

**Grant Agreement**  
**State of Alaska Department of Health & Social Services (DHSS)**  
**Denali Commission Funds**  
**Federal Fiscal Year 2004**

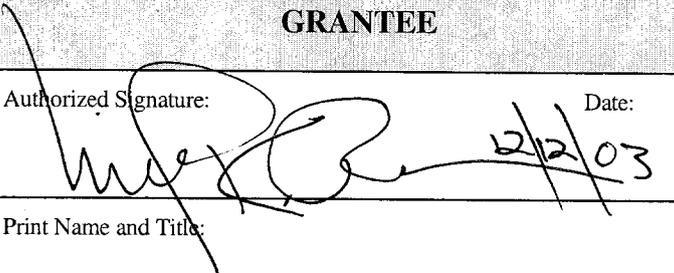
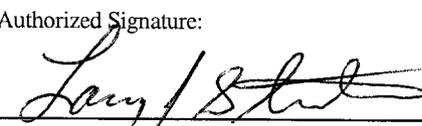
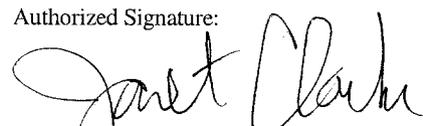
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| <b>Funding Source(s):</b> FY2004<br>Federal | <b>Grant #:</b> 06-4-C-4898    | <b>Period of Performance:</b> December 31, 2004 |
|   | <b>Award Amount:</b> \$116,000 | <b>Location of Project:</b> Fairbanks, Alaska   |

| GRANTEE  | DEPARTMENT   |
|--|--|
| Fairbanks Memorial Hospital<br>1650 Cowles Street<br>Fairbanks, Alaska 99701 | Department of Health and Social Services<br>Administrative Services/Facilities Section<br>PO Box 110650<br>Juneau, Alaska 99811-0650 |

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| <b>Contact Person:</b><br>Elizabeth Woodyard, Associate Administrator<br><br><b>Telephone:</b> (907)452-8181 | <b>DHSS Contact Persons:</b><br><br>Barbara Ollila or Arnold Liebelt<br><b>Telephone:</b> (907) 465-3037 |
|--|--|

Grant Award:  
 Whereas, the Department of Health and Social Services, hereafter referred to as the GRANTOR, has awarded \$116,000 from the grant funds appropriated through the Denali Commission in FY04, as described in RPL 06-4-0059 to Fairbanks Memorial Hospital, hereafter referred to as GRANTEE, for Diabetes Self-Management Center start-up costs.

Brief Description of Project:  
 The Project consists of the costs associated with Diabetes Self-Management Center start-up and is located in the Medical Dental Arts building. This Project is in accordance with this grant agreement and the provisions of proposal documentation submitted to the GRANTOR and the Denali Commission. A copy of the proposal is attached. All documents named here are hereby incorporated by reference as part of this grant agreement.

| GRANTEE  | DEPARTMENT OF HEALTH AND SOCIAL SERVICES  |
|--|---|
| <b>Authorized Signature:</b><br><br><b>Date:</b> 12/2/03 | <b>Authorized Signature:</b><br><br><b>Date:</b> 1/5/04 |
| <b>Print Name and Title:</b><br><br>   | <b>Print Name and Title:</b><br>Larry J. Streuber Facilities and Planning Section Chief<br>Division of Administrative Services              |
|  | <b>Authorized Signature:</b><br><br><b>Date:</b> 1/5/04 |
|  | <b>Print Name and Title:</b><br>Janet Clarke, Director<br>Division of Administrative Services   |

**ATTACHMENT A**

**STANDARD PROVISIONS**

**ARTICLE 1. DEFINITIONS**

*"Grantor"* means the Alaska Department of Health and Social Services.  
*"Grantee"* means Fairbanks Memorial Hospital.  
*"State"* means the State of Alaska.

**ARTICLE 2. GRANTEE STATUS**

GRANTEE and any agents, employees or officers of GRANTEE act in an independent capacity and are not employees or agents of the GRANTOR or the State in the performance of this Grant Agreement. No joint venture or partnership is formed as a result of this Grant Agreement. This Grant Agreement is solely for the benefit of the parties to the Grant Agreement and gives no right to any other party.

**ARTICLE 3. INDEMNIFICATION**

The GRANTEE shall indemnify, hold harmless and defend the GRANTOR and the State, their officers, agents, and employees from all liability, including costs and expenses, for all actions or claims resulting from injuries or damages sustained by any person or property arising directly or indirectly as a result of any error, omission, or negligent act of the GRANTEE, its contractors, or anyone directly or indirectly employed by GRANTEE in the performance of this Agreement.

All actions or claims, including costs and expenses, resulting from injuries or damage sustained by any person or property arising directly or indirectly from GRANTEE's performance under this Agreement which are caused by the GRANTOR, or the State, and the GRANTEE shall be apportioned on a comparative-fault bases. Any such joint negligence on the part of the GRANTOR or the State must be a direct result of active involvement by the GRANTOR or the State.

**ARTICLE 4. LEGAL AUTHORITY**

The GRANTEE certifies that it possesses legal authority to accept grant funds from the GRANTOR and to execute the activities described in this Grant Agreement.

**ARTICLE 5. WAIVER**

No provision of this Grant Agreement may be waived unless agreed to in advance by the GRANTOR in writing. The GRANTOR's failure to insist upon strict performance of any provision of the Grant Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such a breach, shall not constitute a waiver of any right under this Grant Agreement.

**ARTICLE 6. RECORDS**

All records related to this Agreement, including but not limited to documents, books, photographs, inspection reports, computerized data files, and other papers of whatever kind or description (hereinafter called "records") whether or not developed or originated by GRANTEE, which are reasonably required in the performance of, or to document the performance of this Agreement, are the sole property of the GRANTOR. GRANTEE, upon the GRANTOR's written request, shall deliver immediately all records to the GRANTOR or as the GRANTOR otherwise dictates in writing. The delivery of records to the GRANTOR shall be at the GRANTEE's expense. GRANTEE may not condition in any manner whatsoever the delivery of records. Any records that GRANTEE has retained on microfilm or otherwise condensed, GRANTEE must reproduce promptly, at no cost, upon the GRANTOR's written request.

