CHAPTER 6 – HOME CONTRACT

This section of the HOME Manual provides guidance on the steps that must be fulfilled before a funded project is implemented, and an overview of the requirements that a grantee must fulfill as a result of signing a HOME Contract.

Caution:
1. Before seeking any professional services or contractors, a grantee must understand and follow the procurement processes required of HOME-funded projects. See Chapter 8 - Procurement.
2. Before contracting for non-general administrative services, a grantee must receive a Notice of Release of Funds from the Department.

Notice of Approval Letter
A letter announcing the award is sent to each successful HOME program applicant. The letter specifies the amount of the award and the activity or activities funded. The amount of the award may be smaller than the requested amount. A grantee will also find in the Notice of Approval contact information for the program representative, the Department staff person assigned as the principal contact for all matters concerning the grant.

An approved applicant is required to designate an employee to have principal day-to-day responsibility for the administration of this grant. In addition, grantees may procure and contract for administrative services to assist in the implementation of the grant.

The award letter cautions the grantee about incurring costs. Non-general administrative costs incurred prior to receiving a Notice of Release of Funds cannot be reimbursed with HOME funds. Only a very limited number of costs may be incurred prior to receiving a Notice of Release of Funds. Only costs associated with the general administration of a grant are allowable such as contracting for administrative services or hiring staff to administer the grant. Administrative costs include those necessary for completing the Special Conditions requirements of the HOME Contract. Contracts for general administration services must be executed after the Notice of Approval date. All expenses incurred prior to the Notice of Approval cannot be reimbursed by HOME funds.

Note that each HOME award is unique. The Department provides funds for administrative costs in a variety of ways depending upon the nature of the project and the type of grantee. Grantees should understand the budget in the HOME Contract, including the line item to be used for administrative costs.

Grantees should confirm with their program representative as to the budget line item authorized for general administration of the award. This often will vary from the budget submitted with the original application.
**HOME Contract**

The grantee will receive two copies of the HOME Contract after receiving the Notice of Approval. This is the contract between the Department and the grantee. The grantee should thoroughly review the terms and conditions of the contract with its attorney.

The Chief Elected Official of a local government and the Authorized Official of a non-profit or public housing agency are the only individuals recognized by the Department as authorized to sign and execute HOME contractual documents. This applies to any contract extensions and amendments involving changes in terms, conditions and amounts. At the time of application, the local government grantee should have passed a resolution authorizing the Chief Elected Official to sign such documents. Non-profit and public housing agencies should provide the Department with documentation as to whom the organization has designated as the Authorized Official to execute grant documents.

The grantee has one month to sign both copies of the HOME Contract and send both copies to the following address:

HOME  
Nebraska Department of Economic Development  
P.O. Box 94666  
301 Centennial Mall South  
Lincoln, NE 68509-4666

**Terms**

The HOME Contract contains a project description, time of performance, sources and uses of funds, conditions governing the use of HOME funds and the special conditions for release of funds. In most cases, the special conditions of the contract must be satisfied within three months and the project completed within two years.

Each grantee is responsible for adhering to all the terms of their HOME Contract. A substantial number of regulations, acts and statutes apply to the grant. It is a good idea to understand all the requirements of the contract. The Department will hold the grantee responsible for any conditions of the contract not fulfilled and seek repayment if necessary.

**Special Conditions for Release of Funds**

Recipients of HOME funds are advised to carefully review their HOME Contract before implementing the funded project. Contained within the contract is a section entitled Special Conditions for Release of Funds. The section begins by stating “Funding of the amount stipulated in §1.01 will not be released to the Recipient by the Department until the following Special Conditions for Release of Funds are met.” These Special Conditions must be satisfactorily completed by the identified date, or the Department reserves the right to cancel the contract if these special conditions are not met within this specified time frame.

**Project costs cannot be obligated or incurred prior to the Department issuing a written Notice of Release of Fund to the grantee.**
Typical Special Conditions for Release of Funds

HOME Program Grantee Information Sheet
This form must be completed by the grantee and returned to the Department.

HOME Authorization to Request Funds
This form must be completed by the grantee and returned to the Department.

Environmental Review
Documentation is required by the Department evidencing the grantee’s completion of its responsibilities for environmental review and decision making pertaining to the HOME Project, and its compliance with the National Environmental Policy Act of 1969 (NEPA), and other provisions of Federal law as specified in 24 C.F.R. Part 58, which furthers the purposes of NEPA. (See Chapter 7 – Environmental Review)

Procurement Standards
Documentation is required evidencing adoption of appropriate procurement standards.

