

265—42.11(16) Administration.

42.11(1) Contracts. Upon selection of an application for funding, the authority will initiate a contract. These rules and applicable federal and state laws and regulations will become part of the contract. Certain activities may necessitate that permits or clearances be obtained from other state or federal agencies before the start of the project. Funding awards may be conditioned upon the timely completion of these requirements or any other conditions stipulated in the contract at the authority's sole discretion.

42.11(2) Recordkeeping and retention. Financial records, supporting documents, statistical records, and all other records pertinent to the funded project shall be retained by the subrecipient and made available to the authority upon request. Private nonprofit subrecipients covered through an ESG program contract from a city or county government or another nonprofit organization are responsible for ensuring that pertinent records of their ESG program funds be made available to the administering city or county government or other nonprofit organization and to the authority upon request. Proper record retention must be in accordance with the following:

a. Retention of records for any assisted activity for five years after the end of the grant period and, if applicable, until audit procedures are completed and accepted by the authority.

b. Access to all books, accounts, documents, records, and other property belonging to or in use by a subrecipient pertaining to the receipt of assistance under these rules by representatives of the Secretary of HUD, the Inspector General, the General Accounting Office, the Office of Auditor of State, the authority or the authority's designee.

42.11(3) Reporting requirements. Subrecipients shall submit reports to the authority as prescribed in the contract. Reports include:

a. HMIS data reports. All subrecipients are required to submit regular reports on clients served using the current HMIS reporting process as prescribed by the authority unless a subrecipient qualifies as a domestic violence shelter, in which case the subrecipient must submit reports using the DVIMS.

b. Requests for funds. Subrecipients must submit requests for funds during the contract period at intervals and using forms as prescribed by the authority. The authority may perform any review or field inspections it deems necessary to ensure program compliance, including review of subrecipient records and reports. When problems of compliance are noted, the authority may require remedial actions to be taken. Failure to respond to notifications of need for remedial action may result in the remedies for noncompliance set forth in subrule 42.11(4).

42.11(4) Remedies for noncompliance. Should the authority find that a subrecipient is not in compliance with the requirements under this program, the authority may employ any remedies it deems appropriate, including but not limited to the following:

a. Issue a warning letter stating that continued failure to comply with program requirements within a stated period of time will result in a more serious action.

b. Condition a future award on correcting compliance issues.

c. Direct the subrecipient to stop incurring costs with grant funds.

d. Require that some or all of the awarded funds be remitted to the authority.

e. Reduce the level of funds the subrecipient would otherwise be entitled to receive.

f. Elect not to provide future award funds to the subrecipient until appropriate actions are taken to ensure compliance.

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