

LIHEAP-24
SECTION I - SPECIAL TERMS AND CONDITIONS

1.0 CONTRACT BUDGET

See Attachment A of this Contract for budget information.

2.0 AREA COVERED

The Contractor shall perform all the work and services required under this Contract in connection with and respecting the area(s) as outlined in Attachment A of this Contract.

3.0 STATEMENT OF PURPOSE AND IDENTIFICATION OF PARTIES

WHEREAS, the Iowa Department of Health and Human Services, Division of Community Access, Community Action Agencies Unit has been designated by the Governor to administer the Low-Income Home Energy Assistance Program funded under the Low-Income Home Energy Assistance Act of 1981 (Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended).

WHEREAS, the Community Action Agencies Unit is to administer the LIHEAP block grant as described in current Iowa appropriation legislation;

WHEREAS, the Community Action Agencies Unit is to administer programs detailed in Section 216A.92 of the Code of Iowa;

WHEREAS, the Contractor has previously administered an energy assistance program and has the necessary expertise to operate such a program.

Therefore, this contract is entered into by and between the Contractor and the Iowa Department of Health and Human Services, Division of Community Access, Community Action Agencies Unit (hereinafter referred to as Agency).

4.0 SIGNATORIES

4.1 Initial Contract

Agency

The Community Action Agencies Unit Director is the official authorized to execute any changes in the administrative terms and conditions specified in this contract.

Contractor

The Chairperson of the Board of Directors and the Executive Director are the officials authorized to execute the administrative terms and conditions specified in this Contract. The Contract must be signed by both the Chairperson and the Executive Director. The signatures must be original signatures or electronic signatures using e-signature software.

4.2 Contract Amendments

Agency

The Community Action Agencies Unit Director is the official authorized to execute any amendments related to this Contract for the Agency.

Contractor

The Chairperson of the Board of Directors is the official authorized to execute any amendments related to this Contract. The signature must be an original signature or an electronic signature using e-signature software. The

Chairperson of the Board of Directors may designate the Executive Director or other Contractor official to execute amendments on behalf of the Chairperson. Any approved designees must be designated, using the "Iowa LIHEAP Program – Designation of Additional Signatories" form, and submitted to the Agency by the Chairperson of the Board of Directors. The signature(s) must be an original signature or an electronic signature using e-signature software.

4.3 Monthly Funding Requests and Expenditure Reports

The Executive Director is the official authorized to certify the Contractor's Monthly Funding Requests and Expenditure Reports. The signature must be an original signature. Electronic signatures are not allowed. The Executive Director may designate another Contractor official to certify the Contractor's Monthly Funding Requests and Expenditure Reports on behalf of the Executive Director. Any approved designees must be designated, using the "Iowa LIHEAP Program – Designation of Additional Signatories" form, and submitted to the Agency by the Executive Director. The signature(s) must be an original signature or an electronic signature using e-signature software.

5.0 RESOLUTION OF CONFLICTING CONDITIONS

Any apparent inconsistency between Federal statutes and regulations and the terms and conditions contained in this award must be referred to the U.S. Department of Health and Human Services (HHS) Federal Awards HHS Award Administrator for guidance.

Questions regarding this Contract are to be addressed to the Agency.

6.0 AMENDMENTS TO GENERAL TERMS AND CONTINGENT TERMS

The General Terms are hereby modified as follows:

- 1) All references to 2 C.F.R. 200 shall be replaced with "45 CFR Part 75 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for U.S. Department of Health and Human Services (HHS) Awards)"
- 2) 2.1 Definitions "Equipment": After the first sentence, add: "These items shall also follow the definition as provided in 45 CFR 75.2 Definitions – *Equipment* (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for U.S. Department of Health and Human Services (HHS) Awards), which includes information technology systems. (see further 45 CFR 75.2 Definitions – *Information technologysystems*)."
- 3) 2.7.1. Insurance Requirements: Delete from the first sentence "at the Contractor's expense"

The Contingent Terms are hereby modified as follows:

- 1) All references to 2 C.F.R. 200 shall be replaced with "45 CFR Part 75 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for U.S. Department of Health and Human Services (HHS) Awards)".
- 2) 3.4 Certification Regarding Iowa Code Chapter 8F: Add new Section 3.4.4 The recipient entity will meet the requirement to provide a copy of the Internal Revenue Service Form 990 for all fiscal years in which service contract revenue are reported by maintaining for Agency inspection copies of the 990 Forms."

7.0 DEFINITIONS

- "CAA Unit" means The Community Action Agencies Unit, a subdivision within the Department of Health and Human Services, Community Access Division.
- "Iowa HHS" means the Iowa Department of Health and Human Services
- "AGENCY" means the Community Action Agencies Unit.

- “HHS” means the U.S. Department of Health and Human Services.
- “LIHEAP” means the Iowa Low-Income Home Energy Assistance Program, administered by the Community Action Agencies Unit.
- “CONTRACTOR” means the local agency administering LIHEAP.
- “SUBCONTRACTOR” means any private contractor performing work for the Contractor. This definition applies only to the Special Terms and Conditions.
- “WEATHERIZATION CONTRACTOR” means any local agency administering the Weatherization Assistance Program. This definition applies only to the Special Terms and Conditions.

8.0 STATEMENTS OF WORK AND SERVICES

The Contractor will perform in a satisfactory manner, as determined by the Agency, the activities and services authorized by this agreement in accordance with this Contract, the current Iowa Model Plan (State Plan), *Iowa LIHEAP Policy and Procedures Manual*, Agency directives, and federal, state, and local laws and regulations.

