

TEXAS ADMINISTRATIVE CODE: As in effect on 06/25/2020.

## **TITLE 1 ADMINISTRATION**

### **PART 3 OFFICE OF THE ATTORNEY GENERAL**

#### **CHAPTER 54 SPECIAL PROGRAMS**

##### **SUBCHAPTER A CHOOSE LIFE GRANT PROGRAM**

###### **DIVISION 1 GENERAL PROVISIONS AND ELIGIBILITY**

###### **§54.1 Definitions**

The following terms and abbreviations, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Application Kit--The information that is required to be completed and submitted by an applicant for a grant contract.
- (2) Applicant--An entity that files an application for a grant contract with the OAG.
- (3) Eligible application--An application that meets the minimum requirements set forth in the RFA and Application Kit.
- (4) Grantee--An entity that receives a grant contract from the OAG.
- (5) OAG--Office of the Attorney General.
- (6) RFA--Request for Applications.

###### **§54.2 Construction of Rules**

Unless otherwise noted, this subchapter applies to the "Choose Life" grant program. If good cause is established to show that compliance with this subchapter may result in an injustice to any party, this subchapter may be suspended at the discretion of the OAG. The OAG may consult with the Choose Life Advisory Committee regarding construction of this subchapter.

###### **§54.3 Source and Availability of Funds**

Chapter 402 of the Government Code authorizes the Choose Life account as a separate account in the general revenue fund. The OAG is authorized to administer the Choose Life account. The OAG is authorized to make grants from the Choose Life account to an eligible organization. All funding is contingent upon the appropriation of funds by the Texas Legislature and upon approval of a grant application by the OAG.

###### **§54.4 Purpose of Funds and Grant Funding Decisions**

- (a) The purpose of the OAG Choose Life grant program is to provide funds as described in Chapter 402 of the Government Code.
- (b) The OAG reserves the right to consider all other appropriations or funding an applicant currently receives when making funding decisions.

(c) The OAG reserves the right to give priority to programs that provide services in certain geographic or programmatic areas or other factors considered important by the OAG.

(d) Within its discretion, the OAG shall determine the manner and procedure for making funding decisions that support the efficient and effective use of public funds. A competitive allocation process which includes the distribution of grant funds to grantees based on an application process as well as an evaluation and review process, may be used.

#### **§54.5 Choose Life Eligible Purpose Areas**

Grant contracts awarded under the Choose Life program may be used only to provide for the material needs of pregnant women who are considering placing their children for adoption, including the provision of clothing, housing, prenatal care, food, utilities, and transportation, to provide for the needs of infants who are awaiting placement with adoptive parents, to provide training and advertising relating to adoption, and to provide pregnancy testing or pre-adoption or post-adoption counseling, but may not be used to pay an administrative, legal, or capital expense.

#### **§54.6 Eligible Applicants**

(a) An applicant must be an eligible organization. An "eligible organization" means an organization in this state that:

(1) is exempt from federal income taxation under §501(a), Internal Revenue Code of 1986, by being listed as an exempt charitable organization under §501(c)(3) of that code;

(2) provides counseling and material assistance to pregnant women who are considering placing their children for adoption;

(3) does not charge for services provided;

(4) does not provide abortions or abortion-related services or make referrals to abortion providers;

(5) is not affiliated with an organization that provides abortions or abortion-related services or makes referrals to abortion providers; and

(6) does not contract with an organization that provides abortions or abortion-related services or makes referrals to abortion providers.

(b) The OAG may not discriminate against an eligible organization because it is a religious or nonreligious organization.

#### **§54.7 Match and Volunteer Requirements**

(a) The OAG may require cash and/or in-kind match for grants as stated in the RFA and the Application Kit. The amount of an award and the match requirements are determined solely by the OAG. The OAG reserves the right to alter the required match for any funded program.

(b) All non-governmental programs may have a volunteer component. The specific requirements for the volunteer component will be stated in the RFA and the Application Kit.

#### **§54.8 Funding Levels**

(a) The minimum and maximum amount of funding for the Choose Life grant contract will be stated in the RFA and the Application Kit.

(b) The amount of an award is determined solely by the OAG. The OAG may award grants at amounts above or below the established funding levels and is not obligated to fund a grant at the amount requested.

#### **§54.9 Grant Contract Period**

(a) Generally, grant contracts may be awarded for any number of months up to a two year period beginning September 1st and ending August 31st.

