

4300.3200 RECORD KEEPING AND MONITORING.

Subpart 1. **Financial records.** Grant recipients shall maintain financial records that identify the source and application of funds for grant supported activities. These records must contain information about grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, income, and other information required by the division under the responsibilities it assumes under Code of Federal Regulations, title 24, section 570.497(b). Financial records, supporting documents, statistical records, and all other records pertinent to a grant must be retained by the grant recipient for three years from the date of submitting the final financial report. No such records or documents may be disposed of while audits, claims, or litigations involving the records are in progress.

Subp. 2. **Audits.** Grant recipients must arrange for and pay for an acceptable independent audit prepared in compliance with OMB Circular A-128, which was published in the Federal Register, volume 50, number 188, page 39083, on September 27, 1985, and the Single Audit Act of 1984, Public Law 98-502, codified as United States Code, title 31, sections 7501 to 7507. Costs incurred pursuant to this requirement are eligible under this program.

Subp. 3. **Financial status report.** Grant recipients shall file financial status reports at the close of each reporting period as designated by the division and shall file a final financial report before grant close out. Financial status reports must be on forms prescribed by the division. The division may not require these reports more often than quarterly.

Subp. 4. **Performance report.** Grant recipients shall also file performance reports at the close of each reporting period as designated by the division and shall file a final performance report before grant close out. Performance reports shall be on forms prescribed by the division. The division may not require these reports more often than quarterly.

Subp. 5. **Access to records.** Representatives of the department, either the state auditor or legislative auditor as is appropriate, and federal auditors shall have access to all books, records, accounts, reports, files, and other papers, things, or property belonging to grant recipients which are related to the administration of grants and necessary for audits and monitoring compliance with parts 4300.0100 to 4300.3200.

Statutory Authority: *MS s 116J.401; 116J.403; 116J.873*

History: *11 SR 2416; L 1987 c 312 art 1; 14 SR 1384*

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