
- (b) Be free of any conflict of interest or the appearance of a conflict of interest as evidenced by a signed affidavit certifying that they have no personal or vested interest in the organizations that submitted applications in response to the RFA.

1808.3 Review panelists who are employees of the District government may not be compensated and may only serve if they have written authorization from their supervisors to serve on a review panel.

1808.4 Review panelists who are not employees of the District government may be compensated for time served on a panel provided that funds have been authorized and appropriated for such purposes, at a rate that obtains the best qualified panelists at one of the following rates:

- (a) The maximum rate allowable by the federal grantor Department for its own review panelists;
- (b) The amount available in the administrative budget of the grant or subgrant; or
- (c) The maximum daily rate of a current DS-15 pay scale for the Department.

- 1808.5 The Department shall be responsible for the following:
- (a) Ensuring that the review panelists have the information needed to serve on a panel; and
 - (b) Convening a meeting of the panelists prior to the review activities and instructing the panelists on:
 - (1) The goals and objectives of the grant and the RFA;
 - (2) The scoring criteria and instruments; and
 - (3) The timeframe for completion of the panel's work.
- 1808.6 The review panel shall score the applications and make recommendations which applications should be funded based upon the applicant's demonstrated ability to perform successfully under the terms and conditions of the proposed grant or subgrants. All materials received by the Department or a panel member from any applicant shall be protected, treated as confidential, and used only for purposes of evaluating the applicant's proposal.
- 1808.7 After the Grant Officer has received the evaluations and records of the review panel, the Director or his/her designee shall make final decisions on awards and the amounts of each grant or subgrant, subject to the advice of any advisory body required by law or regulation for the funding grant.
- 1808.8 If the Director or his/her designee decides not to follow the review panel's recommendations, the Director or his/her designee shall provide a written justification in the grant records that includes a strong rationale supported by documentation for the decision to not follow the review panel's recommendation.
- 1808.9 The Director has the discretion to review any claims against the grant review process but the Director's decision is final and shall not be appealed.

1809 CERTIFICATION OF FUNDS AVAILABILITY

- 1809.1 Before an award can be given final approval and deemed formally awarded, the Department's Grant Officer shall obtain a Certification, approved by the Office of the Chief Financial Officer, indicating that the grant amount has been appropriated and budgeted for the fiscal year.

1810 NOTICE OF GRANT AWARD (NOGA)

- 1810.1 Prior to issuing award documents to successful applicants, the Department shall notify in writing each applicant whose application was not selected for award;

- 1810.2 The Department shall prepare and issue the award documents to the prospective grantee or subgrantee, which shall include a transmittal letter and a NOGA that contains, at a minimum, the following:
- (a) The terms and conditions that apply to the award;
 - (b) Any special conditions and performance standards that may apply;
 - (c) Any available forms for reporting programmatic and financial activities and to request funds;
 - (d) Any conditions for amendment and/or termination of the grant or subgrant;
 - (e) Name, address, telephone number and email address of the granting Department's point of contact;
 - (f) Grant or subgrant number assigned by the granting Department;
 - (g) Catalogue of Federal Domestic Assistance (CFDA) number (if funding is from a federal grant);
 - (h) Beginning and ending dates of the award;
 - (i) Name, title, address and telephone number of the official point of contact for the grantee;
 - (j) Grantee's Tax ID or EIN number;
 - (k) Amount of the funds awarded and the amount of any financial or in-kind matching resources, if any, that the grantee must contribute;
 - (l) Signature lines for the authorized representatives from the Department and grantee; and
 - (m) Language incorporating the application by reference.
- 1810.3 If the award amount and/or project period are different from those in the application or if the Department requires further clarification of proposed performance standards in the application, the applicant shall be required to submit and obtain approval of the requisite modifications.
- 1810.4 Modification of award amount and/or the project period or clarification of proposed performance standards may be accomplished either prior or subsequent to the final award to the awardee.