(b) The OAG reserves the right to alter the starting date and length of the grant contract period.

(c) If the grant contract period extends for more than one fiscal year, the grantee may be required to submit additional documentation relating to the subsequent fiscal year of the grant contract period, including an updated budget. The OAG may base its decision on subsequent fiscal year funding amounts on the grantee's prior performance, including but not limited to the timeliness and thoroughness of reporting, effective and efficient use of grant funds and the success of the grant in meeting its goals.

#### **§54.10 Continuation of Funding**

Because a grant is not a right or an entitlement, there is no commitment by the OAG that a grant contract, once funded, will receive subsequent funding. The award of a grant contract to a grantee shall not commit or obligate the OAG in any way to make any additional, supplemental, continuation, or other award to that grantee.

#### **§54.11 Additional Award Opportunities**

The OAG may fund grants outside the standard application cycle or process or at amounts higher or lower than provided for in this subchapter based on availability of funds and a particularized need.

#### **§54.12 Applicant Registration**

(a) The OAG may require applicants to register their intent to apply for funding. If registration is required, the deadline to file, including a time, date and place certain, will be given in the RFA.

(b) Grant applications will not be considered if the registration is not filed by the established deadline.

(c) The OAG will notify an applicant if their application will not be considered due to failure of timely registration.

#### **§54.13 Filings with the OAG**

(a) All documents that are required to be submitted to the OAG must be received by the OAG to be considered as filed. If a deadline is established by the OAG, it will include a time, date and place certain.

(b) Proof of sending a document by email or other means is not proof that the OAG received the information.

(c) All filing decisions rest completely within the discretionary authority of the OAG and the decisions made by the OAG are final and are not subject to appeal.

#### **§54.14 Compliance with Other Standards**

Grantees must comply with all applicable state and federal statutes, rules, regulations, and guidelines. In instances where both federal and state requirements apply to a grantee, the more restrictive requirement applies.

#### **§54.15 Use of the Internet**

(a) The OAG may transmit notices, forms or other documents and information via the Internet or other electronic means.

(b) The OAG may require the submission of notices, forms or other documents and information via the Internet or other electronic means.

(c) Transmission or submission via electronic means meets the relevant requirements contained within this subchapter for submitting information in writing. **DIVISION 2 GRANT APPLICATION AND DECISION PROCESS**

#### **§54.20 Application Process**

(a) The OAG will publish a RFA in the *Texas Register* and post the RFA on the OAG's official agency website.

(b) The RFA, at a minimum, will provide the following information:

(1) applicable funding sources for the types of grants available and eligibility requirements;

(2) how to obtain Application Kits;

(3) deadlines and filing instructions for the grant application;

(4) minimum and maximum amounts of funding available;

(5) start date and length of grant contract period;

(6) any match or volunteer requirements;

(7) award criteria;

(8) any prohibitions on the use of grant funds; and

(9) OAG contact information.

(c) After the RFA is published in the *Texas Register*, the Application Kit will be available on the OAG website.

(d) An applicant must submit an application to the OAG, as referenced in the RFA.

(e) The application, with the required attachments, must be filed and received by the OAG, by the deadline stated in the RFA.

(f) Once the application is filed, it will be initially screened for eligibility, and if eligible it will be evaluated and reviewed, and a grant decision will be made.

(g) Providing false information, knowingly or unknowingly, on a grant application may cause an application to be denied or cause the grant contract, once awarded, to be terminated.

#### **§54.21 Initial Screening; Evaluation and Review Process**

(a) The OAG will initially screen each application for eligibility. Applications that are not eligible will not be scored further and will not be eligible for a grant award. Applications will be deemed ineligible if:

- (1) the applicant did not register timely an intent to apply, if required;
- (2) the application is submitted by an ineligible applicant;
- (3) the application is not filed in the manner and form required by the RFA;
- (4) the application is filed after the deadline established in the RFA; or
- (5) the application does not meet other requirements as stated in the RFA and the Application Kit.

(b) The OAG may designate teams to evaluate and review eligible applications. The evaluation teams may consist of OAG employees, employees of other state agencies, or other designees. Evaluation factors will be developed to assess the award criteria as stated in the RFA and Application Kit.

(c) During the initial screening or evaluation and review process, an applicant may be contacted to provide additional information.

(d) There are several steps in the evaluation and review process. A decision to deny an application may be made at any point during the evaluation and review process.

