

Off. of Postsecondary Educ., Education

§ 676.19

(2) A student who does not begin class attendance is deemed to have withdrawn.

(e) Only one payment is necessary if the total amount the institution awards a student for an academic year under the FSEOG program is less than \$501.

(f) A correspondence student shall submit his or her first completed lesson before receiving an FSEOG payment.

(Approved by the Office of Management and Budget under control number 1840-0535)

(Authority: 20 U.S.C. 1070b. 1091)

[52 FR 45778, Dec. 1, 1987, as amended at 53 FR 49147, Dec. 6, 1988; 57 FR 32357, July 21, 1992; 59 FR 61420, 61421, Nov. 30, 1994; 59 FR 61722, Dec. 1, 1994; 61 FR 60396, Nov. 27, 1996; 61 FR 60608, Nov. 29, 1996]

§ 676.17 [Reserved]

§ 676.18 Use of funds.

(a) *General.* An institution may use its FSEOG allocation and reallocation only for—

(1) Making grants to eligible students; and

(2) Paying administrative expenses as provided for in 34 CFR 673.7.

(b) *Transfer back of funds to FWS.* An institution shall transfer back to the FWS program any funds unexpended at the end of the award year that it transferred to the FSEOG program from the FWS program.

(c) *Carry forward funds.* (1) An institution may carry forward and expend in the next award year up to 10 percent of the sum of its initial and supplemental FSEOG allocations for the current award year.

(2) Before an institution may spend its current year FSEOG allocation, it must spend any funds carried forward from the previous year.

(d) *Carry back funds.* An institution may carry back and expend in the previous award year up to 10 percent of the sum of its initial and supplemental FSEOG allocations for the current award year. The institution's official allocation letter represents the Secretary's approval to carry back funds.

(e) *Use of funds carried forward and carried back.* An institution may use the funds carried forward or carried back under paragraphs (c) and (d) of

this section, respectively, for activities described in paragraph (a) of this section.

(f) *Carry back funds for summer FSEOG awards.* An institution may carry back and expend in the previous award year any portion of its initial and supplemental FSEOG allocations for the current award year to make awards to eligible students for payment periods that begin on or after May 1 of the previous award year but end prior to the beginning of the current award year.

(Authority: 20 U.S.C. 1070b *et seq.*, 1095 and 1096)

[52 FR 45778, Dec. 1, 1987, as amended at 57 FR 32357, July 21, 1992; 59 FR 61420, 61421, Nov. 30, 1994; 61 FR 60396, Nov. 27, 1996; 64 FR 58294, Oct. 28, 1999]

§ 676.19 Fiscal procedures and records.

(a) *Fiscal Procedures.* (1) In administering its FSEOG program, an institution shall establish and maintain an internal control system of checks and balances that insures that no office can both authorize payments and disburse funds to students.

(2) An institution shall maintain funds received under this part in accordance with the requirements in § 668.163.

(b) *Records and reporting.* (1) An institution shall follow the record retention and examination provisions in this part and in 34 CFR 668.24.

(2) An institution shall establish and maintain program and fiscal records that are reconciled at least monthly.

(3) Each year an institution shall submit a Fiscal Operations Report plus other information the Secretary requires. The institution shall insure that the information reported is accurate and shall submit it on the form and at the time specified by the Secretary.

(Approved by the Office of Management and Budget under control number 1840-0535)

(Authority: 20 U.S.C. 1070b, 1094, and 1232f)

[52 FR 45778, Dec. 1, 1987, as amended at 53 FR 49147, Dec. 6, 1988; 59 FR 61421, Nov. 30, 1994; 59 FR 61722, Dec. 1, 1994; 60 FR 61815, Dec. 1, 1995; 61 FR 60493, Nov. 27, 1996; 62 FR 50848, Sept. 26, 1997]