

Alaska Administrative Code

Select regulations relating to grant management and compliance for recipients of Alaska Housing Finance Corporation (AHFC) grant funds. This is an educational resource; grantees are responsible for verifying their compliance at akleg.us.

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Note: Amended language (adopted in May 2026) is bolded.

PURPOSE OF THIS DOCUMENT

This is a reference document to support grantees in developing program-specific policies and procedures. Grantees are responsible for maintaining compliance with the Alaska Administrative Code and relevant federal requirements specific to the funding source(s) and listed in grant agreements, amendments, or Notices of Funding Availability (NOFA).

Chapter 45 Grant Administration

2 AAC 45.010. AUDIT REQUIREMENTS

- a) A state agency that enters into a financial assistance agreement to provide financial assistance to an entity shall, in coordination with any other state agencies providing financial assistance to that entity, require that entity to submit to the department an audit of the recipient entity if that entity is subject to an audit under this section. The audit must be conducted and submitted as described in this section. In order to ensure compliance with this subsection, a state agency must include the audit requirements of this section in any financial assistance agreement subject to this subsection.
- b) An entity that expends financial assistance with a cumulative total of \$750,000 or more during the entity's fiscal year shall submit an audit report for the audit period to the department by:
 - 1) the earlier of
 - A. 30 days after the entity receives its audit report for the audit period; or
 - B. nine months after the end of the audit period; or
 - 2) a later date than the date calculated under (1) of this subsection, if
 - A. the state agency that provides the financial assistance agrees to the change of date; and
 - B. the agreement under (A) of this paragraph is made in
 - (i) writing; and

- (ii) advance of the date calculated under (1) of this subsection.
- c) An audit required by this section must be conducted by an independent auditor, according to the following audit standards effective at the time of review for the audit period:
 - 1) Government Auditing Standards, 2011 Revision, adopted by the comptroller general of the United States, and adopted by reference;
 - 2) generally accepted auditing standards, as accepted by the American Institute of Certified Public Accountants in the Codification of Statements on Auditing Standards, January 2016 revision for the type of entity being audited, adopted by reference;
 - 3) State of Alaska Audit Guide and Compliance Supplement for State Single Audits, May 2016 revision, prepared by the department, adopted by reference.
- d) The audit required under this section must report on the following:
the system of internal controls of the entity and the auditor's identification of significant deficiencies and material weaknesses of the entity, using the applicable standards set out in (c)

of this **ARTICLE 8. INTERNAL CONTROLS**

Grantee must establish and maintain effective internal controls that are in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States (Green Book) or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

- 1) section;
- 2) the entity's compliance with applicable state statutes and regulations and applicable financial assistance agreements affecting the expenditure of the financial assistance; the report must identify findings and known questioned costs that exceed \$5,000 in the aggregate for all transactions of expenditures tested for the financial assistance being audited;
- 3) the entity's financial statements;
- 4) the schedule of state financial assistance;
- 5) the schedule of findings and questioned costs.

- e) As part of the audit report required under this section, the entity must provide
 - 1) written comments on any
 - A. findings;
 - B. known questioned costs;
 - C. significant deficiencies, including material weaknesses; and
 - D. recommendations contained in the audit report;
 - 2) the entity's plan for corrective action, if any findings are identified or any recommendations are made in the audit report;
 - 3) the status of the entity's implementation of any plans for corrective actions related to
 - A. the audit reports required under this section for the fiscal year before the audit period; and
 - B. unresolved findings of audit reports required by this section for audit periods before those specified in (A) of this paragraph; and
 - 4) a written explanation of the reasons why corrective action will not be taken if the entity does not intend to take corrective action on the findings and recommendations in any audit report required by this section.
- f) An audit report required under this section need not evaluate the effectiveness of a program funded by financial assistance. However, a program evaluation or financial monitoring may be conducted by the state agency or requested of the entity by the state agency that entered into the financial assistance agreement.
- g) An audit required by this section must cover the entire operations of the entity.
- h) An entity shall provide the department with sufficient copies of each audit report to allow submission of a copy to each state agency providing financial assistance to the entity. The department will determine if auditing standards have been met and will forward a copy of the audit to the appropriate state agencies. The department will coordinate the assignment of the resolution to one state agency, if the exceptions concern more than one state agency.

The applicable state agency providing financial assistance to the entity must meet its responsibilities under other law for ensuring compliance with the audit report.

- i) Unless additional audit requirements are imposed by state or federal law, a state agency that provides financial assistance to an entity shall accept the audit required by this section in satisfaction of any other audit requirement. If additional audit work is necessary to meet the needs of a state agency, the audit work must be based on the audit required by this section. Nothing in this subsection authorizes a state agency to seek payment from the entity for the additional audit work.
- j) A third party that receives financial assistance through an entity, in an amount described in this section, is subject to the applicable requirements of this section. An entity that disburses \$750,000 or more in state financial assistance to a third party shall ensure that the third party complies with the requirements of this section. That entity shall also ensure that appropriate corrective action is taken within six months after a third party's noncompliance with an applicable state statute or regulation, or financial assistance agreement, is disclosed.
- k) Repealed 7/1/98.
- l) For purposes of this section, if an entity has not identified its fiscal year, that entity's fiscal year is July 1 through June 30.
- m) Financial assistance in the following form is not included when calculating whether an entity meets the threshold monetary requirement under (b) of this section:
 - 1) community revenue sharing money provided under AS 29.60.850 - 29.60.879;
 - 2) repealed 3/31/2008;
 - 3) aviation fuel tax money provided under AS 43.40.010;
 - 4) electric and telephone cooperative gross revenue tax refunds provided under AS 10.25.570;
 - 5) alcoholic beverage license fee refunds provided under AS 04.11.610;

- 6) fisheries tax refunds provided under AS 29.60.450, AS 43.75.130, and AS 43.77.060;
 - 7) PERS/TRS relief funding under money appropriated to pay employer unfunded liability attributable to the entity under AS 14.25 and AS 39.35;
 - 8) money expended for projects that are solely managed, supervised, and controlled by the Alaska Energy Authority under AS 44.83 and turned over to the grantee at the conclusion of the project.
- n) Financial assistance in a form listed in (m) of this section is not exempt from compliance testing if the entity meets the threshold monetary requirement under (b) of this section.
- o) Repealed 7/1/98.

2 AAC 45.070. APPLICABILITY

- a) The amended version of this chapter, effective April 1, 2017, applies to an audit for an audit period that begins or continues after April 1, 2017.
- b) An entity may agree to be subject to the provisions of the amended version of this chapter, effective April 1, 2017, for an audit period beginning on or after July 1, 2016 and ending on or before March 31, 2017, by voluntarily submitting
- 1) an audit that complies with those provisions; or
 - 2) a statement that an audit is not required under the provisions of 2 AAC 45.010(b).

