

### **§ 1303.30**

(c) If a parent places a statement in the child record, the program must maintain the statement with the contested part of the child record for as long as the program maintains the record and, disclose the statement whenever it discloses the portion of the child record to which the statement relates.

## **Subpart D—Delegation of Program Operations**

### **§ 1303.30 Grantee responsibility and accountability.**

A grantee is accountable for the services its delegate agencies provide. The grantee supports, oversees and ensures delegate agencies provide high-quality services to children and families and meet all applicable Head Start requirements. The grantee can only terminate a delegate agency if the grantee shows cause why termination is necessary and provides a process for delegate agencies to appeal termination decisions. The grantee retains legal responsibility and authority and bears financial accountability for the program when services are provided by delegate agencies.

### **§ 1303.31 Determining and establishing delegate agencies.**

(a) If a grantee enters into an agreement with another entity to serve children, the grantee must determine whether the agreement meets the definition of “delegate agency” in section 637(3) of the Act.

(b) A grantee must not award a delegate agency federal financial assistance unless there is a written agreement and the responsible HHS official approves the agreement before the grantee delegates program operations.

### **§ 1303.32 Evaluations and corrective actions for delegate agencies.**

A grantee must evaluate and ensure corrective action for delegate agencies according to section 641A(d) of the Act.

### **§ 1303.33 Termination of delegate agencies.**

(a) If a grantee shows cause why termination is appropriate or demonstrates cost effectiveness, the grant-

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ee may terminate a delegate agency’s contract.

(b) The grantee’s decision to terminate must not be arbitrary or capricious.

(c) The grantee must establish a process for defunding a delegate agency, including an appeal of a defunding decision and must ensure the process is fair and timely.

(d) The grantee must notify the responsible HHS official about the appeal and its decision.

## **Subpart E—Facilities**

### **§ 1303.40 Purpose.**

This subpart prescribes what a grantee must establish to show it is eligible to purchase, construct and renovate facilities as outlined in section 644(c), (f) and (g) of the Act. It explains how a grantee may apply for funds, details what measures a grantee must take to protect federal interest in facilities purchased, constructed or renovated with grant funds, and concludes with other administrative provisions. This subpart applies to major renovations. It only applies to minor renovations and repairs, when they are included with a purchase application and are part of purchase costs.

### **§ 1303.41 Approval of previously purchased facilities.**

If a grantee purchased a facility after December 31, 1986, and seeks to use grant funds to continue to pay purchase costs for the facility or to refinance current indebtedness and use grant funds to service the resulting debt, the grantee may apply for funds to meet those costs. The grantee must submit an application that conforms to requirements in this part and in the Act to the responsible HHS official. If the responsible HHS official approves the grantee’s application, Head Start funds may be used to pay ongoing purchase costs, which include principal and interest on approved loans.

### **§ 1303.42 Eligibility to purchase, construct, and renovate facilities.**

(a) *Preliminary eligibility.* (1) Before a grantee can apply for funds to purchase, construct, or renovate a facility under § 1303.44, it must establish that: