

**Subpart D—How Does the Secretary Make a Grant?**

**Subpart E—What Conditions Must a Grantee Meet?**

**§ 609.30 What is the procedure for approving and disapproving grant applications?**

**§ 609.40 What are the matching requirements?**

The Secretary approves any application that satisfies the requirements of §§ 609.10 and 609.20.

If an institution receives a grant in excess of \$500,000, it must spend non-Federal funds to meet the cost of at least 50 percent of the activities approved in its application.

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

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

**§ 609.31 How does the Secretary determine the amount of a grant?**

**§ 609.41 What are allowable costs and what are the limitations on allowable costs?**

Of the amount appropriated for any fiscal year—

(a)(1) The first \$12,000,000 (or any lesser amount appropriated) shall be available only for the purpose of making grants to institutions or programs described in § 609.2(b)(1) through § 609.2(b)(5);

(a) *Allowable costs.* Except as provided in paragraphs (b) and (c) of this section, a grantee may expend grant funds for activities that are reasonably related to carrying out the allowable activities included in its approved application.

(2) If the sum of the approved applications does not exceed the amount appropriated, the Secretary awards grants in the amounts requested and approved;

(b) *Supplement and not supplant.* A grantee shall use grant funds so that they supplement, and to the extent practical, increase the funds that would otherwise be available for the activities to be carried out under the grant, and in no case supplant those funds.

(3) If the sum of the approved requests exceeds the sum appropriated, and Morehouse School of Medicine submits an approved request for at least \$3,000,000, and the amount appropriated exceeds \$3,000,000, the Secretary awards no less than \$3,000,000 to Morehouse School of Medicine and reduces the grants to the institutions described in § 609.2(b)(1) through § 609.2(b)(5) as the Secretary considers appropriate, so that the sum of the approved grants equals the amount appropriated; and

(c) *Limitations on allowable costs.* A grantee may not—

(4) If Morehouse School of Medicine submits an approved request for at least \$3,000,000 and the amount appropriated does not exceed \$3,000,000, Morehouse School of Medicine receives all the appropriated funds; and

(1) Spend more than fifty percent of its grant award in each fiscal year for costs relating to constructing or maintaining a classroom, library, laboratory, or other instructional facility; and

(b)(1) Any amount appropriated in excess of \$12,000,000 shall be available for the purpose of making grants, in equal amounts not to exceed \$500,000, to institutions or programs described in § 609.2(b)(6) through § 609.2(b)(16); and

(2) Use an indirect cost rate to determine allowable costs under its grant.

(2) If any funds remain, the Secretary makes grants to institutions or programs described in § 609.2(b)(1) through § 609.2(b)(16).

(Authority: 20 U.S.C. 1062, 1063b, and 1066)

**§ 609.42 What are the audit and repayment requirements?**

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

(a)(1) A grantee shall provide for the conduct of a compliance and financial audit of any funds it receives under this part by a qualified, independent organization or person in accordance with the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, 1981 revision, established by the Comptroller General of the United States. This publication is available from the Superintendent of Documents, U.S. Government Printing Office.