

Rec'd 3/31/82  
After bill r/s HFC

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHR 608 (State Affairs)  
 Title Establishing uniform administrative procedures for grants/ non-profit org.  
 Requested by State Affairs Committee Date 2/24

II. FISCAL DETAIL

Agency Affected Department of Public Safety  
 Program Category Affected Administration of Justice  
 BRU, Program, Or Subprogram(s) Affected Council on Domestic Violence  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	Ø	Ø	Ø	Ø	Ø	Ø

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	Ø	Ø	Ø	Ø	Ø	Ø
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

IV. DATE 3/5/82 PREPARED BY Betsev W. McGuire/Exec. Dir.

Original: Legislative Finance PHONE 465-4356  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

*BWMC*

# COMMITTEE REPORT

## HOUSE

(11)

FURTHER:

2/24/82

Date: Mar. 9, 1982

Mr. Speaker:

The Committee on FINANCE has had HB 608

"An Act establishing uniform administrative procedures for grants to and contracts with nonprofit organizations; and providing for an effective date."

under consideration and ~~(a majority of the committee)~~ ~~(the committee)~~ reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 608 (FIN)  same title  
 new title
- and recommends do pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]

[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
CHAIRMAN

Original sponsors: Meekins and Beirne

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.-

Original sponsors: Meekins and Beirne

Offered: 2/24/82  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 608 (State Affairs)

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, including (1) a governing board, (2) a personnel system, (3) an account-  
16 ing system, and (4) appropriate administrative personnel. These administra-  
17 tive costs should be allowed as indirect cost rates that may be unique and  
18 individual for each nonprofit organization that receives grant or contract  
19 money from the state. The indirect cost rates should be determined indivi-  
20 dually for each organization based on independent final audit of the indirect  
21 costs for each grant or contract.

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

23 Sec. 37.05.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-  
24 TRACTS WITH NONPROFIT ORGANIZATIONS. (a) The Department of Administra-  
25 tion shall *meekins am*

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

- 28 (A) uniform proposal application procedures;  
29 (B) uniform application review requirements;

1 (C) a consistent application of cost principles for  
2 nonprofit organizations;

3 (D) provisions for a consistent acceptance and payment  
4 of negotiated indirect cost rates using the federal cost rate if  
5 applicable or, if the federal rate is not applicable, a cost rate  
6 negotiated by the state with provisions for payment of individual  
7 costs based on final determination of the indirect cost properly  
8 incurred as shown by a fully certified audit by an independent  
9 audit firm;

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

11 (F) provisions for a single annual audit;

12 (G) requirements of annual certification of administra-  
13 tive systems of the organization;

14 (H) identification and segregation of indirect costs  
15 relating to each grant;

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

23 (3) require that each contract with or grant to a nonprofit  
24 organization from a state agency provide for payment of indirect costs  
25 of administration of the contract or grant at the rate established in  
26 the contract.

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

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

5        \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
6        070(c).

7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

A M E N D M E N T

OFFERED IN THE HOUSE:

By: Adams

To: CS HOUSE BILL No. 608 (SA)

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 25

Following Administration, insert ", after consultation with representative nonprofit organizations in the state,"

Original sponsors: Meekins and Beirne

Offered: 2/24/82  
Referred: Finance

1 IN THE HOUSE

*Finance*  
BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 608 (~~State Affairs~~)

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. ~~Including (1) a governing board, (2) a personnel system, (3) an account-~~  
16 ~~ing system, and (4) appropriate administrative personnel. These administra-~~  
17 ~~tive costs should be allowed as indirect cost rates that may be unique and~~  
18 ~~individual for each nonprofit organization that receives grant or contract~~  
19 ~~money from the state.) The indirect cost rates should be determined indivi-~~  
20 ~~dually for each organization based on independent final audit of the indirect~~  
21 ~~costs for each grant or contract.]~~

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

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

24 TRACTS WITH NONPROFIT ORGANIZATIONS. (a) The Department of Administra-  
25 ~~tion shall~~ *after consultation with representative nonprofit*  
26 *organizations in the state,*

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

- 28 (A) uniform proposal application procedures;  
29 (B) uniform application review requirements;

Original sponsors: Meekins and Beirne

Offered: 2/24/82  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 608 (State Affairs)

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 including (1) a governing board, (2) a personnel system, (3) an account-  
16 ing system, and (4) appropriate administrative personnel. These administra-  
17 tive costs should be allowed as indirect cost rates that may be unique and  
18 individual for each nonprofit organization that receives grant or contract  
19 money from the state. The indirect cost rates should be determined indivi-  
20 dually for each organization based on independent final audit of the indirect  
21 costs for each grant or contract.