GRANTEE shall permit any employee of the GRANTOR or any person designated by the GRANTOR, at any reasonable time during regular business hours, to examine and make audits of any and all of the records. Such persons will safeguard the confidentiality of all client records, and will not disclose financial, clinical or other personal client data to the public, or to others within the GRANTOR except as on a documented need to know basis. Such persons may, at the request of the GRANTEE, sign an affidavit to this effect.

Unless all records have been delivered to the GRANTOR, the GRANTEE shall retain all records in its possession relating to the performance of this Grant Agreement for a period of three years from the completion of the project or until final resolution of any audit findings, claims, or litigation related to the grant, whichever is later.

**ARTICLE 7. REPORTS**

The GRANTEE shall furnish the GRANTOR with such periodic reports as it may request on such forms and at such times as it may require. Such periodic reports shall pertain to the activities undertaken pursuant to this Grant Agreement, including the final closeout report, the costs and obligations incurred in connection therewith, and any other matters covered by this Grant Agreement.



**ARTICLE 8. ASSIGNABILITY**

The GRANTEE may not assign or delegate this Grant Agreement or any part of it, or any right to any compensation or reimbursement paid under it without the express written consent of the GRANTOR.

**ARTICLE 9. FINANCIAL MANAGEMENT AND ACCOUNTING**

The GRANTEE shall spend monies awarded under this grant only for the purposes specified in this Grant Agreement. The GRANTEE shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles and complies with applicable state and federal requirements. GRANTEE shall keep such other records as the GRANTOR may require. Such records shall include information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income. Te GRANTEE shall also maintain records pertaining to project performance and efforts to comply with the provisions of the Grant Agreement.

The GRANTEE shall comply with the audit requirements established by 02 AAC 45.010. The Grantee agrees to be immediately subject to the audit requirements set forth in Attachment D. The GRANTEE shall provide the GRANTOR with a copy of any audit report(s) conducted of the GRANTEE's administration of these grant funds. An audit report, provided in accordance with this Article, will be submitted to the GRANTOR within 30 days of its receipt by the GRANTEE.

The GRANTEE shall maintain appropriate systems, procedures and documentation to assure its compliance with respect to sub-recipient audits, as specified above. The GRANTEE will take appropriate action to assure that any sub-recipient audits required are completed.

The GRANTEE shall repay to the GRANTOR any costs pertaining to this grant determined not to be allowable as a result of the resolution of any findings or questioned costs identified in the audits required by this Article. Upon demand, the GRANTEE shall repay to the GRANTOR any disallowed costs related to a sub-grant of funds under this agreement resulting from the resolution of any sub-recipient audit findings. Recovery of funds from the GRANTEE shall occur within thirty (30) days of demand. Failure of the GRANTEE to repay any disallowed amounts is a breach of this grant agreement and may result in action taken by the GRANTOR as provided for under Article 18 (Noncompliance by GRANTEE).



**ARTICLE 10. AMENDMENTS AND MODIFICATIONS**

This Agreement, including all attachments and documents which by reference are incorporated herein, contains the entire Agreement between the GRANTOR and the GRANTEE. This Agreement may not be modified or amended except in writing signed by both parties and any purported amendment or modification shall be without legal effect until reduced to writing and signed by both parties.

**ARTICLE 11. THIRD-PARTY RELATIONSHIPS**

None of the work specified in the Grant Agreement may be contracted by the GRANTEE to a third party without the prior approval of the GRANTOR. GRANTOR's approval of GRANTEE's contracting shall not create any contractual relationship between the GRANTOR and the third party. The GRANTEE shall remain fully obligated under the provisions of this Grant Agreement notwithstanding its contracting to any third party the performance of all or any part of the work described herein.

In the event that the GRANTEE contracts for third party services, the GRANTEE will require that the third party certify that it is authorized to do business in the State of Alaska and that it has obtained the necessary bonding in an amount approved by the GRANTOR or required by applicable federal regulations.

The GRANTEE shall bind all third party contractors to each and every applicable Grant Agreement provision. Each contract with third parties for work to be performed under this Grant Agreement shall specifically include a provision indemnifying the GRANTOR against damages or claims for damages arising from the third-party's performance or activities under its contract with GRANTEE.

**ARTICLE 12. CONFLICT OF INTEREST**

No officer or employee of the GRANTOR; no member, officer, or employee of the GRANTEE or its designees or agents; no member of the governing body of the jurisdiction in which the project is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the activities assisted under this Grant Agreement.

The GRANTEE shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this provision.



**ARTICLE 13. POLITICAL ACTIVITY**

No portion of the funds provided hereinunder shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or to influence the approval or defeat of any ballot issue or to lobby any State agency or member or employee of the legislature.

This grant is subject to the provisions of AS 37.05.321 which is titled: "Restrictions of Use." A grant or earnings from a grant made under AS 37.05.315—37.05.317 may not be used for the purpose of influencing legislative action. In this section influencing legislative action means promoting, advocating, supporting, modifying, opposing, or delaying or seeking to do the same with respect to the legislative action but does not include the provision of information, statistics, studies or analyses in written or oral form or format. A grant or earnings from a grant made under AS 37.05.315—37.05.317 may not be used for purposes of travel in connection with influencing legislative action unless pursuant to a specific request from a legislator or legislative committee. No interest will be accrued on these funds.

GRANTEE shall incorporate in all contracts with third parties, a provision prohibiting such expenditure of funds and shall require certification by such parties of compliance with such provision.

**ARTICLE 14. NOTICES**

The GRANTEE shall comply with all public notices or notices to individuals required by applicable State and Federal laws and shall maintain a record of this compliance.