9.0 COMPLIANCE WITH FEDERAL AND STATE LAWS, RULES, REGULATIONS, AND REQUIREMENTS

The Contractor must adhere to all applicable state and federal guidelines, laws, rules, regulations and requirements, including, but not limited to the following:

- Federal rules and regulations governing the Low-Income Home Energy Assistance Program
- Requirements described in the Iowa Model Plan (State Plan), Low-Income Home Energy Assistance Program Contract, the *Iowa LIHEAP Policy and Procedures Manual*, Program Notices, and other directives
- Title 45 (Public Welfare) of the Code of Federal Regulations, Part 96 (Block Grants), Subparts A-F, and Subpart H, cited as 45 CFR 96
- Iowa Administrative Code, Section 427-10(216A)
- Contractors and Subcontractors must obtain any required permits and licenses and comply with applicable federal, state, and local laws, rules, regulations, and requirements
- No organization may participate in any capacity or be a recipient of Federal funds designated for these programs if the organization has been debarred or suspended or otherwise found to be ineligible for participation in Federal assistance programs under Executive Order 12549, “Debarment and Suspension” (see 45 CFR 75.212)
- The Contractor must track, account for, and report on this funding separately from other funding sources

The Contractor or Subcontractor shall make the records required under this clause available for inspection, copying, or transcription by the Agency, an HHS representative, or the U.S. Department of Labor. The Contractor or Subcontractor shall permit the Agency, HHS representative, or the U.S. Department of Labor to interview employees during working hours on the job. If the Contractor or Subcontractor fails to submit the required records or to make them available, the Agency may, after written notice to the Contractor take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

9.1 Non-Compliance

Upon discovery of any case of non-compliance, the Agency will submit a written notice of non-compliance to the Contractor within thirty (30) calendar days. The notice will specifically identify the non-compliance issues, note the corrective action needed and specify a time line for completion of the stated corrective action. The Contractor will then have seven (7) calendar days to question or appeal the notice to the Community Action Agencies Unit Director, who will rule on the validity of the appeal.

If the non-compliance is found to be factual, the time line of corrective action will be established and the Contractor will be monitored to assure compliance with the stated corrective action. When corrective action on the timeline schedule is reached, and if the compliance has not been achieved, the Contractor's funds may be held in abeyance until the situation is resolved. Any case of non-compliance may result in cancellation of the Contract, return of all unexpended funds, re-designation of responsibility to another Contractor and/or litigation.

10.0 SITE VISITS

HHS authorized representatives have the right to make site visits at reasonable times to review project accomplishments and management control systems and to provide technical assistance, if required. The Contractor must provide reasonable access to facilities, office space, resources, and assistance for the safety and convenience of the government representatives in the performance of their duties. All site visits must be performed in a manner that does not unduly interfere with or delay the work.

10.1 Statement of Federal Stewardship

The Agency agrees to comply with stewardship activities which include, but are not limited to, conducting site visits; reviewing performance and financial reports; providing technical assistance and/or temporary intervention in unusual circumstances to correct deficiencies which develop during the project; assuring compliance with terms and conditions; and reviewing performance after project completion to ensure that the award objectives have been accomplished.

11.0 RESOLUTION OF DISAGREEMENT

In the event of any disagreement between the Agency and the Contractor relating to the competence of the work and services being performed and its conformity to the requirements of this Contract, the decisions of the Agency shall prevail.

12.0 INTEREST OF THE AGENCY AND CONTRACTOR OFFICIALS

12.1 Agency Officials

No employee of the Agency shall participate in any decision relating to this Contract which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested; or have any interest, direct or indirect, in this Contract or the proceeds thereof.

12.2 Contractor Officials

The Contractor promises that no official, employee, or agent of the Contractor has any personal or financial interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract. The Contractor further promises that in the performance of this Contract no person having such interest will be employed.

13.0 CONFLICT OF INTEREST

The Contractor or Subcontractors shall not permit any conflicts of interest involving staff, board, or council members and shall avoid any appearance of conflicts of interest in all transactions awarding of financial assistance or procurement of services or property using Contract funds. No member of any council, board, or staff associated with this Contract shall cast a vote on the provision of service by that member (or any organization directly represented by that member) or vote on any matter, which would provide direct financial benefit to that member. Detailed information about any conflict of interest situations, along with information on how they were resolved, shall promptly be reported to the Contractor and to the Agency.

14.0 PERSONNEL

The Contractor represents that it has, or will, secure all personnel required to perform the work and services under this Contract. The Contractor also agrees that it is its responsibility to ensure all personnel engaged in the work and services under this Contract shall be fully qualified.

The Contractor will notify the Agency, in writing, regarding a change in the LIHEAP coordinator and the Fiscal Officer positions.

15.0 CUSTOMER CONFIDENTIALITY

The Contractor shall comply with the Iowa Department of Health and Human Services policy on confidentiality of individual LIHEAP customer records as stated in Iowa Code, 216A.6.

16.0 FINANCIAL ACCOUNTS AND RECORDS

16.1 Accounts

The Contractor shall maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred and revenues acquired under this Contract to the extent and in such detail as will properly reflect all costs, direct and indirect, or labor, materials, equipment, supplies, services, and other costs and expenses of whatever nature, for which payment is claimed under this Contract. The Contractor shall be prepared to support charges for salaries and wages by time, attendance, and payroll records.