Excessive Force Certification
Required if the grantee is a unit of general local government. Documentation that the grantee has adopted a policy to prohibit the use of excessive force by law enforcement agencies against any individual engaged in nonviolent civil rights demonstrations.

Fair Housing
Documentation that the grantee has specifically provided a description of the actions it will take during the course of the HOME Project to fulfill the requirements to affirmatively further fair housing. (See later in this chapter for more guidance on fair housing)

Implementation Schedule
Completion and submission to the Department of this form.

Additional Special Conditions, as applicable
- Program Guidelines
- Program Income Reuse Plan
- Rehabilitation Procedures

Disclaimer: The above list represents a list of typical standard special conditions, however all HOME Contracts are tailored to a specific project with unique standard conditions. The Special Conditions for Release of Funds in the HOME Contract must be satisfied before the Notice of Release of Funds will be issued for that project.

Forms and samples to assist in completing special condition requirements are available from the Department’s website.
Affordability Requirements
The time of performance of a HOME project, as stated in the contract, is generally one, two or
three years. However, all HOME grants, with the exception of awards strictly funding
organizational capacity, must comply with the requirements of 24 CFR Part 92 regarding periods
of affordability. These periods vary by the type of activity and amount of assistance provided.
Please read the chapters on homeowner, homebuyer and rental for more details on compliance with
periods of affordability.

Affordability periods range up to twenty years. It is not until full compliance is met by the grantee
at the end of the affordability period(s) that the contract is fulfilled. Failure to fulfill the contract
through the end of the required affordability period(s) subjects the grantee to actions by the
Department including possible repayment.

Uniform Administrative Requirements
The grantee is required, pursuant to 24 C.F.R. §92.505 and §92.506 and Department requirements,
to comply with various uniform federal administrative requirements concerning: financial
management standards including cost principles; procurement standards and property management
standards; and audit requirements.

Units of Local Government -
Non-profit Organizations (including CHDOs undertaking non CHDO set-aside projects) –
CHDOs acting as owners, sponsors or developers on a CHDO set-aside project –

2 CFR 200 supersedes the requirements formerly set out in 24 CFR §§84 and 85. A summary and
cross reference of those requirements can be found in Attachment 2 of this document.

Federal and State Requirements
In PART V: SPECIAL REQUIREMENTS AND ASSURANCES the grantee agrees to comply
with the requirements of the HOME Program and 24 CFR Part 92. The grantee will also comply
with other laws and regulations, both federal and state, as they are applicable to the Project,
including but not limited to, the following (and then the contract lists a number of items).

The grantee must gain understanding of all the requirements that they are agreeing to comply with.
The following is meant as a summary of some of the requirements and not a complete coverage of
the responsibilities of HOME grantees.

CIVIL RIGHTS AND EQUAL OPPORTUNITY PROVISIONS

Title VI of the Civil Rights Act of 1964
Provides that no person shall be excluded from participation in, denied program benefits of, or
subject to discrimination based on race, color and/or national origin under any program or
activity receiving federal financial assistance. ( Regulations implementing the provisions for
HUD programs may be found in 24 CFR Part 1)
Section 109 of the Housing and Community Development Act of 1974
Provides that no person shall be excluded from participation in (including employment), defined program benefits of, or subject to discrimination on the basis of race, color, national origin, religion, or sex under any program or activity funded in whole or in part under Title I (Community Development) of the Act.

Age Discrimination Act of 1975
Provides that no person shall be excluded from participation in, denied program benefits of, or subject to discrimination on the basis of age under any program or activity receiving federal funding assistance. (Regulations in 24 CFR Part 146)

Section 504 of the Rehabilitation Act of 1973
Prohibits discrimination in federally assisted programs on the basis of handicap. Section 504 imposes requirements to ensure that "qualified individuals with handicaps" have access to programs and activities that receive federal funds. Under Section 504, recipients and subrecipients are defined more broadly than under the HOME program. Section 504 recipients and subrecipients include any entity that receives federal funding (for example, a subrecipient or CHDO). The specific requirements under Section 504 are summarized in Attachment 1.