2 AAC 45.080. EXEMPTIONS FROM FINANCIAL ASSISTANCE

- a) For purposes of this chapter, "financial assistance" does not include the following:
- 1) public assistance provided under AS 47;
 - 2) goods or services purchased for the direct administration or operation of state government;
 - 3) moneys advanced to an entity under one or more state loan programs;
 - 4) power cost equalization payments made to an electric cooperative on behalf of its customers;

- 5) scholarships, loans, or other tuition aid provided to students, but paid to an education institution on their behalf.
- b) In addition to the exemptions set out in (a) of this section, for a third party, "financial assistance" does not include goods purchased from the third party for direct administration or operation of the entity that received financial assistance.

2 AAC 45.085. WAIVER OF AUDIT REQUIREMENTS

- a) No later than 30 days after the due date of an entity's audit, the entity may submit a written request to the commissioner under this section for a waiver of the requirements for an audit under 2 AAC 45.010 for good cause.
- b) A written request submitted under this section must state the reasons for the request for waiver and good cause. Good cause exists under this section if
 - 1) the financial assistance expended by the entity was under close state agency management and supervision;
 - 2) an audit will not likely promote the public interest because
 - A. the audit will be duplicative of existing audited information;
 - B. an alternative source of externally verified information from an independent source provides sufficient assurance that the financial assistance was expended properly.
- c) For the purposes of this section, an entity's lack of funding to purchase an audit is not good cause for waiver of an audit under this section.
- d) No later than 30 days after receiving a written request for a waiver under this section, the commissioner will issue a written decision regarding the request for waiver. The written decision will document the basis for any grant or denial of waiver under this section. The commissioner's decision will be mailed or delivered to the entity and will constitute the final administrative decision on the request.
- e) In this section, "commissioner" means the commissioner of administration.

2 AAC 45.090. DEFINITIONS

For purposes of this chapter, unless the context otherwise requires,

- 1) "audit period" means the entity's fiscal year in which the entity expended financial assistance;
- 2) "entity" does not include
 - A. the University of Alaska or any other state agency;
 - B. a for-profit entity; and
 - C. a non United States based entity;
- 3) "financial assistance" means state grants, contracts, provider agreements, cooperative agreements, and all forms of state financial assistance to an entity; "financial assistance" includes all forms of state financial assistance provided through an entity to a third party;
- 4) "known questioned costs" means those questioned costs specifically identified by the auditor in the audit conducted under this chapter;
- 5) repealed 3/31/2008;
- 6) "department" means the Department of Administration;
- 7) "significant deficiencies" has the meaning given in the Codification of Statements on Auditing Standards adopted by reference in 2 AAC 45.010(c).

Article 1. Provisions Applicable to All Grant Programs

15 AAC 154.400. HOMELESS ASSISTANCE PROGRAM (HAP)

- a) The Corporation may assist municipalities, regional housing authorities, non-profit corporations and partnerships or joint ventures of any of the foregoing to meet the housing and supportive service needs of homeless and near-homeless persons.
- b) Repealed 10/20/2009.
- c) The Corporation may participate in the development of buildings or units that, by their use, address homelessness but that, by their operation, appear nonresidential in nature.
- d) The Corporation may provide financial assistance to prevent homelessness, including but not limited to prevention of foreclosures and evictions.
- e) The Corporation may provide financial assistance to support housing retention services or facilitate transition from dependency on low-cost housing.

- f) The Corporation may participate with appropriate sponsoring agencies or groups in demonstration housing projects that address homelessness.
- g) The Corporation may support planning, coordination and evaluation activities that improve the delivery of homeless services and programs.

15 AAC 154.010. PUBLIC NOTICE OF AVAILABILITY OF FUNDS

The Corporation will publish notice of the availability of funds for a minimum of ten calendar days before awarding a grant under this chapter or under **an applicable program** described in 15 AAC 154.900, the Corporation will publish notice of the availability of money for the grant. History: Eff. 5/7/93, Register 130; am 5/14/97, Register 142

15 AAC 154.020. CESSATION OF GRANTS

The Corporation has the ability to temporarily or permanently, **at its discretion**, cease **grants and funding** under any of the programs established in this chapter or described in 15 AAC 154.900 and the ability to temporarily or permanently suspend grants to particular grant recipients under any of those programs. The Corporation will, **at its discretion**, include a provision to the effect stated in this section in the grant agreement or other document it enters into in connection with a grant program. History: Eff. 5/7/93, Register 130

15 AAC 154.030. MISSTATEMENTS

If the Corporation determines that a grant recipient under any of the programs established in this chapter or described in 15 AAC 154.900 has made a material misstatement relating to that grant recipient's application for or administration of a grant, the Corporation will, **at its discretion**, require the grant recipient to repay the grant to the Corporation, together with accrued interest on the amount of the grant calculated at the highest permissible rate allowed by law from the date of issuance of the grant check by the Corporation, and determine that the grant recipient is ineligible for further grants from the Corporation. The Corporation will, **at its**

discretion, include a provision to the effect stated in this section in the grant contract or other document it enters into in connection with a grant program. History: Eff. 5/7/93, Register 130

15 AAC 154.040. GRANT AGREEMENTS

Before awarding a grant under this chapter or under **an applicable program** described in 15 AAC 154.900, the Corporation will enter into a grant agreement with the recipient of the grant.

The grant agreement **must** include, but is not limited to, the following:

- 1) a statement of the intended use of the grant funds, specifying how the funds will be used in connection with the purposes of the particular grant program;
- 2) a budget description in detail appropriate to the scope of the project;
- 3) a timetable listing the steps considered necessary for the timely completion of the project and listing the schedule for the payment of grant funding;
- 4) a provision for the administration of the grant money according to generally accepted accounting **principles**, for regular periodic reporting to the Corporation of grant-sponsored activities, and for the disposition of funds in accordance with intended use;
- 5) a provision for the cessation of grant payments if the Corporation determines that the applicant is not using grant money for its intended purposes or is not proceeding satisfactorily with the development of the project;
- 6) a provision acknowledging that all interest earned on grant funds remains the property of the Corporation and that all such interest will be remitted to the Corporation upon completion of the final project **closeout**;
- 7) a statement acknowledging that the **grant recipient**, and not the Corporation, is **responsible** for obtaining necessary licenses and permits, **if required**, for ensuring that all aspects of the project comply with all applicable laws, regulations, ordinances, and codes, and for all costs of the project in excess of the amount of approved grants; and
- 8) a promise to defend and hold harmless, and to require all contractors and subcontractors to hold harmless, the Corporation from any action arising from its alleged failure to award a grant under the applicable program. History: Eff. 5/7/93, Register 130

15 AAC 154.050. APPLICATION

- a) The executive director **or their designee** will establish selection criteria and a selection procedure which will be detailed in the instructions to a grant application.
- b) A grant application shall be on forms prescribed by the Corporation and shall include:
 - 1) a resolution of the applicant's governing body authorizing the grant request, or if the applicant is a municipality, the signature of a municipal official with authority to apply for the grant;
 - 2) documentation of need for the grant project in the area being served;
 - 3) a budget and schedule to accomplish the purposes of the grant, including a
 - 4) Cost Allocation Plan for a grantee subject to 15 AAC 154.776 and
 - 5) other information required by the Corporation. History: Eff. 5/7/93, Register 130; am 6/11/96, Register 139

