

Original sponsors: Meekins and Beirne

Offered: 3/10/82
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 608 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing uniform administrative procedures
7 for grants to and contracts with nonprofit organiza-
8 tions; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. FINDINGS. The legislature finds that there is a need for
11 consistency and uniformity in administration of grants and contracts to
12 nonprofit organizations. The legislature further finds that nonprofit organi-
13 zations that receive grant or contract money from the state, for programs to
14 benefit the residents of the state, should have sound administrative struc-
15 tures.

16 * Sec. 2. AS 37.05 is amended by adding a new section to read:

17 Sec. 37.05.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-
18 TRACTS WITH NONPROFIT ORGANIZATIONS. (a) The Department of Administra-
19 tion, after consultation with representative nonprofit organizations in
20 the state, shall

21 (1) develop uniform procedures for grants to and contracts
22 with nonprofit organizations, including

23 (A) uniform proposal application procedures;

24 (B) uniform application review requirements;

25 (C) a consistent application of cost principles for
26 nonprofit organizations;

27 (D) provisions for a consistent acceptance and payment
28 of negotiated indirect cost rates using the federal cost rate if
29 applicable or, if the federal rate is not applicable, a cost rate

1 negotiated by the state with provisions for payment of individual
2 costs based on final determination of the indirect cost properly
3 incurred as shown by a fully certified audit by an independent
4 audit firm;

5 (E) provisions for advances of grant or contract money;

6 (F) provisions for a single annual audit;

7 (G) requirements of annual certification of administra-
8 tive systems of the organization;

9 (H) identification and segregation of indirect costs
10 relating to each grant;

11 (2) annually examine the administrative system of any non-
12 profit organization on request of the organization and if the system is
13 determined to be adequate for the purpose of state grants or contracts
14 and if the nonprofit organization is currently certified by the Depart-
15 ment of Commerce and Economic Development to be in good standing as a
16 nonprofit corporation certify that the organization is eligible to
17 receive state contracts or grants;

18 (3) require that each contract with or grant to a nonprofit
19 organization from a state agency provide for payment of indirect costs
20 of administration of the contract or grant at the rate established in
21 the contract.

22 (b) The requirements of this section do not apply to a state agency
23 that makes grants if the agency has developed procedures consistent with
24 the requirements of this section, and the Department of Administration
25 has reviewed those procedures and has exempted the agency from the re-
26 quirements. An exemption under this subsection must be renewed annually
27 based on an annual evaluation of the procedures of the state agency.

28 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-

29 070(c).