

approved by the substate grantee; retraining provided pursuant to the certificate shall be in accord with requirements and procedures established by the substate grantee and shall be conducted under a grant, contract, or other arrangement between the substate grantee and the service provider.

(d) Substate grantees shall ensure that records are maintained showing to whom such certificates of continuing eligibility have been issued, the dates of issuance, and the number redeemed by substate grantees.

Subpart G—Federal Delivery of Dislocated Worker Services Through National Reserve Account Funds

§ 631.60 General.

This subpart provides for the use of funds reserved to the Secretary for use under part B of title III of the Act. These funds may be used for the allowable activities, described in section 323 of the Act; demonstration programs, described in section 324 of the Act; the Defense Conversion Adjustment Program (DCAP), described in section 325 of the Act; the Defense Diversification Program (DDP), described in section 325A of the Act; Clean Air Employment Transition Assistance (CAETA), described in section 326 of the Act; and similar uses and programs which may be added to part B of title III of the Act.

§ 631.61 Application for funding and selection criteria.

To qualify for consideration for funds reserved by the Secretary for activities under section 323 of the Act, applications shall be submitted to the Secretary pursuant to instructions issued by the Secretary specifying application procedures, selection criteria, and approval process. Separate instructions will be issued for each category of grant awards, as determined by the Secretary.

§ 631.62 Cost limitations.

The expenditure of funds provided to grantees under this subpart shall be consistent with the cost limitations specified in the grant. Applicants for

grants under this subpart may propose, in their grant applications, reasonable costs to be incorporated into the grant. The Grant Officer may accept or modify such proposals at his/her discretion. Where proposals do not adequately justify to the Grant Officer's satisfaction the costs to be incorporated into the grant, the cost limitations that shall be applied shall be those specified in section 315 of the Act and described in paragraphs (a), (b) and (c) of § 631.14 of this part.

§ 631.63 Reporting.

(a) Grantees under part B of title III of the Act shall submit reports as prescribed by the Secretary.

(b) *Significant developments.* Grantees shall notify the Secretary of developments that have a significant impact on the grant or subgrant supported activities, including problems, delays, or adverse conditions which may materially impair the ability to meet the objectives of the project. This notification shall include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.

§ 631.64 General administrative requirements.

(a) Activities under this subpart may be carried out and funding provided directly to grantees other than States.

(b) All grantees and subgrantees under this subpart that are States or substate grantees are subject to the provisions in part 627 of this chapter.

(c) For grantees other than States and substate grantees, the following provisions shall apply to grants under this subpart.

(1) *Grievance procedures.* (i) Each grantee shall establish and maintain a grievance procedure for grievances or complaints about its programs and activities from participants, subgrantees, subcontractors, and other interested persons. Hearings on any grievance shall be conducted within 30 days of filing of a grievance and decisions shall be made not later than 60 days after the filing of a grievance. Except for complaints alleging fraud or criminal activity, complaints shall be made within one year of the alleged occurrence.