15 AAC 154.060. APPEALS

The Corporation will send a notice of tentative award for all grants to all grant applicants. **A grant applicant** may protest the tentative award selections under 15 AAC 150.220 and may appeal the decision of the Corporation as provided in 15 AAC 150.220. History: Eff. 5/7/93, Register 130 Authority: AS 18.56.088

15 AAC 154.070. TITLE TO PROJECT

In connection with a grant under this chapter or under **an applicable program** described in 15 AAC 154.900, the Corporation **may require** that a deed restriction on the title to the land benefited by the grant be recorded requiring approval from the Corporation for sale or transfer of the title to the land and requiring that the property be used for the purposes of the grant. The Corporation may restrict sale or transfer of title to an entity eligible for the grant. **Any restrictions on sale or transfer of title must comply with applicable federal regulations regarding the use and disposition of real property acquired with federal funds.** History: Eff. 5/7/93, Register 130

15 AAC 154.080. COMPLIANCE WITH FEDERAL GRANT REQUIREMENT

If the Corporation awards a grant under this chapter or under **an applicable program** described in 15 AAC 154.900 and all or part of the funding for the grant is derived from the federal government, the Corporation will comply with applicable regulations, law, or other guidelines related to the federal grant program. To the extent that the applicable regulations, laws, or other guidelines related to the federal grant program **are more restrictive than the Corporation's regulations** relating to the grant, the federal regulations, laws, or other guidelines shall control. History: Eff. 5/7/93, Register 130

15 AAC 154.090. APPLICABILITY OF BUILDING ENERGY EFFICIENCY STANDARD AND MINIMUM CONSTRUCTION STANDARDS TO GRANT PROGRAMS

Any grant award for new construction of residential housing, funded from programs administered under 15 AAC 154.010 - 15 AAC 154.910, **the minimum construction standards established in 15 AAC 150.035 and building energy efficiency standard established in 15 AAC 155.010 unless the Corporation in its discretion provides the grantee written approval exempting compliance. Verification of compliance with those standards must be conducted by an individual authorized by the Corporation.** History: Eff. 6/18/2008, Register 187

Authority: AS 18.56.088

Article 7. Grant Management

15 AAC 154.700. SCOPE OF 15 AAC 154.700 - 154.835.

Except as provided in 15 AAC 154.705, 15 AAC 154.700 - 15 AAC 154.835 apply to all corporation grants. (Eff. 6/11/96, Register 139)

Authority: AS 18.56.088 AS 18.55.100

15 AAC 154.705 LIMITATION

- a) If a state or federal regulation or law addresses a particular grant program and is inconsistent with a provision of 15 AAC 154.700 - 15 AAC 154.835, the state or federal regulation or law applies to that grant program in place of the inconsistent provision.
- b) If the Corporation receives funding for a grant program from a **Foundation** or other **entity**, the Corporation may agree to terms which require grantees receiving the funds from the **Foundation** or other **entity** to comply with requirements that are inconsistent with a provision of 15 AAC 154.700 - 15 AAC 154.835.

15 AAC 154.710 GRANTEE ADMINISTRATIVE POLICIES

- (a) A grantee shall have written policies relating to employee salaries and overtime, employee leave, use of consultants and consultant fees, training, conflict of interest and such other matters as the grantee determines or as the Corporation directs. The grantee shall apply these policies consistently in the administration of the grant project without regard to the source of the money used for the purposes to which the policies relate. The Corporation may review the policies to assure compliance with applicable program requirements.
- (b) A grantee which is a nonprofit corporation must establish and adhere to a written policy stating that an employee of the grantee may not be a member of the grantee's governing board.

15 AAC 154.715 PURCHASING POLICIES AND PROCEDURES

A grantee shall establish written uniform purchasing **policies and procedures** for the procurement of goods and services. The **policies** and procedures must be acceptable to the Corporation. Unless other purchasing requirements are made applicable by 15AAC 154.705, the practices and procedures shall provide that:

- 1) **the grantee shall require three competitive price quotations from potential suppliers and complete a cost price analysis, if practicable under the circumstances, for**
 - a) **purchases of non-expendable personal property with an aggregate value greater than the federal micro-purchase threshold as defined in 48 CFR § 2.1;**
 - or
 - b) **the award of a contract with an aggregate value greater than the federal micro-purchase threshold but less than the federal simplified acquisition threshold as defined in 48 CFR § 2.1;**

The Corporation retains authority to determine what is practicable under the circumstances. For the award of contracts in aggregate that exceed the federal simplified acquisition threshold amount, the grantee shall follow the requirements of 2 CFR § 200.320;

- 2) awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the grantee, price, quality and other relevant factors considered;
- 3) the grantee **must** retain written records of price quotations and cost price analysis in accordance with 15 AAC 154.730 and **must** include in the written records:
 - a) specifications;
 - b) suppliers' names and addresses and a statement of the reason for soliciting less than three quotations if applicable;
 - c) the prices quoted; and
 - d) the basis for the award if other than price.
- 4) the grantee **shall** retain written justification **demonstrating compliance with the specific criteria for noncompetitive procurement in 2 C.F.R 200.320(c)** and

executive management approval for sole source purchases from supplier or contractor with an aggregate value of the federal micro-purchase threshold or more.

15 AAC 154.720 FINANCIAL MANAGEMENT AND ACCOUNTING

- a) The grantee shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles and complies with any applicable federal requirements. The grantee shall establish written financial management and accounting policies and procedures. The grantee shall maintain the financial records and accounts in a manner which permits them to be audited. The records **must** include information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, income and expenses. The grantee shall keep such other financial and accounting records as the Corporation may direct. The grantee shall deposit grant funds in a bank account maintained for the grantee's business purposes. Grant funds may not be commingled with the personal funds of any officer, director or employee of the grantee.
- b) If the grantee has made a grant to a sub-grantee, the grantee shall maintain and require the sub-grantee to maintain appropriate systems, **policies and procedures** and documentation to assure compliance with respect to sub-grantee audits. The grantee **shall** take appropriate action to **ensure** that any required sub-grantee audits are completed.