16.2 Audit and Inspection

At any time during normal business hours and as frequently as is deemed necessary the Contractor shall make available to the Agency, the State Auditor, the Comptroller General of the United States, the federal Agency providing funds, or any of their duly appointed representatives, for their examination, all of its records pertaining to all matters covered by this Contract and permit these agencies to audit, examine, make excerpts or transcripts from such records, contracts, invoices, payrolls, personnel records, conditions of employment, and all other matters covered by this Contract.

16.3 Retention of Records

Records retention procedures shall conform to the standards as described in Section 2 – General Terms and Conditions. The Contractor must request and receive prior approval from the Agency before any records pertaining to this Contract may be destroyed.

16.4 Refunds Returned to Grant

The Contractor, in maintaining Contract expenditure accounts and records and reports, shall make any necessary adjustments to reflect refunds, credits, underpayments or overpayments, as well as any adjustments resulting from any administrative reviews and audits by the United States or by the State of Iowa or by the Contractor. Such adjustments shall be set forth in the financial reports filed with the Agency.

17.0 PROGRAM DOCUMENTATION AND RECORDS

17.1 Documentation/Records

The Contractor must maintain, and provide upon request, LIHEAP customer, Subcontractor, and any other related files containing documentation deemed necessary and appropriate by the Agency as per the *Iowa LIHEAP Policy and Procedures Manual* and other directives.

17.2 Audit and Inspection

At any time during normal business hours and as frequently as is deemed necessary the Contractor shall make available to the Agency, HHS, or any of their duly appointed representatives, for their examination, all of its records pertaining

to all matters covered by this Contract and permit these agencies to audit, examine, make excerpts or transcripts from such records, contracts, and all other matters covered by this Contract.

17.3 Retention of Records

Records retention procedures shall conform to the standards as described in Section 2 – General Terms and Conditions. The Contractor must request and receive prior approval from the Agency before any records pertaining to this Contract may be destroyed.

18.0 AUDITS

18.1 Audit Requirement

Each Contractor shall cause all funds expended under this Contract to be audited annually. The audit shall be arranged by and paid for by the Contractor. Audits shall be performed in accordance with generally accepted auditing standards, including the standards published by the General Accounting Office, "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions." The audit report shall conform to the audit format established for Community Action Agencies by the State Auditor. Audit procedures shall conform to 45 CFR Part 75 Uniform Administrative Requirements, Cost Principles and Audit Requirements for U.S. Department of Health and Human Services (HHS) Federal Awards. In addition, the Agency may request more frequent audits or examinations of financial records of the recipient in order to insure adequate financial controls are in place and operating.

18.2 Audit Procurement

Procurement of audit services shall be conducted under the standards of procurement applicable to the Contractor in accordance with 45 CFR Part 75 Uniform Administrative Requirements, Cost Principles and Audit Requirements for U.S. Department of Health and Human Services (HHS) Federal Awards. The bid procedure shall be conducted at least once every five (5) years.

18.3 Audit Report Due Dates

Annual audit reports must adhere to 45 CFR 75.512.

18.4 Questioned Costs

All questioned costs are payable to the Agency thirty (30) calendar days after Contractor's receipt of the Agency request for repayment unless written exception is granted during the thirty (30) calendar day period. Questioned costs may not be paid with federal funds. Where additional examination is required to resolve questioned costs, an extension of the deadline for repayment of questioned costs may be granted by the Agency.

18.5 Line Item Cost Category Breakout

Audit reports shall be required to breakout budget line item cost data, by Contract, in accordance with the approved Contract budget.

18.6 Other Audits or Reviews

Contractors shall inform the Agency of any program or financial audits or reviews performed by or on behalf of any federal, state, local, or other governmental unit that concern or involve Agency programs or staff providing services under any Agency program, and shall provide copies of the findings or results of such audits or reviews to the Agency within thirty (30) calendar days of receiving such findings or results. Contractors shall provide the Agency with copies of any plans or documents that they create to address any findings or issues identified in such audits or reviews within ten (10) calendar days of submitting such plans or documents.

19.0 REVIEW OF WORK

The Agency shall have the right to review and observe, at any time, completed work, or work in progress on this Contract.

20.0 ALLOWABLE COSTS

20.1 General

Allowable costs are subject to audit under the principles defined by the Office of Management and Budget 45 CFR Part 75 Uniform Administrative Requirements, Cost Principles and Audit Requirements for U.S. Department of Health and Human Services (HHS) Federal Awards.

20.2 Cost Allocation Plan

The Contractor shall possess and use a cost allocation plan that results in the fair distribution of costs to benefiting programs. The Contractor shall have available for inspection, by the Agency, a copy of the cost allocation plan in use during the term of this Contract. The Agency may review and approve portions of the cost allocation plan not reviewed and approved by the federal cognizant agency.

20.3 Administration

Contractor expenditures for administrative costs will not exceed the maximum amount shown in the "Total Administration" line item, of the contract budget. Administration funds may be moved to other line items, with permission from the Agency, in the form of a contract amendment. Any administrative activities related to other funding sources cannot be billed to this contract.

Allowable Administrative costs include: (NOTE : While the Administration Costs budget line can still be used for the purposes listed below, note that the allowable activities also identified under Section 17.00 – Program Support of the *Iowa LIHEAP Policy & Procedures Manual* now apply to both LIHEAP Regular Assistance applications as well as ECIP Crisis Assistance applications. This means either the Administration Costs budget line item or the Program Support budget line item can be used for those specific activities and the related staff time.

