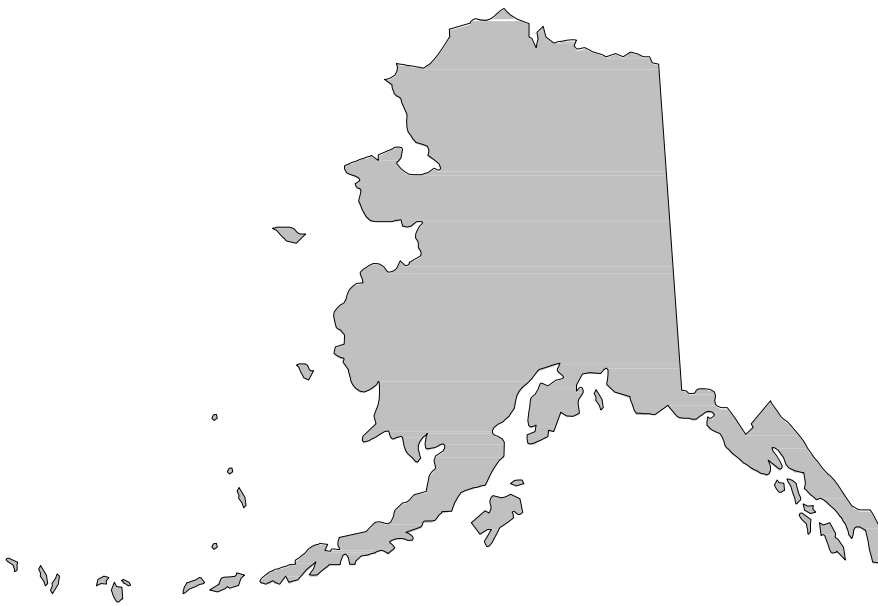

NATIONAL PETROLEUM RESERVE-ALASKA (NPR-A) GRANT PROGRAM



Grantee Handbook

Division of Community and Regional Affairs

State of Alaska
Department of Commerce, Community, and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



Contents

INTRODUCTION	5
IMPORTANT WEBSITE LINKS	6
 PART I.....	 7
PROGRAM INFORMATION	7
Program History.....	7
PROGRAM OVERVIEW.....	9
Eligibility in General	9
Applicant Eligibility.....	9
Project Eligibility	9
Restriction on Use.....	10
Grant Negotiation.....	10
Signatory Authority Form	10
Grant Term	10
Financial/Progress Reports.....	11
 PART II	 11
THE GRANT AGREEMENT.....	11
Grant Agreement Cover Page.....	11
Attachment A – Scope of Work.....	12
Specific NPR-A Budget Concerns	12
Standard Provisions	12
RECORD KEEPING & REPORTING REQUIREMENTS	14
ALLOWABLE PROGRAM COSTS	14
ALLOWABLE ADMINISTRATION COSTS.....	15
PAYMENT METHOD	16
Cost Reimbursable	16
Electronic Funds Transfer and Payment Inquiry.....	16
TECHNICAL ASSISTANCE.....	17
On-Site Visits, Monitoring and Technical Assistance.....	17
 PART III.....	 17
CONTRACTS AND SUBCONTRACTS.....	17
SITE CONTROL.....	17
INSURANCE	19
LABOR STANDARDS.....	19
Force Account	19
Contracted Labor and Current Prevailing Rate of Pay	20
FIRE MARSHAL.....	20
PERMITS	21
POTENTIAL PROJECT PERMIT REQUIREMENTS.....	23
PROCUREMENT.....	25
AUDIT REQUIREMENTS	26
 PART IV	 26
GRANT ADMINISTRATION BASICS.....	26

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



PART V 27

GRANT CLOSEOUT..... 27

LAPSING GRANTS AND EXTENSIONS 27

PART VI..... 27

SUMMARY 27

PART VII Error! Bookmark not defined.

APPENDICES..... Error! Bookmark not defined.

 Signatory Authority Form..... Error! Bookmark not defined.

 Financial/Progress Report Form..... Error! Bookmark not defined.

 NPR-A Contract Checklist Error! Bookmark not defined.

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INTRODUCTION

Your community has been determined by the State of Alaska Department of Commerce, Community, and Economic Development to be eligible for the National Petroleum Reserve-Alaska (NPR-A) Impact Mitigation Grant Program. You have been assigned a Grants Administrator (GA) with DCCED DCRA. We will try to keep your paperwork to a minimum, explain all the rules and regulations, and make sure you have all the help you need in meeting the program requirements.

NPR-A Grants Administrators:

Grants Administrator:

Samantha Lannet: Phone – (907) 451-2749 or email – samantha.lannet@alaska.gov

If your assigned Grants Administrator is unavailable, you may contact the supervisor:

Lindsay Reese, Grants Administrator 3 at (907) 269-7906 or email lindsay.reese@alaska.gov

Anchorage Grants Office 550 W. 7 th Ave Ste 1650 Anchorage, Alaska 99501 Fax 907-269-4563	Fairbanks Grants Office 455 Third Avenue, Suite 140 Fairbanks, Alaska 99701 Fax (907) 451-2742
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IMPORTANT WEBSITE LINKS

<https://www.commerce.alaska.gov/web/>

This site offers information on programs and services available through our department.

<https://www.commerce.alaska.gov/web/dcra/>

This site offers information on programs and services available through our division.

<https://reigrants-akdced.my.site.com/recipient/s/login/>

The DCRAGRANTS web portal will allow grantees to view grant activity in real time. Grantees will complete NPR-A applications, seek award information, report on current NPR-A grants, request amendments, upload required documentation and communicate with your grant's administrator all within DCRAGRANTS.

<https://www.commerce.alaska.gov/web/dcra/LocalGovernmentResourceDesk.aspx>

The Local Government Online website is intended to provide information on important local government issues, such as duties and responsibilities of elected officials, holding public meetings, financial management, grant management, personnel management, payroll, ordinances, conducting elections, municipal government structure, incorporation, annexation, tribal and municipal agreements, water and sewer utility management, and much more.

<https://www.commerce.alaska.gov/web/dcra/GrantsSection/NPR-AlaskaImpactMitigationGrant.aspx>

NPR-A Report to the Legislature

In accordance with AS 37.05.530 (c), within 10 days after the convening of each regular session of the legislature, the department shall submit to the legislature a list of all municipalities that have received grants, a list of all municipalities determined by the department to be eligible for further grants, a recommendation of the amount of money to be granted for those additional applications, and written justification of each past potential grant. This report is submitted to the Legislature and published on the division's website annually at this location.



PART I

PROGRAM INFORMATION

Program History

As authorized December 12, 1980, by 42 U.S.C. Chapter 78, Sections 6501-6508, the Federal Government, through the Department of Interior, Bureau of Land Management, allows for the exploration and development of oil and gas within the National Petroleum Reserve-Alaska (NPR-A).

Although the federal government manages the NPR-A, Section 6506a(j) or former Section 6508 of the federal statute requires that fifty percent of the money received by the federal government from the “sales, rentals, bonuses, and royalties on leases issued...” be paid to the State of Alaska. Leases awarded by the federal government are usually for ten years and require that each company holding lease pay a decreasing annual amount.

In accordance with Section 6506a(j) or former Section 6508, the monies are to be used by “the State of Alaska for (1) planning, (2) construction, maintenance, and operation of essential public facilities, and (3) other necessary provisions of public service: *Provided further*, That in the allocation of such funds, the State shall give priority to use by subdivisions of the State most directly or severely impacted by development of oil and gas leased under this Act.”

The State of Alaska began receiving payments in the State fiscal year (FY) 1983. To segregate these monies, in SLA 1984, Chapter 94, the Alaska Legislature enacted AS 37.05.530 (a) and (b). This statute established the National Petroleum Reserve Alaska Special Revenue Fund. Henceforth, NPR-A payments were to be deposited within the NPR-A Fund and used to support:

1. NPR-A Impact Mitigation grants to communities in accordance with AS 37.05.530 (c) through (e) which established the NPR-A Impact Mitigation Program. Under this program, communities may apply for assistance, i.e. grants, to fund projects that fall within federal and state guidelines. As required, priority is given to those communities most directly or severely impacted by oil and gas development.
2. Of the remaining lease payments, not needed to fund NPR-A Impact Mitigation grants, twenty-five percent is transferred to the Alaska Permanent Fund per AS 37.05.530(g).
3. Of the remaining payments, not needed to fund NPR-A Impact Mitigation grants, one-half percent is transferred to the Public-School Trust Fund per AS 37.05.530(g).
4. Up to the entire amount of the remaining payments may be appropriated by the Legislature to the Power Cost Equalization and Rural Electric Capitalization Fund per AS 37.05.530(g).
5. Any remaining payments are then transferred to the State’s General Fund per AS 37.05.530(g).

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



Prior to 1984, half of the total NPR-A funds received by the State were deposited in the Alaska Permanent Fund, one-half percent in the Public-School Trust Fund and the remainder was deposited in the General Fund and used to fund various Legislative appropriations. In 1985 the North Slope Borough, Wainwright, and Barrow filed suit alleging that the State's method of allocating the NPR-A payments conflicted with federal law. The decision in *Barrow v. State*, No. 1JU-85-2634, established that: (1) the State's distribution of NPR-A revenue had been incorrect and it did conflict with federal requirements; (2) the State needed to "reconstitute" the NPR-A Fund in part; and (3) henceforth, the State would allow first priority to the municipalities and/or communities most directly impacted by the NPR-A development.

As a result of the litigation, the NPR-A Fund was reconciled and reconstituted as of October 1987. It was also reconciled and reconstituted again as of September 1990 and again as of June 1992. Multiple reconciliations between actual NPR-A payments received and cash available in the NPR-A Fund were necessary because:

- (1) The NPR-A payments (deposited in the NPR-A Fund) were being used to fund *two* programs. In addition to funding the NPR-A Impact Mitigation Program the payments were also funding grants awarded by the Department of Administration under the Municipal Grants Program; and
- (2) In FY 92 AS 37.05.530 was amended and required a recalculation of available cash in the NPR-A Fund annually back to FY 87.

SLA 1985, Chapter 96; SLA 1986, Chapter 128; SLA 1988, Chapter 173; and SLA 1990, Chapter 208 appropriated, repealed, and reappropriated the grants funded from NPR-A payments but administered under the Municipal Grants Program administered by the Department of Administration.

FY 87 was the first year of the actual NPR-A Impact Mitigation Program. The general procedure remains the same today as in 1987. Periodically, the Department is notified by the U.S. Department of Interior, Bureau of Land Management (BLM) that the federal government will be offering tracts of land for lease in the National Petroleum Reserve-Alaska. The Department then provides public notice that funding may become available for NPR-A Impact Mitigation grants and requests that communities submit project proposals (grant applications). The Department establishes a review committee, makes award recommendations, and if both NPR-A lease revenue and a Legislative appropriation is received, the Department awards NPR-A Impact Mitigation grants to specific communities for specific projects.

The Bureau of Land Management (BLM) received payments from the NPR-A leases in two installments each year. The first installment includes payments received between April 1 and September 30; the second installment includes payments received between October 1 and March 31. BLM forwards fifty percent of the amount received to the State of Alaska in two installments, usually received by December 31st and May 31st.

Each year, the Department requests a Legislative capital appropriation for that year's anticipated fifty percent. The appropriation and subsequent revenue are then used to fund NPR-A grants according to AS 37.05.530.

Effective October 16, 2003, the NPR-A program regulations were amended to change the date by which grant applications must be postmarked by November 15th annually. This was the only change made to the regulations.

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



In 2006, the provisions of the NPR-A Special Revenue Fund established under AS 37.05.530 were amended by Senate Bill 171. SB 171 provides that amount received by the State under 42 U.S.C. 6506a(f) or former 42 U.S.C. 6508 and not appropriated for grants to impacted municipalities, shall be deposited at the end of each fiscal year as follows:

- 25% of the gross amount of receipts to the principal of the Alaska Permanent Fund
- .5% of the gross number of receipts to the Public-School Trust Fund
- Any remaining dollars after these deposits may be appropriated by the Legislature to the Power Cost Equalization and Rural Electric Capitalization Fund
- Any remaining cash balance shall lapse into the State General Fund for use by the State for planning, construction, operation & maintenance of essential public facilities, and other necessary public purposes.

Additionally, SB 171 allows for a “catch-up” mechanism whereby if there are amounts left over in future years following payment of grants and deposits to the Alaska Permanent Fund and the Public School Trust Fund, those amounts will be allocated to the Permanent Fund and the Public School Trust Fund in an amount equal to the deficiencies in past years when the full gross amount could not be deposited.

SB 171 also specifies that in making appropriations from the National Petroleum Reserve-Alaska Special Revenue Fund, the Legislature shall identify the grants for activities, services, and facilities as capital appropriation items and shall specify amounts for each.

PROGRAM OVERVIEW

Eligibility in General

Eligibility for NPR-A impact assistance has two main components: applicant eligibility and project eligibility.

Applicant Eligibility

To be eligible to receive assistance under the NPR-A Impact Mitigation Program, the applicant

- (1) must be a municipality under state law; and
- (2) must demonstrate present impact, regardless of date of initial occurrence, or foreseeable future impact, on the applicant or the applicant’s residents from oil or gas exploration, production, or transportation activities in the NPR-A under 42 U.S.C. 6506a or former 42 U.S.C. 6508.

Project Eligibility

- (a) To be eligible for funding under the NPR-A impact program, a project must be related to present, continuing, or reasonably foreseeable impact on the applicant or the applicant’s residents from oil or gas exploration, production, or transportation activities in the NPR-A under 42 U.S.C. 6506a or former 42 U.S.C. 6508.
- (b) To be eligible for funding, a project also must be for the purpose of
 - (1) planning;
 - (2) construction, maintenance, and operation of essential public facilities; or
 - (3) other necessary public services.

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



- (a) In this section, “impact” means an effect reasonably attributable to NPR-A oil and gas activities under 42 U.S.C. 6506a or former 42 U.S.C. 6508 on
 - (1) population;
 - (2) employment;
 - (3) finances;
 - (4) social and cultural values;
 - (5) air and water quality;
 - (6) fish and wildlife habitats;
 - (7) the ability to provide essential public services, including health care, public safety, education, transportation, utilities, and government administration; and
 - (8) other things of demonstrable importance to the applicant or the applicant’s residents.
- (b) Examples of needs that eligible projects may address include the following:
 - (1) resource protection to ensure the continued viability of fish, wildlife, and other natural resources on which the applicant’s residents rely for subsistence needs;
 - (2) alleviation or mitigation of adverse social or cultural impacts;
 - (3) health needs, including hospitals, clinics, emergency medical facilities, alcohol and drug abuse facilities, mental health facilities, waste disposal systems, and water quality improvement systems;
 - (4) public safety needs, including police protection, search and rescue, and fire protection;
 - (5) utility needs, including electric generating plants and distribution systems, water supply systems, telephone systems, and other fuel distribution systems;
 - (6) housing needs;
 - (7) recreational needs.

Restriction on Use

Under the provisions of AS 37.05.530 (d) grant funds may not be used for the retirement of municipal debt.

Grant Negotiation

Upon appropriation and award of the grant, communities will receive a negotiation letter. This identifies the information required about the project so the grants administrator can prepare the scope of work and project budget that will be included in the grant agreement.

Signatory Authority

All grantees are required to have an authorized person (Chief Administrator) listed in DCRAGrants who is eligible to approve documents requiring signature for submittal. The Chief Administrator may delegate the signing authority to additional people within the organization. All contact and signature information should be reviewed and updated no less than yearly, or whenever changes are made.

Grant Term

Grant agreements are written for a term of five years, usually beginning on July 1st and terminating on June 30th.

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



Financial/Progress Reports

Financial/Progress reports are required on a regular basis, either monthly or quarterly. Reporting requirements are stipulated within each grant agreement. Communities will complete reporting for both progress and financial reports in DCRAGrants. Your Grants Administrator will assist you with reporting questions.

PART II

THE GRANT AGREEMENT

A grant agreement with the department will include all the provisions and requirements specific to each grant. When you sign your grant agreement, you are certifying that you fully understand and will comply with these provisions.

Elements of the grant agreement include:

Grant Agreement Cover Page

This page contains pertinent grant information as follows:

- Grantee - The grantee listed on the grant cover page is the official grant recipient and fully responsible for this grant.
- Grant Number - This number is assigned by the department. Please refer to this number on all grant forms, correspondence, and when seeking grant assistance. This number will remain the same throughout the life of the grant.
- Grant Title - This is the exact title that was approved by the legislature. It is the official title of the grant project and cannot be changed.
- Grant Amount - This is the amount that was appropriated by the legislature for this project.
- Grant Start Date and Lapse Date – Only expenses occurring after the grant start date and before the lapse date are eligible for reimbursement.
- Attachments and Appendices – The grant agreement includes attachments and appendices necessary to comply with grant requirements. It is important to become familiar with these documents.
- Signatures - Grant agreements require two signatures: The chief administrator of the grantee and the signature of the approving officer from DCCED.

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Attachment A – Scope of Work

Attachment A includes the following elements:

- **Project Description** – This is a narrative of the project objectives and purpose. The grant administrator utilizes information gathered from the grantee and the original application to prepare the project description. Grantees are responsible for reviewing the prepared narrative before signing the grant agreement. Your signature on the grant agreement indicates that you agree with this narrative.
- **Project Budget** - This section includes the line-item budget, showing the use of grant funds and the total project cost. Questions about the budget should be discussed with your grant's administrator.
- **Budget Narrative** – This section stipulates grant funds will be used for purposes stated in the grant agreement.
- **Project Management/Reporting** – This section outlines grantee management responsibilities including signatory authority requirements, separate accounting requirements, and reporting requirements.
- **Forms Packet** - This includes a sample of the Financial/Progress Report Form. Samples are included at the back of this handbook. An electronic version of this form can be obtained from your grant's administrator.