15 AAC 154.725 PROPERTY MANAGEMENT

- a) If the grantee acquires an interest in real property with money received from the grant, the grantee must negotiate terms with the Corporation regarding ownership interests, property maintenance and property disposition.
- b) Before the grantee may use money received from a grant to purchase non-expendable personal property, the acquisition cost of the property must be included in the budget, or in an amendment to the budget, of the grant project approved by the Corporation. In this subsection, "acquisition cost" means:
 - 1) the cost of the non-expendable personal property and the cost of necessary accessories; and

- 2) ancillary charges, such as duty, taxes, transportation, protective in-transit insurance, and installation fees if the inclusion of those charges is in accordance with the grantee's regular accounting practices.
- c) Title to property purchased under (b) of this section vests in the grantee upon acquisition subject to the right of the Corporation to transfer title to the property to the Corporation or to another person or legal entity if:
 - 1) the Corporation **does** not waive its right to transfer title to property under this subsection under the terms of the grant;
 - 2) the grantee no longer has need for the property in the grant project for which it was acquired, or the grant project or that part of the grant project for which the property was acquired is being transferred to another grantee;
 - 3) no later than **120 calendar days** after the completion or termination of the grant or **120 calendar days** after the date of an appeal decision under 15 AAC 154.825, if applicable, whichever is later, the Corporation provides written notice to the grantee of its intent to transfer the property; and
 - 4) the Corporation reimburses the grantee for the property in accordance with (d) of this section.
- d) The Corporation will **calculate** the amount of reimbursement under (c)(4) of this section by applying the percentage of the total cost of the grant project contributed to the grant project by the grantee for the budget period in which the property was acquired to the current fair market value of the property. The Corporation will also reimburse the grantee for reasonable shipping and storage costs incurred in connection with the transfer of the property.
- e) Except when the Corporation has exercised the right to transfer title under (c) of this section, a grantee shall retain property purchased under (b) of this section in the grant project as long as the property is needed for successful accomplishment of an objective of the grant project. During that time, the grantee shall make the property available for use in other activities conducted by the grantee with financial assistance from the state as long as this use does not interfere with the grant project. Among the other activities, the grantee **shall** give priority to the use of the property in an activity receiving financial assistance from the Corporation.

- f) If the grantee no longer needs property purchased under (b) of this section in the grant project, the grantee may retain the property if the grantee compensates the Corporation. The Corporation will **calculate** the amount of compensation by applying the percentage of the total cost of the grant project contributed to the grant project by the Corporation for the budget period in which the property was acquired to the current fair market value of the property. If the grantee does not wish to retain the property, the grantee shall request disposition instructions from the Corporation. The Corporation may instruct the grantee to:
- 1) ship the property elsewhere; or
 - 2) sell the property in accordance with procedures specified by the Corporation.
- g) The Corporation will reimburse the grantee for a disposition of property under (f)(1) of this section in an amount determined in accordance with (d) of this section.
- h) The grantee shall reimburse the Corporation for a disposition of property under (f)(2) of this section in an amount determined in accordance with the procedure described in (f) of this section for the retention of property by a grantee. However, the grantee may deduct from the amount of compensation \$100 or 10 percent of the proceeds of the sale, whichever is greater.
- i) A grantee shall maintain written, accurate property records as well as effective inventory, control, and maintenance procedures for non-expendable personal property. These records shall include the following information:
- 1) a description of the property and the manufacturer's serial number or other identification number;
 - 2) the grant program under which the property was acquired;
 - 3) the acquisition date and cost of the property;
 - 4) the percentage of the total cost of the grant project contributed to the grant project by the Corporation for the budget period in which the property was acquired;
 - 5) the location, use and condition of the property, and the date on which that information was recorded; and
 - 6) the disposition of the property, including the date of its disposal and its sales price or the method used to determine its current fair market value.

- j) A grantee shall take an inventory of non-expendable personal property of the grant project and must reconcile the results of the inventory with the property records maintained under (i) of this section at the end of the grant period to verify the existence, current use, and continued need for the property.
- k) A grantee shall maintain a control system to **ensure** adequate safeguards to prevent loss, damage or theft of non-expendable personal property of the grant project. A grantee shall provide for the investigation and full documentation of a loss, damage or theft of non-expendable personal property of the grant project.
- l) **Property acquired with federal funds must be managed in accordance with 2 CFR §§ 200.310 through 200.316.**

15 AAC 154.730 RECORDS MANAGEMENT

- a) All program records relating to the grant project are the sole property of the Corporation. A grantee shall permit **authorized representatives** of the Corporation to examine and make copies of all program records related to the grant at any time during regular business hours upon 24 hours notice. Upon the Corporation's written request, a grantee shall immediately deliver the original version of all program records to the Corporation. The delivery of program records to the Corporation shall be at the grantee's expense and the grantee may not condition in any manner whatsoever the delivery of program records. Any records that grantee has retained on microfilm or otherwise condensed must be reproduced promptly, at no cost, upon the Corporation's written request.
- b) The grantee shall permit any representative of the Corporation to examine and make copies of all administrative records related to the grant at any time during regular business hours upon **24 hour** notice. A grantee's financial, accounting and banking records are related to the grant if they document in any way the receipt, deposit, expenditure or accounting of any grant funds. A grantee's employee personnel records are related to the grant if the employee at issue was paid in whole or in part with grant funds during the term of the grant agreement. A grantee may not condition in any manner whatsoever the Corporation's right to examine and copy administrative records related to the grant.

- c) The grantee and a subcontractor of a grantee under 15 AAC 154.745 shall retain grant and subcontract records, including records of the receipt and disposition of grant income, for a period of three years, subject to the following:
 - 1) the grantee or the subcontractor shall retain the records as long as an audit is in progress or as long as audit findings, litigation, or claims involving the records are pending;
 - 2) the grantee or the subcontractor shall retain records for non-expendable personal property of the grant project for three years after the final disposition of or appropriate reimbursement for that property to the Corporation; and
 - 3) the retention period for each year's records begins at the date of submission to the Corporation of the grantee's or subcontractor's annual or final financial status report or its equivalent;
- d) The provisions of (c) of this section do not apply to records transferred to or maintained by the Corporation. The Corporation may request a transfer of the records described in (a) of this section to the custody of the Corporation at any time during the retention period established in (c) of this section if the Corporation determines that it is in the best interests of the Corporation. The Corporation may make arrangements with the grantee to retain records that are continually needed for joint access.
- e) **The grantee must follow records management requirements as specified in 2CFR § 200.334 when awarded a grant with federal funds.**

15 AAC 154.735 REPORT REQUIREMENTS

A grantee shall submit to the Corporation, on forms specified by the Corporation, grant project performance reports and financial reports. The grantee shall submit the reports in accordance with the grant agreement or in accordance with written instructions **and data security protocols that are delivered** to the grantee by the Corporation. If the grantee fails to submit complete, **secure, and** timely reports, the Corporation may withhold payment under 15 AAC 154.780.

15 AAC 154.740 AUDIT REQUIREMENTS

- a) The grantee shall comply with the audit requirements established by 02 AAC 45.010, and by any applicable federal requirements. The grantee shall provide the Corporation with a copy of any audit report conducted of the grantee's expenditure of grant funds within **30 calendar days** of its receipt by the grantee. The Corporation may establish additional audit requirements.
- b) A subcontractor under 15 AAC 154.745 must provide the grantee or its representative with reasonable access to **financial records, documents, and any other information requested by the Corporation** of the subcontractor if the grantee determines that access to this information is necessary for the purposes of an audit.
- c) A grantee subject to a **Cost Allocation Plan** under 15 AAC 154.776 shall also provide the Corporation with a copy of any audit report conducted of the grantee's expenditure of grant funds from other sources.

