

carrying out the purpose of this part and are approved by the Secretary as part of the review and acceptance of the application.

(b) *Unallowable activities.* A grantee may not carry out the following activities under this part—

(1) Activities that are not included in the grantee's approved application;

(2) Activities described in paragraph (a)(12) of this section that are not approved by the Secretary;

(3) Activities that are inconsistent with any State plan of higher education that is applicable to the institution;

(4) Activities that are inconsistent with a State plan for desegregation of higher education that is applicable to the institution;

(5) Activities or services that relate to sectarian instruction or religious worship; and

(6) Activities provided by a school or department of divinity. For the purpose of this section, a "school or department of divinity" means an institution, or a department of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

(c) No award under this part may be used for telecommunications technology equipment, facilities or services, if such equipment, facilities or services are available pursuant to section 396(k) of the Communications Act of 1934.

(d) *Endowment funds.* If a grantee uses part of its grant funds to establish or increase an endowment fund, it is subject to the provisions of §§ 628.3, 628.6, 628.10 and 628.41 through 628.47 of this chapter with regard to the use of those funds, except—

(1) The definition of the term "endowment fund income" in § 628.6 of this chapter does not apply. For the purposes of this paragraph (d), "endowment fund income" means an amount equal to the total value of the fund, including fund appreciation and retained interest and dividends, minus the endowment fund corpus;

(2) Instead of the requirement in § 628.10(a) of this chapter, the grantee

institution must match each dollar of Federal grant funds used to establish or increase an endowment fund with one dollar of non-Federal funds; and

(3) Instead of the requirements in § 628.41(a)(3) through (a)(5) and the introductory text in § 628.41(b) and § 628.41(b)(2) and (b)(3) of this chapter, if a grantee institution decides to use any of its grant funds for endowment purposes, it must match those grant funds immediately with non-Federal funds when it places those funds into its endowment fund.

(Authority: 20 U.S.C. 1062, 1063a, and 1069c)

[58 FR 38713, July 20, 1993, as amended at 65 FR 79311, Dec. 19, 2000]

§ 608.11 What is the duration of a grant?

The Secretary may award a grant under this part for a period of up to five academic years.

(Authority: 20 U.S.C. 1063b(b))

Subpart C—How Does an Eligible Institution Apply for a Grant?

§ 608.20 What are the application requirements for a grant under this part?

In order to receive a grant under this part, an institution must submit an application to the Secretary at such time and in such manner as the Secretary may prescribe. The application must contain—

(a) A description of the activities to be carried out with grant funds;

(b) A description of how the grant funds will be used so that they will supplement and, to the extent practical, increase the funds that would otherwise be made available for the activities to be carried out under the grant and in no case supplant those funds;

(c) (1) A comprehensive development plan as described in § 608.21; or

(2) If an applicant has already submitted a comprehensive development plan as described in § 608.21, a description of the progress the applicant has made in carrying out the goals of its plan;