22

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

23

Sec. 37.05.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-  
24 TRACTS WITH NONPROFIT ORGANIZATIONS. (a) The Department of Administra-  
25 tion shall

26

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

28

(A) uniform proposal application procedures;

29

(B) uniform application review requirements;

1 (C) a consistent application of cost principles for  
2 nonprofit organizations;

3 (D) provisions for a consistent acceptance and payment  
4 of negotiated indirect cost rates using the federal cost rate if  
5 applicable or, if the federal rate is not applicable, a cost rate  
6 negotiated by the state with provisions for payment of individual  
7 costs based on final determination of the indirect cost properly  
8 incurred as shown by a fully certified audit by an independent  
9 audit firm;

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

11 (F) provisions for a single annual audit;

12 (G) requirements of annual certification of administra-  
13 tive systems of the organization;

14 (H) identification and segregation of indirect costs  
15 relating to each grant;

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

23 (3) require that each contract with or grant to a nonprofit  
24 organization from a state agency provide for payment of indirect costs  
25 of administration of the contract or grant at the rate established in  
26 the contract.

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

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

5           \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
6           070(c).

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

Position Paper

Committee Substitute for House Bill No. 608

"An Act establishing uniform administrative procedures for grants to and contracts with non profit organizations; and providing for an effective date."

Committee Substitute for House Bill No. 608 requires the Department of Administration to develop and implement uniform grant and contract administration procedures for use by state agencies when granting to or contracting with nonprofit organizations. The procedures are to include determination and payment of indirect cost rates for administration of the grant or contract.

The Department of Health and Social Services has promulgated regulations covering the administration of departmental grants to nonprofit organizations, state agencies, and political subdivisions of the State of Alaska. These regulations, 7 AAC 78.010-320, became effective on April 11, 1981. They were designed to provide consistency in the administration of the many departmental grant programs. Complete uniformity is not always possible, as the statutory and regulatory provisions of specific granting programs may conflict. The department recognizes that consistency in grant and contract administration is helpful for both the grantee or contractor and the department.

The major fiscal impact of this bill would be the resources needed to determine a state-negotiated indirect cost rate. If the independent audits used as the basis for determination of an indirect cost rate were paid from grant or contract funds, either state appropriations for grants and contracts would have to increase to absorb the added cost, or funds used for direct services under the grants or contracts would decrease.

DEPARTMENT POSITION

The Department of Health and Social Services supports Committee Substitute for House Bill No. 608 and recommends extending its coverage to grants and contracts made to political subdivisions of the state.

Recommended by: Marsha Hubbard  
Marsha Hubbard, Director  
Div. of Management & Budget

Date: March 4, 1982

Approved By: Helen D. Beirne  
Helen D. Beirne  
Commissioner

Date: 3-9-82

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

I. REQUEST

Bill/Resolution No. CS HB No. 608  
 Title "An Act establishing uniform administrative procedures....."  
 Requested by State Affairs Committee Date 2/24/82

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, Or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

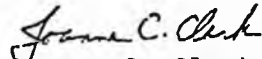
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

IV. DATE 3/4/82

  
 PREPARED BY Joanne C. Clark  
 AGENCY Div. of Management and Budget  
 PHONE 465-3331

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)

Introduced: 6/9/81  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY MEEKINS AND BEIRNE

2 HOUSE BILL NO. 608

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST 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  
13 organizations that receive grant or contract money from the state, for  
14 programs to benefit the residents of the state, should have sound adminis-  
15 trative structures including (1) a governing board, (2) a personnel system,  
16 (3) an accounting system, and (4) appropriate administrative personnel.  
17 These administrative costs should be allowed as indirect cost rates that may  
18 be unique and individual for each nonprofit organization that receives grant  
19 or contract money from the state. The indirect cost rates should be deter-  
20 mined individually for each organization based on independent final audit of  
21 the indirect costs for each grant or contract.