15 AAC 154.745 ASSIGNABILITY AND SUBCONTRACTING

- a) The grantee may not assign or delegate the grant agreement or any part of it, or any right to monies paid under the grant agreement without the written approval of the Corporation. Grant monies may not be used to directly or indirectly employ, award contracts to, or otherwise engage the services of any contractor federally debarred, suspended or placed on ineligibility status.
- b) The grantee may enter into a subcontract for the performance of an activity required by the grant only if:
 - 1) the grantee remains administratively and financially responsible for the activity and is responsible for the performance of the subcontractor;
 - 2) the subcontractor agrees that the Corporation's approval of the subcontract shall not create any contractual relationship between the subcontractor and the Corporation;
 - 3) the subcontractor is authorized to do business in the state and has obtained any necessary bonding required by the Corporation or applicable federal regulations;

- 4) the subcontractor agrees to perform in accordance with all applicable grant provisions and agrees to permit the grantee reasonable access to its records for the purposes of 15 AAC 154.740;
- 5) the subcontract includes a provision under which the subcontractor indemnifies the Corporation against all damages or claims for damages arising out of the subcontractor's activities under its contract with the grantee; and
- 6) the grantee obtains Corporation approval before entering into the subcontract; **and**
- 7) **the subcontractor agrees to the Corporation's information security and storage policies applicable to the funded activities.**

15 AAC 154.750 COMPLIANCE WITH APPLICABLE LAWS

- a) The grantee shall perform the grant project in accordance with all applicable laws and regulations. The grantee must obtain any federal, state or municipal permit required for the performance of the grant project. The grantee must have a current Alaska business license if it is required by AS 43.70.020.
- b) The grantee shall comply with all federal, state or municipal laws providing for public notice of grant project activities and shall maintain a record of such compliance.
- c) The grantee shall comply fully with 42 U.S.C. 2000d and 29 U.S.C. 794, and any Corporation policy or procedure for the implementation of those laws.
- d) The grantee shall comply with any procedures required by the Corporation for processing complaints alleging discrimination **prohibited by applicable federal, state, or local anti-discrimination laws regarding protected classes**
- e) **The grantee must comply with all applicable provisions of 2 CFR § 200 regarding cost principles and allowability of costs when awarded a grant funded in whole or in part with federal funds.**

15 AAC 154.755 EQUAL OPPORTUNITY

- a) The benefits of the grant project shall be made available to all qualified persons without regard to **any status protected by applicable federal, state, or local anti-discrimination laws regarding protected classes.**

- b) The grantee may not discriminate against any employee or applicant for employment because of **any status protected by applicable federal, state, or local anti-discrimination laws regarding protected classes** The grantee shall post in conspicuous places, accessible to employees and applicants for employment, at the location of the grantee's grant project, notices setting out the provisions of AS 18.80.220.
- c) The grantee shall state, in solicitations or advertisements for employees to work on a grant project, that the grantee is an equal opportunity employer and that all qualified applicants will be considered for employment without regard to **any status protected by applicable federal, state, or local anti-discrimination laws regarding protected classes**.
- d) The grantee shall send to each labor union or representative of workers with which the grantee has a collective bargaining agreement or other contract or understanding, a notice advising the labor union or workers' representative of the grantee's commitments to equal employment opportunity and shall post copies of the notice in conspicuous places accessible to employees and applicants for employment, at the location of the grantee's grant project.
- e) The grantee shall include the requirements of this section in the grantee's contracts and shall require compliance with these provisions in contracts entered into by its subcontractors.
- f) The grantee shall promptly comply with the directives of any state agency having jurisdiction over compliance with federal or state laws and regulations relating to the prevention of discriminatory employment practices.

15 AAC 154.760 CONFIDENTIALITY

In a grant program for which a federal or state law or regulation requires confidentiality, the grantee **shall** establish procedures for preserving that confidentiality before the Corporation awards the grant. The Corporation will include the procedures as part of the terms of the grant.

15 AAC 154.765 PROGRAM REVISIONS

- a) Before changing the scope of work of a grant project from the terms of the grant award, a grantee must submit the proposed changes in writing to the Corporation for approval. The

Corporation will notify the grantee of its decision within 30 **calendar** days after receipt of the proposed changes.

- b) To change the beginning or ending date of a grant period, a grantee must submit to the Corporation for approval a written request for the change. A request to change the ending date of a grant must be submitted at least 30 **calendar** days before the ending date of the grant. A request to change the ending date of a grant submitted within 30 **calendar** days before the ending date of the grant will be considered only upon a showing by the grantee of **good cause, as determined by the Corporation, for** the delay in submitting the request. The grantee may not use grant money to pay an expense incurred before the beginning date or after the ending date of the grant period unless payment of the expense is authorized under the terms of the grant and is authorized in writing by the Corporation.
- c) If the project director of a grant project relinquishes or expects to relinquish active direction of the grant project, the grantee shall immediately notify the Corporation in writing. The Corporation may require the grantee to obtain the Corporation's approval of the project director's replacement. If the project director anticipates a temporary absence exceeding three months, the grantee shall notify the Corporation of the anticipated absence at least 30 **calendar** days before the director's departure. The Corporation may require the grantee to obtain the Corporation's approval of the absence. If the approval of the grant was based, in whole or in part, on the qualifications of the individual program director, the Corporation may terminate the grant if the Corporation disapproves a replacement or an absence under this subsection.

15 AAC 154.770 BUDGET REVISIONS

- a) Subject to (b) of this section, a grantee may reallocate money between budget categories within the total budget of the grant project to meet unanticipated expenditures necessary to the successful continuation or completion of the grant project, if the expenditures are authorized under the terms of the grant. Budget revisions may not be used to increase any budget category for project administrative expenses without the approval of the Corporation.
- b) The grantee must:

- 1) receive approval from the Corporation before reallocating an amount under (a) if the reallocation will result in the total amount of reallocations under (a) exceeding 10% of the amount of the grant or **\$50,000**, whichever is less, or such other amount as may be set out in the grant agreement, during the term of the grant agreement; and
- 2) notify the Corporation within 30 **calendar** days after reallocating an amount not subject to (1) of this subsection.

