

700 BUSINESS PROCEDURES

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701 Records Retention

701.1 All student records shall be maintained in accordance with Iowa Code IAC 12.3(4) Student Records.

701.2 Retention guidelines for all other records can be found in the ACA Operations Handbook.

702 Student Records Handling

In the event that Ankeny Christian Academy (ACA) ceases operations, the following procedures will ensure the proper handling of student records:

702.1 Notification to Families

Families will receive written notice including:

- A. The official date of ACA's closure.
- B. The name and contact information of the organization or school designated to retain ACA's student records.

702.2 Access to Student Records

After ACA's closure, the designated organization will handle all student record requests. Families may:

- A. Request copies of student records to be sent to a school or institution of their choice.
- B. Request a personal copy of their student's records.

702.3 Final Deadline for Accessing Records

Families will be notified of the final date by which student records will be available. After this date, requests must be directed to the designated record-keeping organization.

702.4 How to Request Student Records

To request records after ACA's closure, families must provide a written request to the designated record-keeping organization, including:

- A. The name and address of the school or institution to which the records should be sent.
- B. The address to which a personal copy of the records should be sent (if applicable).
- C. The years the student(s) attended ACA.

703 Background Check Retention

703.1 Purpose

- A. The intent of the following policies is to ensure the protection of the FBI's National Criminal History Record Information (CHRI) until such time as the information is purged or destroyed in accordance with applicable record retention rules.
- B. The following policies were developed using the FBI's Criminal Justice Information Services (CJIS) Security Policy and guidance from the Iowa Division of Criminal Investigation (DCI). Ankeny Christian Academy may complement this policy with a local policy; however, the CJIS Security Policy shall always be the minimum standard. The local policy may supplement, or increase the standards, but shall not detract from the CJIS Security Policy standards nor from requirements set forth by the Iowa DCI.

703.2 Scope

- A. The scope of this policy applies to any media, physical or electronic, containing FBI national CHRI-or any reference to such CHRI-received by a Qualified Entity (QE), while being stored, accessed or physically moved to a secure location by Ankeny Christian Academy. In addition, this policy applies to any person authorized to access, store, and/or transport national CHRI, who shall be referred to as Authorized Personnel.

703.3 Criminal Justice Information (CJI) and Criminal History Record Information (CHRI)

- A. Criminal Justice Information (CJI) is the term used to refer to all of the FBI CJIS provided data necessary for law enforcement and civil agencies to perform their

missions including, but not limited to biometric, identity history, biographic, property, and case/incident history data.

- B. The DCI uses the term CHRI, which is a subset of CJI and for the purposes of this document is considered interchangeable. Due to its comparatively sensitive nature, additional controls are required for the access, use and dissemination of CHRI. In addition to the dissemination restrictions outlined below, Title 28, Part 20, Code of Federal Regulations (CFR), defines CHRI and provides the regulatory guidance for dissemination of CHRI.
- C. According to 28 CFR 20.33, CHRI is information collected by criminal justice agencies on individuals consisting of identifiable descriptions and notations of arrests, detentions, indictments, informations, or other formal criminal charges, and any disposition arising therefrom, including acquittal, sentencing, correctional supervision, and release. The term does not include identification information such as fingerprint records if such information does not indicate the individual's involvement with the criminal justice system.
- D. In other words, CHRI refers to the FBI result received from DCI based on fingerprints submitted by the QE, whether the results indicate a positive identification of criminal history or not.

703.4 Proper Access, Use, and Dissemination of CHRI

- A. Rules governing the access, use, and dissemination of CHRI are found in Title 28, Part 20, CFR.
- B. Ankeny Christian Academy has been approved as a Qualified Entity (QE) to receive CHRI pursuant to a specific statutory authority and shall not use such CHRI acquired pursuant to such authority for any other reason. Ankeny Christian Academy is authorized to submit fingerprints to request national CHRI and review resultant CHRI as part of the screening process for applicants for employment or licensure, including current and/or prospective employees and volunteers, contractors and vendors, who have or may have unsupervised access to children, the elderly, or individuals with disabilities for whom the QE provides care for, or for other applicants as specified in the applicable statute.
- C. Dissemination to another agency is ONLY authorized if the other agency is an Authorized Recipient of such information and is being serviced by the QE. The Iowa DCI does not allow outsourcing for administrative functions, including IT support.

