

§ 1304.7 Legal fees.

(a) An agency is not authorized to charge to its grant legal fees or other costs incurred to appeal terminations, reductions of funding, or denials of applications of refunding decisions.

(b) If a program prevails in a termination, reduction, or denial of refunding decision, the responsible HHS official may reimburse the agency for reasonable and customary legal fees, incurred during the appeal, if:

- (1) The Departmental Appeals Board overturns the responsible HHS official's decision;
- (2) The agency can prove it incurred fees during the appeal; and,
- (3) The agency can prove the fees incurred are reasonable and customary.