15 AAC 154.775 COSTS

- a) A grantee shall not earn a profit on **the Corporation** grant. A grantee may use money received from a grant only to pay a cost described in this section. A grantee may make a payment under this section only:
 - 1) in accordance with the limitations established in this section;
 - 2) if the Corporation determines that payment of the cost is necessary for the accomplishment of the objectives of the grant project; and
 - 3) if the cost is reflected in the budget of the grant project.
- b) A grantee may pay the following costs under (a) of this section:
 - 1) telephone, postage, telegram and other communication costs;
 - 2) the cost of insurance premiums, including but not limited to insurance premiums for employee health, hazard, malpractice, and other liability insurance coverage for personnel, vehicles, and activities of the grant project;
 - 3) registration fees for symposiums and seminars;
 - 4) membership dues in professional organizations;
 - 5) tuition and related costs for training an employee if the grantee obtains approval from the Corporation for the grantee's written training plan;
 - 6) the cost of providing training services for persons other than employees;
 - 7) bonding costs;
 - 8) equipment purchase costs subject to 15 AAC 154.715 and 15 AAC 154.725.
 - 9) equipment maintenance and repair costs;
 - 10) the cost of transporting equipment from one grantee to another;
 - 11) **the cost of supplies and materials**; and

- 12) the cost of an audit if the scope of the audit is defined in accordance with appropriate federal or state law or regulations.
- c) A grantee may pay for fees, transportation expenses, **lodging, and other travel related expenses** of consultants under (a) of this section. However, a grantee may not pay these costs under (a) of this section to any employee of the grantee if it **results** in double compensation to the employee or to the grantee for services or hours provided by the employee. Before paying a cost under this subsection, the grantee must establish written policies which provide, at a minimum, that:
- 1) the consultant's services must be essential to the grant project and cannot be provided by a person whose salary is paid, in whole or in part, with money from the grantee's grant;
 - 2) the grantee **shall** establish and use a selection process to secure the most qualified consultant available;
 - 3) the selection of the consultant will be approved by a senior officer employed by the grantee; and
 - 4) the consultant's fee must be appropriate considering the qualifications of the consultant, the consultant's normal fees, and the nature of the services rendered by the consultant.
- d) A grantee may pay for travel expenses under (a) of this section. If the grantee has a written travel policy that is more restrictive than this subsection, the grantee may pay no more for the travel expenses under (a) of this section than the amount that is allowed under that policy. For air travel, the expenses paid under (a) of this section may not include first-class seating or travel on a carrier other than a United States carrier unless no other form of air travel is available. For travel outside of the state of Alaska, the grantee must obtain the prior approval of the Corporation. A grantee may pay for travel expenses under (a) of this section only to the extent that the travel expenses do not **exceed the basic reimbursement for travel expenses and the basic lodging and meal allowances allowed under the Corporation travel policies that are in effect at the time that the Corporation awards the grant.**
- e) A grantee may pay tax expenses under (a) of this section. However, these expenses may not include taxes from which the grantee is exempt.

- f) A grantee may pay the following costs under (a) of this section only after receiving approval from the Corporation for the cost:
- 1) the cost of advertising and public-awareness activities **in accordance with the grant agreement**;
 - 2) the cost of legal services;
 - 3) salaries, wages, overtime, and fringe benefits paid to employees of the grant project, subject to (g)-(h) of this section;
 - 4) the cost of rental or lease of facilities and equipment;
 - 5) the cost of altering or renovating a building for the grantee's use if:
 - (A) the building has a usable life consistent with the objectives of the grant project, is architecturally suitable for conversion, and conforms with federal law and regulations governing access by the physically handicapped;
 - (B) the space involved will actually be occupied by the grant project or part of the grant project; and
 - (C) the grantee secures a lease for the grant period if the grantee does not own the building;
 - 6) the cost of acquiring or constructing a building.
- g) A payment under (f)(3) of this section may include payment for leave accumulated by an employee during the period of the grant in accordance with the written employee-leave policy established by the grantee under 15 AAC 154.710.
- h) A grantee may, under (a) of this section, pay for costs other than those described in (a)-(h) of this section only after receiving approval in writing from the Corporation prior to incurring the cost.

15 AAC 154.776 COST ALLOCATION PLAN

- a) A grantee that is the recipient of other grants or has income from other sources must submit to the Corporation a cost allocation plan which fairly allocates shared costs between the grant project and non-grant activities, **unless an alternative to the Cost Allocation Plan is specified in the grant agreement**.
- b) The Cost Allocation Plan shall provide for the allocation of all general administrative and overhead expenses between the grant project and non-grant activities. However, the

allocation may not result in payments to the grantee from all funding sources which exceed the amount owed for such expenses. Costs which can be directly attributed to non- grant activities **may not be charged** against the grant.

- c) If an employee of a grantee performs duties under the grant project and duties which are not under the grant project, the grantee shall determine the amount of a payment under 15 AAC 154.775(f)(3) on the basis of the amount of time spent by the employee in performing the duties under the grant project. If the employee concurrently performs the same duty for the grant project and for activities which are not part of the grant project or for a grant project funded by two or more funding sources, the grantee must allocate payments to the employee under 15 AAC 154.775 (f)(3) according to a cost allocation plan approved by the Corporation. However, the allocation may not result in payments to the grantee from all funding sources which exceed the amount owed to the employee. A grantee not allocating an employee's time under a cost allocation plan, must keep accurate records reflecting the actual amount of time the employee spends on the grant project and non-grant activities.
- d) The Corporation will, **at its discretion**, monitor the non-grant activities of a grantee under 15 AAC 154.805 for purposes of determining whether a proposed cost allocation plan or costs submitted to the Corporation fairly allocate shared expenses or employee costs between the grant project and non-grant activities.

15 AAC 154.780 PAYMENT

- a) Subject to 15 AAC 154.735, the Corporation will, **at its discretion**, make payments to a grantee under a grant by **weekly, monthly, or quarterly** advances or reimbursements. To receive a payment under this section, the grantee must submit to the Corporation a payment request made on a form provided by the Corporation.
- b) A grantee shall reimburse the Corporation for a payment made to the grantee to the extent that the grantee does not expend or encumber the payment before the end of the grant period. A grantee shall notify the Corporation in writing no later than **30 calendar days** after the end of the grant period of an outstanding encumbrance of a payment made under (a) of this section.

15 AAC 154.785 RECOVERY OF FUNDS BY THE CORPORATION

The grantee shall repay to the Corporation any costs determined not to be allowable as a result of any findings or questioned costs identified in the audits required by 15 AAC 154.740 or as a result of any grant monitoring activities of the Corporation under 15 AAC 154.805. **unless an alternative repayment plan has been approved by the Corporation.** Repayment by the grantee of grant funds under this recovery provision shall occur within **30 calendar days** of demand.

15 AAC 154.790 REDUCTIONS IN FUNDING

If funding from any state, federal, or other source which funds the grant is withdrawn, reduced, or limited in any way during the term of the grant agreement, the Corporation may immediately terminate the grant agreement or reduce the funding level of the grant to a level consistent with any new funding limitations.

