Administrative Services Operational Guidelines

Guideline: Notice of Federal Interest

§1309.21 Recording of Federal interest and other protection of Federal interest.
(a) The Federal government has an interest in all real property and equipment acquired or upon which major renovations have been undertaken with grant funds for any NIC Head Start facility. In order to ensure that NIC, in accordance with all Federal regulations under 1309.21, will record all Federal interest and other protections of Federal interest.
(b) Facilities acquired with grant funds may not be mortgaged or used as collateral, or sold or otherwise transferred to another party, without the written permission of the responsible HHS official.
(c) NIC will not make use of the facility for other than the purpose for which the facility was funded, without the express written approval of the responsible HHS official.
(d) (1) When NIC receives funds to acquire or make major renovations to a facility that is or will be sited on land not owned by the college, a lease or other arrangement which protects the Federal interest in the facility and ensures the grantee’s undisturbed use and possession of the facility. When NIC receives funds for the major renovation or acquisition of a facility, on land belonging to another party, a lease will be executed for long enough to allow the Head Start program to receive the full value of those permanent grant-supported improvements.
(2) Except as required under Sec. 1309.31 for certain modular units, NIC will record the Notice of Federal Interest in the appropriate official records for the jurisdiction where a facility is or will be located immediately upon: purchasing a facility or land on which a facility is to be constructed; receiving permission to use funds to continue purchase of a facility; commencing major renovation of a facility or construction of a facility. In the case of a leased facility undergoing major renovations, the Notice of Federal Interest shall be a copy of the executed lease and all amendments. In the case of a facility now sited or to be constructed on land not owned by NIC, the Notice of Federal Interest shall be the land lease or other document protecting the Federal interest. The lease or other document must ensure the right of the grantee, NIC, to have undisturbed use and possession of the facility. In the event that filing of a lease is prohibited by State law, the grantee shall file an affidavit signed by the representatives of the grantee and the Lessor stating that the lease includes terms which protect the right of the grantee, or some other organization designated by ACF in the place of the grantee, to occupy the facility for the term of the lease.
(e) NIC will also meet all of the requirements in 45 CFR part 74 pertaining to the purchase and disposition of real property, or the use and disposal of equipment, as appropriate.