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

23 Sec. 37.05.317. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND  
24 CONTRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administra-  
25 tion shall

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

28 (A) uniform proposal application procedures;

29 (B) uniform application review requirements;

1 (C) a consistent application of cost principles for  
2 nonprofit organizations;

3 (D) provisions for a consistent acceptance and payment  
4 of negotiated indirect cost rates using the federal cost rate if  
5 applicable or, if the federal rate is not applicable, a cost rate  
6 negotiated by the state with provisions for payment of individual  
7 costs based on final determination of the indirect cost properly  
8 incurred as shown by a fully certified audit by an independent  
9 audit firm;

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

11 (F) provisions for annual audits;

12 (G) requirements of annual certification of administra-  
13 tive systems of the organization;

14 (H) identification and segregation of indirect costs  
15 relating to each grant;

16 (2) annually examine the administrative system of nonprofit  
17 organizations on request of the organization and if the system is  
18 determined to be adequate for the purpose of state grants or contracts  
19 certify that the organization is eligible to receive state contracts or  
20 grants;

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

25 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
26 070(c).

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

HB 608

I. REQUEST  
 Bill/Resolution No. HB608  
 Title Establish Uniform Administrative Procedures for Non-Profit Organizations  
 Requested by House HESS Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Department of Administration, Division of Finance  
 Program Category Affected General Government  
 BRU, Program, Or Subprogram(s) Affected Accounting  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		83.1	89.7	96.9	104.7	113.1
200 TRAVEL		25.0	27.0	29.2	31.5	34.0
300 CONTRACTUAL		7.0	7.5	8.1	8.7	9.4
400 COMMODITIES		2.0	2.2	2.3	2.5	2.7
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		117.1	126.4	136.5	147.4	159.2

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		117.1	126.4	136.5	147.4	159.2
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		2.0	2.0	2.0	2.0	2.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The services of an Internal Auditor II and III will be required to carry out the provisions of HB608. The auditors will be responsible for negotiating indirect cost votes for application to state grants and contracts for approximately 200 non profit organizations and will conduct annual examinations of internal accounting and administrative controls for 40-50 organizations. These will be the ongoing activities required in HB608.

The auditors will also be initially responsible for developing and implementing uniform procedures for grants to contracts with non profit organizations.

IV. DATE 1/27/82 PREPARED BY Robert L. Rehfeld  
 AGENCY Administration  
 PHONE 465-2277  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Meekins and Beirne  
 33-001 (Rev. 12/81)  
 4/1007507 01/28/82

1	POSITION TITLE Internal Auditor III			RANGE/STEP 19A	BARG. UNIT. Supervisory	LOCATION Juneau	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG		
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:  The Internal Auditor III working under control of the Director, Division of Finance will be responsible for the following activities:  1) develop and effect implementation of uniform procedures for grants to and contracts with non profit organizations  2) conduct annual examinations of non profit organizations to insure the adequacy of internal accounting and administrative controls for the purpose being eligible to receive and expend State funds  3) negotiate indirect cost rates with non profit organizations for application to State grants and contracts.			
	1	2	3						
4	PERSONAL SERVICES: SALARY 2837 x 12		34,044						
5	BENEFITS @30.9%		10,520						
6	SBS								
7	FIXED BENEFITS								
8	TOTAL PERSONAL SERVICES		01 44,564	44.5					
9	TRAVEL		02	12.5					
10	CONTRACTUAL		03	3.5					
11	COMMODITIES		04	1.0					
12	EQUIPMENT		05						
13	OTHER								
14	TOTAL COST			61.5					
	RECEIPT CODE	FUNDING SOURCE							
15		FED RCPTS. 1002							
16		GF MATCH. 1003							
17		GEN. FUND 1004		61.5					
18		I-A RCPTS. 1005							
19		PGM RCPTS 1028							
20		OTHER							
21	CONTINUATION								
22	ADDITION								
				FOR B&M USE ONLY					
4A KEY NUMBER _____				COLUMN NO. _____					

