

DENALI BOROUGH, ALASKA  
ORDINANCE NO. 16-13  
INTRODUCED BY: Mayor Clay Walker

AN ORDINANCE AMENDING THE DENALI BOROUGH CODE OF ORDINANCES,  
CHAPTER 3.21 TITLED MANAGEMENT OF GRANTS

BE IT ENACTED by the Denali Borough Assembly, Alaska that:

Section 1. Classification. This ordinance is of a general and permanent nature.

Section 2. Purpose. The purpose of this ordinance is to amend the Denali Borough Code of Ordinances Chapter 3.21 titled Management of Grants in its entirety as follows:

**Chapter 3.21  
MANAGEMENT OF GRANTS**

Section:

- 3.21.020 Definitions.
- 3.21.030 Grant management.
- 3.21.100 Grants received.
- 3.21.110 Administration.
- 3.21.120 Grant application/approval process.
- 3.21.130 Accountability.
- 3.21.150 Legislative grants.
- 3.21.200 Grant programs.
- 3.21.220 Nonprofit grant program.
- 3.21.230 Matching grant program.
- 3.21.235 Matching grant committee.
- 3.21.240 Public safety per capita funding program.
- 3.21.250 Municipal assistance program.

**3.21.020 Definitions.**

The following definitions apply to this chapter:

“Administered” means to conduct, control, direct, supervise, or oversee a grant program.

“Assets” means items of economic value that can be converted to cash.

“Capital improvements” means construction or improvement of major public facilities such as schools and landfill facilities.

“Capital project” means a project undertaken by a municipality that requires a major expenditure of funds typically involving the purchase, construction, or improvement of buildings or other structured areas used to provide service to the community.

“Capitalize” means to classify a cost as a long-term investment, rather than charging it to current operations. A capitalized cost does not appear on the income statement but appears as a debit on the long-term assets account and a credit on the cash account of the balance sheet.

“Civil action” means an individual or corporation sues another for violating an agreement or duty owed them by the other entity.

“Direct vendor purchase” occurs when grantees do not have enough funds available to make large purchases (i.e., building materials, prepackaged buildings, insurance coverage), and the borough makes a direct payment to a vendor. The grant manager may authorize a direct vendor payment (DVP) in this situation. DVP is used under the borough nonprofit and matching grant programs listed under DBC 3.21.220 and 3.21.230. All DVPs will be at the discretion of the mayor and will be authorized only when, in the judgment of the mayor, the grantee is unable to secure the purchases through cost reimbursable means.

“Eligible nonprofit organization” means organizations that serve some public or mutual benefit as opposed to benefiting only the owners, investors or members of the organization.

“Faith-based” means pertaining to a religion or spiritual belief system.

“Grant” means the furnishing by the federal, state, municipal government, or other institution of assistance (financial or other) to implement a project or program authorized by law (excluding revenue-sharing programs), requiring compliance with terms and conditions under a grant agreement.

“Grant agreement” means the contract document including, but not limited to, rules, regulations and laws pertaining to the grant, between the grantee and the granting agency.

“Grant manager” refers to the Denali Borough mayor or designee.

“Grantee” means a person, agency, organization, or division of government awarded a grant.

“In-kind donation” means a contribution of goods or services other than cash.

“Legislative grants” means a request for specific projects, such as capital improvements that are not otherwise funded in a state agency capital budget. Funding for a variety of projects such as these may be requested directly from the legislature.

“Lien holder” means an institution having legal claim to the specific property of another person or entity as security on titled or deeded equipment.

“Pass through grant” means a grant issued by an agency to a primary recipient that is used to benefit a secondary recipient per the award eligibility terms.

“Reimbursable expenditures” means qualified, documented expenditures paid by the grantee and properly submitted in receipt form with a quarterly financial report to be paid by the grantor.

“Titled equipment” means any vehicle that by law must be titled or registered by the State of Alaska, Department of Motor Vehicles or FAA, to include fire trucks, ambulances, snow machines, boats, aircraft and the like.

**3.21.030 Grant management.**

The Denali Borough assembly may accept or provide grant opportunities that benefit the citizens of the Denali Borough. The mayor or designee shall seek funding sources that will benefit the residents of the Denali Borough.

The treasurer shall report to the assembly regarding grant revenue and expenditures on a quarterly basis.

The Denali Borough operates without discrimination in regard to race, color, national origin, ancestry, sex, sexual orientation, gender identity or expression religion, age, pregnancy, disability, work-related injury, covered veteran status, political ideology, genetic information, marital status, or any other factor that the law protects from discrimination.

Organizations that are found to discriminate in their provision of service and/or hiring based on age, race, color, religion, sex or national origin or other criteria shall be required to return any grant awards and may be rendered ineligible for future support.