15 AAC 154.795 GRANT INCOME

- a) A grantee shall report grant income to the Corporation on a form **specified** by the Corporation.
- b) Subject to (c)-(f) of this section, a grantee shall use grant income, including the grantee's share of proceeds from the sale of assets of the grant project, to further the objectives of the grant project, including, but not limited to, uses which will
 - 1) increase the number of persons served by the grant project;
 - 2) increase the services provided by the grant project;
 - 3) improve the quality of the services provided by the grant project;
 - 4) establish a reserve fund for use in off-setting underestimates of financing needs for the grant project;
 - 5) improve the capabilities of the grant project to generate reimbursement for services from a source other than the Corporation or the clients of the grant project;
 - 6) satisfy requirements under the grant program for matching contributions from the grantee.

- c) The grantee must expend grant income in the grant period in which it is earned. A grantee may use grant income only:
 - 1) as specified in the terms of the grant; and
 - 2) with approval from the Corporation.
- d) The provisions of (b) and (c) of this section do not apply to a grantee if, in the grantee's application for the grant, the grantee reduced the total anticipated cost of the grant project by the anticipated grant income to be received during the grant period and used the remaining net anticipated cost of the grant project to determine the amount of the grant required to operate the grant project. However, to the extent that actual grant income during the grant period exceeds the anticipated grant income, the provisions of (b) and (c) of this section apply to the grantee.
- e) All grant income shall be paid over to the Corporation unless otherwise provided for in the grant agreement.
- f) The grantee may not use grant income for purposes prohibited by 15 AAC 154.800.

15 AAC 154.800 PROHIBITED ACTIVITIES

- a) No board member, officer, or employee of the grantee shall have any personal or financial interest in any contract or subcontract for work to be performed in connection with the activities assisted under the grant agreement.
- b) No member of the grantee shall have any personal or financial interest in any contract or subcontract for work to be performed in connection with the activities assisted under the grant agreement which provides such person with an excess benefit. For purposes of this section, "excess benefit" means any economic benefit provided to the named persons in consideration of work performed or to be performed by such person under any grant, contract or subcontract funded in whole or in part by the grant which exceeds the reasonable fair market value of work performed, as determined by a competitive process or by a qualified independent third party.
- c) No member of the governing body of the jurisdiction in which the project is undertaken or located and no other official of such locality or localities who exercises any functions or responsibilities with respect to the project during his or her tenure shall have any personal or

financial interest in any contract or subcontract for work to be performed in connection with the activities assisted under the grant agreement.

- d) No grant funds shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or to influence the approval or defeat of any ballot issue or to lobby any state agency or member or employee of the legislature.
- e) No grant funds may be used by or on behalf of the grantee to influence or attempt to influence an officer or employee of any federal agency, a member of Congress, or an employee of a member of Congress or in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.
- f) No grant funds may be used for payment of any bonus or commission for the purpose of obtaining approval or concurrence under the grant agreement provided, however, that reasonable fees of a bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as grant project costs.
- g) The grantee shall include in all subcontracts a provision prohibiting the expenditure of grant funds for purposes prohibited by subsections (a)-(e) and shall require certification by such subcontractors of compliance with those provisions.

15 AAC 154.805 MONITORING AND EVALUATION

- a) The Corporation may monitor and evaluate the programmatic, **administrative**, or financial performance and progress of the grant project whenever it is determined to be in the best interest of the Corporation.
- b) The Corporation may enter into a contract to provide for monitoring and evaluation of grantees under (a) of this section.

15 AAC 154.810 GRANT CLOSE OUT

Within 90 calendar days after the completion of **grant** activities, all financial, performance, and other reports as required by the terms and conditions of the grant agreement shall be submitted

by the grantee. The Corporation may approve extensions, for good cause, when requested by the recipient. The Corporation will close out a grant if it determines that the following conditions have been met:

- 1) the grantee has submitted all required performance reports, however, a grantee's failure to submit a report will not preclude the Corporation from closing out a grant if it is determined to be in the Corporation's best interest;
- 2) the grantee has submitted a final expenditure report and certified that all outstanding grant costs have been paid;
- 3) the grantee has certified that all subcontracts have been completed;
- 4) excess grant funds or grant income has been returned to the Corporation; and
- 5) the Corporation has determined that it has no further interest in keeping the grant open.

15 AAC 154.815 SUSPENSION

If a grantee fails to comply with the terms of a grant or of 15 AAC 154.700 - 154.835, the Corporation may, after providing the grantee with written notice of the failure to comply, suspend the grant. A grantee may not use grant money to pay an obligation incurred during the period of the suspension; however, the grantee may pay an obligation incurred before the period of suspension, if the grantee obtains the approval of the Corporation and if payment of the obligation would otherwise be allowed under this chapter or under the terms of the grant. A suspension under this subsection remains in effect until the grantee takes corrective action and provides proof of the corrective action satisfactory to the Corporation, until the grantee successfully appeals the suspension, or until the Corporation or grantee terminates the grant.

15 AAC 154.820 TERMINATION

- a) The Corporation may terminate a grant, in whole or in part, at any time before the end of the grant period with the consent of the grantee.
- b) The Corporation may terminate a grant, in whole or in part, at any time before the end of the grant period upon **30 calendar days** written notice to the grantee.

- c) The Corporation may terminate a grant, in whole or in part, before the end of the grant period if the grantee fails to comply with a term of the grant or of 15 AAC 154.700 - 154.835. The Corporation shall promptly notify the grantee in writing of the termination, the reasons for the termination, the effective date and the portion of the grant to be terminated if the termination is partial.
- d) A grantee may terminate a grant at any time before the end of the grant period upon **30 calendar days** written notice to the Corporation.
- e) If a grant is terminated, payments to the grantee or recovery of money by the Corporation will be made in accordance with the rights and liabilities of the grantee and the Corporation. Upon receipt of a notice of termination under (a)-(c) of this section, the grantee may not incur new obligations to be paid with money from a terminated grant or the terminated portion of a grant. After receiving notice of the termination, the grantee shall make a reasonable effort to cancel as many of the grantee's outstanding obligations which, but for the termination, would be payable, in whole or in part, with money from the grant as possible.

15 AAC 154.822 DEBARMENT

- a) The Corporation will, **at its discretion**, initiate a proposed debarment of a grantee, prospective grantee or other person associated with a grant by providing written notice sent by certified mail **or electronic communication**, return receipt requested, to the last known address of the grantee, prospective grantee or other person. The notice must inform the respondent of the reasons for the proposed debarment.
- b) Debarment may be imposed for:
 - 1) Conviction of or a civil judgment for:
 - A. Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction;
 - B. Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, or obstruction of justice;

- C. Commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a person.
- 2) Violation of the terms of a public agreement or transaction so serious as to affect the integrity of an agency such as:
- A. A willful failure to perform in accordance with the terms of one or more public agreements or transactions;
 - B. A history of failure to perform or of unsatisfactory performance of one or more public agreements or transactions; or
 - C. A willful violation of a statutory or regulatory provision or requirement applicable to a public agreement or transaction.
- 3) Any one of the following:
- A. Debarment by a federal agency or another state agency;
 - B. Knowingly doing business with a debarred person in connection with the performance of a Corporation grant or contract;
 - C. Failure to pay a single substantial debt, or a number of outstanding debts (including disallowed grant costs and overpayments) owed to any state agency, provided that the debt is uncontested by the debtor or, if contested, provided that the debtor's legal and administrative remedies have been exhausted; or
 - D. Any other cause so serious or compelling in nature that it affects the present responsibility of the respondent.
- 4) For the purposes of determining grounds for debarment, the conduct of any officer, director, shareholder, partner, employee or other individual associated with a respondent may be imputed to the respondent when the conduct occurred in connection with the individual's performance of duties for or on behalf of the respondent or with the respondent's knowledge, approval or acquiescence. The respondent's acceptance of the benefits derived from the conduct shall be evidence of such knowledge, approval or acquiescence. The conduct of a respondent may be imputed to any officer, director, shareholder, partner, employee or other individual associated with the respondent who participated in, knew of or had reason to know of the respondent's conduct.