- For any recipient or subrecipient principally involved in housing or social services, all of the activities of the agency --not just those directly receiving federal assistance--are covered under Section 504.
- Contractors and vendors are subject to Section 504 requirements only in the work they do on behalf of a recipient or subrecipient.
- The ultimate beneficiary of the federal assistance is not subject to Section 504 requirements.
- Under Section 504, recipients and subrecipients are not required to take actions that create undue financial and administrative burdens or alter the fundamental nature of the program.

Architectural Barriers Act of 1968

Americans with Disability Act
Compliance with all provisions of the Americans With Disabilities Act (ADA) with respect to hiring, training, and employment practices, including reasonable accommodation of persons with disabilities in hiring, training, and employment practices; and in assuring access by persons with disabilities to facilities and services provided by the grantee to the general public.

Provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, state and local government services and telecommunications. The Act, also referred to as the ADA, also states that discrimination includes the failure to design and construct facilities (built for first occupancy after January 26, 1993) that are accessible to and usable by persons with disabilities. The ADA also requires the removal of architectural and
communication barriers that are structural in nature in existing facilities. Removal must be readily achievable, easily accomplishable and able to be carried out without much difficulty or expense.

**Executive Order 11246**
Prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex or national origin. Provisions to effectuate this prohibition must be included in all construction contracts exceeding $10,000. Implementing regulations may be found at 41 CFR Part 60.

The grantee, and subcontractors, will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The grantee, and subcontractors, will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. The grantee must post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

**Executive Orders 11625, 12432, and 12138**
These orders require recipients of federal funds to provide maximum opportunities to disadvantaged minority-owned business enterprises and to women-owned business enterprises to participate in the performance of contracts financed in whole or part with HOME funds.

**FAIR HOUSING STANDARDS AND PROVISIONS**

**Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**
See Chapter 10 – URA for more information on compliance with this act.

**Title VIII of the Civil Rights Act of 1968, As Amended by the Fair Housing Amendments Act of 1988**
This law, seeking fair housing practices throughout the United States, prohibits any person from discriminating in activities associated with housing, because of race, color, national origin, religion, sex, handicap, or familial status. The grantee must also administer programs and activities relating to housing and urban development in a manner that affirmatively promotes fair housing and furthers the purposes of Title VIII. Fair Housing Act implementing regulations may be found in 24 CFR Part 100-115.

**Executive Order 11063, As amended by Executive Order 12259**
This order directs the grantee to take all action necessary and appropriate to prevent discrimination because of race, color, religion, sex, or national origin; in the sale, leasing, rental, and other disposition of residential property and related facilities (including land to be developed for residential use); or in the use or occupancy thereof, if such property and related facilities are, among other things, provided in whole or in part with the aid of loans, advances, grants, or contributions from the federal government. Equal Opportunity in Housing regulations may be found in 24 CFR Part 146.

**ENVIRONMENTAL STANDARDS AND PROVISIONS**
(For more information on environmental requirements see Chapter 7 – Environmental)
Historic Preservation

a. Consulting with the state Historical Preservation Officer to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 C.F.R. Part 800.0) by the proposed activity; and,

b. Complying with all requirements established by the state to avoid or mitigate adverse effects upon such properties.

Lead-Based Paint Poisoning Prevention Act of 1971 and regulations at 24 C.F.R. Part 35
This law prohibits the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance of any kind, and requires the elimination of lead-based paint hazards.

Flood Insurance
The grantee will comply with the flood insurance purchase requirement of §102(a) of the Flood Disaster Protection Act of 1973. §102(a) requires, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Federal Emergency Management Agency as an area having special flood hazards.

LABOR STANDARDS AND PROVISIONS
(For more information on labor standards requirements see Chapter 10 – Construction & Labor Standards) Note that not all projects are subject to all the following provisions.

Davis-Bacon Act
Ensures that mechanics and laborers employed in construction work under federally assisted contracts are paid wages and fringe benefits equal to those that prevail in the locality where the work is performed. This act also provides for the withholding of funds to ensure compliance, and excludes from the wage requirements apprentices enrolled in bona fide apprenticeship programs.

Section 2 of the June 13, 1934 Act Popularly Known as The Copeland Anti-Kickback Act
Governs the deductions from paychecks that are allowable. Makes it a criminal offense to induce anyone employed on a federally assisted project to relinquish any compensation to which he/she is entitled, and requires all contractors to submit weekly payrolls and statements of compliance.
**Fair Labor Standards Act of 1938**
Establishes the basic minimum wage for all work and requires the payment of overtime at the rate of at least time and one-half. It also requires the payment of wages for the entire time that an employee is required or permitted to work, and establishes child labor standards.