The Denali Borough will not support any program that requires exposure, adherence, or conversion to any doctrine in order to be a beneficiary of the program. As an example, a direct service program run by a faith-based organization may be eligible, provided that the program’s beneficiaries are not required to learn about, adhere to, or convert to that organization’s doctrine as a condition of receiving service from the program.

**3.21.100 Grants received.**

The Denali Borough assembly may accept grant revenue from state, federal, and other granting agencies and make appropriations thereof.

**3.21.110 Administration.**

- A. Except as this code provides otherwise, all rights, powers and authority pertaining to grants are vested in the grant manager.
- B. The grant manager shall administer all facets of grants from pre-application through final grant audit.
- C. The grant manager shall have the responsibility to assure full compliance by the borough with the terms and conditions of the grant agreement.

**3.21.120 Grant application/approval process.**

- A. The grant manager shall identify and submit grant information to the Denali Borough assembly for approval.
- B. A non-code ordinance appropriating funds for reimbursable expenditures shall be submitted to the assembly for adoption.

- C. When a grant application timeline prohibits the consideration of an ordinance, the assembly may approve a resolution to authorize the grant manager to proceed with the application.
- D. The grant manager is authorized to enter into a grant agreement with state, federal or other granting entity.

**3.21.130 Accountability.**

- A. All grant funds shall be accounted for in the annual financial statement.
- B. Pass-through grants allow grant-acquired assets to be distributed to borough community organizations.
  - 1. The treasurer shall arrange for the accountability of such assets but otherwise not capitalize these in borough financial statements.
  - 2. The process to transfer assets shall include a letter of receipt, signed by the grantee and filed with the borough.

**3.21.150 Legislative grants.**

- A. The mayor, assembly, or designee will create a resolution listing capital projects and priorities requested of the State of Alaska to be approved by the assembly.
- B. Upon approval, the grant manager will submit said resolution and associated documentation to the legislature and/or governor of the State of Alaska for consideration.
- C. Upon notification of award, the grant manager is authorized to enter into an agreement with the State of Alaska and shall report the grant award to the assembly.
- D. The grant manager, in accordance with Sections 3.02 and 9.13 of the Denali Borough Charter, DBC 3.05.010, 3.20.030 and 3.21.030, will follow procedures outlined by the grant requirements and Chapter 3.35 DBC and DBC 3.10.100 to purchase approved grant items.
- E. Borough assets will be maintained on an inventory of equipment purchased as per DBC 6.05. If the items, to include capital improvements, purchased with grant funds are to be distributed to another agency, the Denali Borough shall account for, but not capitalize, the items until such time as they have been transferred to the receiving agency. The receiving agency shall acknowledge in writing the transfer of equipment. Any titled equipment shall list the Denali Borough as lien holder.

**3.21.200 Grant Programs.**

- A. Authority.
  - 1. Denali Borough Charter, Article III, Section 3.02(D).
  - 2. Chapter 3.05 DBC.
  - 3. DBC 2.45.040.
- B. Grant programs under this section shall not, in combination, exceed funding limitations per DBC 3.05.040(E).

**3.21.220 Nonprofit grant program.**

- A. Purpose. The purpose of the nonprofit grant program is to assist eligible nonprofit organizations, including fire departments, libraries and community organizations, by providing supplemental funds for local programs and services that will benefit citizens of the Denali Borough.
- B. Nonprofit grant program guidelines

1. Grant programs must be administered by an eligible nonprofit organization within the state of Alaska.
  2. Nonprofit grants are subject to an application process. Items to be included in the application packet:
    - a. an application form prescribed by the borough,
    - b. organization by-laws and copy of State of Alaska Incorporation: Nonprofit Certificate,
    - c. applicant organization's most recent board approved budget,
    - d. minutes from the applicant organization public meeting(s) recording board approval of the proposed program or service,
    - e. a list of current organization board members, including addresses and phone numbers,
    - f. prior July 1 – June 30 fundraising activity report, and
    - g. fire departments must submit a copy of their most recent annual summary report.
  3. Grant applications must be received at the borough office or postmarked no later than 4:00 p.m. March 1st. Incomplete or late applications will not be accepted.
  4. Grant programs will not be funded retroactively.
  5. Grant funding shall be on a reimbursable basis. Direct vendor purchase (DVP) is available under the nonprofit grant program. Grant funds may not be used for indirect purchases for gift cards, contractor cards, or other lines of credit.
- C. Grantee Obligations.
1. All grant recipients shall submit, within 20 days of the end of the quarter (September 30th, December 31st, March 31st, June 30th), a financial report detailing activity related to the program and associated receipts.
  2. The Denali Borough reserves the right to, upon 30 days' written notice, conduct a financial audit, itself or through its agent, of the program for which the grant was given.
  3. If the grantee's organization dissolves, the grantee shall offer assets from the grant program to be distributed according to statutory laws, AS 10.20.290 through 10.20.452.
- D. Failure to Comply
1. Failure to submit quarterly reports within 20 days of the due date described in 3.21.220(C)(1) will result in suspension of grant payment until the delinquent quarterly report is received by the borough. Any expenses incurred during a period of suspension will not be reimbursed.
  2. Failure to submit a quarterly report within 90 days of the end of a quarter (September 30th, December 31st, March 31st, June 30th), will be considered a failure to meet the obligations of the program and shall result in termination of grant.
  3. Any organization that has previously applied for and was awarded a grant under this chapter and failed to meet the obligations of the program shall be disqualified for a period of two years. The organization may also be subject to civil action for recovery of any grant monies that may have been dispensed.