703.5 Personnel Security Screening

- A. Access to CHRI is restricted to Authorized Personnel. Authorized Personnel includes anyone who may have reason to access, view, have knowledge of, handle, and/or destroy CHRI, including anyone who may only have occasion to

view CHRI incidentally in the performance of their duties. If the agency stores or transmits CHRI electronically, the agency's IT personnel must also be identified as Authorized Personnel.

- B. Iowa does not have legislation in place that requires civil fingerprint-based background checks for personnel with access to CHRI for the purposes of licensing or employment and therefore are exempted from the fingerprint-based background check requirement until such time as appropriate legislation has been written into law.

703.6 Security Awareness Training

- A. Security Awareness Training through CJIS Online shall be required within six months of initial assignment, and biennially thereafter, for all personnel who have access to CHRI. Authorized Personnel will receive CJIS Online credentials set up by the Agency Administrator. Both the Agency Administrator and Authorized Personnel will be responsible for taking the Training and renewing certification as needed.

703.7 Physical Security

- A. A physically secure location is a facility or an area, a room, or a group of rooms within a facility with both the physical and personnel security controls sufficient to protect CHRI. CHRI will be maintained securely and will only be accessible by Authorized Personnel. Ankeny Christian Academy will maintain and keep current a list of all Authorized Personnel. Authorized Personnel will take necessary steps to prevent and protect the agency from physical, logical and electronic breaches.

703.8 Media Protection

- A. Controls shall be in place to protect physical and electronic media containing CHRI while at rest, stored, or actively being accessed. The QE shall securely store physical and electronic media within physically secure locations or controlled areas such as in a locked file cabinet or other locked receptacle. The agency shall restrict access to physical and electronic media to authorized individuals.
- B. Physical Media
 - i. Physical media includes hardcopies, printed documents and imagery that contain CHRI.
- C. Electronic Media
 - i. While electronic storage and/or transmission is strongly discouraged, electronic media includes memory devices in laptops and computers (hard drives) and any removable, transportable digital memory media,

such as magnetic tape or disk, backup medium, optical disk, flash drives, external hard drives, or digital memory card.

- D. If storing or transmitting CHRI electronically, the data shall be immediately protected via encryption per Section 5.10.1.2 of the CJIS Security Policy.

703.9 Media Transport

- A. Controls shall be in place to protect electronic and physical media containing CHRI while in transport (physically moved from one location to another) to prevent inadvertent or inappropriate disclosure and use. The QE shall protect and control physical and electronic media during transport outside of controlled areas and restrict the activities associated with transport of such media to Authorized Personnel.

703.10 Media Disposal and Sanitization

- A. When no longer usable or needed, all physical and electronic media shall be properly disposed of in accordance with measures established by Ankeny Christian Academy.
- B. Physical Media
 - i. Physical media (hard copies, print-outs and other physical media) shall be disposed of by shredding using Ankeny Christian Academy issued shredders.
- C. Electronic Media
 - i. Electronic media (hard-drives, tape cartridge, CDs, printer ribbons, flash drives, printer and copier hard-drives, and other similar items used to process, store and/or transmit CHRI) shall be disposed of by Ankeny Christian Academy using one of these methods:
 1. Overwriting (at least 3 times) - an effective method of clearing data from magnetic media. As the name implies, overwriting uses a program to write (1s, 0s, or a combination of both) onto the location of the media where the file to be sanitized is located.
 2. Degaussing - a method to magnetically erase data from magnetic media. Two types of degaussing exist: strong magnets and electric degausses. Note that common magnets (e.g., those used to hang a picture on a wall) are fairly weak and cannot effectively degauss magnetic media.
 3. Destruction – a method of destroying magnetic media. As the name implies, destruction of magnetic media is to physically dismantle by methods of crushing, disassembling, etc., ensuring

that the platters have been physically destroyed so that no data can be pulled.