**Contract Work Hours and Safety Standards Act**
Provides that mechanics and laborers employed on Federally assisted construction jobs are paid time and one-half for work in excess of 40 hours per week, and provides for the payment of liquidated damages where violations occur. This act also addresses safe and healthy working conditions.

**Section 3 of the Housing and Urban Development Act of 1968**
Requires that, to the greatest extent feasible, opportunities for training and employment arising from HOME will be provided to low-income persons residing in the program service area. Also, to the greatest extent feasible, contracts for work (all types) to be performed in connection with HOME will be awarded to business concerns that are located in or owned by persons residing in the program service area.

**Debarred, Suspended, or Ineligible Contractors under 24 CFR Part 24**
Under this regulation, HOME funds may not be used, directly or indirectly, to employ, award contracts to, otherwise engage the service of, or fund, any contractor or subrecipient during any period of debarment, suspension, or placement on ineligible status, under the provisions of 24 C.F.R. Part 24.

**Affirmatively Furthering Fair Housing**
Grantees must certify that they will take affirmative action to further fair housing (Title VIII of the Civil Rights Act of 1968). This requirement dictates some form of new action be undertaken by the grantee, not just passive compliance with existing laws and ordinances. Fair housing is generally thought of as the ability of persons of similar income levels to have available to them a like range of housing choices regardless of race, color, creed, sex, or national origin.

Grantees as a Special Conditions requirement must inform the Department of actions they will undertake to further fair housing. Some suggested actions are:

- Adopt a fair housing ordinance with means of enforcement.
- Undertake a review of existing fair housing ordinances, zoning and land use practices for discriminatory policies or practices.
- Support and participate in educational programs coordinated with local realtors, home builders, and mortgage lenders designed to provide information on fair housing rights.
- Provide housing referral and counseling services, which assist minorities, women, and the handicapped seeking housing within the grantee’s jurisdiction. Encourage local employers to cooperate in efforts to find housing for their employees and to promote equal housing choices within the community.
- Request assistance from the Nebraska Equal Opportunity Commission or other advocacy groups in undertaking fair housing informational or technical assistance seminars in your community or region.
- Use the Equal Housing Opportunity logo on official letterhead and prominently display posters, logo and informational material on fair housing and periodically print a notice in local newspaper that the grantee is an active supporter of fair housing laws.
- Host a Fair Housing Month (April) event.

**Release of Funds**
Upon receiving the “Notice of Release of Funds” letter, the grantee may obligate non-general administrative costs, set-up activities and draw down funds for eligible costs incurred. A Release of Funds will not be approved if there are any unresolved audit findings relating to a past grant and remains unresolved beyond the normal period or is deemed to be extreme misconduct.

**Setting Up Funds**
After the Department issues a Notice of Release of Funds and prior to requesting HOME funds for non-general administrative uses, a grantee must complete a HOME Activity Set-Up Report to “set-up” HOME funds per address (activity). Upon approval by the Department of a Set-Up Report a number will be provided to the grantee for that activity (address). More information on set-ups is available in Chapter 13 - Financial.

**Requesting HOME Funds**
The grantee must complete and send to the Department a Request for HOME funds only as funds are needed for the project. Funds can only be requested for those activities that are set-up. HOME funds will be disbursed electronically to the grantee’s bank. The grantee has only 15 working days to spend HOME funds following receipt. More information on requesting funds is available in Chapter 13 - Financial.

**Amendments/Extensions**
Grantees must request approval from the Department for any of the following four changes:
1. Changes to the budget
2. Extensions of the contract end date
3. Decreases in proposed accomplishments
4. Amendments to housing program guidelines

The Department will review amendment requests using the following factors:
(a) The effect the amendment will have on the points earned in the selection process.
(b) Grantee’s performance and capacity. An on-site visit may be required before a determination can be made.

A HOME Contract Amendment Request Form that details the required documentation to include in a contract change request is available at the Department’s website.

