

to improve administration of the program or to reimburse ineligible expenses.

(Approved by the Office of Management and Budget under control number 2577-0169)

[60 FR 34695, July 3, 1995, as amended at 60 FR 45661, Sept. 1, 1995]

**§ 982.156 Depository for program funds.**

(a) Unless otherwise required or permitted by HUD, all program receipts must be promptly deposited with a financial institution selected as depository by the HA in accordance with HUD requirements.

(b) The HA may only withdraw deposited program receipts for use in connection with the program in accordance with HUD requirements.

(c) The HA must enter into an agreement with the depository in the form required by HUD.

(d)(1) If required under a written freeze notice from HUD to the depository:

(i) The depository may not permit any withdrawal by the HA of funds held under the depository agreement unless expressly authorized by written notice from HUD to the depository; and

(ii) The depository must permit withdrawals of such funds by HUD.

(2) HUD must send the HA a copy of the freeze notice from HUD to the depository.

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**§ 982.157 Budget and expenditure.**

(a) *Budget submission.* Each HA fiscal year, the HA must submit its proposed budget for the program to HUD for approval at such time and in such form as required by HUD.

(b) *HA use of program receipts.* (1) HUD payments under the consolidated ACC, and any other amounts received by the HA in connection with the program, must be used in accordance with the HA HUD-approved budget. Such HUD payments and other receipts may only be used for:

- (i) Housing assistance payments; and
- (ii) HA administrative fees.

(2) The HA must maintain a system to ensure that the HA will be able to make housing assistance payments for all participants within the amounts contracted under the consolidated ACC.

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[60 FR 34695, July 3, 1995, as amended at 60 FR 45661, Sept. 1, 1995]

**§ 982.158 Program accounts and records.**

(a) The HA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. The records must be in the form required by HUD, including requirements governing computerized or electronic forms of record-keeping. The HA must comply with the financial reporting requirements in 24 CFR part 5, subpart H.

(b) The HA must furnish to HUD accounts and other records, reports, documents and information, as required by HUD. For provisions on electronic transmission of required family data, see 24 CFR part 908.

(c) HUD and the Comptroller General of the United States shall have full and free access to all HA offices and facilities, and to all accounts and other records of the HA that are pertinent to administration of the program, including the right to examine or audit the records, and to make copies. The HA must grant such access to computerized or other electronic records, and to any computers, equipment or facilities containing such records, and shall provide any information or assistance needed to access the records.

(d) The HA must prepare a unit inspection report.

(e) During the term of each assisted lease, and for at least three years thereafter, the HA must keep:

- (1) A copy of the executed lease;
- (2) The HAP contract; and
- (3) The application from the family.

(f) The HA must keep the following records for at least three years:

- (1) Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;

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- (2) An application from each ineligible family and notice that the applicant is not eligible;
- (3) HUD-required reports;
- (4) Unit inspection reports;
- (5) Lead-based paint inspection records (as required by § 982.401(j));
- (6) Accounts and other records supporting HA budget and financial statements for the program;
- (7) Records to document the basis for HA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
- (8) Other records specified by HUD.

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**§ 982.159 Audit requirements.**

- (a) The HA must engage and pay an independent public accountant to conduct audits in accordance with HUD requirements.
- (b) The HA is subject to the audit requirements in 24 CFR part 44.

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**§ 982.160 HUD determination to administer a local program.**

If the Assistant Secretary for Public and Indian Housing determines that there is no HA organized, or that there is no HA able and willing to implement the provisions of this part for an area, HUD (or an entity acting on behalf of HUD) may enter into HAP contracts with owners and perform the functions otherwise assigned to HAs under this part with respect to the area.

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[60 FR 34695, July 3, 1995, as amended at 60 FR 45661, Sept. 1, 1995]

**§ 982.161 Conflict of interest.**

- (a) Neither the HA nor any of its contractors or subcontractors may enter into any contract or arrangement in connection with the tenant-based pro-

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grams in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- (1) Any present or former member or officer of the HA (except a participant commissioner);
- (2) Any employee of the HA, or any contractor, subcontractor or agent of the HA, who formulates policy or who influences decisions with respect to the programs;
- (3) Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs; or
- (4) Any member of the Congress of the United States.

(b) Any member of the classes described in paragraph (a) of this section must disclose their interest or prospective interest to the HA and HUD.

(c) The conflict of interest prohibition under this section may be waived by the HUD field office for good cause.

**§ 982.162 Use of HUD-required contracts and other forms.**

- (a) The HA must use program contracts and other forms required by HUD headquarters, including:
  - (1) The consolidated ACC between HUD and the HA;
  - (2) The HAP contract between the HA and the owner; and
  - (3) The lease language required by HUD (in the lease between the owner and the tenant).

(b) Required program contracts and other forms must be word-for-word in the form required by HUD headquarters. Any additions to or modifications of required program contracts or other forms must be approved by HUD headquarters.

**§ 982.163 Fraud recoveries.**

Under 24 CFR part 792, the HA may retain a portion of program fraud losses that the HA recovers from a family or owner by litigation, court-order or a repayment agreement.

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