**ARTICLE 15. PROHIBITION AGAINST PAYMENT OF BONUS OR COMMISSION**

The assistance provided under this Grant Agreement shall not be used in payment of any bonus or commission for the purpose of obtaining approval or concurrence under this Agreement provided, however, that reasonable fees of a bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

**ARTICLE 16. TERMINATION BY MUTUAL AGREEMENT**

This Grant Agreement may be terminated, in whole or in part, at any time that both parties agree in writing that continuation of the agreement is not feasible or would produce beneficial results commensurate with the further expenditure of

funds. The termination shall not be valid unless both parties agree in writing, in advance, regarding all conditions of termination.

The GRANTEE shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The GRANTOR shall make funds available to the GRANTEE to pay for allowable expenses incurred before the effective date of termination.

#### **ARTICLE 17. TERMINATION BY GRANTORS**

The GRANTOR may terminate this Agreement for any reason upon 30 days written notice to GRANTEE.

Upon receipt of notice of termination, GRANTEE shall not incur new obligations and shall cancel as many outstanding obligations as possible. The GRANTOR shall make funds available to the GRANTEE to pay for allowable expenses incurred before the effective date of termination.

#### **ARTICLE 18. NONCOMPLIANCE BY GRANTEE**

If the GRANTOR determines that the GRANTEE has failed to comply with the terms of this Grant Agreement, or failed to use the grant for only those purposes set forth herein, the GRANTOR may, in their complete discretion, take any of the following actions:

- A. Probation** - If the GRANTOR determines the noncompliance to be of a minor nature and that the GRANTEE's work can be improved or corrected, the GRANTEE may be placed on probation. The GRANTOR will notify GRANTEE in writing by certified mail of the reason for the probation, the corrective action required for removal from probation status, and the time by which such corrective action must be taken. GRANTEE will continue on probation until its performance is in compliance with the terms of the Agreement. If GRANTEE does not correct its noncompliance, the GRANTOR may suspend GRANT or terminate the Agreement.
  
- B. Suspension** - After written notice to the GRANTEE sent by certified mail, the GRANTOR may suspend the grant and withhold any further payment or prohibit the GRANTEE from incurring additional obligations of grant funds, pending corrective action by the GRANTEE or a decision to terminate. Such written notice shall state the reason for the suspension, the effective date of the suspension and the necessary corrective action.



Response by the GRANTEE to this notice must be received by the GRANTOR within fifteen (15) days of receipt of the written notice.

- C. **Termination**—The GRANTOR may terminate the grant, in whole or in part, at any time before the final grant payment is made. The GRANTOR shall promptly notify the GRANTEE in writing by certified mail of its determination to terminate, the reason for such termination, and the effective date of the termination. Payments made to the GRANTEE or recoveries by the GRANTOR shall be in accordance with the legal rights and liabilities of the parties.

**ARTICLE 19. WITHDRAWAL OR REDUCTION OF FUNDING**

In the event funding from State, Federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant Agreement and prior to normal completion, the GRANTOR may terminate the Agreement, reduce funding, or, re-negotiate subject to those new funding limitations and conditions. A termination under this Article shall be implemented pursuant to the same conditions as a termination under Article 17 (Termination by the GRANTOR) of this Attachment.

**ARTICLE 20. RECOVERY OF FUNDS**

In the event of a default or violation of the terms of the Grant Agreement by the GRANTEE, the GRANTOR may institute actions to recover all or part of the project funds paid to the GRANTEE. Repayment by the GRANTEE of grant funds under this recovery provision shall occur within thirty (30) days of demand.

All remedies conferred on the GRANTOR by this Agreement, State law or any other instrument or Agreement are cumulative, not exclusive, and may be exercised concurrently or consecutively at the GRANTOR's option.

**ARTICLE 21. DISPUTES**

Any dispute arising under this Agreement that is not disposed of by mutual consent shall be decided in accordance with regulations adopted by the GRANTOR for contract disputes or controversies.

**ARTICLE 22. INSURANCE**

Without limiting GRANTEE's indemnification, it is agreed that the GRANTEE shall purchase at its own expense and maintain in force at all times during the



performance of services under this Agreement the following policies of insurance. Insurance policies required to be maintained by GRANTEE shall name the GRANTOR, and the State of Alaska as additional insureds, for all coverage except Worker's Compensation and Professional Liability Insurance. GRANTEE and its contractors agree to obtain a waiver, where applicable, of all subrogation rights against the GRANTOR, its officers, officials employees and volunteers for losses arising from work performed by the GRANTEE and its contractors for the GRANTORS. Where specific limits are shown, it is understood that they will be the minimum acceptable limits. If the GRANTEE's policy contains higher limits, the GRANTOR and the State will be entitled to coverage to the extent of such higher limits. Certificates of Insurance stating the insurance company, type of coverage, limits, effective date, expiration date, additional insured, and waiver of subrogation must be furnished to the GRANTOR prior to execution of this agreement by the GRANTOR and must provide for a thirty (30) day prior notice of cancellation, non-renewal or material change. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach and ground for termination of the grant pursuant to Article 17 (Termination by the GRANTOR) of this Attachment.

- A. **Workers' Compensation Insurance:** The GRANTEE shall provide and maintain, for all employees of the GRANTEE engaged in work under the Agreement, Workers' Compensation Insurance as required by AS 23.30.045. The GRANTEE shall be responsible for ensuring that any contractor who directly or indirectly provides services under this Agreement has adequate Workers' Compensation Insurance for its employees. This coverage must include statutory coverage for States in which employees are engaging in work and employer's liability protection for not less than \$100,000 per occurrence. Where applicable, coverage for all federal acts (i.e., USL & H and Jones Acts) must also be included.
- B. **Comprehensive (Commercial) General Liability Insurance:** The GRANTEE shall provide and maintain Comprehensive (Commercial) General Liability Insurance with coverage limits not less than \$1,000,000 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises-operations, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.
- C. **Comprehensive Automobile Liability Insurance:** The GRANTEE shall provide and maintain Comprehensive Automobile Liability Insurance covering all owned, hired, and non-owned vehicles with coverage limits not less than \$100,000 per person/\$500,000 per occurrence bodily injury and \$50,000 property damage, or \$500,000 combined single limit per accident.



