

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

§ 609.20 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 and how those activities will improve graduate educational opportunities for Black and low-income students and lead to greater financial independence for the applicant;

(b) A description of how the applicant is making a substantial contribution to the legal, medical, dental, veterinary or other graduate education opportunities for Black Americans;

(c) An assurance from each applicant requesting in excess of \$500,000 that 50 percent of the costs of all the activities to be carried out under the grant will come from non-Federal sources;

(d) 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, for the activities described in § 609.10(a)(1) through § 609.10(a)(14);

(e) An assurance that the proposed activities in the application are in accordance with any State plan that is applicable to the institution; and

(f)(1) A comprehensive development plan as described in § 609.21; or

(2) If an applicant has already submitted a comprehensive development plan as described in § 609.21, a description of the progress the applicant has made in carrying out the goals of its plan.

(Approved by the Office of Management and Budget under control number 1840-0113)

(Authority: 20 U.S.C. 1063d and 1066(b)(2))

§ 609.21 What is a comprehensive development plan and what must it contain?

(a) A comprehensive development plan must describe an institution's strategy for achieving growth and self-sufficiency by strengthening its—

- (1) Financial management;
- (2) Academic programs; and

(b) The comprehensive development plan must include the following:

(1) An assessment of the strengths and weaknesses of the institution's financial management and academic programs.

(2) A delineation of the institution's goals for its financial management and academic programs, based on the outcomes of the assessment described in paragraph (b)(1) of this section.

(3) A listing of measurable objectives designed to assist the institution to reach each goal with accompanying timeframes for achieving the objectives.

(4) A description of methods, processes and procedures that will be used by the college or university to institutionalize financial management and academic program practices and improvements developed under the proposed funded activities.

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

Subpart D—How Does the Secretary Make a Grant?

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

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

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

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

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);

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

(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

(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

(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) 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. 1063b)

Subpart E—What Conditions Must a Grantee Meet?

§ 609.40 What are the matching requirements?

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. 1063b)

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

(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.

(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.

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

(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

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

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

§ 609.42 What are the audit and repayment requirements?

(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.

(2) The grantee shall have an audit conducted at least once every two years, covering the period since the previous audit, and the grantee shall submit the audit to the Secretary.

(3) If a grantee is audited under chapter 75 of title 31 of the United States Code, the Secretary considers that audit to satisfy the requirements of paragraph (a)(1) of this section.

(b) An institution awarded a grant under this part must submit to the Department of Education Inspector General three copies of the audit required in paragraph (a) of this section within six months after completion of the audit.

(c) Any individual or firm conducting an audit described in this section shall give the Department of Education's Inspector General access to records or other documents necessary to review the results of the audit.