Specific NPR-A Budget Concerns

Labor: Identify specific job titles, hours worked per week and hourly wages for all staff that will be paid with grant funds. Include copies of job descriptions for each position.

Fringe Benefits: NPR-A funds can reimburse the employer's share of FICA, ESC, and Workers' Compensation (WC). However, federal withholding taxes are not reimbursed to the City/Borough as they are not a benefit. Workers' Compensation may be paid either as a percentage of the wages OR included in the Insurance line item. You must identify which line-item Workers' Compensation will be charged to. You also must identify the specific percentages paid for each benefit expense and submit a copy of the City/Borough's current Contribution Rate Notice from the Department of Labor that identifies the City/Borough's and the employee's ESC rate.

Contractual: All contracts for professional services must include language binding the contract/professional services agreement to the NPR-A grant agreement. The NPR-A Contract Checklist can be accessed in the DGMS portal. All contracts must be uploaded into the forms and files section of your grant within DGMS.

Standard Provisions

Your grant agreement with the department will include Standard Provisions. Some of the provisions are of particular importance and are identified below.

Article 5. Access to Records

"The Department and duly authorized officials of the State of Alaska shall have full access and the right to examine, excerpt, or transcribe any pertinent documents, papers, records, and books of the Grantee, and of persons or organizations with which the Grantee may contract, involving transactions related to the project and this Grant Agreement."

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



It is important that the grantee maintain complete records on the project to provide to the department upon request. All grant files must be retained for at least six years from completion of the project. In addition, your grants administrator may schedule a visit to review project files, see the site, and take photographs for the grant file.

Article 6. Reports

“The Grantee, at such times and in such forms as the Department may require, shall furnish the Department with such periodic reports as it may request pertaining to the activities undertaken pursuant to this Grant Agreement, including the final close-out report, the costs and obligations incurred in connection therewith, and any other matters covered by this Grant Agreement.”

Upon signature of this grant agreement, the grantee agrees to furnish the required reports as requested under this grant.

Article 10. Program Income

“Program income earned during the award period shall be retained by the Grantee and added to the funds committed to the award and used for the purpose and under the conditions applicable to the use of award funds.”

Article 11. Amendments and Modifications

“The Grantee or the Department may request an amendment or modification of this Grant Agreement. However, such amendment or modification shall not take effect until approved, in writing, by the Department and the Grantee.”

If the grantee wishes to make changes to the project in any way, it is necessary to request amendment through the DGMS portal.

Article 15. Obligations Regarding Third Party Relationships

“None of the work specified in this Grant Agreement shall be contracted by the Grantee without prior approval of the Department. No permission for subcontracting shall create, between the Department or the State of Alaska and the subcontractor, any contract or any relationship.

The Grantee shall remain fully obligated under the provisions of this Grant Agreement notwithstanding its designation of any third party or parties of the undertaking of all or any part of the project described herein. Any subcontractor that is not the Grantee shall be required by the Grantee to comply with all the provisions of this Grant Agreement.

The Grantee shall bind all subcontractors to each and every applicable Grant Agreement provision. Each subcontract for work to be performed with funds granted under this Grant Agreement shall specifically include a provision that the Department and the State of Alaska are not liable for damages or claims from damages arising from any subcontractor’s performance or activities under the terms of the subcontracts.”

Article 21. Termination for Cause

“If the Grantee fails to comply with the terms of this Grant Agreement or fails to use the grant for only those purposes set forth...” in the grant agreement, the department may suspend or terminate the grant. If a grantee is having trouble administering a grant, their grants administrator is available to discuss solutions.

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



Article 30. Governing Law

“This Grant Agreement is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in compliance with the appropriate laws and regulations. It is the responsibility of the Grantee to ensure that all permits required for the construction and operation of this project by the Federal, State, or Local governments have been obtained.”

Article 32. Equal Employment Opportunity (EEO)

“The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood...”

The grantee must display EEO posters where all employees and applicants for employment can easily view them. All solicitations and advertisements for employees to work on state-funded projects must state that the grantee is an equal opportunity employer. The EEO provisions must also be included in every contract relating to this grant agreement, including those entered into by any of its contractors, so that those provisions will be binding upon each contractor and subcontractor.

Article 35. Operation and Maintenance

“Throughout the life of the project, the Grantee shall be responsible for the operation and maintenance of any facility, equipment, or other items acquired under this grant.”

RECORD KEEPING & REPORTING REQUIREMENTS

The grantee must establish and maintain separate accounting for the use of grant funds. The use of grant funds in any manner contrary to the terms and conditions of this grant agreement may result in the subsequent revocation of the grant and any balance of funds under the grant.

The grantee shall submit a financial/progress report each month or quarter as approved during the life of the grant agreement. Reports are due 30 days after the end of the month or quarter being reported. The original report must be certified by an authorized signer and sent to the department.

It is necessary to submit a monthly or quarterly report each reporting period, regardless of whether or not any funds have been expended during the period.

The progress report section must be completed on each report submitted. This section should describe activity that supports the expenditures during the reporting period. Progress statements should address all outcomes, deliverables and objectives as identified in the grant agreement. If no activity has taken place, please provide a statement on why there was no activity.

The grantee must keep records of all expenditure related to the grant project and make these available to your grant’s administrator upon request. Records should include all invoices and bills along with proof of payment (copies of checks); copies of payroll records including signed timesheets, payroll checks, and fringe benefit costs.

ALLOWABLE PROGRAM COSTS

Any costs identified in the grant agreement scope of work are generally allowable and can be submitted for reimbursement. Any questions regarding allowable expenditures under the grant should be discussed with your grant’s administrator prior to purchase. Disallowed expenditures will not be reimbursed with grant funds.