#### **§54.22 Grant Decision Notification Process**

(a) The OAG shall notify the applicant in writing of its decision regarding a grant award.

(b) The OAG may utilize a grant contract document or a notice of grant document once a decision is made to award a grant. The applicant will be given a deadline to act to accept the grant award and to return the appropriate document to the OAG within the time prescribed by the OAG. An applicant's failure to return the signed document to the OAG within the applicable time period will be construed as a rejection of the grant award, and the OAG may de-obligate funds.

#### **§54.23 Grant Decisions**

(a) All grant decisions, including, but not limited to, eligibility, evaluation and review, and funding rest completely within the discretionary authority of the OAG and the decisions made by the OAG are final and are not subject to appeal.

(b) The OAG may add special conditions to the grant award. Special conditions may be placed on a grant because of the need for information, clarification, or submission of an outstanding requirement of the grant. A special condition may result in a hold being placed on the OAG grant funds. Special conditions may be placed on a grant at any time. Until satisfied, special conditions may affect the grantee's ability to receive funds. If special conditions are not resolved, the OAG may de-obligate the entire amount of the grant award.

#### **§54.24 Choose Life Advisory Committee**

(a) The Choose Life Advisory Committee is created by §402.037 of the Government Code. The attorney general shall appoint a seven-member Choose Life Advisory Committee.

(b) The committee shall:

(1) meet at least twice a year or as called by the attorney general;

(2) assist the attorney general in developing rules under §402.036(e) of the Government Code; and

(3) review and make recommendations to the attorney general on applications submitted to the attorney general for grants funded with money credited to the Choose Life account.

(c) Members of the committee serve without compensation and are not entitled to reimbursement for expenses. Each member serves a term of four years, with the terms of three or four members expiring on January 31 of each odd-numbered year.

(d) Chapter 2110 of the Government Code does not apply to the committee.

(e) The OAG shall consider the recommendations of the committee before making grant decisions.

### **DIVISION 3 GRANT BUDGET REQUIREMENTS**

#### **§54.30 General Budget Provisions**

(a) Unless otherwise stated by the RFA and the Application Kit, eligible budget categories are limited to the following categories:

(1) personnel;

(2) fringe benefits;

(3) professional and consultant services;

(4) travel;

(5) equipment;

(6) supplies; and

(7) other direct operating expenses.

(b) All applicants must submit a completed budget on the form prescribed by the OAG.

(c) Grants awarded by the OAG are reimbursement-only grants. However, grantees are reimbursed promptly for authorized actual expenditures substantiated by documentation submitted to the OAG, as requested. If necessary, the OAG may use an alternative method of payment.

(d) An individual paid with grant funds may not receive dual compensation for the same work, even if the services performed benefit more than one entity.

(e) For budget items funded partially by the OAG, an entity must have a documented method for the allocation of direct costs consistent with the benefit received and must maintain adequate receipts and records.

(f) All budget items must be reasonable and necessary and be allocated proportionately within each budget category.

(g) The OAG is not obligated to fund budget items at the amounts requested by the applicant and is not obligated to continue to fund budget items once a grant has been awarded.

(h) Funding will not be awarded in any budget category for the payment of an administrative, legal, or capital expense.

### **§54.31 Personnel**

(a) The personnel budget category may include salaries of employees only, and not compensation paid to independent contractors. "Employee" is defined as a person under the direction and supervision of the grantee, who is on the payroll of the grantee and for whom the grantee is required to pay applicable income withholding taxes; or a person who will be on the grantee's payroll and for whom the grantee will pay applicable income withholding taxes once the grant is awarded.

(b) A salary for a grant-funded position must be reasonable and may not exceed the salary paid to a person performing comparable work in a position that is not funded by the grant. The OAG will determine whether a salary is reasonable and may limit the grant-funded portion of any salary.

(c) The OAG may set minimum restrictions on the percentage of salary that may be funded.

(d) A grantee may not use grant funds to pay overtime.

(e) Any changes to the job duties or employment status of a grant-funded position must be reported to the OAG promptly.

(f) A grantee may not use grant funds to pay any portion of the salary or any other compensation for an elected government official.

### **§54.32 Fringe Benefits**

(a) "Fringe benefits" is defined as allowances and services provided by the grantee to its employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefit plans.

(b) Grant funds may be used to pay fringe benefits of an employee only if grant funds are also being used to pay for the salary of the same employee.

