

641—76.13(135) Fiscal management. All contract agencies are required to meet fiscal management policies.

76.13(1) *Last pay.* Title V MCH funds are considered last pay. Title XIX and other third-party payers are to be billed first if other resources cover the service.

76.13(2) *Program income.* Program income may be used for allowable costs of the MCH contract agency. A spending plan must be approved by the department for use of program income in excess of 5 percent above the amount approved in the program budget. Program income must be used before the funds received from the department are used. Excess program income may be retained to build a three-month operating capital.

76.13(3) *Advances.* A contract agency may request an advance of up to one-sixth of its contract at the beginning of a contract year. The amount of any advance will be deducted prior to the end of the fiscal year.

76.13(4) *Local share.* Community-based contract agencies are required to match the Title V MCH funds received from the department at a minimum rate of one dollar of local match for every four dollars received from the department. Sources that may be used for match are reimbursement for service from third parties such as insurance and Title XIX, client fees, local funds from nonfederal sources, or in-kind contributions. In-kind contributions must be documented in accordance with generally accepted accounting principles.

76.13(5) *Subcontracts.* Contract agencies may subcontract a portion of the project activity to another entity provided such subcontract is approved by the department. Subcontract agencies must follow the same rules, procedures, and policies as required of the contract agency by these rules and contract with the department. The contract agency is responsible for ensuring the compliance of the subcontract. Subcontract agencies may not subcontract these project activities with other entities.

[ARC 0364C, IAB 10/3/12, effective 11/7/12]