- 1810.5 The award shall contain a special condition that prohibits expenditure of funds by the grantee until submission and approval of any required modifications or clarification.
- 1810.6 The terms and conditions stated in the award document shall specify the administrative requirements to which the awardee must adhere. The terms and conditions shall contain, but not be limited to, the following items:
- (a) A statement that the award is being made from federal grant funds awarded to the Department, if applicable;
 - (b) Citations to the statute and implementing regulations that authorize the award;
 - (c) The grant's CFDA number, if applicable;
 - (d) All applicable federal and District regulations;
 - (e) Payment provisions identifying how the grantee will be paid for performing under the award;
 - (f) Reporting requirements, including programmatic, financial and any special reports required by the Department;
 - (g) Compliance issues and conditions that must be met by the grantee;
 - (h) Deliverables, deliverable dates, reporting requirements, and the basis for payment; and
 - (i) A statement that the District reserves all rights to use any remedy available in law or regulation for the non-compliance with the grant agreement.

1811 GRANTEE AND SUBGRANTEE RESPONSIBILITIES

- 1811.1 The grantee shall charge only those costs that are consistent with the allowable cost provisions of the respect grant or subgrant, including guidelines issued by the Department.
- 1811.2 The grantee shall grant reasonable access to the District, the Department, any applicable federal department, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records (including computer records) of the grantee that are directly pertinent to charges to the program, in order to conduct audits and examinations and to make excerpts, transcripts, and photocopies. This right of access also includes timely and reasonable access to grantees' personnel for the purpose of interviews and discussions related to such documents.

1811.3 The grantee shall comply with all the applicable District and Federal statutes and regulations as may be amended from time to time including, but not necessarily limited to:

- (a) The Americans with Disabilities Act of 1990, enacted July 26, 1990 (Pub. L. 101-336, 104 Stat. 327; 42 U.S.C. § 12101 *et seq.*);
- (b) Rehabilitation Act of 1973, enacted September 26, 1973 (Pub. L. 93-112, 87 Stat. 355; 29 U.S.C. § 701 *et seq.*, as amended);
- (c) The Fair Labor Standards Act of 1938, Chap. 676, enacted June 25, 1938 (Pub. L. 75-718, 52 Stat. 1060; 29 U.S.C. § 201 *et seq.*, as amended);
- (d) The Occupational Safety and Health Act of 1970, enacted December 29, 1970 (Pub. L. 91-596, 84 Stat. 1590; 26 U.S.C. § 651 *et seq.*, as amended);
- (e) The Hobbs Anti-Racketeering Act of 1946 (Anti-Corruption), Chap 537, enacted July 3, 1946 (Pub. L. 7986, 60 Stat. 420; 18 U.S.C. § 1951, as amended);
- (f) Equal Pay Act of 1963, enacted June 10, 1963 (Pub. L. 88-38, 77 Stat.56; 29 U.S.C. § 201 *et seq.*, as amended);
- (g) Age Discrimination Act of 1975, enacted November 28, 1975 (Pub. L. 94-135, 89 Stat. 728; 42 U.S.C. § 6101 *et seq.*, as amended);
- (h) Age Discrimination in Employment Act of 1967, enacted December 15, 1967 (Pub. L. 90-202, 81 Stat. 602; 29 U.S.C. § 621 *et seq.*, as amended);
- (i) Title IX of the Education Amendments of 1972, enacted June 23, 1972 (Pub. L. 92-318, 86 Stat. 235; 20 U.S.C. § 1001, as amended);
- (j) Immigration Reform and Control Act of 1986, enacted November 6, 1986 (Pub. L. 99-603, 100 Stat. 3359; 8 U.S.C. § 1101, as amended);
- (k) Executive Order 12459, signed January 16, 1984 (Debarment, Suspension and Exclusion);
- (l) Family and Medical Leave Act of 1993, enacted Feb. 5, 1993 (Pub. L. 103-3, 107 Stat. 6; 5 U.S.C. § 6381 *et seq.*, as amended);
- (m) Drug Free Workplace Act of 1988, enacted November 18, 1988 (Pub. L. 100-690, 102 Stat. 4304; 41 U.S.C. § 701 *et seq.*, as amended);

- (n) Assurance of Nondiscrimination and Equal Opportunity as found in District of Columbia Human Rights Act of 1977, effective December 13, 1977, as amended (D.C. Law 2-38; D.C. Official Code § 2-1401.01);
- (o) Title VI of the Civil Rights Act of 1964, enacted July 2, 1964 (Pub.L. 88-352, 78 Stat. 241); and
- (p) District of Columbia Language Access Act of 2004, effective June 19, 2004 (D.C. Law 15 – 167, D.C. Official Code § 2-1931 *et seq.*).