(c) A grantee must provide grant-funded personnel the same fringe benefits provided to all other non-grant-funded personnel of the grantee.

### **§54.33 Professional and Consultant Services**

(a) "Professional and consultant services" is defined as any direct service for which the grantee uses an outside source for necessary support.

(b) Any contract or agreement entered into by a grantee that obligates grant funds must be in writing, must be consistent with Texas contract law, and may be subject to approval by the OAG. Grantees must maintain adequate documentation supporting budget items for a contractor's time, services, and rates of compensation. Grantees must establish a contract administration and monitoring system to regularly and consistently ensure

that contract deliverables are provided as specified in the contract.

#### **§54.34 Travel**

- (a) Travel expenses may be reimbursed according to the Texas State Travel Guidelines, unless a grantee's travel policy provides a lesser reimbursement.
- (b) Travel must relate directly to the delivery of services that supports the program that is funded by the OAG grant.
- (c) Grant funds may not be used to pay for out-of-state travel without the prior approval of the OAG.

#### **§54.35 Equipment**

- (a) "Equipment" is defined as an article of non-expendable, tangible personal property having a useful life of more than one (1) year and a per unit acquisition cost which equals the lesser of:
  - (1) the capitalization level established by the grantee for financial statement purposes; or
  - (2) \$5,000.
- (b) A grantee may use equipment paid for with OAG funds only for grant-related purposes and not for personal or non-grant-related purposes.
- (c) Grant funds may not be used to fund the purchase or lease of vehicles.

#### **§54.36 Supplies**

- (a) "Supplies" is defined as consumable items directly related to the day-to-day operation of the grant program. Allowable items include, but are not limited to, office supplies, paper, postage, and education resource materials.
- (b) The OAG will not approve funds for the purchase of program promotional items or recreational activities.

#### **§54.37 Other Direct Operating Expenses**

- (a) "Other direct operating expenses" is defined as those costs not included in other budget categories and which are directly related to the day-to-day operation of the grant program.
- (b) Funds in this budget category may be used to provide for the material needs of pregnant women who are considering placing their children for adoption, including the provision of clothing, housing, prenatal care, food, utilities, and transportation, to provide for the needs of infants who are awaiting placement with adoptive parents, to provide training and advertising relating to adoption, and to provide pregnancy testing or pre-adoption or post-adoption counseling.
- (c) Registration fees for conferences and other training sessions should be included in this category.

#### **§54.38 Indirect Costs**

- (a) "Indirect costs" is defined as any cost not directly identified with a single, final cost objective, but identified with two or more final cost objectives or with at least one intermediate cost objective.



(b) The OAG will not fund indirect costs for the Choose Life programs.

### **§54.39 Unallowable Costs**

(a) A cost will not be allowed unless it is directly related to a permissible expenditure under §402.036(f) of the Government Code.

(b) Choose Life grant funds may not be used to purchase any product or service the OAG identifies as inappropriate or unallowable within the RFA or the Application Kit.

(c) Choose Life grant funds may not be used to pay an administrative, legal, or capital expense. **DIVISION 4 APPLICATION KIT; RESOLUTION OF GOVERNING BODY**

### **§54.45 Comprehensive Certification and Assurances Form**

Each Application Kit will have a Comprehensive Certification and Assurances Form. Unless otherwise directed by the RFA or the Application Kit, applicants must submit a signed Comprehensive Certification and Assurances Form with the grant application.

### **§54.46 Resolution**

(a) The resolution permits the applicant to submit an application. Unless otherwise directed by the RFA or the Application Kit, the resolution must be submitted at the same time the grant application is submitted by the applicant.

(b) The specific requirements for the resolution will be stated in the Application Kit.

(c) A resolution from the applicable governing body, such as the Board of Directors, must contain, at a minimum, the following:

(1) authorization for the submission of the grant application to the OAG; and

(2) a designation of the name or title of an authorized official who is given the power to apply for, accept, reject, alter, or terminate a grant on behalf of the grantee. **DIVISION 5 GRANT ADMINISTRATION**

### **§54.50 Grant Forms**

(a) Unless otherwise stated, all required forms will be provided by the OAG.

(b) Failure to timely submit the required forms provided by the OAG may result in sanctions as stated in §54.59 of this subchapter (relating to Sanctions).