- Salaries and fringe benefits of personnel associated with taking applications
- Determining eligibility and benefit levels
- Monitoring the assistance provided to customers
- Training staff regarding policies and procedures
- Office space and utilities
- Telephone
- Interpretation/translation services
- Publicity and outreach
- Travel and per diem
- LIHEAP-related conference registration and associated costs
- Audit costs
- Rental, purchase, and/or lease of equipment Prior approval by the Agency for purchase, rental or lease of equipment may be required to be an allowable cost (refer to [26.0](#) of this contract for purchasing requirements).
- Supplies, photocopies, printing and postage
- Clothing items used to identify program staff who have direct customer contact
- Appeal and hearing costs
- Direct computer costs
- Activities listed in [20.4](#) of this contract

20.4 Program Support

Contractor expenditures for program support costs will not exceed the maximum amount shown in the "Program Support" line item of the contract. Activities listed in Section 17.00 of the *Iowa LIHEAP Policy and Procedures Manual* may be charged to the Program Support line item (or the Administration Costs budget line item) for both LIHEAP Regular Assistance applications, and ECIP Crisis Assistance applications.

20.5 Indirect Costs

Indirect costs shall be allowed at a specified rate approved by the Contractor's federal cognizant agency and in an amount not to exceed the approved budget presented in this Contract. Indirect cost rates, if applicable shall be determined according to the principles defined in the Office of Management and Budget 45 CFR Part 75 Uniform Administrative Requirements, Cost Principles and Audit Requirements for U.S. Department of Health and Human

Services (HHS) Federal Awards. The Agency must have a copy of the approved indirect cost plan and proof of approval by the cognizant federal agency prior to the Contract being issued.

20.6 LIHEAP Regular Assistance : Energy Assistance Benefit

Regular Assistance refers to benefits awarded to households who applied for energy assistance during the regular LIHEAP heating season. Contractor expenditures for Regular Assistance costs will not exceed the maximum amount shown in the “Regular Assistance” line item of the contract.

20.7 LIHEAP Crisis Assistance : ECIP (Energy Crisis Intervention Payment)

To be eligible for ECIP Crisis Assistance, a household must complete a LIHEAP application, must meet the current income guidelines of the LIHEAP energy assistance program, and must meet the definition of an “energy crisis” as outlined in Section 15.00 of the *Iowa LIHEAP Policy and Procedures Manual*. Contractor expenditures for ECIP costs will not exceed the maximum amount shown in the “ECIP” line item of the contract.

20.8 Assurance 16 Activities : A16

LIHEAP Assurance 16 (A16) activities encourage and enable households to reduce their home energy needs and thereby reduce their overall need for the energy assistance provided by the Contractor. Such services may include budget counseling, advocacy, energy conservation education, low-cost weatherization, needs assessment, and such other activities as provided for each year in the LIHEAP State Plan. Activities charged to this line item must be documented for the file. Contractor expenditures for Assurance 16 activities costs will not exceed the maximum amount shown in the “Assurance 16” line item of the contract.

20.9 Summer Pre-Buy

Subject to the availability of federal funding, the LIHEAP program will contract during the summer months, for delivery of deliverable heating fuels to eligible LIHEAP customers in the subsequent program year. Pre-purchasing fuels before the winter months allows vendors to buy the fuel at a lower price, thus stretching LIHEAP assistance. Contractor expenditures for Summer Pre-Buy costs will not exceed the maximum amount shown in the “Summer Pre-Buy” line item of the contract.

20.10 Charges to Applicants

The Contractor may not make any charge to applicants for items such as postage, document copying, etc.

20.11 Expenditure Limits

Expenditures which exceed line item amount(s) as specified in the Contract budget will be disallowed unless otherwise provided for through an amendment(s) of this Contract.

Program Support and Assurance 16 activities can be charged to the CSBG contract; Administration costs cannot be charged to the CSBG contract.

Any expenditure exceeding the amount of the approved Contract and all disallowed expenses noted on audit reports will be the responsibility of the Contractor.

20.12 Non-LIHEAP Expenses

Reimbursement will not be allowed for any cost attributable to a program other than the Low-Income Home Energy Assistance Program administered by the Agency.

20.13 Contract Expenses

Expenses shall not be incurred prior to the effective date of this Contract.

21.0 COSTS THAT ARE NOT ALLOWABLE

Program funds cannot be used for costs that are not allowable. Non-allowable costs are defined in the Office of Management and Budget 45 CFR Part 75 Uniform Administrative Requirements, Cost Principles and Audit Requirements for U.S. Department of Health and Human Services (HHS) Federal Awards.

Costs incurred in another program shall not be shifted to this Contract to overcome fund deficiencies, avoid restrictions imposed by law or contract, or any other reason.

22.0 REPORTING

The Agency will review all reports submitted by the Contractor. The Contractor will be notified in those cases where reports are not approved as submitted, and a revised report will be required.

22.1 Reporting Requirements

The reporting requirements for this award are identified below. Failure to comply with these reporting requirements is considered a material noncompliance with the terms of the award. Noncompliance may result in withholding of future payments, suspension, or termination of the current award, and withholding of future awards. A willful failure to perform, a history of failure to perform, or unsatisfactory performance of this and/or other financial assistance awards, may also result in a debarment action to preclude future awards by Federal agencies.

