

DEC PROGRAM 1 - CONGRESSIONALLY MANDATED PROJECTS & WATER AND WASTE DISPOSAL SYSTEMS FOR RURAL COMMUNITIES FOR VILLAGE SAFE WATER PROGRAM

I. PROGRAM OBJECTIVES

The objective of the Village Safe Water (VSW) program is to assist small communities, through capital funding projects, to provide new or improved water, wastewater and solid waste facilities.

II. PROGRAM PROCEDURES

Funding is a combination of state general funds and federal grants from Congressionally Mandated Projects (ANL 66.202) and Water and Waste Disposal Systems for Rural Communities (ANL 10.760). See grant awards for applicable federal requirements.

The VSW program is administered by the Department of Environmental Conservation (DEC), Division of Water (DOW), Village Safe Water Program. There are multiple project funding options:

- 1) Grant Awards – Entity is granted the money to administer the project themselves. These funds are subject to both Federal and State Single Audit.
- 2) Cooperative Agreement (CPA) – DOW administers these projects on-behalf of the entity. These agreements are not subject to State Single Audit and are included in the State of Alaska Federal Single Audit.
- 3) Funding Transfer Agreements (FTAs) with the Alaska Native Tribal Health Consortium (ANTHC) –
 - a. If ANTHC administers the project on behalf of the entity, then only ANTHC is subject to Federal and State Single Audit.
 - b. If ANTHC passes-through the fund to the entity to administer themselves through a Grant Award, then these funds are subject to both Federal and State Single Audits.

VSW's allocation system is the Capital Improvement Program (CIP), where applications are submitted by interested and eligible communities. These applications are scored and ranked. Depending on the total capital funding projected to be made available, projects from this list are added to the statewide Multi-Year Priority List (MYPL). Funding is then made available for projects on the MYPL on an as-needed basis and as funding sources will allow. Grant agreements or CPAs are executed with communities and are administered by VSW. Expenses are reviewed and approved by the assigned VSW engineer in accordance with project scope and funding sources. Project accounting is performed by DEC, except for force account construction payroll, which is provided by a contractor. The assigned VSW engineer provides technical assistance and oversees the project. After the project is completed, a final report is completed (if required by the federal funding agency), including final reconciliation of all expenses, and then closed.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

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A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirement: 2 CFR 200 Federal Cost Principles apply. Funds shall be expended only for the scope of work described in the grant agreement.

Suggested Audit Procedures: Review project records to determine if:

- a) Reported costs are eligible and within scope of the project agreement;
- b) Proper documentation supports project activities such as accounting, engineering, management, and procurement.
- c) Total project funding is not in excess of 100 percent of total project costs and all grant funds were utilized.

B. ELIGIBILITY -

Communities must meet the eligibility requirements established in AS 46.07.

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

Compliance Requirement:

Suggested Audit Procedures: Review project agreement to determine if any local sources of match, level of effort or earmarking are required and ensure entity is in compliance with these requirements.

D. REPORTING REQUIREMENTS -

Compliance Requirement: Projects must meet reporting requirements as stated in individual agreements for each project.

Suggested Audit Procedure: Review project agreement to determine if any reports are required and ensure entity is in compliance with these requirements.

E. SPECIAL TESTS AND PROVISIONS -

Suggested Audit Procedure: Review project agreement to determine if any special test and provisions are required and ensure entity is in compliance with these requirements.