- c) A respondent may contest the proposed debarment by filing a response with the Corporation within **15 calendar days** of receipt of the notice. The response must contain information and argument in opposition to the proposed debarment, including identification of disputed material facts. If the respondent fails to file a timely response, the Corporation will, **at its discretion**, notify the respondent that the respondent is debarred.
- d) If a respondent files a timely response contesting the proposed debarment and requests a hearing, the chief procurement officer will appoint **the deputy executive director or a** corporation employee from outside the department proposing the debarment to act as a hearing officer and issue a decision on the proposed debarment. If the hearing officer finds that the respondent's submission in opposition raised a genuine dispute over facts material to the proposed debarment, the respondent shall be afforded an opportunity to appear with a representative, submit documentary evidence, present witnesses, and confront any witness the Corporation presents.
- e) The hearing officer shall issue a decision on the proposed debarment on the basis of all the information in the administrative record. If the hearing officer decides to impose debarment, the decision must include findings regarding disputed material facts, the reasons for the debarment and the period of debarment including the effective dates. Debarment shall be for a period commensurate with the seriousness of the grounds for debarment.
- f) A debarment decision takes effect upon the issuance of a written decision. After the debarment decision takes effect, the respondent remains debarred and may not be awarded **the Corporation** grant until a court or the Corporation orders otherwise, or until the debarment period specified in the decision expires. Any existing Corporation grant shall be terminated. If the respondent who has been disbarred is an individual, the individual is debarred from participating in **the Corporation** grant as a principal, officer, director, employee or contractor of a grantee.

15 AAC 154.825 APPEAL PROCEDURES

- a) A grantee may appeal the following decisions under this section:
 - 1) a decision to withhold a payment under 15 AAC 154.735;
 - 2) a decision of the Corporation to require a refund of grant money under 15 AAC 154.785;

- 3) a decision to suspend a grant under 15 AAC 154.815;
 - 4) a decision to terminate a grant under 15 AAC 154.820(c);
 - 5) a decision to withhold all or part of a payment on the grounds that a submitted expense is not an allowable cost under 15 AAC 154.775 or 15 AAC 154.776; and
 - 6) a decision to debar a respondent under 15 AAC 154.822.
- b) The appellant must submit, within **30 calendar days** after receipt of notification of the administrative action or decision, a written appeal to the Corporation's chief procurement officer. The appeal must state the factual grounds upon which the appeal is based, include relevant exhibits or affidavits, and cite any laws, regulations, or Corporation policies or procedures upon which the appellant relies.
- c) Upon receipt of an appeal, the chief procurement officer shall direct the grant program manager to submit a written response to the appeal within **30 calendar days**.
- d) After receipt of the Corporation's response, the chief procurement officer shall issue a decision within 45 days stating the reasons for the decision. If the chief procurement officer determines that additional information is necessary to reach a decision, the chief procurement officer will, in the chief procurement officer's discretion, provide for additional written or oral presentations. If the chief procurement officer requests additional presentations, the time within which the chief procurement officer must issue a decision will be extended by **15 calendar days**.

15 AAC 154.830 SOVEREIGN IMMUNITY

If the grantee is an entity which possesses sovereign immunity or asserts that it possesses sovereign immunity, the grantee must agree as a condition of receiving **the Corporation** grant that the grantee irrevocably waives its sovereign immunity with respect to Corporation enforcement of the grant agreement. The waiver of sovereign immunity must be effected by a resolution of the entity's governing body **or such other procedure as set forth in the entity's governance documents**.

15 AAC 154.835 DEFINITIONS

Unless the context indicates otherwise, in 15 AAC 154.700 - 15 AAC 154.835:

- 1) "administrative records" means the financial and accounting records, banking records and employee personnel records of the grantee;
- 2) "approval" means a written agreement or permission to proceed, signed by an authorized representative of the Corporation, in response to a written request from the grantee or applicant for approval of a proposed action;
- 3) **“authorized representative of the Corporation” means the executive director or a person to whom the executive director has delegated the authority to act on behalf of the Corporation;**
- 4) "budget" means the financial expenditure plan of a grant project approved by the Corporation, and includes money awarded under the grant program and any other financing used for the grant project;
- 5) **“Cost Allocation Plan” means a plan that must explain the logic and methodology of identifying, measuring, and allocating expenses among the grantee’s activities, programs, and/or departments as appropriate;**
- 6) "grant" means an award of financial or direct assistance by the Corporation to an eligible recipient based on review and approval of an application setting forth a proposed activity or service;
- 7) "grant income" means income earned by a grant project during the grant period including, but not limited to, proceeds from the sale of products or services, fees received for personal services, proceeds from the sale of assets of the grant project, and royalties from copyrights or publications;
- 8) "grant period" means the time period for which the grantee has been awarded a grant;
- 9) "grant program" means the appropriate program within the Corporation under which grants are made for the type of services or activities the grantee provides;"grant project" means a project for which a grant has been awarded;
- 10) "grantee" means the person or other legally accountable entity which receives a grant;
- 11) "non-expendable personal property" means:
 - A. an article of tangible personal property which is complete in itself, is of a durable nature, has an expected useful life of more than one year, and has an acquisition

cost, as defined in 15 AAC 154.725(b), with a value greater than the federal micro-purchase threshold as defined in 48 CFR § 2.1; or

B. intangible personal property, such as patents, inventions and copyrights;

- 12) "nonprofit corporation" means a corporation no part of the income or profit of which is distributable to its members, directors or officers;
- 13) "personal property" means property other than real property;
- 14) "program records" means those records maintained by the grantee which are in any way related to the grant project and which are not administrative records of the grantee;
- 15) "project director" means the person indicated by the grantee in its grant application as being the person having primary responsibility for the management of the grant project;
- 16) "real property" means land, land improvements, and structures and appurtenances located on land other than moveable machinery and equipment; and
- 17) "records" means all papers, files, books, photographs, reports, computerized data files, tape recordings, accounts, writings, including drafts and memorializations of conversations, and other items, regardless of format or physical characteristics, whether or not developed or originated by the grantee, which are reasonably required in the performance of, or to document the performance of, the grant project.