22.2 Federal Program Reports – Quarterly/Annual Data

Each Contractor must submit data required for federal program reporting on a quarterly and annual basis, or upon request from the Agency. The forms used by the Contractor for reporting this data will be provided by the Agency, and the data to be collected is identified in Attachment C of this contract. The Contractor must utilize a data management system approved by the Agency as being capable of collecting, tracking, and reporting all data sets identified in Attachment C. The Contractor will be responsible for complying with all program reporting requirements specific to this contract during the contract period and after its expiration according to federal reporting deadlines.

The Contractor will assist the Agency in collecting data required by the United States Department of Health and Human Services (HHS) concerning information on home energy consumption amount, cost of fuels used and payment history for households eligible for LIHEAP assistance, or such other data as HHS or the Agency determines is reasonably necessary.

22.3 Weekly Reports

The Contractor must submit application/approval information to the Agency using a state-authorized method at least once a week. Where applicable, each Contractor will provide the Agency a composite listing of all approved, denied and paid LIHEAP Regular Assistance applications, including all LIHEAP customer characteristics, at least weekly from the first week in November through April 30th and as requested.

Notification to vendors of households that have been approved will be made at least weekly by the Contractor via a state-approved data exchange server. An application must be approved or denied, and the LIHEAP customer, and both utilities, notified in writing or electronically of eligibility by the Contractor within a maximum of 30 calendar days following the date that the LIHEAP application is completed.

If a data exchange server is not available for a particular vendor, Contractors must directly notify that vendor of LIHEAP application/approval data to remain compliant with Iowa's rules regarding winter moratorium.

22.4 Monthly Reports

Monthly reports must be submitted electronically according to the Community Action Agencies Unit electronic reporting procedures. Paper copies will not be accepted. The monthly report must be received by the Agency no later than ten (10) calendar days following the last day of the month covered by the report and will be filed for each month covered by the Contract, even if all funds on the contract have been spent by the Contractor. Note – all monthly

reports associated with this contract must utilize the following naming convention: LIHEAP-24-agency code _ name of month being reported (e.g., LIHEAP-24-01 October).

Cash on-hand must be received by the Agency before the monthly expenditure report will be processed for payment. This means that any requested funds will not be sent to the agency until the cash on-hand is received by the Agency.

Monthly reports will be filed with the Agency for any months following the expiration of this Contract in which fiscal activity relating to this Contract has occurred, and until the time the closeout report (see [22.5](#) of this contract) is submitted. Under these circumstances Contractors may submit a "Hold Open" report to account for such fiscal activity (i.e., additional expenses). Waiting to return cash on-hand with the closeout report may result in Contract non-compliance.

22.5 Closeout Reports

The Contractor will submit to the Agency a closeout report showing a detailed and documented description of all costs and expenses charged to this contract. The closeout report must accompany the final monthly report that is identified as "FINAL". The closeout report forms will be provided by the Agency. The closeout report will be submitted to the Agency within forty-five (45) calendar days of the Contract termination.

Any unexpended funds must be returned to the Agency with the final closeout report. If the funds are not returned with the report, subsequent LIHEAP advances will be withheld until the prior years unexpended funds are received by the Agency. Any funds being returned must clearly identify the source (contract name, not just program year) of those funds and be sent to the address below:

Attn: LIHEAP Program
Iowa Department of Health and Human Services
Lucas State Office Building
321 E. 12th St.
Des Moines, IA. 50319

23.0 CONDITIONS OF PAYMENT

23.1 Availability of Funds

Funding for the Low-Income Home Energy Assistance Program is subject to the continued availability of federal funds. If funding is discontinued or reduced, this Contract may be terminated or amended, in whole or in part, by the Agency. The Contractor will be notified immediately if this situation or its possibility arises. Additional Contract expenditures beyond the Contract termination date will be disallowed costs.

23.2 Maximum Payments

It is expressly understood and agreed that the Agency will reimburse to the Contractor actual program costs up to the maximum amounts specified by line item in the "Contract Budget" in Attachment A of this contract.

23.3 Advance Payments

The Agency will, upon receipt of the Contractor's monthly fiscal report, reimburse funds for actual documented expenses, and advance funds for reasonably projected expenses for the next thirty (30) days, less unspent contract funds on-hand.

The Agency may adjust cash advances to the Contractor at any time during the Contract period. The Contractor may, at any time, submit supplemental requests for funds, as needed.

23.4 Payment Delays

The Agency may delay payments to the Contractor at any time before the date of completion of this contract whenever it is determined that the Contractor has failed to submit required reports on a timely basis. If the reports are not received by the Agency by the 10th day of the month, payment may be processed the following month.

Payment may also be withheld due to incorrectly submitted financial reports and when work quality and performance in accordance with goals as set forth in the Special Terms and Conditions, General Terms and other parts of this Contract have been deemed inadequate. Payments withheld will be made to the Contractor when the compliance issues have been resolved.

23.5 Cash on Hand

At any time the Agency reviews the Contractor's monthly reports and determines that the cash on hand exceeds actual expenses, less payments not yet received, the Contractor will, upon request, return the excess cash to Agency within ten (10) business days. See [22.5](#) for further instruction on returning unexpended funds.

23.6 Contractor Unobligated Funds

Any LIHEAP funds being used by Contractors for Regular Assistance that are not already obligated to households, or expended, as of the end of the heating season will be subject to reallocation, according to need as determined by the Agency. Reallocation will be discussed with the Contractor prior to any action occurring.