Request requirements for the four changes are:
1. Changes to the budget

- Original Contract Budget Approved
- Proposed Budget After Amendment

Attachment 1: Letter from the Chief Elected Official or the Authorized Official including:
1. Certification that the governing body has approved the budget amendment;
2. Identification and reasons for the proposed budget amendment; including
   a. Changes to the nature of the project requiring the amendment
   b. Steps being taken to avoid any future amendment requests for the same reasons
3. If additional local matching funds are required as a result of this amendment, certification that such funds are available.
4. If the amendment includes a new activity, certification that the activity meets the national objective

Attachment 2: Minutes from the public hearing (for local governments) or board meeting (for non-profits and local housing authorities) held on the proposed amendment.

Attachment 3: If the budget amendment will affect major milestones, a revised implementation schedule showing when major milestones will be completed for each activity

Attachment 4: Certification of re-evaluation of the environmental assessment (this form is included in Chapter 7 – Environmental Review)

2. Extensions of the contract end date

- Original Contract End Date
- Current Contract End Date including any previously approved extensions
- Proposed Contract End Date

Attachment 1: A letter from the Chief Elected Official or the Authorized Official stating the following
1. Certification that the governing body has approved the extension;
2. Identification and reasons for the proposed amendment; including
   a. Changes to the nature of the project requiring the amendment;
   b. Steps being taken to avoid any future amendment requests for the same reasons
3. If additional local matching funds are required as a result of this extension, certification that such funds are available.

Attachment 2: A revised implementation schedule showing when major milestones will be completed for each activity

3. Decreases in proposed accomplishments

- Original Proposed Accomplishments
- Current Proposed Accomplishments
Attachment 1: A letter from the Chief Elected Official or the Authorized Official stating the following:

1. Certification that the governing body has approved the decrease in proposed accomplishments;
2. Identification and reasons for the proposed amendment; including
   a. Changes to the nature of the project requiring the amendment;
   b. Steps being taken to avoid any future amendment requests for the same reasons
3. If additional local matching funds are required as a result of this decrease, certification that such funds are available.

Attachment 2: A revised implementation schedule showing when major milestones will be completed for each activity

4. Amendments to housing program guidelines

Attachment 1: Letter from the Chief Elected Official or the Authorized Official stating the following:

1. Certification that the governing body has approved the amendment to the housing program guidelines;
2. Identification and reasons for the proposed amendment;
3. If additional local matching funds are required as a result of this amendment, certification that such funds are available.

Attachment 2: If the housing program guidelines amendment will affect major milestones, a revised implementation schedule showing when major milestones will be completed for each activity

Attachment 3: A complete copy of the proposed revised housing program guidelines
Section 504 Requirements

Removal of Physical Barriers

- For new construction of multi-family projects, 5 percent of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent of the units (but not less than one unit) must be accessible to individuals with sensory impairments.

- The Section 504 definition of substantial rehabilitation multi-family projects includes construction in a project with 15 or more units for which the rehabilitation costs will be 75 percent or more of the replacement cost. In such developments, 5 percent of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent (but not less than one unit) must be accessible to individuals with sensory impairments.

- When rehabilitation less extensive than substantial rehabilitation is undertaken, alterations must, to the maximum extent feasible, make the unit accessible to and usable by individuals with handicaps, until 5 percent of the units are accessible to people with mobility impairments. Alterations to common spaces must, to the maximum extent feasible, make the project accessible.

- Accessible units must be, to the maximum extent feasible, distributed throughout projects and sites and must be available in a sufficient range of sizes and amenities so as not to limit choice.

- Owners and managers of projects with accessible units must adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with handicaps. They also must take reasonable non-discriminatory steps to maximize use of such units by eligible individuals.

- When an accessible unit becomes vacant, before offering the unit to a non-handicapped individual, the owner/manager should offer the unit: first, to a current occupant of the project requiring the accessibility feature; and second, to an eligible qualified applicant on the waiting list requiring the accessibility features.

- The usual standards for ensuring compliance with Section 504 are the Uniform Federal Accessibility Standards (UFAS), although deviations are permitted in specific circumstances.

Provide Program Accessibility

- Individuals with handicaps must be able to find out about, apply for and participate in federally-assisted programs or activities.

- Special communication systems may be needed for outreach and ongoing communication (e.g., Telecommunications Devices for the Deaf (TDD), materials on tape or in Braille, accessible locations for activities and meetings).
• Policies and procedures must be non-discriminatory (e.g., housing providers may not ask people with handicaps questions not asked of all applicants, screen individuals with handicaps differently or assess an individual's ability to live independently).

