

PROGRAM 5 – BASIC HOMELESS ASSISTANCE PROGRAM (BHAP) ALASKA HOUSING FINANCE CORPORATION

I. PROGRAM OBJECTIVES

This program awards grants aimed toward the reduction of homelessness, through the provision of shelter, transitional housing and/or related supportive services.

II. PROGRAM PROCEDURES

Under the program, grants are made to municipalities or to public or private 501(c)(3) or (4) nonprofit corporations.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** Grants made under this program are for the costs to operate emergency or transitional housing facilities; services to help homeless persons to secure permanent housing; and/or services to prevent homelessness such as rent and utility arrearage assistance or emergency food and household furnishings. 15 AAC 154.400-154.450.

Suggested Audit Procedures: Review the grant agreement, identify the services and activities to be provided; and test financial and related records to determine if the funds expended were used for the purpose for which the funds were awarded.

2. **Compliance Requirement:** All interest earned on grant money must be returned to Alaska Housing Finance Corporation (AHFC) upon completion of the project. 15 AAC 154.040 (6)

Suggested Audit Procedure: Review financial and related records, and if appropriate, any previous audit reports, to determine interest accrued on grant funds to date and verify that all interest earned on grant funds have been paid back to AHFC.

B. ELIGIBILITY -

1. **Compliance Requirement:** Homeless clients must meet specific eligibility requirements as specified in the grantee's client eligibility procedures.

Suggested Audit Procedures: The auditor should verify client eligibility for receipt of services based on the information developed by the grantee and submitted as required by the grant agreement.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

1. **Compliance Requirement:** Although not specifically required by statute or regulation, grant recipients typically include other sources of funds when applying for the grants. The grant agreement budgets will typically include the amounts and sources of other funds.

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Suggested Audit Procedures:

- a) Review the grant agreement to identify any other sources of funds to be committed to the project;
- b) Review financial and project records to determine the source of funds; and
- c) Verify the amount of other funds applied to the project.

D. REPORTING REQUIREMENTS -

1. **Compliance Requirement:** The grant agreements are to include a provision for regular, periodic reporting on grant sponsored activities. 15 AAC 154.040

Suggested Audit Procedures:

- a) Review the grant agreement and determine the reporting requirements;
- b) Examine copies of reports and determine completeness and timeliness of submission in accordance with the grant agreement; and
- c) Trace data in selected reports to underlying documentation.

E. SPECIAL TESTS AND PROVISIONS -

1. **Compliance Requirement:** Grantees should submit a final report summarizing client demographic information, the numbers served and types of services provided.

Suggested Audit Procedure: Examine copies of reports and worksheets and determine completeness and timeliness of submission in accordance with the grant agreement.