23.7 Prior Year Refunds

Any funds returned from vendors for years for which a closeout package has been submitted will be returned to the Agency within thirty (30) calendar days of receipt of the refund, as per the *Iowa LIHEAP Policy and Procedures Manual* Section 14.00 Change of LIHEAP Customer Status.

23.8 Current Year Refunds

Vendor refunds that are for the current program year, and are received by the agency prior to October 1st, can be processed two different ways:

- Apply the refund to the current month's Regular Assistance expenditure line item, even if the regular LIHEAP season has passed. The amount will be a reduction in the actual amount of Regular Assistance expended. *(Note – if this results in a negative amount being listed in the Net Amount Being Requested field on the monthly expenditure report, that amount **must instead** be listed in the Cash-on-Hand field, the fields listing Funds Previously Requested totals must be adjusted accordingly, and the amount must be sent back to the Agency within thirty (30) calendar days of the date the report is signed by the agency with the check clearly identifying it as a current year vendor refund and listing the contract from which the funds originated.*

OR

- Return the refund to the Agency as cash-on-hand for the current program year. Checks must clearly identify the amount as a current year vendor refund and list the contract from which the funds originated.

23.9 Other Payment Requirements

Reports must accurately reflect Expenditures to Date (payments actually made), Unpaid Approved Expenditures, and Projected Expenditures.

Unpaid Approved Expenditures must be paid within fourteen (14) calendar days of receipt of funds (federal holidays excluded), and mailed out no later than 5 business days following the date paid. Note: This does not apply to vendor refunds (see *Iowa LIHEAP Policy and Procedures Manual* Section 14.00 Change of LIHEAP Customer Status for more information). See [23.5](#) of this contract for information regarding cash on hand.

Projected expenditures must be paid within thirty (30) calendar days of receipt of funds. See [23.5](#) of this contract for information regarding cash on hand.

When requesting LIHEAP Regular Assistance funds, the Contractor may be required to submit a list of approved LIHEAP customers.

Documentation supporting funds requested on the Monthly Funding Request and Expenditure Report will be routinely monitored and may be requested at any time for all contract line items.

The report will account for all encumbrances. Documentation may be requested to accompany the report, as deemed necessary by the Agency for Administration, LIHEAP Regular Assistance, ECIP Crisis Assistance, and other line items.

24.0 RECEIPT OF FEDERAL FUNDS

All payments shall be subject to the receipt of federal grant funds by the Agency. The termination, reduction, or delay of federal grant funds to the Agency shall, at the option of the Agency, be reflected in a corresponding modification to grants already made.

25.0 INTEREST EARNED

25.1 Interest Bearing Accounts

In accordance with the Office of Management and Budget 45 CFR Part 75 Uniform Administrative Requirements, Cost Principles and Audit Requirements for U.S. Department of Health and Human Services (HHS) Federal Awards, the Contractor shall maintain advances of federal funds in interest bearing accounts, unless one of the following applies:

1. The Contractor receives less than \$120,000 in federal awards per year.
2. The best reasonable available interest-bearing account would not be expected to earn interest in excess of \$500 per year of federal cash balances.
3. The depository would require an average or minimum balance so high that it would not be feasible within the expected federal and non-federal cash resources.

Contractors not maintaining advances of federal funds in interest bearing accounts because of one or more of the conditions listed above, shall have available for Agency inspection, documentation supporting the Contractor's decision to not maintain advances of federal funds in interest bearing accounts.

25.2 Nongovernmental Recipients and Governmental Recipients other than States

In accordance with the Office of Management and Budget 45 CFR Part 75 Uniform Administrative Requirements, Cost Principles and Audit Requirements for U.S. Department of Health and Human Services (HHS) Federal Awards, any interest earned on federal advance payments deposited in interest-bearing accounts must be remitted annually to the HHS Program Support Center, PO Box 979132, St. Louis, MO 63197. Interest amounts up to \$500 per year, based on the Contractor's fiscal year, may be retained by the Contractor for administrative expenses. Contractors with electronic fund transfer (EFT) capabilities should use the electronic medium to remit interest.

25.3 Documenting Interest Earned

Contractors remitting annual interest earned to the U.S. Department of Health and Human Services (HHS) must maintain, at a minimum, the following information: Interest earned documents, the total amount remitted to HHS, and the date of the remittance to HHS. Interest amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense.

Contractors not required to make an annual interest earned remittance to HHS must maintain, at a minimum, interest earned documentation.

25.4 Disbursement of Funds

It is the responsibility of the Contractor to control the amount of funds on hand by making expenditure predictions as accurate as possible and processing payments to LIHEAP customers/vendors as expeditiously as feasible.

26.0 EQUIPMENT PURCHASE / LEASE / RENT

26.1 General Procurement Requirements

All purchasing will be conducted according to regulations contained in the Office of Management and Budget 45 CFR Part 75 Uniform Administrative Requirements, Cost Principles and Audit Requirements for U.S. Department of Health and Human Services (HHS) Awards., as well Section 2 – General Terms and Conditions, as amended.

26.2 Approval

The purchase, rental or lease of equipment must have prior approval by the Agency when the per unit acquisition cost is \$5,000 or more. Equipment is defined in Section 2 – General Terms and Conditions, as amended.

Upon request, the Contractor will provide Agency with invoice(s) of property purchased. Such purchased property must correspond with approved purchases.

