

**428—3.9(216A,232) Contract agreement.**

**3.9(1) *Contract offer.*** Applicants shall be notified in writing of the division's intent to fund, contingent upon the funds available. The administrator shall have flexibility in determining which state and federal funds shall be utilized in awards and allocations to subgrantees. These rules and all applicable state and federal laws and regulations become a part of the contract by reference.

**3.9(2) *Preaward negotiation.*** The applicant may be requested to modify the original application in the negotiation process. The division reserves the right to fund all or part of the applicant's application.

**3.9(3) *Withdrawal of contract offer.*** If the applicant and the division are unable to successfully negotiate a contract, the division may withdraw the award offer and redistribute program funds in a manner consistent with the provisions of rule 428—3.14(216A,232).

**3.9(4) *Contract modifications.*** The subgrantee or the division may request a modification or revision of the contract.

**3.9(5) *Reimbursement of expenditures.*** Funds are to be spent to meet program goals as provided in the contract. Expenditures shall be reimbursed pursuant to regular reimbursement procedures of the state of Iowa.