- D. Professional Liability Insurance:** If applicable, the GRANTEE shall provide and maintain Professional Liability Insurance covering all errors, omissions or negligent acts of the GRANTEE, its contractors or anyone directly or indirectly employed by them, made in the performance of this Agreement which result in financial loss to the State. Limits required are per the following schedule:

| <b>Grant Amount</b>   | <b>Minimum Required Limits</b>                 |
|-----------------------|--|
| Under \$100,000       | \$100,000 per occurrence/annual aggregate      |
| \$100,000 - \$499,999 | \$250,000 per occurrence/annual aggregate      |
| \$500,000 - \$999,999 | \$500,000 per occurrence/annual aggregate      |
| \$1,000,000 or over   | Negotiable - Refer to GRANTORS Risk Management |

The professional liability insurance requirement may be substituted or waived at the sole discretion of the GRANTOR.

- E. Bond Requirements:** Before the GRANTEE enters into a contractual arrangement with a contractor to provide any tasks in connection with this agreement, the GRANTEE shall require the Contractor to comply, at a minimum, with the bond provisions specified in AS 36.25.010 (a) and (b), and Article 3 (Indemnification).

## **ARTICLE 23. GOVERNING LAW**

This Grant Agreement is made and entered into in the State of Alaska and shall be governed by the laws of the State of Alaska and any Federal laws and regulations pertaining to this grant program. Any action involving this Agreement will be brought in the courts of the State of Alaska, First Judicial District, Fairbanks, Alaska.

## **ARTICLE 24. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

The GRANTEE shall perform its work in compliance with all appropriate laws and regulations including the Americans with Disabilities Act of 1990. It is the responsibility of the GRANTEE to ensure that any required Federal, State or local permits are obtained. GRANTEE shall also provide a copy of a current Alaska Business License.



**ARTICLE 25. BUDGET FLEXIBILITY**

Notwithstanding the provisions of Article 10 (Amendments and Modifications) of this Agreement, the GRANTEE may revise the project budget in Attachment C without a formal amendment to this Agreement. Revisions that increase a line item by 15% or \$25,000, whichever is less require prior approval by the GRANTOR (7AAC 78.260). Such budget revisions shall be limited to changes to existing budget line items. GRANTEE shall notify GRANTOR of revisions prior to next payment request. Budget revisions may not be used to increase any budget item for project administrative expenses.

Changes to the budget beyond the limits authorized by this provision may only be made by a formal amendment to this Agreement.

**ARTICLE 26. 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 shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The GRANTEE shall state, in all solicitations or advertisements for employees to work on State funded projects, that it is an equal opportunity employer and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood, as set forth in Attachment E.

The GRANTEE shall include the provision of this EEO Article in every contract relating to this Grant Agreement and shall require the inclusion of these provisions in every Agreement entered into by any of its contractors, so that those provisions will be binding upon each contractor and subcontractor.

**ARTICLE 27. PUBLIC PURPOSES**

The GRANTEE agrees that the benefits of the project activities to which this Grant Agreement relates shall be made available without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.



**ARTICLE 28. SEVERABILITY**

If any provision under this Grant Agreement or its application to any person or circumstance is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the Agreement which can be given effect without the invalid provision.

**ARTICLE 29. CLOSE-OUT**

The GRANTOR will advise the GRANTEE to initiate close-out procedures when the GRANTOR determines, in consultation with the GRANTEE, that there are no impediments to close-out and that the following criteria have been met or soon will be met:

- A. All costs to be paid with grant funds have been incurred with the exception of closeout costs and any unsettled third-party claims against the GRANTEE. Costs are incurred when goods and services are received or contract work is performed.
- B. The last required performance report has been submitted. The GRANTEE's failure to submit a report will not preclude the GRANTOR from effecting closeout if it is deemed to be in the GRANTOR's interest. Any excess grant amount that may be in the GRANTEE's possession shall be returned by the GRANTEE in the event of the GRANTEE's failure to furnish or update the report.
- C. Other responsibilities of the GRANTEE under this Grant Agreement and any closeout Agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further GRANTOR interest in keeping the grant open for the purpose of securing performance.



**ATTACHMENT B**  
**SCOPE OF WORK**

**ARTICLE 1. PURPOSE**

The purpose of this grant is to provide funds to the GRANTEE for the following project: The Diabetes Self-Management Center project. Grant funds may only be used for eligible project activities identified below and in accordance with the costs identified in Attachment C of this grant agreement, or as otherwise approved in writing by the GRANTOR.

As identified by the GRANTEE in the grant proposal, the costs associated with the Diabetes Self-Management Center start-up, is proposed to be funded as part of this grant agreement:

Attachment C to this grant agreement provides a budget for the Diabetes Self-Management Center start costs.

**ARTICLE 2. PROJECT DESCRIPTION**

Grant funds provided as part of this grant award are intended to fund the development activities indicated in Article 1 (Purpose) associated with the Diabetes Self-Management Center start-up costs, including, equipment, furnishings and the remodel of existing space to house the clinic.

The project is to be located in the Medical Dental Arts building, and is commonly referred to as:

1919 Lathrop Street  
Fairbanks, Alaska 99701

**ARTICLE 3. TASKS REQUIRED PRIOR TO FIRST DISBURSEMENT (WORK PLAN)**

The GRANTEE shall provide a work plan to the GRANTOR for approval prior to disbursement of any grant funds. The work plan shall contain the following:

- A. A detailed projected budget (total development costs) by line item showing the proposed use of all funds used in the project including the required minimum 50% of project cost share match from sources other than the grants provided through this program.
- B. A proposed budget for the use of the funds provided through this grant agreement.
- C. Written description of the work to be completed with these grant funds;



- D. A project schedule, which may be amended from that submitted as part of the grant proposal, proposed for the completion of the project.

