PROGRAM 12 – RURAL HUMAN SERVICES SYSTEMS
DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The Rural Human Services Systems program offers grants to rural substance abuse, mental health, behavioral health and human services agencies, and to urban agencies serving people who are visiting or have relocated from rural areas. The program was developed in response to the critical need for a stable system of behavioral health providers in rural Alaska and funds the hiring, training, support, and supervision of culturally competent village-based counselors and urban counselors who serve village residents. RHS certificate training is provided through the Rural Human Services Training Program in the University of Alaska College of Rural Alaska from the UA Anchorage, Kuskokwim (Bethel) and the Interior-Aleutians campus in Fairbanks.

Agencies receiving funds through this program are required to document that village-based counselors receive frequent and regular support and supervision and to coordinate this supervision with UAF faculty instructing the curricula. They are also required to send staff designated as supervisors to an annual supervisor training conducted by the University of Alaska Fairbanks faculty and staff. Designated supervisors are also required to coordinate with the University of Alaska to provide academic support to the village-based counselors while they are participating in the RHS training program.

II. PROGRAM PROCEDURES

Funds are appropriated annually to the Department of Health and Social Services, Division of Behavioral Health by the State Legislature. These funds are distributed by a competitive grant-in-aid mechanism to nonprofit and local government agencies.

Funds are provided through an initial advance comprised of 25% of the award amount; a second quarter advance of up to 25% less any unexpended funds from the previous advance; a third quarter advance up to 25% less any unexpended funds from the previous advance; and a fourth quarter advance of up to 20% of the award amount paid following approval of a Quarterly Cumulative Fiscal Report and a bi-annual Program Narrative Report; and a 5% payment is paid, if applicable, upon approval of fourth quarter year end reporting. Quarterly cumulative fiscal reports are filed within thirty (30) days from the end of each quarter detailing expenditures and receipts as compared to the approved grant budget. Budget revisions may be approved upon written request consistent with grant regulations.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirements**: Grant funds under this program are used to enhance and expand the rural behavioral health workforce and the

availability of human service programs, including substance abuse and mental health services, in rural Alaska. The program grants funds to agencies to hire, train, support, and supervise village based and rural serving human service workers participating in the University of Alaska Rural Human Services RHS Certificate program and for RHS graduates, funding to access the advanced training ladder that includes the HUMS, BSW, and MSW tracks within the UA system.

Suggested Audit Procedures: Review the following and test financial and related records to determine that funds expended were for purposes specified in the grant.

a) Grant Agreement (GA) including all conditions;
b) Grant revisions and amendments and related transmittal letters;
c) Licenses, certifications, approvals, status of private nonprofit corporation if applicable;
d) Budget documents including final revised budget and budget narrative.

2. **Compliance Requirement**: Costs allowed or unallowed under this program are determined by grant regulations 7 AAC 78 as well as budget documents and special conditions.

Suggested Audit Procedures:

a) Review Department of Health and Social Services' grant regulation 7 AAC 78 and budget documents;
b) Test financial and related records to determine the appropriateness of costs per 7 AAC 78; and
c) Determine whether expenditures are within the budget limits prescribed by 7 AAC 78.260(f)(1).

B. ELIGIBILITY -

Compliance Requirement: Recognized local governments and nonprofit corporations registered in the State of Alaska are eligible for grants.

Suggested Audit Procedures: Review articles of incorporation or other appropriate documentation, licenses, certifications and approvals to determine status of agency.

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

Compliance Requirement: The rural human service programs are required to match the state funding with 10% local funds or "in-kind services" unless explicitly exempted. This match may include funds available through federal grants as well as locally generated funds. Other state funds, with the exception of state revenue sharing funds, are not allowable as cash match. In-kind contribution should qualify under AS 47.30.475.

Suggested Audit Procedures: Confirm compliance with matching requirement.

D. REPORTING REQUIREMENTS -

1. **Compliance Requirements**: The agency must submit bi-annual written narrative reports (first and fourth quarters), and quarterly cumulative expenditure reports no later than thirty (30) days after close of each quarter.

   Suggested Audit Procedures:
   a) Confirm that required reports are being filed timely.
   b) Reported revenues and expenditures agree with the agency's general ledger.
   c) Expenditures are within the budget limits or grant provisions.

2. **Compliance Requirement**: The agency's audit report must present a statement of revenue and expenses, budget and actual, for each state grant. Such statements must show, for each state fiscal year grant, the final approved budget by line item category, actual revenues and expenditures and variance between budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

   Suggested Audit Procedures:
   a) Reviews grant regulation 7 AAC 78.230.
   b) Review audit report for compliance with the above.

3. **Compliance Requirement**: The agency must clearly show on their audit report any outstanding liability to the State as payable to the State. This includes unspent grant funds and disallowed costs.

   Suggested Audit Procedures:
   a) Determine whether or not the agency has any outstanding liability to the State.
   b) Reviews grant regulation 7 AAC 78.230.
   c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures: Obtain copy of program site review if applicable; and determine if recommendations in the site review are being implemented.