AGENCY Administration, Finance PROGRAM Centralized Admin. Services

BRU Accounting

COMPONENT Accounting Services

**13 REQUEST FOR NEW POSITION.**

**FY 83**

Page 1 of 2 REVISED DATE \_\_\_\_\_

1	POSITION TITLE Internal Auditor II				RANGE/STEP 17A	BARG. UNIT. GGU	LOCATION Juneau	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:				
	1	2	3							
4	PERSONAL SERVICES:									
	SALARY	2,455 x 12	29,460							
5	BENEFITS	@30.9%	9,103							
6	SBS									
7	FIXED BENEFITS									
8	TOTAL PERSONAL SERVICES	01	38,563	38.6	The Internal Auditor II working under supervision of the Internal Auditor III will perform the following activity:  1) conduct annual examinations of non profit organizations to insure the adequacy of internal accounting and administrative controls for the purpose of being eligible to receive and expend State funds.					
9	TRAVEL	02		12.5						
10	CONTRACTUAL	03		3.5						
11	COMMODITIES	04		1.0						
12	EQUIPMENT	05								
13	OTHER									
14	TOTAL COST			55.6						
	RECEIPT CODE	FUNDING SOURCE								
15		FED RCPTS. 1002								
16		GF MATCH. 1003								
17		GEN. FUND 1004		55.6						
18		I-A RCPTS. 1005								
19		PGM RCPTS 1028								
20		OTHER								
21	CONTINUATION									
22	ADDITION	FOR B&M USE ONLY								
4A KEY NUMBER				COLUMN NO.						

AGENCY Administration, Finance PROGRAM Centralized Admin. Services

BRU Accounting

COMPONENT Accounting Services

**13 REQUEST FOR NEW POSITION.**

Page 2 of 2 REVISED DATE \_\_\_\_\_

**FY 83**

from Jim Baldwin 5/14/82  
AG's Office

DRAFT #1  
Law

5/14/82

Grant K procedure  
Legis - B.

1  
2  
3  
4  
5  
6 For an Act entitled: "An Act establishing procedures for state grants to and  
7 contracts with nonprofit organizations, municipalities,  
8 unincorporated communities, and named recipients; and  
9 providing for an effective date."

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

11 \* Section 1. AS 37.05 is amended by adding a new section to read:

12 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under  
13 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-  
14 tract for which more than \$100,000 of the grant funds would be obli-  
15 gated, the contract shall be awarded through a competitive bid proce-  
16 dure.

17 \* Sec. 2. AS 37.05.316 is amended to read:

18 Sec. 37.05.316. GRANTS FOR SPECIFIC PURPOSES [TO NAMED RECIPI-  
19 ENTS]. (a) When an amount is appropriated or allocated to a department  
20 as a grant for a purpose set out in the appropriations Act [FOR A NAMED  
21 RECIPIENT WHICH IS NOT A MUNICIPALITY], the department to which the ap-  
22 propriation or allocation is made shall [PROMPTLY NOTIFY THE NAMED RE-  
23 CIPIENT OF THE AVAILABILITY OF THE GRANT AND REQUEST THE NAMED RECIPIENT  
24 TO SUBMIT A PROPOSAL TO PROVIDE THE GOODS OR SERVICES SPECIFIED IN THE  
25 APPROPRIATIONS ACT, OR BOTH, FOR WHICH THE APPROPRIATION OR ALLOCATION  
26 IS MADE. AT THE SAME TIME, THE DEPARTMENT MAY] issue a request for pro-  
27 posals from [OTHER] qualified persons to provide the [SAME] goods or  
28 services, or both, to satisfy the purpose of the grant. [IN THE SAME  
29 AREA. THE DEPARTMENT SHALL CONTRACT WITH THE NAMED RECIPIENT UNLESS THE

1 OFFICE OF THE GOVERNOR, WITH DUE REGARD FOR ANY LOCAL EXPERTISE OR EX-  
2 PERIENCE AMONG THOSE MAKING PROPOSALS, DETERMINES THAT AN AWARD OF THE  
3 CONTRACT TO A DIFFERENT PARTY WOULD BETTER SERVE THE PUBLIC INTEREST.  
4 IF THE CONTRACT IS AWARDED TO ANOTHER PARTY THAN THAT NAMED BY THE LEG-  
5 ISLATURE, THE BASIS OF THAT ACTION SHALL BE STATED IN WRITING AT THE  
6 TIME THE GRANT IS ISSUED AND A COPY OF THE WRITTEN STATEMENT SHALL BE  
7 SENT TO THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE.] A contract shall  
8 be executed within 60 days after the effective date of the appropriation  
9 or allocation. The purchase of the goods or services, or both, shall be  
10 in accordance with AS 37.05.230(1)(C).