**ARTICLE 4. PROJECT START-UP AND COMPLETION TIME FRAMES**

- A. **Site Control.** When applicable, the GRANTEE shall acquire the legal right to occupy and use the subject property for the purposes of this grant, and further assure that there is legal access to such property prior to the first disbursement of funds under this grant.

In the event grant funds are to be utilized for the purchase or acquisition of the subject property, an option to purchase or an earnest money agreement will satisfy the requirement for site control for the purpose of disbursement of funds for the purchase or acquisition of the property.

- B. **Project Start-Up.** If the Scope of Work includes renovation or new construction activities, the renovation or new construction activities shall begin within six (6) months of the date in which this Agreement is executed by the GRANTOR

- C. **Project Completion.** The Project shall be 100% complete no later than December 31, 2004.

Project completion for this purpose shall be defined as the issuance of:

- (1) For projects involving renovation activities a final unconditional Certificate of Occupancy issued by the appropriate municipal, city, or borough authority, or, if in an area where a Certificate of Occupancy is not issued, a copy of a final inspection report completed by the project architect.

In the event that the scope of work was such that a project architect was not employed in the project's development, the GRANTEE shall provide a written certification, signed by the Project Manager and GRANTEE's Executive Director which certifies that all rehabilitation activities were completed in accordance with the original scope of work proposed, or amendments approved by the GRANTOR, and that the Project is 100% complete;

- (2) A satisfactory final inspection by the GRANTOR, or its designee, which evidences that the project has been 100% completed in accordance with the GRANTEE's proposal, and Scope of Work proposed in this grant agreement.



- (3) Final draw down disbursement for the project

## ARTICLE 5. REPORT REQUIREMENTS

The GRANTEE shall establish and maintain a record of all financial transactions associated with the development activities.

The use of grant funds in any manner contrary to the terms and conditions of this Agreement may result in the subsequent revocation of the grant and any balance of funds under the grant. In addition, the GRANTEE may be required to return any, or all, grant funds provided to the GRANTEE by the GRANTOR.

In addition to any reports and data required by other parts of this Grant Agreement, the GRANTEE shall submit the following reports to GRANTOR:

- A. Quarterly Project Reporting.** Within 15 days of the close of the first full calendar quarter following execution of this agreement and at quarterly intervals thereafter, reports must be forwarded to the Department of Health and Social Services on forms provided by the GRANTOR.

Quarterly project reporting shall include both a narrative (Form 642, Attachment F) and financial summary (Forms 641A and 641B, Attachment G). The narrative summary shall include a summary of the project status and accomplishments to date, and address the following questions: is the project on schedule, is the project on budget, and what actions are planned to address any project problems. The project financial status report shall show the following:

1. The total project budget
2. The project schedule with milestone dates for design and construction
3. The total amount of Denali Commission funds committed to the project
4. The total project expenditures as of the end of the most recent quarter
5. The total expenditure of Denali Commission funds for the project as of the end of the most recent quarter
6. The percentage of expenditures to the total budget; and
7. A project performance analysis on project line items, as defined by the GRANTOR or sub-award recipient, showing budget costs compared to actual expenditures and obligation to date versus work performed to date (for each line item).

Photographic documentation of project progress shall be provided with the quarterly reports for active construction projects. The photo documentation shall include a minimum of five, dated photos per quarter such that a complete record of the construction is maintained over time, from "before,"

showing the situation before the start of construction, to “during” showing work proceeding on the project, and “after” to show the finished project. For minor repair and operations and maintenance projects, photos should be provided of before and after to the extent possible. Photos may be provided as photo quality, 3x5 prints with negative for each picture, and/or print quality electronic photos (digital images). A shot description of the activity and names of those in the photos shall also be provided.

**B. Annual Project Reporting.** A Labor Type, Residence, and Wage Report (Form 640, Attachment H) shall be submitted to the GRANTOR by November 1<sup>st</sup> of each year. A Labor Type, Residence, and Wage Report must include the following information by construction project for any person employed on the construction of that project: position, place of primary residence, first check date, last check date, rate of pay per hour, and payroll earnings from the inception of the project to date. Personal or confidential information such as Social Security numbers, names of individuals, or other information that would identify an individual should not be included in this report.

**C. Award Closeout.** The Award Closeout must be completed within 60 days of the end of the Award performance period, or within 60 days of the completion of the project, whichever is earlier. The project closeout process includes the submission of both a final narrative report and financial status report. The GRANTEE must also request any remaining funds for expenditures under this award during this 60-day period. Please refer to the GRANTOR for guidance on additional project closeout details.

1. For all construction projects, the Award recipient shall include an acknowledgement of the Government’s support for the project(s) developed under this Award. The Award recipient shall display a sign that:

- Has the Denali Commission logo displayed on the upper right-hand quadrant;
- States the following: “This project was financed by the Denali Commission and its partners (*list the name of the funding partners*)”,
- Shows the logo of each partner in the lower right-hand quadrant.

The cost of this sign shall be paid out of the project funding received by the Award recipient from the Denali Commission. Final approval of signage material and placement of sign must be obtained from the Commission Project Manger.

2. For all non-construction projects, the Award recipient shall include and acknowledgement of the Government’s support for the project(s) developed under this Award. Acknowledgement shall include:

- The Denali Commission logo and the logo of each partner;

- The following statement: “This project was financed by the Denali Commission and its partners (*list the name of the funding partners*)”.

The format for acknowledgement of the Government’s support for non-construction awards will vary with each award and must be agreed upon between the Award recipient and the Denali Commission Project Manger. Costs associated with this requirement shall be paid out of the project funding received by the Award recipient from the Denali Commission.