All purchased equipment remains vested with the Contractor. At the conclusion of the LIHEAP program, such property will be turned over to the State of Iowa as directed by the Agency.

Upon termination of this Contract, or upon department need of the property, with written notice, the property will be released to Agency. Appropriate disposition instructions will be issued to the Contractor.

26.3 Inventory

The Contractor will keep an inventory of equipment in its possession that conforms to requirements as shown in Office of Management and Budget 45 CFR Part 75 Uniform Administrative Requirements, Cost Principles and Audit Requirements for U.S. Department of Health and Human Services (HHS) Federal Awards.

26.4 Minimum Software Requirements

The Contractor will use software for the LIHEAP program, which meets minimum functionality requirements as listed in the *Iowa LIHEAP Policy and Procedures Manual*, and capable of meeting federal reporting requirements as identified in Attachment C of this contract.

27.0 DISPOSITION OF EQUIPMENT AND MATERIALS

The Contractor must obtain approval from the Agency to dispose of unneeded materials and equipment which were purchased with program funds and whose estimated value, at the time of disposal, is \$5,000 or more.

Proceeds resulting from the sale of equipment purchased with LIHEAP funds must be added back to the LIHEAP Program to the Administrative Costs line item of the current LIHEAP contract.

28.0 ALTERNATE CONTRACTORS

In the event that a Contractor is no longer able or willing to administer the Low-Income Home Energy Assistance Program in its service area, or if the Agency determines that a Contractor has defaulted on the Contract to administer the LIHEAP program, the Agency reserves the right to operate the program or to select an alternate Contractor(s) to provide LIHEAP services in the service area of that Contractor. A public hearing will be held to accept comment on the new Contractor selection before a Contractor is designated. Selection of an alternate Contractor will be based on the following criteria: (1) capacity to deliver the required service; (2) quality of work; and (3) geographical proximity to the service area. Contiguous community action agencies will be given primary consideration by the Agency in selecting an alternate Contractor. An appeal of any decision made by the Community Action Agencies Unit Director may be made to the Commission on Community Action Agencies.

If a Contractor does not administer the Iowa Weatherization Assistance Program in any or all of the Contractor's service area, one or more Weatherization Contractors will administer said program. It is the responsibility of the Contractor to provide Weatherization Contractors, operating within the Contractor's service area, the completed applications for all

weatherization households, and any other documentation deemed necessary to perform weatherization services, as required by CAA Unit.

It is also the responsibility of the Contractor to refer or forward Weatherization Assistance Program inquiries to the appropriate Weatherization Contractor.

29.0 MONITORING

The Contractor will cooperate with monitoring visits by the Agency, Department of Inspections and Appeals, State Auditor, and Federal and State personnel. The Contractor will respond in writing within forty-five (45) days of receiving a fiscal or program monitoring report from the Agency, if the report requires a response.

Program aspects to be monitored include:

- Outreach efforts, including hours available for clients to apply and protection of client confidentiality;
- Coordination with other human service agencies;
- The opportunity for a client to complete an application within ten (10) business days of initial contact;
- Time elapsed between application date and payment made to vendor on behalf of client. Contractor shall strive to keep elapsed time at fourteen (14) business days or less;
- Proper verification of household income, correct eligibility determination, and accurate award calculation;
- Determination of eligibility at time of application with client letter and appeal and hearing procedure provided to applicants at that time;
- Upload to the data exchange server, where applicable, client application/approval/denial information for both primary and secondary vendors on a weekly basis;
- Weekly submission, where applicable, to the Agency a composite listing of all applied/approved/denied and paid applications, including all client characteristics, once a week from November 1st through April 30th; and crisis program activity October 1st through September 30th;
- Correct and timely payments of assistance for households as provided in the State Plan;
- Signed vendor agreements with all vendors receiving LIHEAP funds;
- Appeal and hearing procedures;
- Administrative and associated program budget and costs;
- Accounting systems regarding collection of financial information reported to the Agency and documentation of monthly financial reports and funding requests;
- Data management systems regarding the collection, tracking, and reporting of program data as identified in Attachment C of this contract;
- Other provisions covered in the Contract, the *Iowa LIHEAP Policy and Procedures Manual*, and directives, as deemed necessary and appropriate by Agency.

30.0 ADDITIONAL TERMS AND CONDITIONS

30.1 Purchasing American-Made Equipment and Products

In accordance with Public Law 103-333, the "Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act of 1995," the following provisions are applicable to this grant award:

- Section 507: "Purchase of American-Made Equipment and Products - It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made."
- Section 508: "When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with federal money, all states receiving federal funds, including but not limited to state and local governments and recipients of federal research grants, shall clearly state (1) the percentage of the total costs of the program or project which will be financed with federal money, (2) the dollar amount of federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources."

30.2 Drug-Free Workplace Requirements

In accordance with provisions of Title V, Subtitle D of Public Law 100-690 (41 USC 701 et. seq.), the “Drug-Free Workplace Act of 1988,” all Contractors must maintain a drug-free workplace and must publish a statement informing employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and establishing the actions that will be taken against employees violating these prohibitions. The Agency must notify ACF if an employee is convicted of violating a criminal drug statute. Failure to comply with these requirements may be cause for debarment (see 2 CFR Part 382).

