

supporting documentation prepared by the Grantee to permit an audit of its accounting systems and payment verification with respect to any expenditures under this Amended Grant Agreement.

The Grantee must maintain fiscal records and supporting documentation for all expenditures funded under this Amended Grant Agreement pursuant to 2 C.F.R. § 200.333 and State law, except that the period for retention of records shall be as set forth herein. The Grantee must retain these records and any supporting documentation for a minimum of seven (7) years from the later of the completion of conclusion of the Grant Project; submission of the final expenditure report; or any litigation, dispute or audit. Records related to expenses funded pursuant to this Grant must be retained for seven (7) years after final disposition. OPB may direct the Grantee to retain documents for longer periods of time or to transfer certain records to OPB or federal custody when it is determined that the records possess long term retention value in accordance with retention schedules approved by the State Records Committee or the federal government.

6. Prohibited and Regulated Activities and Expenditures

6.1 Prohibited Costs

The following are nonexclusive examples of ineligible expenditures. These requirements are required by federal rule. Therefore, any question about their meaning or to what extent certain activities or action are allowed should be resolved by referencing the guidance provided by the United States Treasury Department²:

1. Funds may not be used to Grantee to fill shortfalls in revenue to cover expenditures that would not otherwise qualify under the statute. Revenue replacement is not a permissible use of these grant funds. All records and expenditures are subject to review.
2. Damages covered by insurance.
3. Duplication of benefits including expenses that have been or will be reimbursed under any other federal program.
4. Reimbursement to donors for donated items or services.
5. Severance pay.
6. Legal settlements.

The above is in addition to the ineligible expenses set forth below in Section 6.2 of this Amended Agreement.

6.2 Political Activities

Grant funds may not be used in connection with or to fund the following acts:

² [SLFRF-Final-Rule.pdf \(treasury.gov\)](#)