agreements/amendments, and the grantee's approved plan, budget (SF–424A), budget narratives and timetable.

- (2) Applicability of OMB Circular and HUD fiscal and audit controls. The policies, guidelines, and requirements of this NOFA, 24 CFR part 961, 24 CFR part 85, 24 CFR part 84, and OMB Circular A–87 apply to the acceptance and use of assistance by grantees under this program; and OMB Circular Nos. A-110 and A-122 apply to the acceptance and use of assistance by private nonprofit organizations (including RMCs, RCs and ROs). In addition, grantees and subgrantees must comply with fiscal and audit controls and reporting requirements prescribed by HUD, including the system and audit requirements under the Single Audit Act, OMB Circular No. A-128 and HUD's implementing regulations at 24 CFR part 44; and OMB Circular No. A-133
- (3) Cost Principles. Specific guidance in this NOFA, 24 CFR part 961, 24 CFR part 85, 24 CFR part 84, OMB Circular A-87, other applicable OMB cost principles, HUD program regulations, Notices, HUD Handbooks, and the terms of grant/special conditions and subgrant agreements will be followed in determining the reasonableness and allocability of costs. All costs must be reasonable, necessary and justified with cost analysis. PHDEP Funds must be disbursed by the grantee within seven calendar days after receipt of drawdown. Grant funds must be used only for Drug Elimination Program purposes. Direct costs are those that can be identified specifically with a particular activity or function in this NOFA and cost objectives in OMB Circular A-87. Indirect cost are not permitted in this program. Administrative requirements for Drug Elimination Program grants will be in accordance with 24 CFR part 85. Acquisition of property or services shall be in accordance with 24 CFR 85.36. All equipment acquisitions will remain the property of the grantee in accordance with 24 CFR 85.32. ONAP procurement standards are in 24 CFR part 905.
- (4) Grant Staff Personnel. (i) All persons or entities compensated by the grantee for services provided under a Drug Elimination Program grant must meet all applicable personnel or procurement requirements and shall be required as a condition of employment to meet all relevant state, local and tribal government, insurance, training, licensing, or other similar standards and requirements.

(ii) Compensation for personnel (including supervisory personnel, such as a grant administrator or drug program

- coordinator, and support staff, such as counselors and clerical staff) hired for grant activities *IS PERMITTED* and may include wages, salaries, and fringe benefits.
- (iii) All grant personnel must be necessary, reasonable and justified. Job descriptions must be provided for all grant personnel. *Excessive staffing is not permitted.*
- (iv) Housing authority staff responsible for management/ coordination of PHDEP programs shall be compensated with grant funds only for work performed directly for PHDEP grant-related activities and shall document the time and activity involved in accordance with 24 CFR 85.20.
- (5) Term of Grant. The FY 95 grant project must be completed within, and shall not exceed, 24 months from the date of execution of the grant agreement, unless an extension and grant amendment (HUD Form 1044) are approved by the local HUD Field Office. After the award of the grant the maximum extension allowable for any project period is 6 months. Any funds not expended at the end of the grant term shall be remitted to HUD.
- (6) Duplication of Funds. To prevent duplicate funding of any activity, the grantee must establish controls to assure that an activity or program that is funded by other HUD programs, such as modernization or CIAP, or programs of other Federal agencies, shall not also be funded by the Drug Elimination Grant Program. The grantee must establish an auditable system to provide adequate accountability for funds which it has been awarded. The applicant has the responsibility to ensure there is no duplication of funding sources.
 - (7) Sanctions.
- (i) HUD may impose sanctions if the grantee:
- (A) Is not complying with the requirements of 24 CFR part 961 or of other applicable Federal law;
- (B) Fails to make satisfactory progress toward its drug elimination goals, as specified in its plan and as reflected in its performance and financial status reports under 24 CFR 961.28;
- (C) Does not establish procedures that will minimize the time elapsing between drawdowns and disbursements;
- (D) Does not adhere to grant agreement requirements or special conditions;
- (E) Proposes substantial plan changes to the extent that, if originally submitted, would have resulted in the application not being selected for funding;
- (F) Engages in the improper award or administration of grant subcontracts;

- (G) Does not submit reports; or
- (H) Files a false certification, for example, those listed under section I.(d) of this NOFA.
- (ii) HUD may impose the following sanctions:
- (A) Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee;
- (B) Disallow all or part of the cost of the activity or action not in compliance;
- (C) Wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program;
- (D) Require that some or all of the grant amounts be remitted to HUD;
- (E) Condition a future grant and elect not to provide future grant funds to the grantee until appropriate actions are taken to ensure compliance;
- (F) Withhold further awards for the program or
- (Ğ) Take other remedies that may be legally available.
- (8) Notification. After completion of the ranking and environmental reviews as required by 24 CFR 961.15(d), HUD will send written notification to all applicants of whether or not they have been selected.
- (9) Grant Agreement. After an application has been approved, HUD and the applicant shall enter into a grant agreement (Form HUD–1044) setting forth the amount of the grant and its applicable terms, conditions, financial controls, payment mechanism/schedule, and special conditions, including sanctions for violation of the agreement. The grant agreement (Form HUD–1044) will be effective upon the signature of the Director, Public Housing Division or Administrator, FONAP.

II. Application Process

- (a) Application Kit: An application kit may be obtained, and assistance provided, from the local HUD Field Office with delegated public housing responsibilities over an applying public housing agency, or from the Field Office of Native American Programs having jurisdiction over the Indian housing authority making an application, or by calling HUD's Community Relations and Involvement Clearinghouse, telephone 1–800–578–3472. The application kit contains information on all exhibits and certifications required under this NOFA.
- (b) Application Submission: Applications are due on or before Friday, April 14, 1995, at 3:00 PM, local time. This application deadline is firm as to date and hour. In the interest of fairness to all competing applicants, the Department will treat as ineligible for consideration any application that is received after the deadline. Applicants should take this practice into account