30.3 Smoking Prohibitions

In accordance with Title XII of Public Law 103-227, the “PRO-KIDS Act of 1994,” smoking may not be permitted in any portion of any indoor facility owned or regularly used for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs whether directly or through State, Territories, local and Tribal governments. Federal programs include grants, cooperative agreements, loans and loan guarantees, subawards, and contracts. The law does not apply to children’s services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions or facilities and used for inpatient drug and alcohol treatment.

The above language must be included in any subawards that contain provisions for children’s services and that all Contractors shall certify compliance accordingly. Failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to \$1,000 per day.

30.4 Religious Activity Prohibitions

Direct Federal grants, sub-awards, or contracts under these programs shall not be used to support inherently religious activities such as religious instruction, worship, or proselytization. Therefore, organizations must take steps to separate, in time or location, their inherently religious activities from the services funded under these programs (see 45 CFR Part 87).

30.5 Same-Sex Marriage Provisions

In accordance with the decision in United States v. Windsor (133 S. Ct. 2675 (June 26, 2013); Section 3 of the Defense of Marriage Act, codified at 1 USC 7, in any grant-related activity in which family, marital, or household considerations are, by statute or regulation, relevant for purposes of determining beneficiary eligibility or participation, Contractors must treat same-sex spouses, marriages, and households on the same terms as opposite sex spouses, marriages, and households, respectively. By "same-sex spouses," HHS means individuals of the same sex who have entered into marriages that are valid in the jurisdiction where performed, including any of the 50 states, the District of Columbia, or a U.S. territory or in a foreign country, regardless of whether or not the couple resides in a jurisdiction that recognizes same-sex marriage. By "same-sex marriages," HHS means marriages between two individuals validly entered into in the jurisdiction where performed, including any of the 50 States, the District of Columbia, or a U.S. territory or in a foreign country, regardless of whether or not the couple resides in a jurisdiction that recognizes same-sex marriage. By "marriage," HHS does not mean registered domestic partnerships, civil unions or similar formal relationships recognized under the law of the jurisdiction of celebration as something other than a marriage.

30.6 Human Trafficking Provisions

These awards are subject to the requirements of Section 106(g) of the “Trafficking Victims Protection Act of 2000” (22 USC 7104). The full text of this requirement is found at <http://www.acf.hhs.gov/grants/award-term-and-condition-for-trafficking-in-persons>.

30.7 Transparency Act Requirements

Awards under these programs are included under the provisions of P.L. 109-282, the “Federal Funds Accountability and Transparency Act of 2006” (FFATA). Under this statute, the State is required to report information regarding executive compensation and all subgrants, contracts and subcontracts in excess of \$25,000 through the Federal Subaward Reporting System (<https://www.fsrs.gov/>) and in accordance with the terms found in Federal regulations at 2 CFR Part 170, including Appendix A. (**NOTE:** This requirement became applicable to all mandatory grant programs July 1, 2011.)

30.8 Federal Awarding Agency Review of Risk Posed by Applicants

As required by 2 CFR 200 of the Uniform Guidance and HHS implementing regulations (45 CFR Part 75) effective January 1, 2016, ACF is issuing guidance to implement the mandatory disclosures provision at 45 CFR 75.113. ACF is required to review and consider any publicly available information about the applicant that is in the Federal Awardee Performance and Integrity Information System (FAPIIS), <https://www.fapiis.gov> (45 CFR 75.205(a)(2)). Before making any award in excess of the simplified acquisition threshold (currently \$150,000) over the period of performance (45 CFR 75.2). An applicant may review and comment on any information about itself that a federal awarding agency has previously entered into FAPIIS. ACF will consider any comments by the applicant, in addition to other information in FAPIIS, in making a judgment about the applicant's integrity, business ethics, and record of performance under federal awards when completing the review of risk posed by applicants as described in 2 CFR §200.205 Federal Awarding Agency Review of Risk Posed by Applicants (http://www.ecfr.gov/cgi-bin/text-idx?node=se2.1.200_1205&rgn=div8).

30.9 Construction Prohibitions

Unless superseded by program-specific regulations, these awards may not be used for construction or the purchase of land.

30.10 Grants Terminated for Cause

The Contractor is required to notify the Agency within 30 calendar days after receiving notice of programs having federal, state, or local grants terminated for cause.

30.11 Incentive and Other Special Pay

LIHEAP program funds may be used for incentive pay or other additional compensation to employees with prior approval from the Agency. Any such special pay shall be explicitly agreed to by the Agency and shall be accompanied by a written justification for the special pay, the Contractor's special pay policies, and the exact additional compensation to be paid.

Special pay policies shall conform to 45 CFR Part 75.430(f) *Incentive compensation* (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for U.S. Department of Health and Human Services (HHS) Awards).

30.12 Legislative Changes

The Contractor expressly acknowledges that the contracted Deliverables are subject to legislative change by either the federal or state government. Should either legislative body enact measures which alter the project, the Contractor shall not hold the Agency liable in any manner for the resulting changes. The Agency shall use best efforts to provide thirty (30) days' written notice to the Contractor of any legislative change. During the thirty (30)-day period, the parties shall meet and make a good faith effort to agree upon changes to the Contract to address the legislative change. Nothing in this Subsection shall affect or impair the Agency's right to terminate the Contract pursuant to the termination provisions.

30.13 Non-Supplanting Requirement

Non-Supplanting Requirement. To the extent required by state or federal law, federal and state funds made available under this Contract shall be used to supplement and increase the level of state, local and other non-federal funds that would in the absence of such federal and state funds be made available for the programs and activities for which funds are provided and will in no event take the place of state, local and other non-federal funds.