

training project(s) designed to provide second career training and the placement of eligible individuals in employment opportunities with private business concerns. [Section 502(e) of the OAA.]

(b) Experimental project agreements for training may be with States, public agencies, non-profit private organizations, and private business concerns.

(c) The geographic location of these projects shall be determined by the Department to insure an equitable distribution of such projects.

(d) To the extent feasible, experimental projects shall emphasize second-career training, and innovative work modes, including those with reduced physical exertion, and placement into growth industries and jobs reflecting new technologies.

(e) The Department shall establish by administrative guidelines the application schedule, content, format, allocation levels and reporting requirements for experimental projects.

(f) Current title V eligibility standards shall be used for experimental projects unless the Department permits, in writing, the use of another approved income index.

(g) Projects funded under section 502(e) of the OAA shall seek to be coordinated with projects carried out under title II-A of the JTPA to the extent feasible.

(h) National grantees shall distribute funds for experimental projects in accordance with the State allocation in their title V grant.

(i) A grantee may exclude a project, permitted under section 502(e) of the OAA, from meeting the non-federal share requirement set forth in § 641.407; however, this exclusion does not relieve the grantee from the matching requirement, under § 641.407, which applies to the entire grant.

#### **Subpart D—Administrative Standards and Procedures for Grantees and Limitations on Federal Funds**

##### **§ 641.401 General.**

This subpart establishes limitations on title V funds to be used for community service activities and describes, or incorporates by reference, require-

ments for the administration of grants by the SCSEP grantee.

##### **§ 641.402 Administrative requirements.**

(a) Except as otherwise provided in this part, title V funds shall be administered in accordance with, and subject to, the Department's regulations at 29 CFR parts 31, 32, 34, 93, 96, and 98. In addition, projects and activities administered by State, local or Indian tribal governments are also subject to the Department's administrative requirements regulations at 29 CFR part 97; projects and activities administered by institutions of higher education, hospitals, or other non-profit organizations are subject to the Department's administrative requirements regulations at 29 CFR part 95. Grantees of title V funds shall be subject to any revisions of any implementing regulations cited in this paragraph (a) on the effective date of such revisions.

(b) The administration of inter-agency agreements set forth in subpart E of this part is not subject to paragraph (a) of this section.

##### **§ 641.403 Allowable costs.**

(a) *General.* The allowability of costs shall be determined in accordance with the cost principles indicated in paragraph (b) of this section, except as otherwise provided in this part.

(b) *Applicable Cost Principles.* (1) The cost principles set forth in paragraphs (b)(1) through (4) of this section apply to the organization incurring the costs:

(i) OMB Circular A-87—State, local or Indian tribal government;

(ii) OMB Circular A-122—Private, non-profit organization other than:

(A) Institutions of higher education;

(B) Hospitals; or

(C) Other organizations named in OMB Circular A-122 (see sections 4.a. (Definitions) and 5 (Exclusions) of OMB Circular A-122);

(iii) OMB Circular A-21—Educational institution; or

(iv) 48 CFR part 31, subpart 31.2—Commercial organization (for-profit organization, other than a hospital or other organizations named in OMB Circular A-122).

(2) The OMB Circulars are available by writing to the Office of Management and Budget, Office of Administration,