## **ARTICLE 6. PERMITS AND INSPECTIONS**

The GRANTEE shall be responsible for obtaining the necessary permits, inspections and written reports during construction or renovation of subject property. The GRANTOR reserve the right to review the adequacy of the inspection reports provided by the GRANTEE and to monitor all activities undertaken by this grant. The GRANTOR will notify the GRANTEE of any inadequacies which are detected during the GRANTOR’s review of the inspection reports or during the monitoring visit. The GRANTEE will have the responsibility to make any necessary corrections to resolve any findings.

## **ARTICLE 7. FAILURE TO COMPLETE THE PROJECT**

Failure to complete the project in accordance with this Grant Agreement or to show evidence of completion may result in, at the GRANTOR’s discretion, the GRANTOR’s filing a lien on the project and/or obtaining title to the property to protect the GRANTOR’s interest, or the GRANTOR withholding the balance of the grant amount.

## **ARTICLE 8. OPERATION, MAINTENANCE AND SECURITY OF PROJECT**

The GRANTOR shall not be responsible for the operation, maintenance and/or security of the project during or after its completion.



**ATTACHMENT C**

**FINANCIAL PROVISIONS**

**ARTICLE 1. TOTAL GRANT AMOUNT**

In full consideration of the GRANTEE's satisfactory performance of the tasks stated in Attachment C, and in accordance with other conditions of this grant agreement, the GRANTOR shall pay the GRANTEE a sum not to exceed one hundred, sixteen thousand dollars, based on the schedule identified below in Article 3 (Budget Schedule).

**ARTICLE 2. TASKS REQUIRED PRIOR TO INITIAL DISBURSEMENTS**

Prior to any payments being made under this Agreement, the GRANTEE shall provide the following:

- A. Evidence of all applicable licenses, including a current business license;
- B. Bonding and insurance requirements as specified in Attachment A, Article 22 (Insurance);
- C. A Work Plan as specified in Attachment B, Article 3 (Tasks Required Prior to First Disbursement);
- D. Evidence of the commitment (approval) of at least 50% cost share match of project cost from a source or sources besides the grant provided in this agreement.

**ARTICLE 3. BUDGET SCHEDULE**

The GRANTEE shall use grant funds only with direct costs associated with eligible budget categories as identified in the approved work plan based on Attachment B, Article 1 (Purpose and Special Conditions). The budgeted costs associated with the work items to be completed with grant funds, as identified in the approved work plan, are as follows:

| <u>Work Activity</u>    | <u>DHSS Grant</u> | <u>Other</u> | <u>Total</u> |
|-------------------------|-------------------|--------------|--------------|
| Equipment and Furniture | \$45,892          | -0-          | \$ 45,892    |
| Remodel                 | 70,108            | -0-          | 70,108       |
| Personnel/Rent/Phone    | -0-               | 176,159      | 176,159      |
| Total:                  | \$116,000         | 176,159      | \$292,159    |



The GRANTOR shall not be obligated to disburse grant funds in excess of the Budgeted Cost for each activity identified above. Grant funds which are not needed to satisfy obligations associated with an above identified budgeted activity may be used to pay for the cost associated with other above identified activities, or for other eligible activities, as approved in writing by the GRANTOR.

#### **ARTICLE 4. PAYMENTS**

Payment requests should be sent to the attention of the Department of Health and Social Services Program Administrator identified in the Grant Agreement, utilizing the Request For Advance Or Reimbursement (Federal SF270) provided as an Attachment I.

#### **ARTICLE 5. RETAINAGE AMOUNT**

The GRANTOR will retain an amount equal to approximately ten percent (10%) of the total grant amount pending receipt and approval by GRANTORS of the Final Cost Certification and any other final reports required under Attachment B, Article 5 (Report Requirements). Upon approval of the final reports required under Attachment B, Article 5 (Report Requirements), GRANTORS will disburse the retainage amount, in accordance with Attachment C, Article 4 (Payments). Any unexpended grant funds which remain undisbursed upon completion of the project, approval of the Final Cost Certification, and payment of all eligible costs, shall be retained by the GRANTOR.

#### **ARTICLE 6. DEPOSITS AND INTEREST INCOME**

Payments resulting from this agreement shall be used by the GRANTEE for the project and for no other purpose without prior written approval of the GRANTOR. No interest will be accrued on these grant funds.

Any interest income that may be earned by the GRANTEE from grant funds provided to the GRANTEE by the GRANTOR remains the property of the GRANTOR. Interest income earned, if any, shall be deducted from the final ten percent (10%) retainage fee. The retainage amount shall be increased commensurate with any interest earned exceeding ten percent (10%) of the total grant amount, as evidenced by data supplied as part of the quarterly reports required under Attachment B, Article 5 (Report Requirements).



**ARTICLE 7. FUNDING SOURCE RESTRICTION**

Funds provided to the GRANTEE by the GRANTOR under this Grant Agreement may only be used for eligible activities as identified in Attachment B, Scope of Work, or other eligible expenses, as approved in writing by the GRANTOR.

Handwritten initials in black ink, appearing to be 'LJP' or similar, written over a horizontal line.

## AUDIT REQUIREMENTS

### FEDERAL REQUIREMENTS

If you expend \$300,000 or more total Federal Financial Assistance in your fiscal year, you may be required to comply with conditions of the Single Audit Act of 1984, P.L. 98-502, as amended by the Single Audit Act Amendments of 1996, P.L. 104-156, and defined in OMB Circular A-133.

