



TITLE: NONPROFIT AGENCY OVERALL COMPLIANCE POLICY

1. PURPOSE.

This document prescribes the overall compliance policies for nonprofit agencies (NPA) participating in the AbilityOne Program.

2. APPLICABILITY.

This policy applies to the Commission, all designated Central Nonprofit Agencies (CNAs) and all NPAs seeking or receiving qualification to participate in the AbilityOne Program.

3. AUTHORITY.

- (a) 41 U.S.C. §§ 8501-8506, Javits-Wagner-O'Day (JWOD) Act
- (b) 41 C.F.R. Chapter 51, Committee for Purchase From People Who Are Blind or Severely Disabled
- (c) Federal Acquisition Regulation (FAR) Subpart 3.10, Contractor Code of Business Ethics and Conduct
- (d) FAR Subpart 9.102, Policy, Paragraph (b)(3) and Far Subpart 9.104, Standards

4. DEFINITIONS AND ACRONYMS.

Definitions, abbreviations, and acronyms frequently used throughout this policy system are provided in U.S. AbilityOne Commission Policy 51.102, Definitions.

5. RESPONSIBILITIES.

- (a) The Commission monitors and inspects qualified NPAs' compliance with all applicable statutes, regulations, and policies, and takes necessary actions to address instances of noncompliance.
- (b) Designated CNAs support and assist their NPAs in understanding and facilitating compliance with all applicable statutes, regulations, and policies necessary for full participation in the AbilityOne Program. They conduct regulatory assistance visits in accordance with the requirements of their Cooperative Agreements.
- (c) NPAs stay informed of and comply with all statutes, regulations, and policies applicable and necessary for full participation in the AbilityOne Program.

6. POLICY.

- (a) As all NPAs in the AbilityOne Program are Federal contractors, the Commission expects and the FAR dictates that they adhere to the highest ethical standards.



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- (b) Each NPA must provide a level of transparency sufficient to demonstrate to the public that they operate in accordance with the intent of the JWOD Act as well as all other applicable statutes and regulations.
- (c) Any NPA seeking verification to participate in the AbilityOne Program must submit appropriate documentation as described in 41 CFR 51-4.2, Initial qualification, demonstrating it meets the definition of a "qualified nonprofit agency" as prescribed in 41 U.S.C. 8501, Definitions. *See* Commission Policy 51.402.
- (d) All nonprofit agencies participating in the AbilityOne Program must be in full compliance with all eligibility requirements specified in 41 CFR 51- 4.3, Maintaining qualification. *See* Commission Policy 51.409.
- (e) Nonprofit agencies that are not in full compliance with the applicable regulations may face a range of sanctions based on the type, certification, and severity of the infraction. These include, but may not be limited to, corrective actions, probation, or deauthorization to perform a project on the Procurement List.
- (f) Alleged violations by nonprofit agencies will be handled in accordance with 41 CFR 51-4.5, Violations by nonprofit agencies. *See* Commission Policy 51.403.
- (g) The Commission may authorize a "related corporation" to participate in the AbilityOne Program so long as it meets initial qualification requirements of 41 CFR 51-4, Nonprofit Agencies, provided that the participation of the related corporation does not circumvent the direct labor hour ratio requirement of the Javits-Wagner-O'Day Act by the "other related corporation" and no revenue of the nonprofit participating in the AbilityOne Program inures via monetary or assets to a for-profit entity or its shareholders.
- (h) The Commission expects all NPAs to have personnel with educational backgrounds in vocational rehabilitation on staff or available as consultants, to support individual eligibility evaluations and to develop appropriate individual development plans.
- (i) The Commission strongly encourages participating nonprofit agencies to:
 - i. Ensure adequate financial resources exist to perform the contract or possess the ability to obtain such resources.
 - ii. Comply with the cost principles prescribed at FAR Subpart 31.7, Contracts with Nonprofit Organizations, and as set forth in 2 C.F.R. 200.
- (j) The Commission will coordinate with the U.S. Department of Labor (DOL) to ensure that participating nonprofit agencies are in compliance with applicable DOL regulations. The Commission may report information gathered during its compliance inspections of nonprofit agencies to DOL for further investigation.
- (k) If the Commission withdraws a NPA's authorization as a qualified NPA, the following conditions must be met before the NPA may be reauthorized as a qualified NPA:
 - i. The NPA must demonstrate that it corrected the problems that resulted in its disqualification from the Program.

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- ii. It has been at least one year since the agency was deauthorized.
 - iii. All requirements of 41 CFR 51-4.2, Initial Qualification, and this policy have been met.
- (l) When an NPA has been properly reauthorized, one of the following circumstances must apply before they can receive orders for the product or service it was previously authorized to provide:
- i. No other NPA has assumed responsibility for providing the product or service under the AbilityOne Program; or
 - ii. The NPA providing the product or service has no objection to permitting the affected NPA to reassume supply responsibility for the product or service.
- (m) In accordance with 41 CFR 51-4.4, Subcontracting:
- i. If an NPA subcontracts any portion of an AbilityOne project, the NPA must maximize, to the extent practicable, the work subcontracted to other AbilityOne nonprofit agencies and small business.
 - ii. The portion of the work subcontracted is not counted in the prime NPA's direct labor hours at all. If the subcontractor NPA is authorized by the Commission and named on the Procurement List for that work, the subcontractor NPA counts the direct labor hours in their AbilityOne ratio.
 - iii. Approval to subcontract a portion of any project in the AbilityOne program will be reviewed at the time of addition to the Procurement List. Any significant changes in the portion of a project subcontracted must be approved by the Commission before entering into the subcontract.
 - iv. Under no circumstance(s) will an NPA subcontract the entire production of an item that was added to the Procurement List for manufacture without written Commission exception. Failure to comply with this requirement can result in the loss of agency authorization to provide the product or service.

7. EXCEPTION TO POLICY.

None.

8. PROCEDURES.

None.

9. SUPERSESION.

This policy supersedes Commission Policy 51.400 dated March 11, 2013.

APPROVED: _____



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