

AMENDMENT NO. _____ Calendar No. _____

Purpose: To ensure accountability and oversight for taxpayer dollars awarded as Federal grants.

IN THE SENATE OF THE UNITED STATES—113th Cong., 1st Sess.

S. 744

To provide for comprehensive immigration reform and for other purposes.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. GRASSLEY

Viz:

1 After section 8, insert the following:

2 **SEC. 9. GRANT ACCOUNTABILITY.**

3 (a) DEFINITIONS.—In this section:

4 (1) AWARDING ENTITIES.—The term “awarding
5 entities” means the Secretary of Homeland Security,
6 the Director of the Federal Emergency Management
7 Agency (FEMA), the Chief of the Office of Citizen-
8 ship and New Americans, as designated by this Act,
9 and the Director of the National Science Founda-
10 tion.

11 (2) NONPROFIT ORGANIZATION.—The term
12 “nonprofit organization” means an organization that

1 is described in section 501(c)(3) of the Internal Rev-
2 enue Code of 1986 and is exempt from taxation
3 under section 501(a) of such Code.

4 (3) UNRESOLVED AUDIT FINDING.—The term
5 “unresolved audit finding” means a finding in a
6 final audit report conducted by the Inspector Gen-
7 eral of the Department of Homeland Security, or the
8 Inspector General for the National Science Founda-
9 tion for grants awarded by the Director of the Na-
10 tional Science Foundation, that the audited grantee
11 has utilized grant funds for an unauthorized expend-
12 iture or otherwise unallowable cost that is not closed
13 or resolved within one year from the date when the
14 final audit report is issued.

15 (b) ACCOUNTABILITY.—All grants awarded by
16 awarding entities pursuant to this Act shall be subject to
17 the following accountability provisions:

18 (1) AUDIT REQUIREMENT.—

19 (A) AUDITS.—Beginning in the first fiscal
20 year beginning after the date of the enactment
21 of this section, and in each fiscal year there-
22 after, the Inspector General of the Department
23 of Homeland Security, or the Inspector General
24 for the National Science Foundation for grants
25 awarded by the Director of the National

1 Science Foundation, shall conduct audits of re-
2 cipients of grants under this Act to prevent
3 waste, fraud, and abuse of funds by grantees.
4 The Inspector Generals shall determine the ap-
5 propriate number of grantees to be audited
6 each year.

7 (B) MANDATORY EXCLUSION.—A recipient
8 of grant funds under this Act that is found to
9 have an unresolved audit finding shall not be el-
10 igible to receive grant funds under this Act dur-
11 ing the first 2 fiscal years beginning after the
12 end of the one year period described in sub-
13 section (a)(3).

14 (C) PRIORITY.—In awarding grants under
15 this Act, the awarding entities shall give pri-
16 ority to eligible applicants that did not have an
17 unresolved audit finding during the 3 fiscal
18 years before submitting an application for a
19 grant under this Act.

20 (D) REIMBURSEMENT.—If an entity is
21 awarded grant funds under this Act during the
22 2-fiscal-year period during which the entity is
23 barred from receiving grants under subpara-
24 graph (B), the awarding entity shall—

1 (i) deposit an amount equal to the
2 amount of the grant funds that were im-
3 properly awarded to the grantee into the
4 General Fund of the Treasury; and

5 (ii) seek to recoup the costs of the re-
6 payment to the fund from the grant recipi-
7 ent that was erroneously awarded grant
8 funds.

9 (2) NONPROFIT ORGANIZATION REQUIRE-
10 MENTS.—

11 (A) PROHIBITION.—An awarding entity
12 may not award a grant under this Act to a non-
13 profit organization that holds money in offshore
14 accounts for the purpose of avoiding paying the
15 tax described in section 511(a) of the Internal
16 Revenue Code of 1986.

17 (B) DISCLOSURE.—Each nonprofit organi-
18 zation that is awarded a grant under this Act
19 and uses the procedures prescribed in regula-
20 tions to create a rebuttable presumption of rea-
21 sonableness for the compensation of its officers,
22 directors, trustees and key employees, shall dis-
23 close to the awarding entity, in the application
24 for the grant, the process for determining such
25 compensation, including the independent per-

1 sons involved in reviewing and approving such
2 compensation, the comparability data used, and
3 contemporaneous substantiation of the delibera-
4 tion and decision. Upon request, the awarding
5 entity shall make the information disclosed
6 under this subparagraph available for public in-
7 spection.

8 (3) CONFERENCE EXPENDITURES.—

9 (A) LIMITATION.—No amounts authorized
10 to be appropriated to the Department of Home-
11 land Security or the National Science Founda-
12 tion for grant programs under this Act may be
13 used by an awarding entity or by any individual
14 or entity awarded discretionary funds through a
15 cooperative agreement under this Act to host or
16 support any expenditure for conferences that
17 uses more than \$20,000 in funds made avail-
18 able by the Department of Homeland Security
19 or the National Science Foundation unless the
20 Deputy Secretary for Homeland Security, or
21 the Deputy Director of the National Science
22 Foundation, or their designee, provides prior
23 written authorization that the funds may be ex-
24 pended to host the conference.

1 (B) WRITTEN APPROVAL.—Written ap-
2 proval under subparagraph (A) shall include a
3 written estimate of all costs associated with the
4 conference, including the cost of all food, bev-
5 erages, audio-visual equipment, honoraria for
6 speakers, and entertainment.

7 (C) REPORT.—The Deputy Secretary of
8 Homeland Security and the Deputy Director of
9 the National Science Foundation shall submit
10 an annual report to Congress on all conference
11 expenditures approved under this paragraph.

12 (4) ANNUAL CERTIFICATION.—Beginning in the
13 first fiscal year beginning after the date of enact-
14 ment of this subsection, each awarding entity shall
15 submit to Congress a report—

16 (A) indicating whether—

17 (i) all audits issued by the Offices of
18 the Inspector General under paragraph (1)
19 have been completed and reviewed by the
20 appropriate individuals;

21 (ii) all mandatory exclusions required
22 under paragraph (1)(B) have been issued;
23 and

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1 (iii) all reimbursements required
2 under paragraph (1)(D) have been made;
3 and
4 (B) including a list of any grant recipients
5 excluded under paragraph (1) from the previous
6 year.