



Iowa Department of Human Services

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GENERAL LETTER NO. 24-C-4

ISSUED BY: Division of Fiscal Management

SUBJECT: Management Manual, Title 24, Chapter C, **PHYSICAL QUARTERS**, Title page, revised; Contents (page 1), revised; page 21, revised; and page 22, new.

Summary

Chapter 24-C is revised to add new procedures for amending current leases to:

- ◆ Extend the period covered by the lease and permit amendment of some provisions without having to redo the complete lease.
- ◆ Include a new procedure for obtaining the Department director's approval of new or amended leases.

Effective Date

Immediately.

Material Superseded

This material replaces the following pages from Employees' Manual, Title 24, Chapter C:

<u>Page</u>	<u>Date</u>
Title page	April 16, 2010
Contents (page 1)	April 16, 2010
21	April 16, 2010

Additional Information

Refer questions about this general letter to the director of the Division of Mental Health and Disability Services.

Revised October 28, 2011

Employees' Manual
Title 24
Chapter C

PHYSICAL QUARTERS



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The contract manager will forward the lease to the Director's Office for signature. After the Director's signature is obtained, the signed lease will be returned to the contract manager.

The contract manager will return two copies of the signed lease to the institution. One copy of the executed lease will remain with the contract manager. Give the tenant one copy of the signed lease.

Tenant Program Name

Without the prior written approval of the Director of Human Services, the entity seeking to contract with the state shall not use or cause to be used a name for the program or project that is in any way similar to the name or part of the name of the institution.

Lease Extensions or Amendments

Facility written policies and procedures shall assure that a tenant lease extension or amendment complies with the following requirements:

- ◆ The leased space is still not needed by the facility for program purposes.
- ◆ The tenant's use of the leased space is still as described in the written proposal submitted at the time of the original lease.
- ◆ The tenant currently meets all legally required licensing and accreditation standards.
- ◆ The tenant continues to be another governmental entity or a public or private nonprofit entity.
- ◆ The lease continues to be cost neutral for the facility.

Lease Extension

Facility written policies and procedures shall assure that a lease extension without any modifications to the body of the original lease agreement and meeting the above requirements shall:

- ◆ Be submitted in writing using *Amendment to Facility Lease Agreement*, form 470-5057.
- ◆ Be limited to a maximum extension of three years unless a longer extension is approved by the division administrator.

- ◆ Specify the length of the extension in writing using the attachment to the form.
- ◆ Be signed by the tenant.
- ◆ Be submitted to the division's contract manager at least one month in advance of the effective date, for signature by the Director.

Lease Amendments

Facility written policies and procedures shall assure that any amendments to the terms and conditions of a signed lease shall:

- ◆ Be discussed with the division's contract manager for review before submittal.
- ◆ After approved by the division's contract manager, submitted using *Amendment to Facility Lease Agreement*, form 470-5057.
- ◆ Specify the amendments in writing using the attachment to the form.
- ◆ Be signed by the tenant.
- ◆ Be submitted to the division's contract manager for signature by the Director.

Annual Costs and Rate Adjustment

Facility written policies and procedures shall assure that the costs and rates charged to a tenant that are based on actual cost to the facility for the provided goods or services shall be recalculated annually based on the previous fiscal years actual costs.

If the only change to the lease is the annual cost adjustment, the lease does not need to be amended. A change in the method for calculating these costs shall require an amendment.

Director's Lease Sign-Off

Facility written policies and procedures shall assure that when a facility submits an *Amendment to Facility Lease Agreement*, form 470-5057, the facility shall also complete and simultaneously submit a *Director's Sign-Off for Facility Leases*, form 470-5046.