

Changes to 1944-I were published on March 28 2022. USDA RD has made some updates and changes to 1944-I, Section 523 Self-Help Technical Assistance Grants through PN 561 issued March 28, 2022.

The updated 1944-I, ([download here](#)) includes the updated or new attachments and exhibits, and the PN 561 is here: <https://www.rd.usda.gov/files/pn561.pdf>. Below is a summary of the changes to USDA Rural Development 1944-I Update 03/28/2022

- Table of Contents is revised to update the title to Exhibit G and I;
 - Exhibit G title has been changed to Application Processing Checklist
 - Exhibit I title has been changed to Grant Amendment Request Checklist
- § 1944.407(e), is removed to coincide with the 7 CFR 1944, Subpart I;
 - (Removed)--(e) Other limitations announced by Rural Development in an annual funding policy.
- § 1944.410(e), is revised to remove the reference to Exhibit I;
 - “New Construction and Repair and Rehabilitation programs had separate checklists -- Exhibit G and Exhibit I prior to the March 28, 2022 update. They were consolidated into one checklist which is now Exhibit G.”
- § 1944.411(f), added language to advise that SF-424B, “Assurance-Non-Construction Programs,” will no longer be collected in the application docket. Amongst other government-wide forms, SF-424B will be signed in the System for Award Management (SAM);
 - (In addition to the SF-424B the following documents are no longer collected in the application docket and are signed in SAM—Certification Regarding Drug-Free Workplace, Form AD-1049 and Certification Regarding Debarments, Suspension, and other Responsibility Matters-Form AD-1047).
- §1944.412, added the requirement to use the Electronic Customer File (ECF) system;
 - Additional items and timeframes for submission are found in Exhibit G.
Information from Exhibit G:
 - I. Applicants and existing Self-Help grantees applying for a new grant should submit their applications electronically with encryption/password protected or in hard copy containing the above applicable items to the Technical and Management Assistance (T&MA) Contractor for review at least six months prior to the proposed grant start date.
 - II. The T&MA Contractor will make a recommendation and submit the package to the State Office when it is ready for Agency review, and at least three months prior to the proposed start date. Within thirty (30) days of receipt of the application, the Rural Development designated official will review the application for completeness, accuracy and conformance to program policy and regulation.
 - III. The designated official should then make a recommendation, upload documents to the Electronic Customer File (ECF) system, and forward along with a copy of the grantee’s package to the State Director. The State Office will issue a Letter of Conditions to the Grantee subject to: (1) review of the application package by the National Office (requests over \$300,000) and (2) subject to submission of any additional items not included with the application.
 - IV. State Offices must then submit the applications/requests to the National Office within 30 days of their receipt (via an email to SFHDIRECTPROGRAM@usda.gov that states the pertinent documents can be found in ECF).

- “Agency staff must use the Electronic Customer File (ECF) system (or any superseding system implemented by the Agency) to store and maintain the 523 Self-Help Grant file folder. Use of a physical, hardcopy folder is not acceptable. The ECF folder must contain applicable documentation on Applications, Draws and Servicing.”
- Refer to the ECF User and Comment Guide for instructions.
- Agency staff should encourage new applicants and current grantees to submit documents electronically with encryption and password protection. Documents that are not received electronically must be scanned and converted for upload into ECF.
- §1944.415 (c), added direction for State Director approved grant requests (\$300,000 or less) funded by the National Office, including executing Form RD 1940-1, “Request for Obligation of Funds”;

For grant requests of \$300,000 or less, the State Office should upload all documents in ECF, and the National Office the following prior to funding:

- The analysis from the T&MA Contractor,
- State Director’s recommendation,
- A copy of the Letter of Conditions,
- A copy of the Request for Obligation of Funds and
- A copy of the most recently quarterly report.

For grant requests that exceed \$300,000, the complete application will be reviewed by the National Office in ECF and the Request for Obligation of Funds will be signed by the Director of the Single-Family Housing Direct Loan Division.