**3.21.230 Matching grant program.**

- A. Purpose. The purpose of the Denali Borough matching grant program is to assist eligible nonprofit organizations by providing grant funds for specific local projects that will benefit citizens of the Denali Borough.
- B. Matching grant program guidelines.
1. Up to three matching grant awards may be granted annually dependent upon financial availability.
  2. Organizations receiving other grants or monies from the Denali Borough may apply for the matching grant program.
  3. Grant projects must be administered by an eligible nonprofit organization.
  4. Grants are subject to an application process. Items to be included in the application packet:
    - a. an application form prescribed by the borough,
    - b. organization by-laws and copy of State of Alaska Incorporation: Nonprofit Certificate,
    - c. applicant organization's most recent board approved budget,
    - d. minutes from the applicant organization meeting(s) recording board approval of the proposed project, and
    - e. a list of current organization board members, including addresses and phone numbers.
  5. A matching grant application must have a minimum request of \$5,000.
  6. The borough's contribution toward a matching grant project shall not exceed \$20,000.
  7. Grant applications must be received at the borough office or postmarked no later than 4:00 p.m. March 1st.
  8. Incomplete or late applications will not be forwarded to the matching grant selection committee.
  9. A 20 percent cash match by the applicant is required. The 20 percent match must be reported quarterly with receipts provided, and may not be used for labor costs or travel expenses. The 20 percent cash match must not be provided by funding from the Denali Borough. In-kind donations do not qualify toward the 20 percent match.
  10. Matching grants will not be awarded for administrative costs, operational costs of programs, or salaries and benefits related to direct services. The Denali Borough, by funding a matching grant project, accepts no responsibility for the project's ongoing maintenance.
  11. Grant projects will not be funded retroactively.
  12. Grant funding shall be on a reimbursable basis. Upon proof of 20 percent match, direct vendor purchase (DVP) is available under the matching grant program. Grant funds may not be used for indirect purchases for gift cards, contractor cards, or other lines of credit.
  13. The performance period for non-construction projects will be 12 months beginning July 1st. The performance period for construction projects will be 15 months beginning July 1st.
  14. Any organization that has previously applied for and was awarded a grant under this chapter and failed to meet the obligations of the program may be disqualified for a period of two years. The organization may also be subject to civil action for recovery of any grant monies that may have been dispensed.

15. Matching grants may be used in combination with non-borough grant programs.

C. Grantee Obligations.

1. All grant recipients shall submit, within 20 days of the end of the quarter (September 30th, December 31st, March 31st, June 30th), a financial report detailing grant activity, 20 percent match, and associated receipts.
2. The Denali Borough reserves the right to, upon 30 days' written notice, conduct a financial audit, itself or through its agent, of the project for which the grant was given.
3. All promotional or printed material for any project funded must include the following statement: "This project is partially funded by the Citizens of the Denali Borough."
4. Statement of project completion is required with final grant reports (photos, affidavit, etc.).
5. Grant projects shall be dedicated to public purposes for their useful life.
6. If the grantee's organization dissolves, the grantee shall offer assets from the grant project to be distributed according to statutory laws, AS 10.20.290 through 10.20.452.

D. Failure to Comply.

1. Failure to submit quarterly reports within 20 days of the due date described in 3.21.230(C)(1) will result in suspension of grant payment until the delinquent quarterly report is received by the borough. Any expenses incurred during a period of suspension will not be reimbursed.
2. Failure to submit a quarterly report within 90 days of the end of a quarter (September 30th, December 31st, March 31st, June 30th), will be considered a failure to meet the obligations of the program and will result in termination of grant.
3. Any organization that has previously applied for and was awarded a grant under this chapter and failed to meet the obligations of the program shall be disqualified for a period of two years. The organization may also be subject to civil action for recovery of any grant monies that may have been dispensed.