1811.4 Before execution of the award, the grantee shall provide a copy of the binder or cover sheet of their current insurance policy for any policy that covers activities that might be undertaken in connection with performance of the grant, showing the limits of coverage and endorsements.

1811.5 All policies, except the Workers' Compensation, Errors and Omissions, and Professional Liability policies, that cover activities that might be undertaken in connection with the performance of the grant, shall contain additional endorsements naming the Government of the District of Columbia, and its officers, employees, agents and volunteers as additional named insured with respect to liability abilities arising out of the performance of services under the award.

1811.6 The grantee shall require its insurance carrier of the required coverage to waive all rights of subrogation against the District, its officers, employees, agents, volunteers, contractors and subcontractors.

1812 GRANT MANAGEMENT AND MONITORING

1812.1 The Department shall develop and implement a plan to appropriately monitor all grantees to ensure that all grantees perform in accordance with the terms, conditions and specifications of their grants or subgrants.

1812.2 The Department shall prepare written reports consistent with the Subrecipient Monitoring Manual prepared by the Office of the Chief Financial Officer.

1813 GRANT CLOSE OUT

1813.1 All grantees and subgrantees are subject to audit in connection with the close out of the grant.

1813.2 A grantee or subgrantee that has been designated high risk, or has expended \$500,000 more in grant funds during the grant year, an independent and in-depth financial statement and audit of the type required by OMB Circular A133's "single audit" for any entity that expends \$500,000 or more of grant funds during the grant year is required.

- 1813.3 A grantee or sub-grantees that are assigned a "medium-risk" assessment by their awarding Department, or those that expend between \$499,999 and \$250,000, shall be required to prepare and file at close-out a less-extensive financial statement report prepared by an independent accountant containing:
- (a) An income statement;
 - (b) A balance sheet;
 - (c) A reconciliation of cash balances;
 - (d) A reconciliation of stockholder equity (if the grantee is a for-profit entity); and
 - (e) An independent review of management's internal controls.
- 1813.4 A grantee or sub-grantee receiving and expending between \$25,000 and \$249,999 during the grant year shall be required to file a financial statement that contains:
- (a) An income statement;
 - (b) A balance sheet;
 - (c) A reconciliation of cash balances; and
 - (d) A review of management's internal controls.
- 1813.5 A grantee or sub-grantee assigned a "low-risk" designation, and any other grantee or sub-grantee that receives and spends up to \$24,999, shall file a simple financial report containing:
- (a) An income statement; and
 - (b) A balance sheet.
- 1814 DISALLOWED COSTS**
- 1814.1 Costs charged to a grant or subgrant that do not comply with the terms of the award are subject to disallowance.
- 1814.2 Upon discovery of a disallowable cost, the Department shall notify the grantee in writing and specify the amount of the disallowable cost and the reason.
- 1814.3 The grantee shall have thirty (30) days to provide a written justification to the Department as to why the costs should not be disallowed.

- 1814.4 The Department shall have forty-five (45) days to review the grantee's written justification and issue a decision in writing.
- 1814.5 If the Department determines that the costs should be disallowed, reimbursement in full to the District of said amounts must be made by the grantee within forty-five (45) calendar days after final official notification from the District.
- 1814.6 If the reimbursement is not received in full after forty-five (45) calendar days the grantee shall receive no further grant or subgrant funds from the District until such time as the reimbursement is made in full.

1815 RECORDS AND DISPUTES

- 1815.1 The Department shall establish and maintain the official records of awarded grants or subgrants.
- 1815.2 The Department shall retain the records of all awarded applications and subsequent reports for a period that is the greater of:
- (a) Three (3) years;
 - (b) The time required by the applicable law, regulation or agreement governing the funding for such grant; or
 - (c) At the Department's discretion, a period longer than three (3) years.

1899.99 DEFINITIONS

When used in this chapter the following terms shall have the meanings ascribed:

Application Package – A group of specific forms and documents for a specific funding opportunity, which are used to apply for a grant.

Disallowed Costs – Charges to a grant award that the awarding agency determines to be unallowable in accordance with applicable federal cost principles or other terms and conditions in the grant.

Notice of Funding Availability – A publicly available document by which a District agency makes known its intentions to award grants, usually as a result of competition.

Request for Applications- The document that describes the requirements for grant and subgrant applications.