**Make Employment Accessible**

• Employers must not discriminate.
• Employers must remove physical and administrative barriers to employment.
• Employers must make reasonable accommodations for individuals with known handicaps (e.g., job restructuring, providing readers or sign interpreters, making facilities accessible).

**Administrative Requirements**

• If recipients or subrecipients have 15 or more employees, they must:
  - designate a Section 504 Coordinator, and
  - notify program participants and employees of non-discrimination policies.

• All recipients and subrecipients must conduct self-evaluations of compliance with Section 504.
Title, Use and Disposition of Property, Supplies and Equipment; Insurance.

The Recipient agrees to comply with the provisions of 2 C.F.R. §§200.311 through 200.316 regarding title, use and disposition of property, supplies, and equipment, as applicable to the Project.

In accordance with 2 C.F.R. §200.310, Recipient agrees to, at a minimum, provide insurance coverage for real property acquired or improved with HOME Funds that is equivalent to the insurance Recipient provides for Recipient’s other property (or, ensure that such insurance coverage is provided by the owner of the real property).

Uniform Administrative Requirements.

The Recipient is required, pursuant to 2 C.F.R. Part 200, 24 C.F.R. §92.505, and §92.506, as now in effect, and as such law may be amended during the term of this contract, to comply with various uniform federal administrative requirements concerning: financial management standards including cost principles; procurement standards and property management standards; and audit requirements.

In particular, Recipient agrees to establish internal controls in order to have reasonable assurance that Recipient is carrying out the Project in compliance with federal statutes, regulations, and terms and conditions of this contract, as required by 2 C.F.R. §200.303, as now in effect, and as such law may be amended during the term of this contract. Recipient also agrees to comply with provisions regarding protection of personally identifiable information as required by 2 C.F.R. §200.303 and 2 C.F.R. §200.512.

Recipient is responsible for the efficient and effective administration of the HOME Funds provided to Recipient under this contract. Recipient agrees to administer the HOME Funds in a manner consistent with this contract, HUD's administrative requirements for the HOME Program, and with the provisions of the Department's HOME Program Administration Manual, and with all federal (and state) laws, regulations, and executive orders applicable to the HOME-assisted Project.

Audits of this conditional grant will be conducted in accordance with the Single Audit Act of 1984, as amended, and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 C.F.R. Part 200, (which have been adopted by HUD through 2 C.F.R. Part 2400) as now in effect, and as such law may be amended during the term of this contract. Generally Accepted Government Auditing Standards (GAGAS) must be followed.

Recipient is required by 2 C.F.R §200.512 to submit the required audit reporting package to the Federal Audit Clearinghouse (“FAC”) within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period.
The closeout of this Project does not affect the right of the Department or duly authorized officials of the state and federal government to disallow costs and recover funds from the Recipient on the basis of a later audit or other review. In other words, the obligation of the Recipient to return any funds due as a result of an audit is not affected by closeout of this Project.

**Accounting for HOME Funds.**

The HOME Funds will be accounted for separately upon the books and records of the Recipient, in such manner as to allow funds tracing and a current status review of the HOME Funds at all times. A separate bank account for the HOME Funds is not required. Accounting practices must be consistent with cost principles of 2 C.F.R. Part 200, must support the accumulation of costs as required by the cost principles, and must provide for adequate documentation to support costs charged to the HOME Program.

The Recipient will keep all records concerning the HOME Funds in a manner which is consistent with generally accepted accounting principles. Payments from such HOME Funds will be obligations incurred in the performance of this contract; and will be supported by contracts, invoices, brochures, and other data, as appropriate, evidencing the necessity for such expenditures.

Requirements regarding disbursements from the Department to the Recipient are addressed in §1.01 of this contract.

Cross References from 24 CFR §§84 and 85 to 2 CFR §200

2 CFR 200.92 Subawards.
   .213 Debarment and suspensions. (SAM)
   .302 Financial management.
   .305 Payment.
   .310 Property Standards – Insurance coverage.
   .311 Real property.
   .313 Equipment.
   .314 Supplies.
   .315 Intangible property.
   .316 Property trust relationship.
   .318 General procurement standards.
   .319 Competition.
   .320 Methods of procurement to be followed.
   .323 Contract cost and price.
   .326 Contract provisions.
   .328 Monitoring and reporting program performance.
   .338 Remedies for noncompliance
   .339 Termination
   .344 Post closeout adjustments and continuing responsibilities
   .345 Collections of amounts due