

261—40.5 (83GA,SF2389) Funding. All Iowa jobs funds shall be awarded and used as specified in 2009 Iowa Acts, Senate File 376, and 2010 Iowa Acts, Senate File 2389, and these rules. Funds shall be paid on a reimbursement basis as described in the grant agreement. Any portion of an amount awarded for projects that remains unexpended upon completion of the project may be reallocated to other projects on the highest-priority list at the discretion of the director.

40.5(1) *Timing of grants.* The funding of projects on the highest-priority list under the program is contingent upon the availability of funds allocated to the department. When funds are available, the department shall fund main street projects on the highest-priority list in the order they are listed and subject to the conditions of these rules.

40.5(2) *Grant period.* A grantee may receive a grant for a term not to exceed 18 months unless otherwise agreed upon by the department and included as part of the grant agreement or amendment thereof.

40.5(3) *Compliance and termination.* Continued funding through the grant period is contingent upon acceptable audit and monitoring reports received by the department and the grantee's compliance with the terms and conditions of the grant agreement. The department may terminate or suspend funding, in whole or in part, if there is a substantial violation of a specific provision of the agreement or these rules and corrective action has not been taken by the grantee.

40.5(4) *Allowable cost.* Funds granted by this program to a grantee shall be applied toward the project described in the grant agreement.

40.5(5) *Ineligible costs.* In addition to any limitations described in the grant agreement, funds shall not be used for the following:

- a. Expenditures made prior to the date of the award.
- b. The refinancing of a loan existing prior to the date of the award.
- c. Administrative costs of the grantee.
- d. Routine, recurring maintenance or operational expenses of the project.
- e. Purchase of real property.

40.5(6) *Amendments.* Any substantive change to a grant agreement shall be considered an amendment. Amendments must be requested in writing by the grantee and shall not be considered effective until the director has approved and executed such an amendment. All amendments must be executed in conformance with the grant agreement and these rules.