**Section 1036.70 Audit Guidelines**

a) To fulfill audit requirements in Section 1036.50 (b)(6) an institution shall contract with an external auditor who is registered as a public accountant by the Illinois Department of Professional Regulation. The cost of the audit is an authorized use of grant funds.

b) The auditors shall obtain copies of the following grant documents: the institution's application; the executed grant agreement; copies of the Board's Degrees Conferred Surveys used to determine the number of eligible degrees; and a copy of this Part.

c) The auditors shall verify the claim of eligible science and technology degrees awarded.

d) The auditors shall verify the expenditure of grant funds and matching funds as provided for in this Part, and shall ensure that such funds were expended on project(s) listed in the grant agreement.

e) The auditors shall verify that renovation of sectarian facilities has not been supported by grant funds.

f) The auditors shall provide an audit including a description of the tests performed and the audit findings to the Board of Higher Education within 90 days of end of the grant period or within 90 days of the end of an institution's fiscal year for institutions electing to fulfill audit requirements in Section 1036.50(b)(6) as part of their annual audit as provided by the Illinois Grant Funds Recovery Act (Ill. Rev. Stat. 1987, ch. 127, par. 2302, as amended by Public Act 86-602, effective January 1, 1990).

g) Refunds shall be made to the State by the institutions for the following reasons:

1) Grant funds not expended.

2) Grant funds expended for purposes not covered under the grant agreement.

3) When matching funds expenditures are less than state grant fund expenditures.

4) Any grant funds received by the grantee for which the grantee is subsequently determined not to be eligible.