- §1944.420 (e), included additional instructions for extension or revision to the grant agreement, including reference to the new Exhibit I, “Grant Amendment Request Checklist”. Created (f), (g), and (h) on the topic of extension and revision requirements;
 - New guidance requires that extensions or revisions are submitted in writing to USDA RD at least 30 days prior to the expiration of the grant (allow additional time for regional T&MA contractors review, Exhibit I). Expired grant agreements cannot be modified, funds remaining after the expiration date will be de-obligated (this does not include any unclaimed charges against the grant that occurred during the grant period). f, g, and h were created and added 03-28-22 PN 561:
 - (f) Grantee should include in the request all pertinent documents related to the modification such as a revised budget, implementation schedule, and the current status report utilizing the Self-Help Automated Reporting and Evaluations System (SHARES), see Exhibit B for new construction, or Exhibit K for rehabilitation. If additional funds are requested, an executed Form RD 1940-1, “Request for Obligation of Funds” must be submitted with the request, see Exhibit I. The T&MA Contractor will review the request and provide a recommendation to Rural Development.
 - (g) Rural Development will review the request, and if approved, submit Exhibit C, “Amendment to Self-Help Technical Assistance Grant Agreement” along with an amended letter of conditions, as needed.
 - (h) Modifications to reduce grant goals are highly discouraged, and will only be considered when it is in the best interest of the government (e.g. in lieu of a for-cost modification). As with any grant modification request, a well-documented explanation and justified reason must be provided. National Office approval is required for any reduction to program goals.
- Exhibit A, paragraph (i) is revised to coincide with 7 CFR 1944, Subpart I

- Acquisition and disposal of personal, equipment and supplies should comply with Subpart R of 2 CFR Part 200 as adopted by USDA 2 CFR part 400
- Exhibit G, title revised from “Application Processing Checklist” to "Self-Help Application Processing Checklist New Construction and Rehabilitation" and this Exhibit has been modified to remove forms now collected in SAM, and was combined with the previous Exhibit I entitled “Application Processing Checklist -Rehabilitation”;
 - Forms removed and now collected in SAM are:
 - SF-424B-Assurances Non-Construction Programs
 - AD-1049-Certification Regarding Drug-Free Workplace
 - AD-1047-Certification Regarding Debarments, Suspension, and other Responsibility Matters
- Exhibit I is renamed and updated to “Self-Help Grant Amendment Processing Checklist”; and
- Exhibit P was revised to update the allowable uses of the de minimis rate and to remove outdated information from 2017.
 - In the rare situation where a Non-Federal entity can appropriately allocate and charge 100% of their costs directly to their 523 grant and indirect costs are not claimed, approval from DOI is not necessary; however, DOI may review proposals of these types on a case-by-case basis to determine if indirect costs rates can be issued. (Revised 03-28-22, PN 561)
 - Organizations that have not previously established an indirect cost rate with a Federal agency must submit an initial indirect cost rate proposal immediately after the organization is advised that a Federal award will be made and in no event later than three months after the effective date of the Federal award, unless they elect to charge the de minimis rate of 10% modified total direct cost (MTDC). Any non-federal entity, even if they have previously received a negotiated indirect cost rate, except for those described in 2 CFR 200 Appendix VII paragraph (d)(1)(B), may elect to charge a de minimis rate of 10% modified total direct cost (MTDC) which may be used indefinitely. (Revised 03-28-22, PN 561)

Contact information for the DOI, Interior Business Center is:

Doris Jensen, Branch Chief, Email: doris_w_jensen@ibc.doi.gov, Phone: 916-930-3829

US Department of the Interior

Interior Business Center Indirect Cost and Contract Audit Division

450 Capitol Mall, Suite 430 Sacramento, CA 95816

ICS Mailbox: ics@ibc.doi.gov