11 (b) The Department of Administration shall

12 (1) develop uniform procedures to guide state agencies and  
13 departments that administer grants to and contracts with nonprofit orga-  
14 nizations, including

15 (A) uniform proposal application procedures;

16 (B) uniform application review requirements;

17 (C) a consistent application of cost principles for non-  
18 profit organizations;

19 (D) provisions for payment schedules;

20 (E) provisions for a single annual independent audit;

21 however, this requirement may not preclude or restrict audits by  
22 the executive or legislative branch of state government;

23 (2) provide for acceptance of administrative cost rates nego-  
24 tiated by the Department of Administration;

25 (3) establish an administrative cost rate that the department  
26 feels is reasonable given the nature of the grant or contract; and

27 (4) require that each application by a nonprofit organization  
28 for a contract with or grant from the state list all contracts with or  
29 grants from a federal, state, or local government or agency that the

1 nonprofit organization has applied for or received within one year pre-  
2 ceding the date of the application.

3 \* Sec. 3. AS 47.05 is amended by adding a new section to read:

4       Sec. 47.05.015. CONTRACTS. (a) The department may contract with  
5 a person or government for the delivery of services to be provided by  
6 the department under AS 44.29.020 and AS 47.05.010.

7       (b) Services that may be provided by contract under this section  
8 include accepting applications for assistance, conducting interviews,  
9 making eligibility determinations, and issuing benefits, but do not in-  
10 clude adoption of program standards or other matters involving the exer-  
11 cise of agency discretion.

12       (c) A contract authorized under this section is exempt from the  
13 competitive bid requirements of AS 37.05.230. In awarding a contract  
14 under this section to a person or local government, the department shall  
15 publish a request for proposals in accordance with regulations of the  
16 department.

17 \* Sec. 4. AS 37.05.318 is repealed.

18 \* Sec. 5. This Act takes effect July 1, 1982.  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR 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 procedures for state grants and  
7 contracts; and providing for an effective date."

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

9 \* Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under  
11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-  
12 tract for which more than \$100,000 of the grant funds would be obli-  
13 gated, the contract shall be awarded through a competitive bid procedure.

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-  
15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration  
16 shall

17 (1) develop uniform procedures to guide state agencies and  
18 departments that administer grants to and contracts with nonprofit  
19 organizations, including

- 20 (A) uniform proposal application procedures;  
21 (B) uniform application review requirements;  
22 (C) a consistent application of cost principles for  
23 nonprofit organizations;  
24 (D) provisions for payment schedules;  
25 (E) provisions for a single annual independent audit;  
26 however, this requirement may not preclude or restrict audits by the  
27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates  
29 negotiated by the Department of Administration;

1 (3) establish standards for a contract with or a grant to a  
2 nonprofit organization other than a named recipient under AS 37.05.316  
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department  
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization  
9 for a contract with or grant from the state list all contracts with or  
10 grants from a federal, state, or local government or agency that the  
11 nonprofit organization has applied for or received within one year  
12 preceding the date of the application.

13 \* Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with  
15 a person or government for the delivery of services to be provided by  
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section  
18 include accepting applications for assistance , conducting interviews,  
19 making eligibility determinations, and issuing benefits, but do not  
20 include adoption of program standards or other matters involving the  
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the  
23 competitive bid requirements of AS 37.05.230. In awarding a contract  
24 under this section to a person or local government the department shall  
25 publish a request for proposals in accordance with regulations of the  
26 department.

27 \* Sec. 3. This Act takes effect July 1, 1982.  
28  
29  
X

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR 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 procedures for state grants and  
7 contracts; and providing for an effective date."

