

§ 740.6

18 CFR Ch. VI (4–1–12 Edition)

plan) with appropriate provision for A–95 State clearinghouse review. The Council will review the proposed revision and notify the State of its decision no later than 30 days from the date of receipt of the request.

§ 740.6 Financial assistance.

(a) The Council shall provide financial assistance from funds available for each fiscal year to each State having an approved application pursuant to § 740.5.

(b) Within the provisions prescribed by paragraphs (c) and (d) of this section, the Council may grant up to 50 percent of the cost for a State program.

(c) The funds appropriated pursuant to the Act for the fiscal year shall be allocated among the participating States as follows, except that under paragraphs (d) (2) through (4) of this section no State shall be granted a greater or lesser sum of funds which shall be based upon a procedure in which each of the factors of population, land area, and the reciprocal of per capital income, are adjusted such that:

(1) Those States having observations two standard deviations below the mean of each respective factor are equated to the mean-minus-two standard deviations, and

(2) Those States having observations two standard deviations above the mean of each respective factor are equated to the mean-plus-two standard deviations.

(d) Financial assistance for the Program shall be allocated among the participating States from funds available for any fiscal year based on the following formula:

(1) An equal share not to exceed \$100,000, the total of which shares shall not exceed 10 percent of the funds available for any fiscal year;

(2) One-third of the remaining balance of the funds after accounting for paragraph (d)(1) of this section in the ratio that the population of each State bears to the population of all States;

(3) One-third of the remaining balance of the funds after accounting for paragraphs (d)(1) and (2) of this section in the ratio that the land area of each State bears to the land area of all the States;

(4) One-third of the remaining balance of funds after accounting for paragraphs (d)(1), (2), and (3) of this section in the ratio that the reciprocal of all per capital income of a State bears to the sum of the reciprocals for all States; and

(5) The remainder of the funds according to the need for water management planning in each State as expressed by the State and assessed by the Council. In assessing need for water management, the Council shall utilize established criteria, the proposed program, and information made available during program review.

(e) Redistribution of grant funds may occur:

(1) If a State fails to apply for a grant within the period specified in § 740.3, or is unable to match the total allocation reserved under § 740.6(d) for that State, that portion of the reserved allocation will be withdrawn by the Council;

(2) If a State fails to obligate Federal funds within the grant period of the approved or amended grant agreement as prescribed in § 740.7(c), such funds shall be returned to the Council not later than 30 days after submission of the Financial Statement for the grant period unless the Council, based on written request, grants an exception or extension to this time limitation;

(3) Funds available under paragraph (e)(1) of this section shall be available for redistribution to those States requesting additional funds pursuant to § 740.3(d)(7). These funds shall be distributed on the basis of proposals in the application, and the relationship of the State's original allocation to the original allocation of other States requesting redistribution funds; and

(4) Funds available under paragraph (e)(2) of this section shall be added to funds available for distribution for the next fiscal year, if the appropriation legislation for the current year allows such action.

§ 740.7 Administration of financial assistance.

(a) Grants under this part shall comply with the requirements of:

(1) Office of Management and Budget (OMB) Circular A–102, Revised, (34 CFR