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



ALLOWABLE ADMINISTRATION COSTS

Allowable administrative costs are those costs necessary to administer the grant project. Administration costs may not exceed 10% of the total award and no more than 5% for equipment purchase. To be reimbursed for administrative costs the grantee must request an administrative line in the proposed budget. The grantee is also required to report administration in the provided budget line item on the financial/progress report form.

If a grantee has a federally recognized indirect cost rate, a copy of that agreement must be provided at the time of submitting a grant application.

Below are some examples of allowable expenditures. In some circumstances, these may be considered direct project costs. If you have questions, please contact your grants administrator.

Advertising

Advertising for recruitment of personnel, procurement of goods and services, and any other grant specific purposes are allowed.

Audits

Preparation of a state single audit is allowable if the audit is performed in accordance with 2 AAC 45.010 Audit Requirements. Only the prorated cost for auditing this grant program is allowed. See Attachment C, Article 41 of your grant agreement.

Insurance

Insurance costs related to the project are allowable. See Attachment C, Article 28 and Appendix B2 of your grant agreement.

Materials & Supplies

Materials and supplies are allowable if necessary for administration of the grant such as office supplies, freight, and rental or purchase of equipment.

Office Costs

Prorated costs for services such as telephone, fax, postage, internet, and utility costs are allowable.

Professional Services

Administrative services performed under contracts or agreements, including general legal services, accounting services, and audit services are allowable.

Rental Costs

Rental costs for office space and equipment are allowable to the extent that the rates are reasonable.

Staff Salaries & Fringe Benefits

Salaries and benefits for employees involved in administration of the grant are allowed. These costs must be based on Generally Accepted Accounting Principles (GAAP).

Training

The cost of training may be allowable. Please contact your grants administrator for more information.

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



Travel

Travel and per diem expenses will be allowed in accordance with the grantee's written travel policy. Grantees that do not have a policy for per diem should follow the established policy of the State of Alaska. Grant funds will pay for transportation costs by the most direct route and efficient means. The grants administrator must approve in advance the use of business or first-class accommodation. Approval is subject to the determination that tourist-class accommodation is not available or would cause a greater cost. The grantee will anticipate travel sufficiently in advance to procure discounted rates whenever expected and possible. Grant funds may pay for ground transportation that is necessary to fulfill the grant project related objectives, such as car rental, taxis, or buses. Grant funds may pay for lodging costs. Additional hotel room expenses, such as telephone charges, will only be allowed if demonstrated to be related to the grant project. Grant funds may pay per diem, but will not pay expense gratuity, alcohol, or miscellaneous incidentals.

Requests for reimbursement for travel costs must include at a minimum, the dates and times of travel, the traveler's name, the destination(s), and the purpose of travel to each destination. Travel will be reimbursed once the travel has been completed.

PAYMENT METHOD

Cost Reimbursable

NPR-A grants are cost reimbursable. Funds are reimbursed based on actuals not accruals during the reporting period. Payments will be received within 30 days of your Grants Administrator reviewing and approving reports/reimbursement requests.

Electronic Funds Transfer and Payment Inquiry

Funds will be sent by Electronic Funds Transfer; grantees that are not enrolled in EFT will be issued a warrant. You may request the Electronic Payment Agreement Form to enroll in the program.



TECHNICAL ASSISTANCE

On-Site Visits, Monitoring and Technical Assistance

Grantees may receive an on-site visit during the course of the grant term. This visit will be conducted to ensure the grantee is complying with grant stipulations. The grants administrator will review grant files for documentation, contracts, correspondence, etc., related to the grant; including any projects in progress or that have reached completion within the grant scope.

Grantees may request a site visit at any time during the life of the grant. Grant Administrators are happy to comply with these requests and offer technical assistance, or assistance with the administration of the grant.

PART III

CONTRACTS AND SUBCONTRACTS

If your project requires a construction contract or a professional services contract it is important to know that the grantee is fully obligated under the provisions of the grant agreement. The grantee shall bind all contractors and subcontractors to each and every applicable grant agreement provision. Key provisions may include:

- Article 2 – Indemnification
- Article 26 – Ownership of Project/Capital Facilities
- Article 27 – Site Control
- Article 28 - Insurance
- Article 35 – Operation and Maintenance

SITE CONTROL

Before a grantee can begin a construction project, it is necessary to make sure the legal right to build on or use the site is obtained. This legal right is called site control. This right must be formally given in writing; verbal permission is not enough.

Site control requirements depend upon the nature of the project. If the grantee is going to construct a building, it is necessary to obtain a lease or deed showing control of the land. If the grantee is leasing land to construct a building, the period of the lease should be at least for the useful life of the building (generally 20 years). If the grantee needs to build something across someone else's land, it is necessary to obtain an easement or right-of-way for the planned use. If the grantee is going to use the land temporarily, such as during construction, it is necessary to get a use permit or license.

It is important that the boundaries of the property are identified with a legal description to ensure structures are built on accurate land. It is recommended that the property be surveyed prior to obtaining title to the land by deed or before entering a long-term lease.

In addition to obtaining control of the land, a grantee should ensure there is adequate access to the site. It may be necessary to obtain an easement in order to assure legal access to the property being used. Owning the property is useless if it is not accessible.

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



It is necessary to accurately describe the land in the lease, deed, or easement documents. This "legal description" is extremely important because it must accurately identify the land being utilized. A recorded survey plat is the preferred method of describing land. The legal description is used to identify the boundaries of the real property, including any restrictions, reservations, rights-of-way, and easements and is written by one of these basic methods (1) the "metes and bounds" system; (2) the US Public Land Survey system; and (3) the "lot and block" survey system.

All site control determinations for DCCED grants are reviewed by our Division's Mapping, Analytics, and Data Resources Section.