### **§54.51 Grant Contact and Authorized Signator**

(a) A grantee must have the following designees:

(1) A "grant contact"--The grant contact must be an employee of the grantee who is responsible for operating and monitoring the project and who is able to readily answer questions about the grant project's day-to-day operations. All grant-related information will be sent to this contact person.

(2) An "authorized signator"--The authorized signator is the person authorized to apply for, accept, decline, or cancel the grant for the applicant entity. This person signs all grant adjustment requests, inventory reports,

progress reports and financial reports as well as any other official documents related to the grant. This person may be the executive director of the entity, or designee authorized by the governing body in the resolution.

(b) Any changes in the grant contact or authorized signator must be submitted promptly in writing to the OAG.

(c) An authorized signator may designate alternate persons to sign certain grant documents.

#### **§54.52 Financial Reporting and Reimbursement**

(a) Because grants awarded under this subchapter are reimbursement-only grants, a grantee must regularly submit financial status reports and invoices, as directed by the OAG.

(b) A grantee must ensure that its final invoice is received no later than the 45th calendar day after the end of the grant period (liquidation date). If this date falls on a weekend or a holiday, then the OAG will honor receipt on the following business day. On the liquidation date, if grant funds are on hold for any reason, the funds will lapse and cannot be recovered by the grantee.

(c) Invoices received after the deadline stated in subsection (b) of this section may not be paid by the OAG.

(d) If necessary, the OAG may allow an extension beyond the deadline stated in subsection (b) of this section.

#### **§54.53 Performance Reporting**

(a) A grantee must regularly submit performance reports as directed by the OAG. Failure to do so may result in the OAG placing a grantee on financial hold and may affect future funding requests.

(b) Information relating to performance reporting must be maintained in the grantee's files and must be available for review by the OAG or its designee.

#### **§54.54 Inventory Reporting**

A grantee must maintain an inventory report of all equipment purchased as part of the grant project on file at its principal office. The grantee must complete and submit to the OAG an inventory of grant property no later than the 60th calendar day after the end of the grant period. If this date falls on a weekend or holiday, the OAG will honor receipt on the following business day.

#### **§54.55 Grant Adjustments**

(a) Within each fiscal year, a grantee may transfer funds between direct cost line items in different approved budget categories, not to exceed a cumulative total of ten percent of the approved grant budget during that year, without requesting a grant adjustment from the OAG.

(b) If it becomes necessary to move funds that are greater than ten percent of the total budget between existing budget categories, revise the scope or target of the program, add new budget categories, or alter project activities, a grantee must first request and receive approval from the OAG for a grant adjustment. The person designated to make such requests or the authorized signator must sign all grant adjustment request forms.

(c) The OAG will allow only one grant adjustment per state fiscal year unless:

(1) the grantee demonstrates circumstances that the OAG deems adequately extenuating; or

(2) the OAG requests the grant adjustment.

#### **§54.56 Copyrights**

If a grantee uses any OAG funds to purchase or receive a copyright or for a subcontractor to purchase or receive a copyright, the OAG reserves a royalty-free and irrevocable license to reproduce, publish, use, or authorize others to use the copyrighted material.

#### **§54.57 Procurement, Property Management, and Contract Oversight Procedures**

A grantee shall use reasonable procurement procedures, property management procedures, and contract oversight guidelines. A grantee must comply with all applicable state and federal and local laws and regulations.

#### **§54.58 Maintenance of Records**

(a) The grantee shall maintain adequate records to support its charges, procedures, and performances to the OAG for all work related to the grant. The grantee also shall maintain such records as are deemed necessary by the OAG and auditors of the State of Texas or such other persons or entities designated by the OAG, to ensure proper accounting for all costs and performances related to the grant. As applicable to the grant awarded to a grantee, such records include, but are not limited to:

(1) A copy of any required licenses or certifications of any individual who holds a grant-funded position.

(2) Time and attendance records for all grant-funded positions. These records must include the number of hours worked each day on the project, the signature of the employee, and the signature of the supervisor. Any further documentation requested by the OAG shall be maintained by the grantee for audit and monitoring purposes.

(3) Documentation showing that the terms of any grant-funded third-party contracts are being met.

(4) Adequate travel logs that include, at a minimum, dates, destinations, mileage amounts, expenses, and explanations of grant-related activities performed during the travel.

(5) Verification of completion of training and other related records.

(6) Records of the disposition, replacement or transfer of any equipment purchased with grant funds. The retention period for these records begins on the date of the disposition, replacement or transfer.

