

PROGRAM 1 – SENIOR CITIZENS HOUSING DEVELOPMENT PROGRAM ALASKA HOUSING FINANCE CORPORATION

I. PROGRAM OBJECTIVES

This program awards grants for the acquisition, rehabilitation or development of housing for senior citizens. Awards can be made for both the planning and the development of the housing.

II. PROGRAM PROCEDURES

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

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 acquisition, rehabilitation or development of housing for seniors. Development includes:

- a) Purchase of suitable building sites;
- b) Necessary site preparation;
- c) Preparation of plans and specifications;
- d) Financing the purchase of materials and actual construction;
- e) Financing the rehabilitation, improvement, or conversion of existing structures. 15 AAC 154.100 - 154.110

Suggested Audit Procedures: Test financial and related records to determine the purposes for which the funds were expended.

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 Procedures: 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 -

The auditor is not expected to verify eligibility.

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 amounts of other funds applied to the project are in accordance with the budgets.

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:** The grant recipient must establish a repair and replacement fund. 15 AAC 154.110

Suggested Audit Procedure:

- a) Review grant agreements and deed restrictions to verify that where the grant recipient owns the senior housing, a repair and replacement fund has been required.
- b) Examine compliance practices verifying a repair and replacement fund has been established, if required.