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

9 \* Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under  
11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-  
12 tract for which more than \$100,000 of the grant funds would be obli-  
13 gated, the contract shall be awarded through a competitive bid procedure.

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-  
15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration  
16 shall

17 (1) develop uniform procedures to guide state agencies and  
18 departments that administer grants to and contracts with nonprofit  
19 organizations, including

- 20 (A) uniform proposal application procedures;  
21 (B) uniform application review requirements;  
22 (C) a consistent application of cost principles for  
23 nonprofit organizations;  
24 (D) provisions for payment schedules;  
25 (E) provisions for a single annual independent audit;  
26 however, this requirement may not preclude or restrict audits by the  
27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates  
29 negotiated by the Department of Administration;

1 (3) establish standards for a contract with or a grant to a  
2 nonprofit organization other than a named recipient under AS 37.05.316  
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department  
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization  
9 for a contract with or grant from the state list all contracts with or  
10 grants from a federal, state, or local government or agency that the  
11 nonprofit organization has applied for or received within one year  
12 preceding the date of the application.

13 \* Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with  
15 a person or government for the delivery of services to be provided by  
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section  
18 include accepting applications for assistance , conducting interviews,  
19 making eligibility determinations, and issuing benefits, but do not  
20 include adoption of program standards or other matters involving the  
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the  
23 competitive bid requirements of AS 37.05.230. In awarding a contract  
24 under this section to a person or local government the department shall  
25 publish a request for proposals in accordance with regulations of the  
26 department.

27 \* Sec. 3. This Act takes effect July 1, 1982.  
28  
29  
X

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR 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 procedures for state grants and  
7 contracts; and providing for an effective date."

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

9 \* Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under  
11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-  
12 tract for which more than \$100,000 of the grant funds would be obli-  
13 gated, the contract shall be awarded through a competitive bid procedure.

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-  
15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration  
16 shall

17 (1) develop uniform procedures to guide state agencies and  
18 departments that administer grants to and contracts with nonprofit  
19 organizations, including

20 (A) uniform proposal application procedures;

21 (B) uniform application review requirements;

22 (C) a consistent application of cost principles for  
23 nonprofit organizations;

24 (D) provisions for payment schedules;

25 (E) provisions for a single annual independent audit;  
26 however, this requirement may not preclude or restrict audits by the  
27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates  
29 negotiated by the Department of Administration;

1 (3) establish standards for a contract with or a grant to a  
2 nonprofit organization other than a named recipient under AS 37.05.316  
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department  
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization  
9 for a contract with or grant from the state list all contracts with or  
10 grants from a federal, state, or local government or agency that the  
11 nonprofit organization has applied for or received within one year  
12 preceding the date of the application.

13 \* Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with  
15 a person or government for the delivery of services to be provided by  
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section  
18 include accepting applications for assistance , conducting interviews,  
19 making eligibility determinations, and issuing benefits, but do not  
20 include adoption of program standards or other matters involving the  
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the  
23 competitive bid requirements of AS 37.05.230. In awarding a contract  
24 under this section to a person or local government the department shall  
25 publish a request for proposals in accordance with regulations of the  
26 department.

27 \* Sec. 3. This Act takes effect July 1, 1982.  
28

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR 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 procedures for state grants and  
7 contracts; and providing for an effective date."

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

9 \* Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under  
11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-  
12 tract for which more than \$100,000 of the grant funds would be obli-  
13 gated, the contract shall be awarded through a competitive bid procedure.

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-  
15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration  
16 shall

17 (1) develop uniform procedures to guide state agencies and  
18 departments that administer grants to and contracts with nonprofit  
19 organizations, including

20 (A) uniform proposal application procedures;

21 (B) uniform application review requirements;

22 (C) a consistent application of cost principles for  
23 nonprofit organizations;

24 (D) provisions for payment schedules;

25 (E) provisions for a single annual independent audit;  
26 however, this requirement may not preclude or restrict audits by the  
27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates  
29 negotiated by the Department of Administration;

30 X

1 (3) establish standards for a contract with or a grant to a  
2 nonprofit organization other than a named recipient under AS 37.05.316  
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department  
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization  
9 for a contract with or grant from the state list all contracts with or  
10 grants from a federal, state, or local government or agency that the  
11 nonprofit organization has applied for or received within one year  
12 preceding the date of the application.