Information on compliance with the Federal Single Audit Act may be obtained from, and audits completed in compliance with the Act must be submitted to:

State Single Audit Coordinator  
Office of the Governor  
Office of Management and Budget  
P.O. Box 110020  
Juneau, AK 99811-0020  
Telephone: (907) 465-4660

### STATE REQUIREMENTS -- CHAPTER 045 GRANT ADMINISTRATION

#### **2 AAC 45.010 AUDIT REQUIREMENTS.**

(a) As part of the financial information required under AS 37.05.030, a state agency that enters into a financial assistance agreement to provide financial assistance to an entity shall, in coordination with any other state agencies providing financial assistance to that entity, require that entity to submit to the Department of Administration through the state coordinating agency an audit of the recipient entity if that entity is subject to an audit under this section. The audit must be conducted and submitted as described in this section. In order to ensure compliance with this subsection, a state agency must include the audit requirements of this section in any financial assistance agreement subject to this subsection.

(b) An entity that expends financial assistance with a cumulative total of \$300,000 or more during the entity's fiscal year shall submit an audit report for the audit period to the state coordinating agency, by

(1) the earlier of

- (A) 30 days after the entity receives its audit report for the audit period; or
- (B) nine months after the end of the audit period; or

(2) a later date than the date calculated under (1) of this subsection, if

- (A) the state agency that provides the financial assistance agrees to the change of date; and
- (B) the agreement under (A) of this paragraph is made in
  - (i) writing; and
  - (ii) advance of the date calculated under (1) of this subsection.

(c) An audit required by this section must be conducted by an independent auditor, according to the following audit standards effective at the time of review for the audit period:

- (1) Government Auditing Standards, 1994 revision adopted by the comptroller general of the United States;
- (2) generally accepted auditing standards, as accepted by the American Institute of Certified Public Accountants in effect as of January 1, 1998 for the type of entity being audited;
- (3) State of Alaska Audit Guide and Compliance Supplement for State Single Audits, May 1998 revision, prepared by the state coordinating agency.

(d) The audit required under this section must report on the following:

- (1) the system of internal controls of the entity and the auditor's identification of reportable conditions and material weaknesses of the entity, using the applicable standards set out in (c) of this section;
- (2) the entity's compliance with applicable state statutes and regulations and applicable financial assistance agreements affecting the expenditure of the financial assistance; the report must identify



Attachment D

findings and known questioned costs that exceed \$1,000 in the aggregate for all transactions of expenditures tested for the financial assistance being audited:

- (2) the entity's financial statements;
- (3) the schedule of state financial assistance.
- (e) As part of the audit report required under this section, the entity must provide
  - (1) written comments on any
    - (A) findings;
    - (B) known questioned costs;
    - (C) reportable conditions, including material weaknesses; and
    - (D) recommendations contained in the audit report;
  - (2) the entity's plan for corrective action, if any findings are identified or any recommendations are made in the audit report;
  - (3) the status of the entity's implementation of any plans for corrective actions related to
    - (A) the audit reports required under this section for the fiscal year before the audit period; and
    - (B) unresolved findings of audit reports required by this section for audit periods before those specified in (A) of this paragraph; and
  - (4) a written explanation of the reasons why corrective action will not be taken if the entity does not intend to take corrective action on the findings and recommendations in any audit report required by this section.
- (f) An audit report required under this section need not evaluate the effectiveness of a program funded by financial assistance. However, a program evaluation or financial monitoring may be conducted by the state agency or requested of the entity by the state agency that entered into the financial assistance agreement.
- (g) An audit required by this section must cover either
  - (1) the entire operations of the entity; or
  - (2) the program of the entity for which financial assistance was expended, if
    - (A) the entity receives financial assistance from only one state program of a state agency; and
    - (B) the entity does not expend the financial assistance being audited, for indirect costs, including allocations of indirect costs.
- (h) An entity shall provide the state coordinating agency with sufficient copies of each audit report to allow submission of a copy to each state agency providing financial assistance to the entity. The state coordinating agency shall determine if auditing standards have been met and shall forward a copy of the audit to the Department of Administration, upon request, and other appropriate state agencies. The state coordinating agency shall coordinate the assignment of the resolution to one state agency, if the exceptions concern more than one state agency. The applicable state agency providing financial assistance to the entity must meet its responsibilities under other law for ensuring compliance with the audit report.
- (i) Unless additional audit requirements are imposed by state or federal law, a state agency that provides financial assistance to an entity shall accept the audit required by this section in satisfaction of any other audit requirement. If additional audit work is necessary to meet the needs of a state agency, the audit work must be based on the audit required by this section. Nothing in this subsection authorizes a state agency to seek payment from the entity for the additional audit work.
- (j) A third party that receives financial assistance through an entity, in an amount described in this section, is subject to the applicable requirements of this section. An entity that disburses \$300,000 or more in state financial assistance to a third party shall ensure that the third party complies with the requirements of this section. That entity shall also ensure that appropriate corrective action is taken within six months after a third party's noncompliance with an applicable state statute or regulation, or financial assistance agreement, is disclosed.
- (k) Repealed 7/1/98.
- (l) For purposes of this section, if an entity has not identified its fiscal year, that entity's fiscal year is July 1 through June 30.
- (m) Financial assistance in the following form is not included when calculating whether an entity meets the threshold monetary requirement under (b) of this section:

Attachment D

- (1) state revenue sharing and municipal assistance money provided under AS 29.60.010 - 29.60.375;
- (2) amusement and gaming tax money provided under AS 43.35.050 ;
- (3) aviation fuel tax money provided under AS 43.40.010 ;
- (4) electric and telephone cooperative gross revenue tax refunds provided under AS 10.25.570 ;
- (5) alcoholic beverage license fee refunds provided under AS 04.11.610 ;
- (6) fisheries tax refunds provided under AS 43.75.130 .

(n) Financial assistance in a form listed in (m) of this section is not exempt from compliance testing if the entity meets the threshold monetary requirement under (b) of this section.

(o) Repealed 7/1/98.

Authority - AS 37.05.020 AS 37.05.030 AS 37.05.190

**2 AAC 45.060 EXTERNAL QUALITY REVIEW OF AUDIT ORGANIZATION**

The state coordinating agency may only accept an audit under this section, if that organization has submitted to the state coordinating agency a copy of the organization's most recent external quality review report that meets the standards described in 2 AAC 45.010(c) (1) and (2).