- ii. IT systems that have been used to process, store, or transmit FBI CHRI shall not be released from Ankeny Christian Academy's control until the equipment has been sanitized and all stored information has been cleared using one of the above methods.

703.11 Reporting Information Security Events

- A. The agency shall promptly report incident information to appropriate authorities to include the Iowa DCI. Information security events and weaknesses associated with information systems shall be communicated in a manner allowing timely corrective action to be taken. Formal event reporting and escalation procedures shall be in place. Wherever feasible, the agency shall employ automated mechanisms to assist in the reporting of security incidents. All Authorized Personnel shall be made aware of the procedures for reporting the different types of event and weakness that might have an impact on the security of agency assets and are required to report any information security events and weaknesses as quickly as possible to the designated point of contact.

703.12 Policy Violation/Misuse Notification

- A. Violation of any of the requirements contained in the CJIS Security Policy or Title 28, Part 20, CFR, by any authorized personnel will result in suitable disciplinary action, up to and including loss of access privileges, civil and criminal prosecution and/or termination.
- B. Likewise, violation of any of the requirements contained in the CJIS Security Policy or Title 28, Part 20, CFR, by any visitor can result in similar disciplinary action against the sponsoring employee, and can also result in termination of services with any associated consulting organization or prosecution in the case of criminal activity.

704 Federal grant Procedures

The following procedures and regulations are in place for all federal grant applications. It is imperative that when accepting federal funds all rules and regulations are followed.

704.1 Financial Management

- A. Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be

sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. See also § 200.450.

- B. The financial management system of each non-Federal entity must provide for the following (see also §§ 200.334, 200.335, 200.336, and 200.337):
- i. Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.
 - ii. Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 and 200.329. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient must not be required to establish an accrual accounting system. This recipient may develop accrual data for its reports on the basis of an analysis of the documentation on hand. Similarly, a pass-through entity must not require a subrecipient to establish an accrual accounting system and must allow the subrecipient to develop accrual data for its reports on the basis of an analysis of the documentation on hand.
 - iii. Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
 - iv. Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See § 200.303.
 - v. Comparison of expenditures with budget amounts for each Federal award.
 - vi. Written procedures to implement the requirements of § 200.305.
 - vii. Written procedures for determining the allowability of costs and the terms and conditions of the Federal award.

704.2 Internal controls (200.303)

The non-Federal entity must:

- A. Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- B. Comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal awards.
- C. Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards.
- D. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- E. Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.

704.3 Procurement Policy

200.214 Suspension and debarment.

- A. Non-Federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities

704.4 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms (200.321).

- A. The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- B. Affirmative steps must include:
 - i. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

- ii. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- iii. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- iv. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- v. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- vi. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (b)(1) through (5) of this section.

704.5 Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

- A. Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
- B. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
- C. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
- D. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000

awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141–3144, and 3146–3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

- E. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
- F. Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the

requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

- G. Clean Air Act (42 U.S.C. 7401–7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251–1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- H. Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
- I. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

704.6 General procurement standards. Conflict of Interest (200.318)

- A. The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327.

- B. Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- C.
 - i. The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.
 - ii. If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.
- D. The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
- E. To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. Competition

requirements will be met with documented procurement actions using strategic sourcing, shared services, and other similar procurement arrangements.

- F. The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
- G. The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.
- H. The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also § 200.214.
- I. The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
 - i. The non-Federal entity may use a time-and-materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time-and-materials type contract means a contract whose cost to a non-Federal entity is the sum of:
 - a. The actual cost of materials; and
 - b. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.
 - ii. Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
- J. The non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims.

These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

704.7 Mandatory disclosures (200.113).

- A. The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Non-Federal entities that have received a Federal award including the term and condition outlined in appendix XII to this part are required to report certain civil, criminal, or administrative proceedings to SAM (currently FAPIIS). Failure to make required disclosures can result in any of the remedies described in § 200.339. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.)

704.8 Telecommunications (200.216).

- A. Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:
 - i. Procure or obtain;
 - ii. Extend or renew a contract to procure or obtain; or
 - iii. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115–232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
 - a. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
 - b. Telecommunications or video surveillance services provided by such entities or using such equipment.

- c. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.
- B. In implementing the prohibition under Public Law 115–232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.