

(7) The degree to which the proposed project adequately provides for the requirements set forth in § 86.13(b).

(c) In the case of educational resource center grants:

(1) The criteria set forth in paragraphs (a) and (b) of this section.

(2) The degree to which the proposed project adequately provides for the requirements set forth in § 86.13(c).

(d) The amount of any award shall be determined by the Secretary on the basis of his estimate of the sum necessary for all or a designated portion of direct project costs plus an additional amount for indirect costs, if any, which will be calculated by the Secretary either (1) on the basis of his estimate of the actual indirect costs reasonably related to the project, or (2) on the basis of a percentage, not to exceed 8 percent, of all, or a portion of, the estimated direct costs of the project when there are reasonable assurances that the use of such percentage will not exceed the approximate actual indirect costs. Such award may include an estimated provisional amount for indirect costs or for designated direct costs (such as travel or supply costs) subject to upward (within the limits of available funds) as well as downward adjustments to actual costs when the amount properly expended by the grantee for provisional items has been determined by the Secretary.

(e) All grant awards shall be in writing, shall set forth the amount of funds granted and the period for which support is recommended.

(f) Neither the approval of any project nor any grant award shall commit or obligate the United States in any way to make any additional, supplemental, continuation, or other award with respect to any approved project or portion thereof. For continuation support, grantees must make separate application annually at such times and in such form as the Secretary may direct.

[40 FR 29076, July 10, 1975, as amended at 42 FR 52402, Sept. 30, 1977]

#### § 86.15 Payments.

The Secretary shall from time to time make payments to a grantee of all or a portion of any grant award, either in advance or by way of reimbursement

for expenses incurred or to be incurred in the performance of the project to the extent he determines such payments necessary to promote prompt initiation and advancement of the approved project.

#### § 86.16 Use of project funds.

(a) Any funds granted pursuant to this subpart as well as other funds to be used in performance of the approved project shall be expended solely for carrying out the approved project in accordance with section 21(a) of the Act, the regulations of this subpart, the terms and conditions of the award, and the applicable cost principles prescribed by subpart Q of 45 CFR part 74.

(b) Prior written approval by the Secretary of revision of the budget and project plan is required whenever there is to be a significant change in the scope or nature of project activities, which in the case of short term training grants, includes any change in the course dates or training sites.

(c) Grant funds are available for trainee stipends and for tuition, including fees and instructional materials, for travel costs related to training allowances. Stipends and allowances may not be increased or be paid beyond the term of the stipend on account of vacation an individual might have been entitled to but did not take.

(d) Stipends may only be paid to a trainee who is a citizen of the United States, an alien lawfully admitted to the United States for permanent residence, or a permanent resident of Guam, American Samoa, or the Trust Territory of the Pacific Islands.

(e) In the case of short term training grants, stipends may not be paid to persons receiving lecture fees, salary, travel expenses, or payment in any form as members of the course instructional staff.

(f) Grant funds used for alterations and renovations shall be subject to the condition that the grantee shall comply with the requirements of Executive Order 11246, as amended, and with the applicable regulations prescribed pursuant thereto.

#### § 86.17 Nondiscrimination.

(a) Attention is called to the requirements of title VI of the Civil Rights

## § 86.18

Act of 1964 (78 Stat. 252, 42 U.S.C. 2000d *et seq.*) and in particular section 601 of such Act which provides that no person in the United States shall on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to, discrimination under any program or activity receiving Federal financial assistance. A regulation implementing such title VI, which applies to grants made under this subpart, has been issued by the Secretary of Health and Human Services with the approval of the President (45 CFR part 80).

(b) Attention is called to the requirements of title IX of the Education Amendments of 1972 (86 Stat. 373, 20 U.S.C. 1681 *et seq.*) and in particular to section 901 of such Act which provides that no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.

(c) Attention is called to the requirements of section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

### § 86.18 Grantee accountability.

(a) *Accounting for grant award payments.* All payments made by the Secretary shall be recorded by the grantee in accounting records separate from the records of all other grant funds, including funds derived from other grant awards. With respect to each approved project the grantee shall account for the sum total of all amounts paid by presenting or otherwise making available evidence satisfactory to the Secretary of expenditures for direct and indirect costs meeting the requirements of this part: *Provided, however,* That when the amount awarded for indirect costs was based on a predetermined fixed-percentage of estimated direct costs, the amount allowed for indirect costs shall be computed on the

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basis of such predetermined fixed-percentage rates applied to the total, or a selected element thereof, of the reimbursable direct costs incurred.

(b) *Accounting for interest earned on grant funds.* Pursuant to section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213), a State will not be held accountable for interest earned on grant funds, pending their disbursement for grant purposes. A State, as defined in section 102 of the Intergovernmental Cooperation Act, means any one of the several States, the District of Columbia, Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State, but does not include the governments of the political subdivisions of the State. All grantees other than a State, as defined in this section, must return all interest earned on grant funds to the Federal Government.

(c) *Grant closeout—(1) Date of final accounting.* A grantee shall render, with respect to each approved project, a full account, as provided herein, as of the date of termination of grant support. The Secretary may require other special and periodic accounting.

(2) *Final settlement.* There shall be payable to the Federal Government as final settlement with respect to each approved project the total sum of:

(i) Any amount not accounted for pursuant to paragraph (a) of this section; and

(ii) Any credits for earned interest pursuant to paragraph (b) of this section; and

(iii) Any other amounts due pursuant to subparts F, M, and O of 45 CFR part 74.

Such total sum shall constitute a debt owed by the grantee to the Federal Government and shall be recovered from the grantee or its successors or assignees by setoff or other action as provided by law.

### § 86.19 Human subjects; animal welfare.

No grant award may be made under this subpart unless the applicant has complied with:

(a) 45 CFR part 46 pertaining to the protection of human subjects; and