13 \* Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with  
15 a person or government for the delivery of services to be provided by  
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section  
18 include accepting applications for assistance, conducting interviews,  
19 making eligibility determinations, and issuing benefits, but do not  
20 include adoption of program standards or other matters involving the  
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the  
23 competitive bid requirements of AS 37.05.230. In awarding a contract  
24 under this section to a person or local government the department shall  
25 publish a request for proposals in accordance with regulations of the  
26 department.

27 \* Sec. 3. This Act takes effect July 1, 1982.  
28  
29  
X

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 608 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing procedures for state grants and  
7 contracts; and providing for an effective date."

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

9 \* Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. IF a recipient of a grant under  
11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-  
12 tract for which more than \$100,000 of the grant funds would be obli-  
13 gated, the contract shall be awarded through a competitive bid procedure

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-  
15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration  
16 shall

17 (1) develop uniform procedures to guide state agencies and  
18 departments that administer grants to and contracts with nonprofit  
19 organizations, including

20 (A) uniform proposal application procedures;  
21 (B) uniform application review requirements;  
22 (C) a consistent application of cost principles for  
23 nonprofit organizations;  
24 (D) provisions for payment schedules;  
25 (E) provisions for a single annual independent audit;  
26 however, this requirement may not preclude or restrict audits by the  
27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates  
29 negotiated by the Department of Administration;

1 (3) establish standards for a contract with or a grant to a  
2 nonprofit organization other than a named recipient under AS 37.05.316  
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department  
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization  
9 for a contract with or grant from the state list all contracts with or  
10 grants from a federal, state, or local government or agency that the  
11 nonprofit organization has applied for or received within one year  
12 preceding the date of the application.

13 \* Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with  
15 a person or government for the delivery of services to be provided by  
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section  
18 include accepting applications for assistance, conducting interviews,  
19 making eligibility determinations, and issuing benefits, but do not  
20 include adoption of program standards or other matters involving the  
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the  
23 competitive bid requirements of AS 37.05.230. In awarding a contract  
24 under this section to a person or local government the department shall  
25 publish a request for proposals in accordance with regulations of the  
26 department.

27 \* Sec. 3. This Act takes effect July 1, 1982.  
28  
29

5/14/82

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR 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 procedures for state grants and  
7 contracts; and providing for an effective date."

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

9 \* Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under  
11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-  
12 tract for which more than \$100,000 of the grant funds would be obli-  
13 gated, the contract shall be awarded through a competitive bid procedure.

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-  
15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration  
16 shall

17 (1) develop uniform procedures to guide state agencies and  
18 departments that administer grants to and contracts with nonprofit  
19 organizations, including

20 (A) uniform proposal application procedures;  
21 (B) uniform application review requirements;  
22 (C) a consistent application of cost principles for  
23 nonprofit organizations;

24 (D) provisions for payment schedules;  
25 (E) provisions for a single annual independent audit;  
26 however, this requirement may not preclude or restrict audits by the  
27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates  
29 negotiated by the Department of Administration;

X

1 (3) establish standards for a contract with or a grant to a  
2 nonprofit organization other than a named recipient under AS 37.05.316  
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department  
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization  
9 for a contract with or grant from the state list all contracts with or  
10 grants from a federal, state, or local government or agency that the  
11 nonprofit organization has applied for or received within one year  
12 preceding the date of the application.

13 \* Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with  
15 a person or government for the delivery of services to be provided by  
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section  
18 include accepting applications for assistance , conducting interviews,  
19 making eligibility determinations, and issuing benefits, but do not  
20 include adoption of program standards or other matters involving the  
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the  
23 competitive bid requirements of AS 37.05.230. In awarding a contract  
24 under this section to a person or local government the department shall  
25 publish a request for proposals in accordance with regulations of the  
26 department.

27 \* Sec. 3. This Act takes effect July 1, 1982.  
28  
29  
X

5/14/82

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 SENATE CS FOR 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 procedures for state grants and  
7 contracts; and providing for an effective date."