To find your local contact regarding public records on land deeds, plats, surveys etc., visit the District Recorder's website at: <http://dnr.alaska.gov/ssd/recoff/distlist.cfm>

The public can access documents through the statewide recording system database at any DNR Recording Office or on the Internet at: <http://dnr.alaska.gov/ssd/recoff/searchRO.cfm>

The address of the main District Recorder's office is:

State Recorder/Administration

550 West 7th Avenue, Suite 108
Anchorage, AK 99501-3564
(907) 269-8876

If the project is located within a federal townsite, the BLM Alaska State Office must be contacted. They are responsible for issuing land deeds to Alaskan villages. The trustee manages townsite lands until a deed is issued. Contact the office below to determine if a site is available:

US Department of the Interior

Bureau of Land Management, Alaska State Office

222 W. 7th Avenue, #13
Anchorage, AK 99513-7599
(907) 271-5960

The State Municipal Lands Trustee may need to be contacted if the land to be used is in an unincorporated ANCSA village. The Municipal Lands Trustee holds title in trust for community use and expansion.

Additional information about site control may be obtained online from the division's website at: <https://www.commerce.alaska.gov/web/dcm/LocalGovernmentResourceDesk/PlanningLandUse/SiteControl.aspx>

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



INSURANCE

The grantee may not start work on a project until insurance required to protect project workers, the public, and your own interests has been obtained. A **Certificate of Insurance** may be required prior to the release of grant funds.

Insurance can be purchased from a number of different agencies. Listed below are the types of insurance that is required, depending upon the grantee's needs:

- ***Workers' Compensation Insurance***
The Alaska Workers' Compensation Act as governed by State law (AS 23.30) requires each employer having one or more employees in Alaska to obtain workers' compensation insurance, unless the employer has been approved as a self-insurer. The cost of a workers' compensation policy (the premium) is based upon the employer's payroll, type of business risk (classification assignment), and the employer's loss history.
- ***General Liability***
The grantee is responsible for obtaining any necessary liability coverage to protect itself and its workers from claims due to accidents.
- ***Vehicle Liability***
State law (AS 21.89) requires that all vehicle owners must maintain at least a minimum of insurance coverage against loss from damages arising out of the ownership or use of a vehicle.
- ***Professional Liability Insurance (optional)***
The grantee should consider requiring contractors (including architects, engineers, etc.) to obtain this insurance to cover any negligent acts of the contractor, subcontractor, or anyone directly or indirectly employed by them. This coverage provides extra protection for the grantee.
- ***Builder's Risk Insurance (optional)***
The grantee should consider fire, theft, vandalism, and other kinds of insurance coverage, for either the whole project or some part of the project.
- ***Hazard Insurance (optional)***
The grantee should consider acquiring insurance coverage for unusual events such as windstorms, flooding, or earthquakes.

LABOR STANDARDS

There are only two ways labor can be performed and paid for under an NPR-A grant. These are **Force Account Labor** or **Contracted Labor**.

Force Account

In a force account project, workers are hired directly by the grantee as public employees. In some instances, local governments, political subdivisions, and non-profit groups may use force accounting on projects built with state funds. The grantee bears the final responsibility for hiring and firing employees, setting wages (the wages must reflect the prevailing wage for that type of work for the area), paying wages, and making appropriate payroll deductions, purchasing materials, and all aspects of construction. Using the force account method is usually less expensive. However, force accounting is not necessarily the best approach for every grantee or for every project. Force account projects require the grantee to have significant administrative abilities.

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



Two questions to consider before using force accounting on a construction project.

1. Is your organization capable of handling the technical aspects and labor requirement of the project?
2. Does your organization have the commitment to provide the labor force, training programs, and support necessary to successfully complete a force account project?

Carefully consider these two questions before starting a force account project:

One of the major benefits of force accounting is the opportunity to employ and train local residents. A grantee should evaluate the size and talents of the resident labor force to determine if qualified employees are available for hire.

The grantee must keep very detailed financial records if utilizing force account labor on your project. Information must be maintained about the employee, position (job description, hours and wage rate), as well as standard payroll records (approved timesheets for each employee, hours worked, tax and fringe benefit computation, evidence of payment, etc.).

Contracted Labor and Current Prevailing Rate of Pay

Certain grant projects are subject to the provisions of AS Title 36 PUBLIC CONTRACTS. Municipalities, school districts and other political subdivisions are subject to the provisions of AS Title 36 Public Contracts when they contract for the performance of the work on projects exceeding \$25,000. Non-profit organizations that contract for the performance of the work are also subject to AS Title 36 when the value of the project is more than \$25,000 unless the non-profit organization is performing the work on the project.

Contact the Alaska Department of Labor and Workforce Development if you have any questions about contracted labor and your project. Contracted labor must be paid the prevailing wage rate issued by the Alaska Department of Labor and Workforce Development in Pamphlet 600, *Laborers' & Mechanics' Minimum Rates of Pay*. This pamphlet is published twice yearly, April 1 and September 1 and may be accessed on-line at: <http://www.labor.state.ak.us/lss/pamp600.htm>

If your contract uses contracted labor the contractor will be doing most of the paperwork however, you must obtain copies of the entire contractor's certified payroll.

Email addresses for the Anchorage, Juneau, and Fairbanks offices are listed here:

Anchorage.lss-wh@alaska.alaska.gov

Juneau.lss-wh@alaska.gov

Fairbanks.lss@alaska.gov

FIRE MARSHAL

All construction, repair, remodel, addition or change of occupancy of any building/structure or installation or change of fuel tanks must be approved by the State Fire Marshal's Office before ANY work is started. The State Fire Marshal reviews and approves all construction on public buildings and fuel tanks to make sure that they are not fire hazards.

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



Plans and specifications regarding the location of the building or structure on the property, area, height, number of stories, occupancy, type of construction, interior finish, exit facilities, electrical systems, mechanical systems, fuel storage tanks and their appurtenances, automatic fire-extinguishing systems, and/or fire alarm systems must be submitted by the owner or owner's representative to the State Fire Marshal for examination and approval.

This review does not address structural considerations or accessibility requirements. Mechanical and electrical review is limited to that which is necessary to confirm compliance with fire and life safety requirements.

A copy of the plan review approval certificate must be posted as required in 13 AAC 55.100(b).
It is prohibited to occupy a building for which plans have not been examined and approved.

