**Section 1039.90 Audit Guidelines**

a) To fulfill the audit requirements of this Part, the grantees shall contract with an external auditor who is a certified public accountant licensed by DFPR to perform an audit as specified in subsection (b).

b) To fulfill the audit requirements in Section 1039.60(a)(9) for the grant program, the external auditor shall:

1) Receive copies of the institution's application, a certified grant agreement and a copy of this Part;

2) Verify the expenditure of funds as provided for in this Part, and ensure that funds were expended on projects listed in the grant agreement;

3) Verify that grant funds were not used for sectarian facilities; and

4) Provide an audit report to the Board including a description of the tests performed and the audit findings.

c) In the event that an audit or other evidence establishes that an overpayment was made in a grant to an institution, a reimbursement to the Board shall be required. Reimbursements made by an institution to the Board shall be available for re-distribution to the other grantees. A reimbursement is required in the following situations:

1) The fall 2008 credit hours were over-reported;

2) Grant funds were not expended within the grant period; or

3) Grant funds were expended for purposes not authorized under the grant agreement.

d) In the event that no audits are submitted, an institution shall reimburse the State for the total amount of the grant.