PROGRAM 5 – RURAL DEVELOPMENT ASSISTANCE DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

I. PROGRAM OBJECTIVES

The purpose of the Rural Development Assistance Program is to promote development of the rural areas of the state by broadening and diversifying the economic base of rural areas; to improve health, welfare and economic security; and to provide employment and income in rural areas. This program is authorized and administered under AS 44.33.740-.745 and 3 AAC 160.

II. PROGRAM PROCEDURES

Funds are awarded on a competitive basis to eligible rural communities. Up to $100,000 per year may be provided to a community under this program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: A project is eligible for funding if it: (1) contributes to the economic development of the community; (2) develops basic community facilities or infrastructure to improve the health, welfare, and economic security of the community; or, (3) develops planning and feasibility studies for community development or prepares for externally generated projects or events affecting the community. (3 AAC 160.052).

Suggested Audit Procedure: Review the grant agreement and related records to determine if the funds were expended in accordance with the terms of the grant agreement.

B. ELIGIBILITY -

The auditor is not expected to verify eligibility for receipt of funds.

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

Compliance Requirement: Any matching, level of effort and/or earmarking requirements will be established by the Legislature and identified in the grant agreement. Most legislative grants to unincorporated communities will not require a match.

Suggested Audit Procedure: Review the grant agreement, identify any matching, level of effort and/or earmarking requirements, and verify that the requirements were met.

D. REPORTING REQUIREMENTS -

Compliance Requirements: The grant agreement will specify the reporting requirements to which the grantee must adhere.

Suggested Audit Procedures: Examine reports and supporting documentation and verify completeness, accuracy and timeliness of submission. Verify that required approvals were obtained and that expenditures and matching contributions were within the award performance period.

E. SPECIAL TESTS AND PROVISIONS –

Compliance Requirements: The grant agreement will identify any other compliance requirements to which the recipient is to adhere.

Suggested Audit Procedures: Review the grant agreement, identify any other applicable compliance provisions, including the "standard provisions," and verify that the requirements were met.