The following information and guidance is offered regarding the plan review and permitting process:

1. Submit a completed plan review application form accompanied by construction documents to the appropriate State Fire Marshal's Office.
2. The construction plans are reviewed after receipt of the plan review fee. All fees are calculated by the Fire Marshal's Office.
3. During spring/summer preconstruction, plans should be submitted at least one month prior to the anticipated construction start date.

Fire Marshall Regional Offices are listed here:

Anchorage Office

5700 East Tudor Road
Anchorage, AK 99507
(907) 269-5491

Fairbanks Office

1979 Peger Road
Fairbanks, AK 99709
(907) 451-5200

Juneau Office

P.O. Box 111202
Juneau, AK 99811
(907) 465-4331

PERMITS

Almost all public building projects require some permits. A few permits may come from your local government, but most come from state or federal agencies.

Generally, two types of permits are required: building and operating. Building permits must be acquired first since construction cannot begin without one. It is suggested you begin obtaining operating permits in time to occupy your building when construction is completed.

Other permits you may need to obtain include:

- Building permit
- Conditional use permit
- Variance
- Excavation permit
- Flood hazard development permit

Grantees are required to obtain all necessary permits required by law for applicable projects.

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS



The Alaska Department of Environmental Conservation (ADEC) regulates all activities in Alaska that might pollute the air, water, or soil. There are dozens of ADEC permits related to constructing and operating public buildings. If you are not sure what ADEC permits you need, you can fill out a questionnaire on their website <http://dec.alaska.gov/> or contact the ADEC office closest to you for assistance:

State of Alaska

Department of Environmental Conservation

Northern Regional Office

610 University Avenue
Fairbanks, AK 99709
(907) 451-2120

Southcentral Regional Office

555 Cordova Street
Anchorage, AK 99501
(907) 269-7501

Southeast Regional Office

P.O. Box 111800
Juneau, AK 99811
(907) 465-5270

The following list provides the names, addresses, and telephone numbers for various permitting agencies with the State. This list is not intended to be all-inclusive.

POTENTIAL PROJECT PERMIT REQUIREMENTS

Type of Permit, Approvals, Etc.	Description	Regulatory Agency
School Construction	Authority of the Department of Education for review of construction documents for educational facilities	Department of Education & Early Development P.O. Box 110500 Juneau, AK 99811-0050 (907) 465-2800 http://eed.alaska.gov/
Solid Waste Disposal Permit	Permit needed for disposal of solid waste or hazardous material	Department of Environmental Conservation P.O. Box 111800 Juneau, AK 99811-1800 (907) 465-5285 or 555 Cordova Anchorage, AK 99501 (907) 269-7501 or 610 University Avenue Fairbanks, AK 99709 (907) 451-2120 https://dec.alaska.gov/
Water Discharge Permit Plan Review and Approval of Sewerage or Sewage Treatment Works Plan Review and Approval of Public Water Systems Storage Tank Program Food Safety & Sanitation Program Plan Review and Health Inspections of Public Establishments	Permit needed for the disposal of wastewater on land or in waters Pre-operation inspection is required to ensure compliance with health and sanitation standards for food service establishments, schools, day-care and pre-elementary schools, hotels and motels, swimming pools and bathing areas, and public toilets. Approval for any work in or near anadromous rivers, lakes, or streams.	Department of Natural Resources Division of Habitat P.O. Box 115526 Juneau, AK 99811-5526 (907) 465-1852 (or contact local office in Palmer, Anchorage, Fairbanks, Craig, Petersburg or Soldotna) https://www.adfg.alaska.gov/index.cfm?adfg=uselicense.main
Anadromous (Salmon Spawning) Fish Protection Permit Critical Habitat Area Permit State Game Refuge Permit	Approval for any work or development in a critical habitat area. Permit needed if proposing work or development within a designated state refuge or game sanctuary.	Department of Health & Social Services Health Facilities Licensing and Certification 619 E. Ship Creek Avenue, Ste. 232 Anchorage, AK 99501 (907) 334-2483 https://dhss.alaska.gov/
Hospital and Health Facility Construction	Authority of the Department of Health & Social Services for licensing and establishing standards for the construction of hospital and health facilities.	Department of Labor & Workforce Development Employment Security Division P.O. Box 115509 Juneau, AK 99811-5509 (907) 465-2712 http://labor.alaska.gov/
Unemployment Insurance	Individuals, companies, and organizations that have one or more workers in covered employment for any part of a day must register with the Department.	Department of Labor & Workforce Development Division of Workers' Compensation P.O. Box 115512 Juneau, AK 99811-5512 (907) 465-2790 https://labor.alaska.gov/wc/
Workers' Compensation Insurance	Any employer with one or more employees working within the state must buy a workers' compensation insurance policy and submit proof of insurance to the Department.	Department of Labor & Workforce Development Mechanical Inspection 3301 Eagle Street, Suite 302 Anchorage, AK 99503 (907) 269-4925 https://labor.alaska.gov/iss/mihome.htm
Certification of Fitness – Electrical and Plumbing Certification of Pressure Vessels	Certifies the competency of electricians and plumbers. To ensure that boiler and pressure vessels and elevator constructions, installation and operation conform to regulations.	
Type of Permit, Approvals, Etc.	Description	Regulatory Agency