(7) Records of any litigation, claims, or audits involving the grant.

(b) The grantee shall maintain and retain for a period of four (4) years after the submission of the final expenditure report all such records as are necessary to fully disclose the extent of services provided under the contract. However, if four years after the submission of the final expenditure report, the records are subject to or implicated in pending litigation, claims, or audits, they must be retained until those matters have been fully and finally resolved.

(c) Records may be retained in an electronic format.

#### **§54.59 Sanctions**

(a) Reimbursement for grant-related expenses is contingent upon a grantee's strict compliance with this subchapter, related requirements, and OAG procedures. Any failure to comply may result in the imposition of temporary or permanent sanctions or both.

(b) Sanctions may include:

- (1) placing a grantee on financial hold;
- (2) requiring repayment of grant funds;
- (3) transferring the administration of a grant project to another entity;
- (4) termination of a grant;
- (5) ineligibility for future funding with the OAG; or
- (6) any other sanction or corrective action that the OAG deems necessary.

(c) The OAG will notify a grantee if grounds for sanctions exist.

(d) If the grantee receives notice of grounds for sanctions and subsequently provides satisfactory evidence that the deficient condition has been corrected, the OAG may release funds.

(e) If the grantee fails to correct the deficient condition, in the time and manner as indicated by the OAG, and the grant is terminated, the OAG may require the grantee to return any equipment purchased with grant funds, and all unexpended or unobligated funds awarded to a grantee will revert to the OAG.

(f) A grantee may request a review of the sanctions imposed, described as follows:

- (1) The grantee must make a written request for reconsideration no later than 10 days after the receipt of an OAG notice of sanctions.
- (2) A grantee should submit any documentation necessary to support the reconsideration.
- (3) The OAG will send the final determination to the grantee in writing.

(4) The OAG decision concerning sanctions is final. **DIVISION 6 GRANT MONITORING AND AUDITING**

#### **§54.65 Violations of Laws**

A grantee must immediately provide notification to the OAG and, if applicable, the local prosecutor's office, of any knowledge, suspicion, or evidence of any violation of law that affects or is related to the grant. Such violations include misappropriation of funds, fraud, theft, embezzlement, forgery, or any serious irregularity or noncompliance with the requirements of this subchapter.

#### **§54.66 Grantee Conflict of Interest**

(a) Grantee personnel, members of a grantee board or governing body, or other persons affiliated with the grant project shall not participate in any proceeding or action where grant funds personally benefit, directly or indirectly, the individuals or their relatives. "Relatives" means persons related to the individual within the third degree by consanguinity or within the second degree by affinity, as determined by Chapter 573 of the

Government Code.

- (b) Grant personnel and officials must avoid any action that results in or creates the appearance of:
  - (1) using their official positions for private gain;
  - (2) giving preferential treatment to any person;
  - (3) losing independent judgment or impartiality;
  - (4) making an official decision outside of official channels; or
  - (5) adversely affecting the confidence of the public in the integrity of the program or the OAG.

#### **§54.67 Quality Assurance**

- (a) Quality assurance reviews include programmatic monitoring, financial monitoring, and financial auditing.
- (b) The OAG will conduct quality assurance reviews throughout the existence of a grant. A grantee must make all grant-related records available to OAG representatives unless the information is sealed by law.
- (c) Quality assurance reviews may be review of required performance reports, on-site visits or desk reviews and may include any information that the OAG deems relevant to the grant.
- (d) The OAG, or its designee, may make unannounced visits at any time.
- (e) The OAG reserves the right to conduct its own audit or contract with another entity to audit any grantee.
- (f) Based on the information gathered during monitoring or auditing, the OAG will issue a quality assurance report.
- (g) A grantee must submit documentation to the OAG responding to any findings and questioned costs contained in the report.
- (h) The quality assurance determination of the OAG is final and not subject to judicial review.

#### **§54.68 Audit Standards**

- (a) The OAG may require a grantee to conduct or undergo an annual audit of a grant based on applicable audit standards.
- (b) A grantee must submit to the OAG copies of all audit reports that a grantee undergoes, regardless of the purpose. Such reports must be submitted to the OAG within 30 calendar days of completion.
- (c) OAG grant funds may only be used for the fair and reasonable share of audit costs required by the OAG, in accordance with applicable federal and state cost principles governing allowability and allocation.