

# PROGRAM 7 – TEACHER, HEALTH PROFESSIONAL AND PUBLIC SAFETY OFFICIALS GRANT PROGRAM ALASKA HOUSING FINANCE CORPORATION

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## I. PROGRAM OBJECTIVES

This program awards grants for the acquisition, rehabilitation or new construction of housing for teachers, health professionals and public safety officials. Awards can be made for both the planning and the actual 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, regional housing authorities, public universities, public vocational education institutions, local governments (e.g. municipalities and tribes) and regional health corporations.

## III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

### A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** Although not specifically required by statute or regulation, grants made under this program are for the acquisition, rehabilitation or new construction of housing for teachers, health professionals, and public safety officials. Eligible activities 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.
  - f) Financing related project costs for grant close out and completion of development.

**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.

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## 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.

### **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:** Although not specifically required by statute or regulation, grant recipients must provide evidence of a repair and replacement fund (Note, some School Districts have a generic repair and replacement fund that covers all their facilities, including housing – This meets the Repair and Replacement Fund Requirement of the program)

### **Suggested Audit Procedure:**

- a) Review grant agreements and deed restrictions to verify ownership of the Teacher, Health Professional or Public Safety housing (Note: Sometimes a recipient will transfer ownership of a property to another eligible entity, e.g., a housing authority builds a housing unit for a tribe then transfers ownership to the tribe. In this case, covenants should reflect that the final entity in operation of the unit has ownership.
- b) Examine compliance practices verifying a repair and replacement fund has been established, if required.