Clearance regarding Preservation of Prehistoric and Archaeological Resources	Determination of presence/absence of cultural resources on the building site.	Department of Natural Resources Office of History & Archaeology 550 W 7 th Ave., Suite 1310 Anchorage, AK 99501-3565 (907) 269-8721 http://dnr.alaska.gov/parks/oha
Rights-of-Way Easement	Authorization required for rights-of-way easement and construction or improvements on easements established on State lands	Department Natural Resources Division of Mining, Land & Water 550 W 7 th Ave., Suite 1260 Anchorage, AK 99501-3577 (907) 269-8400 http://dnr.alaska.gov/mlw/
Water Rights Permit Sand and Gravel Extraction	Must obtain permit to use surface or ground water in Alaska To obtain sand and gravel on State lands for use on the project.	
Life/Fire Safety Plan Check for Construction/Occupancy of Building	Approval of building plans is required for fire protection and safety. This applies to commercial, industrial business, institutional or other public buildings containing four or more dwelling units. Construction, repair, remodel, addition or change of occupancy of any building/structure as listed above, or installation or change of fuel tanks must be approved by the State Fire Marshal's office prior to any work being started.	Department of Public Safety Division of Fire & Life Safety 5700 East Tudor Road Anchorage, AK 99507 (907) 269-5491 or P.O. Box 111202 Juneau, AK 99811-1202 (907) 465-4331 or 1979 Peger Road Fairbanks, AK 99709 (907) 451-5200 https://dps.alaska.gov/Fire/Home
Handicapped Accessibility	Review and approval of plans for buildings and facilities with respect to handicapped access.	Department of Transportation & Public Facilities Statewide D & E Services P.O. Box 112500 3132 Channel Dr. Juneau, AK 99811-2500 (907) 465-2960 http://www.dot.state.ak.us/stwddes/
Driveway Permit	Permit required to construct and maintain a driveway or approach road on highway right-of-way	
Discharge of Dredged or Fill Material into U.S. Waters	Permit required for the discharge of any dredged or fill material in US waters, including wetland. Permit cost is \$100 for commercial use or \$10 for non-commercial use.	Federal Agencies US Army Corps of Engineers US Army Engineer District, AK P.O. Box 6898 Elmendorf AFB, AK 99506-6898 https://www.poa.usace.army.mil/
Structures or work in/or Affecting Navigable Waters	Permit required for any work or placement of structures in US waters.	
National Wildlife Refuge Land – Special Use Permit	Permit required for easements, roads, or utilities in Wildlife Refuge Lands	US Fish & Wildlife Service Division of Realty 1011 East Tudor Road, MS 211 Anchorage, AK 99503 (907) 786-3414 https://www.fws.gov/service/special-use-permits-national-wildlife-refuges

Type of Permit, Approvals, Etc.	Description	Regulatory Agency
Oil Storage Facilities – Spill Prevention Control Counter Measures Plans	Approval required for onshore and offshore oil storage facilities. Also contact the Alaska Dept. of Environmental Conservation, Compliance Assistance Office at (800) 510-2332	US Environmental Protection Agency Alaska Operations Office 222 West 7 th Ave. #19 Anchorage, AK 99513-7588 (800) 781-0983 (907) 271-5083 https://www.epa.gov/
Structures Which May Interfere with Airplane Flight Paths	Any construction or alteration of any structure, roadway, overhead wires, and so on, which may interfere with airplane flight paths, must be reported to the Federal Aviation Administration.	US Dept of Transportation Federal Aviation Administration Alaskan Region Airports Division 222 West 7 th Avenue #14 Anchorage, AK 99513 (907) 271-5438 http://www.faa.gov/airports/alaskan

PROCUREMENT

Procurement is the effective acquisition of goods and services. Grantees are required to follow fair and equitable procurement standards in the acquisition of all services, supplies, and materials and keep clear records of any bid process undertaken.

Grantees may use their own written procurement procedures, **provided that the procurements conform to applicable federal law and regulations identified in 2-CFR Part 200 Subpart D – Procurement Standards 318-326.** If the grantee does not have an adopted procurement policy, they must follow applicable federal law and regulations identified in 2 CFR Part 200.318-326. For more information on 2 CFR 200 go to website: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

The city or borough may be eligible to utilize the State of Alaska’s cooperative contracts (AS 36.30.700). This gets a ‘good deal’ on a number of items necessary for purchase. Listed below is a sample of items available for purchase:

- Computers and peripherals
- Office Supplies
- Fuel
- Software
- Paper

All of the contracts are "non-mandatory" for use by state political subdivisions. If interested, go to this website for more information: <http://doa.alaska.gov/oppm/cam/>

When procuring a contractor, verify that the contractor is not ineligible (i.e. debarred) from participation in state and federal programs. The list of entities debarred from bidding or working on public construction projects within Alaska can be accessed online at:

<http://www.labor.state.ak.us/lss/debarments.htm>

<https://sam.gov/content/home>

Also, verify that the contractor has been issued a certificate of registration as a contractor by Division of Corporations, Business and Professional Licensing, and has an active business license by searching

<https://www.commerce.alaska.gov/web/cbpl/>

AUDIT REQUIREMENTS

Grantees must comply with the audit requirements established by U.S. Office of Management and Budget [2.CFR Part 200 Subpart E](#), set forth in Appendix A of the Grant Agreement.

Submit Audit Reports to:

State of Alaska
Department of Administration Division
of Finance
Attn: Single Audit Coordinator
P.O. Box 110204 Juneau, AK
99811-0204

PART IV

GRANT ADMINISTRATION BASICS

Keeping organized project management files is a vital component of grant administration and cannot be over emphasized. It is important for each grant agreement to have its own file with the title and grant number clearly labeled. Grantees may also want to include on the label the date the grant lapses. It is important to keep files neat, organized, and up to date.

PART V

GRANT CLOSEOUT

Grants are usually closed out by mutual agreement after the project has been completed in compliance with the grant agreement and all of the funds are expended, accounted for, and reimbursed. After the grantee has submitted the final financial/progress report, the grants administrator will provide notification of official closeout. Grantee must retain your grant files for a minimum of six years from the closeout effective date.

LAPSING GRANTS AND EXTENSIONS

Grants administrators will contact grantees with existing grants that are scheduled to lapse on June 30 of the current year regarding the status of their grant(s). Grantees may request a one-year extension of the grant term. This request must be in writing and explain why an extension is necessary for each project.

To warrant a grant extension, a grantee must:

- Be current on financial/progress reports
- Demonstrate progress on their project
- Submit a documented plan for continued progress and/or project completion

PART VI

SUMMARY

This handbook is provided to each grantee as a resource and guide. Please note the enclosed information may become outdated. Your best resource for grant management is your grants administrator. If you have any questions, it is important for you to contact them. Our goal is for each grantee to have a successful experience completing the project for which funds were awarded.