441—227.10(231) Fiscal responsibilities.

227.10(1) *Expenditure of state and federal funds.* Each area agency on aging will adhere to the policies and procedures related to expenditure of state and federal funds developed in accordance with the federal Act; 45 CFR 1321 through 1324, 45 CFR 75, and 2 CFR 200, all as amended to October 1, 2025; Iowa Code chapter 231; and department policies and procedures.

227.10(2) *Contracts and commercial relationships.* A contract or agreement between an area agency on aging and an outside entity will not restrict the area agency on aging from contracting with other entities that provide similar services. All contracts and commercial relationships must avoid conflicts of interest as detailed in rule 441—225.3(231).

Notwithstanding the foregoing, 45 CFR Part 1321 as amended to October 1, 2025, and guidance from the federal Administration for Community Living govern operational and maintenance contracts. Such contracts do not require per-event state unit on aging approval beyond area plan budgeting. Each area agency on aging will maintain a file of all current contracts and contracts up to three years. These files will be made available for monitoring and assessment by the department. For the purposes of this subrule, "operational and maintenance contracts" are contracts with for-profit vendors for items including but not limited to building maintenance; heating, ventilation, and air conditioning (HVAC); information technology (IT) support; fleet repair; janitorial services; and utilities.

227.10(3) *Program income.* Funds collected and qualifying as program income must be handled in accordance with 45 CFR 1321.9(c)(2) as amended to October 1, 2025.

227.10(4) *Cost sharing.* Area agencies on aging may apply for a waiver using the department's processes to implement cost sharing for allowable services as part of the area plan on aging approval process consistent with 45 CFR 1321 as amended to October 1, 2025. Final approval of a cost sharing plan for each area agency on aging will be at the discretion of the department. If an area agency on aging has been approved by the department to implement cost sharing with consumers, each area agency on aging will follow the regulations of 45 CFR 1321 as amended to October 1, 2025. No eligible individual or family caregiver shall be denied service because the individual or family caregiver will not or cannot contribute to the cost of the service.

227.10(5) *Private pay.* Each area agency on aging or service provider may implement private pay programs in accordance with 45 CFR 1321 as amended to October 1, 2025, and department processes.

227.10(6) *Sectarian use.* Sectarian instruction or religious worship shall not be provided using funds received under the federal Act.

[**ARC 9495C**, IAB 8/20/25, effective 10/1/25; **ARC 0776D**, IAB 11/25/26, effective 1/1/27]