**3.21.235 Matching grant committee.**

- A. The matching grant committee is created per DBC 5.50.
- B. The matching grant committee shall have their first meeting no later than 45 days after the matching grant applications are due as per DBC 3.21.230(B)(7). The grant committee shall make their recommendations, by separate prioritized resolutions, to the assembly not later than the May assembly regular meeting.
- C. If the matching grant committee fails to adhere to the guidelines set in this section, the grant manager shall make a recommendation to the assembly not later than the June assembly meeting at its regularly set date.

**3.21.240 Public safety per capita funding program.**

- A. Purpose. The purpose of the public safety per capita funding program is to enhance public safety by providing supplemental support to independent fire departments within the Denali Borough.
- B. Public safety per capita funding program guidelines
  1. Per capita funding must be administered by a fire department holding current registration with the State of Alaska Division of Life and Fire Safety.
  2. Per capita funding is subject to an application process. Items to be included in the application packet:

- a. an application form prescribed by the borough,
  - b. a copy of the applicant organization's current Fire Department Registration Certificate,
  - c. a copy of the applicant organization's most recent annual summary report, and
  - d. confirmation of service area map and census population data provided by the borough.
3. Grant applications must be received at the borough office or postmarked no later than 4:00 p.m. March 1st.
  4. Incomplete or late applications will not be accepted.
  5. The treasurer shall verify deposit of per capita funding to the grantee, and shall provide documentation to the grant manager to be kept on file.
  6. DBC 3.20.045 does not apply to the public safety per capita funding program.
- C. Grantee Obligations.
1. All grant recipients shall submit, within 20 days of the end of the quarter (September 30th, December 31st, March 31st, June 30th), a financial report detailing activity related to the program and associated receipts.
  2. The Denali Borough reserves the right to, upon 30 days' written notice, conduct a financial audit, itself or through its agent, of the program for which the grant was given.
  3. If the grantee's organization dissolves, the grantee shall offer assets from the grant program to be distributed according to statutory laws, AS 10.20.290 through 10.20.452.

**3.21.250 Municipal assistance program.**

- A. Purpose.
1. The municipal assistance program provides Denali Borough incorporated municipalities with funds vital to the delivery of basic public services. Payments received shall be used at the discretion of the municipality for any public purpose, as it is generally recognized that local government and residents are in the best position to determine the needs and priorities of their own community.
  2. The municipal assistance program will be in lieu of all other borough grant programs.
- B. Allocation of Funds.
1. In the annual budget, the Denali Borough assembly may appropriate funds to borough municipalities under the municipal assistance program.
  2. The total level of funding shall not exceed one percent of the funds available for budgetary purposes for the following fiscal year as of January 1st of the calendar year.
- C. Application Process.
1. An incorporated municipality within the Denali Borough is eligible for municipal assistance if at least three of the following services are provided by the municipality:
    - a. Fire protection;
    - b. Emergency medical;
    - c. Water or sewer management;
    - d. Solid waste management;
    - e. Public road maintenance;
    - f. Public health;
    - g. Search and rescue;

- h. Public library.
- 2. A municipality must adhere to the following standards to receive payment:
  - a. The qualifying municipality must agree to irrevocably dedicate for a public purpose the payment that the entity receives under this program;
  - b. The municipality must have held a public meeting in their local community and must produce a resolution approved by the local government showing support of the funds;
  - c. Applicants must submit an application for funds on a form prescribed by the Denali Borough by March 1st for the following fiscal year;
  - d. The application must include the municipality's current budget;
  - e. The municipality must hold local regular elections;
  - f. Regular meetings of the governing body must be held in accordance with local and state laws and a record of the proceedings maintained;
  - g. Local ordinances must be adopted and codified;
  - h. The municipality must submit the prior fiscal year annual audit (if applicable) or the certified financial statement of annual income and expenditures approved by the governing body;
  - i. The Denali Borough will not issue municipal assistance funds to the entity for an allocation year until the borough has received the applicant's approved budget showing proposed use of municipal assistance funds; and
  - j. The Denali Borough will provide municipalities an estimate of municipal assistance funding no later than April 15th. Funding is contingent on Denali Borough assembly final budget adoption.

Section 3. Effective Date. This ordinance becomes effective upon adoption of the Denali Borough Assembly and signature of the Mayor.

DATE INTRODUCED: OCTOBER 12, 2016  
 FIRST READING: OCTOBER 12, 2016  
 PUBLIC HEARING: NOVEMBER 02, 2016

PASSED AND APPROVED by the Denali Borough Assembly this 14<sup>TH</sup> day of DECEMBER, 2016.

  
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 CLAY WALKER, MAYOR

ATTEST:   
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 GAIL PIEKNIK, BOROUGH CLERK