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

9 \* Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under  
11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-  
12 tract for which more than \$100,000 of the grant funds would be obli-  
13 gated, the contract shall be awarded through a competitive bid procedure.

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-  
15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration  
16 shall

17 (1) develop uniform procedures to guide state agencies and  
18 departments that administer grants to and contracts with nonprofit  
19 organizations, including

- 20 (A) uniform proposal application procedures;
- 21 (B) uniform application review requirements;
- 22 (C) a consistent application of cost principles for  
23 nonprofit organizations;
- 24 (D) provisions for payment schedules;
- 25 (E) provisions for a single annual independent audit;
- 26 however, this requirement may not preclude or restrict audits by the  
27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates  
29 negotiated by the Department of Administration;

X

1 (3) establish standards for a contract with or a grant to a  
2 nonprofit organization other than a named recipient under AS 37.05.316  
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department  
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization  
9 for a contract with or grant from the state list all contracts with or  
10 grants from a federal, state, or local government or agency that the  
11 nonprofit organization has applied for or received within one year  
12 preceding the date of the application.

13 \* Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with  
15 a person or government for the delivery of services to be provided by  
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section  
18 include accepting applications for assistance , conducting interviews,  
19 making eligibility determinations, and issuing benefits, but do not  
20 include adoption of program standards or other matters involving the  
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the  
23 competitive bid requirements of AS 37.05.230. In awarding a contract  
24 under this section to a person or local government the department shall  
25 publish a request for proposals in accordance with regulations of the  
26 department.

27 \* Sec. 3. This Act takes effect July 1, 1982.  
28  
29  
X

5/14/82

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR 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 procedures for state grants and  
7 contracts; and providing for an effective date."

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

9 \* Section 1. AS 37.05 is amended by adding new sections to read:

10 Sec. 37.05.313. COMPETITIVE BIDS. If a recipient of a grant under  
11 the provisions of AS 37.05.315 - 37.05.317 proposes to enter any con-  
12 tract for which more than \$100,000 of the grant funds would be obli-  
13 gated, the contract shall be awarded through a competitive bid procedure.

14 Sec. 37.15.314. ADMINISTRATIVE PROCEDURES FOR GRANTS TO AND CON-  
15 TRACTS WITH NONPROFIT ORGANIZATIONS. The Department of Administration  
16 shall

17 (1) develop uniform procedures to guide state agencies and  
18 departments that administer grants to and contracts with nonprofit  
19 organizations, including

20 (A) uniform proposal application procedures;

21 (B) uniform application review requirements;

22 (C) a consistent application of cost principles for  
23 nonprofit organizations;

24 (D) provisions for payment schedules;

25 (E) provisions for a single annual independent audit;  
26 however, this requirement may not preclude or restrict audits by the  
27 executive or legislative branch of state government;

28 (2) provide for acceptance of administrative cost rates  
29 negotiated by the Department of Administration;

1 (3) establish standards for a contract with or a grant to a  
2 nonprofit organization other than a named recipient under AS 37.05.316  
3 including

4 (A) an adequate administrative system;

5 (B) adequate fiscal procedures;

6 (C) an administrative cost rate that the department  
7 feels is reasonable given the nature of the grant or contract;

8 (4) require that each application by a nonprofit organization  
9 for a contract with or grant from the state list all contracts with or  
10 grants from a federal, state, or local government or agency that the  
11 nonprofit organization has applied for or received within one year  
12 preceding the date of the application.

13 \* Sec. 2. AS 47.05 is amended by adding a new section to read:

14 Sec. 47.05.015. CONTRACTS. (a) The department may contract with  
15 a person or government for the delivery of services to be provided by  
16 the department under AS 44.29.020, AS 47.05.010, or other law.

17 (b) Services that may be provided by contract under this section  
18 include accepting applications for assistance, conducting interviews,  
19 making eligibility determinations, and issuing benefits, but do not  
20 include adoption of program standards or other matters involving the  
21 exercise of agency discretion.

22 (c) A contract authorized under this section is exempt from the  
23 competitive bid requirements of AS 37.05.230. In awarding a contract  
24 under this section to a person or local government the department shall  
25 publish a request for proposals in accordance with regulations of the  
26 department.

27 \* Sec. 3. This Act takes effect July 1, 1982.