

Original sponsors: Meekins and Beirne

Offered: 3/10/82
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

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CS FOR HOUSE BILL NO. 608 (Finance) am

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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TWELFTH LEGISLATURE - SECOND SESSION

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A BILL

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

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

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* Section 1. FINDINGS. The legislature finds that there is a need for

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consistency and uniformity in administration of grants and contracts to

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nonprofit organizations. The legislature further finds that nonprofit

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organizations that receive grant or contract money from the state, for

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programs to benefit the residents of the state, should have sound adminis-

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trative structures and accountable fiscal procedures. The legislature

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further finds that nonprofit corporations which receive public funds have a

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public trust responsibility to manage those funds in accordance with the

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highest standards of accountability.

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

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Sec. 37.05.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-

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TRACTS WITH NONPROFIT ORGANIZATIONS. (a) The Department of Administra-

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tion, after consultation with representative nonprofit organizations in

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the state, shall

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(1) develop uniform procedures for grants to and contracts

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with nonprofit organizations, including

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(A) uniform proposal application procedures;

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(B) uniform application review requirements;

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(C) a consistent application of cost principles for

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nonprofit organizations;

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

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

6 (F) provisions for a single annual independent 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 and fiscal
12 procedures of any nonprofit organization on request of the organization
13 and if the system and procedures are determined to be adequate for the
14 purpose of state grants or contracts and if the nonprofit organization
15 is currently certified by the Department of Commerce and Economic
16 Development to be in good standing as a nonprofit corporation certify
17 that the organization is eligible to 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 (4) require that each application for a contract with or
23 grant to a nonprofit organization list all contracts with or grants from
24 a federal, state, or local government or agency that the nonprofit
25 organization has applied for or received within one year preceding the
26 date of the application.

27 (b) The requirements of this section do not apply to a state
28 agency that makes grants if the agency has developed procedures
29 consistent with the requirements of this section, and the Department of

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Administration has reviewed those procedures and has exempted the agency from the requirements. An exemption under this subsection must be renewed annually based on an annual evaluation of the procedures of the state agency.