Authority - AS 37.05.020 AS 37.05.030 AS 37.05.190

**2 AAC 45.070 APPLICABILITY**

(a) The amended version of this chapter, effective July 1, 1998, applies to an audit for an audit period that begins or continues after June 30, 1998.

(b) An entity may agree to be subject to the provisions of the amended version of this chapter, effective July 1, 1998, for an audit period beginning on or after July 1, 1997 and ending on or before June 30, 1998, by voluntarily submitting an audit that complies with those provisions.

Authority - AS 37.05.020 AS 37.05.030 AS 37.05.190

**2 AAC 45.080 EXEMPTIONS FROM FINANCIAL ASSISTANCE**

(a) For purposes of this chapter, "financial assistance" does not include the following:

- (1) public assistance provided under AS 47;
- (2) goods or services purchased for the direct administration or operation of state government;
- (3) moneys advanced to an entity under one or more state loan programs;
- (4) power cost equalization payments made to an electric cooperative on behalf of its customers;
- (5) scholarships, loans, or other tuition aid provided to students, but paid to an education institution on their behalf.

(b) In addition to the exemptions set out in (a) of this section, for a third party, "financial assistance" does not include goods purchased from the third party for direct administration or operation of the entity that received financial assistance.

Authority - AS 37.05.020 AS 37.05.030 AS 37.05.190

**2 AAC 45.090 DEFINITIONS**

For purposes of this chapter, unless the context otherwise requires,

- (1) "audit period" means the entity's fiscal year in which the entity expended financial assistance;
- (2) "entity" does not include the University of Alaska or any other state agency;

Attachment D

- (3) "financial assistance" means state grants, contracts, provider agreements, cooperative agreements, and all forms of state financial assistance to an entity; "financial assistance" includes all forms of state financial assistance provided through an entity to a third party;
- (4) "known questioned costs" means those questioned costs specifically identified by the auditor in the audit conducted under this chapter;
- (5) "state coordinating agency" means the office of management and budget (OMB), Office of the Governor, or OMB's designee.

Authority - AS 37.05.020 AS 37.05.030 AS 37.05.190

LMP

## Attachment E

### CIVIL RIGHTS OF CLIENTS AND STAFF

- (a) The Grantee shall comply with Titles VI and VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990 (PL 101-336); Civil Rights Act of 1991; Administrative Order No. 129; the Food Stamp Act of 1977, Alaska Statutes, Sections 18.80.280, pertinent portions of the Code of Federal Regulations (CFR), and the Department's Policy and Procedure 190-6 for implementation of the foregoing.
- The Grantee shall make no distinction or discrimination against the client, recipient, applicant or beneficiary of the Department's federally and state assisted programs on the basis of race, color, age, national origin, sex, political belief, religious creed, or disability. No client, recipient, applicant or beneficiary of these federally assisted programs shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Department has responsibility.
- (b) Distinction on the grounds of race, color, age, national origin, sex, political belief, religious creed, or disability includes:
1. Any type of segregation, separate or different treatment, or other discrimination on that ground; other than as provided under (a) above.
  2. The imposition of any admission, enrollment, quota eligibility, or other requirement or condition which individuals must meet in order to be provided any service or other benefit under the program or to be afforded an opportunity to participate in the program if the race, color, age, national origin, sex, political belief, religious creed, or disability of individuals is considered in determining whether they meet any such requirement or condition;
  3. The use of membership in a group as basis for the selection of individuals for any purpose if, in selecting members of the group there is discrimination on the grounds of race, color, age, national origin, sex, political belief, religious creed, or disability.
  4. The assignment of personnel to provide services, or the assignment of times or places for the provision of services, on the basis of the race, color, age, national origin, sex, political belief, religious creed, or disability of the individual to be served.
- (c) The Grantee shall set up and operate internal information collection systems to provide necessary racial statistics for staff, clients, beneficiaries and/or participants. Records and reports shall be available for review by the Department, U.S.

## Attachment E

Department of Health and Human Services and the U.S. Department of Agriculture, upon request.

- (d) The Grantee shall make available to beneficiaries, participants, and other interested persons information regarding the provisions of Titles VI and VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, Section 504 of the Rehabilitation Act of 1973, the Food Stamp Act of 1977, Alaska Statutes, Sections 18.80.200 -18.80.280, pertinent CFR, and the Department's Policy and Procedure 190-6 as well as its compliance with the Americans with Disabilities Act of 1990.
- (e) The Grantee shall inform and instruct staff members concerning obligations under Titles VI and VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, Section 504 of the Rehabilitation Act of 1973, the Food Stamp Act of 1977, the Americans with Disabilities Act of 1990, Alaska Statutes, Sections 18.80.200 - 18.80.280, pertinent CFR, and the Department's Policy and Procedure 190-6.
- (f) The Grantee shall comply with procedures furnished by the Department for processing of complaints alleging discrimination on the basis of race, color, age, national origin, sex, political belief, religious creed, or disability.

In determination of whether a Grantee is illegally discriminating in the provision of benefits or services, consideration shall be given to the purpose of the service as expressly stated in any Federal statute, State statute, or local statute or ordinance adopted by an elected general purpose legislative body. In making such determination it shall be acknowledged that certain Federal, State or local funding is legally designated for specific groups, by age, sex, disability, income, or other specific and legal eligibility criteria. For example, programs for the aging, blind, disabled and youth provide services legally only for those groups. Also, institutions may legally serve a special age, sex, or disability group depending upon their protective, treatment, or rehabilitative needs and funding sources to provide the services.



## Denali Commission Quarterly Project Narrative

Project Name: \_\_\_\_\_

Agency: \_\_\_\_\_ Reporting Period: \_\_\_\_\_

Grant #: \_\_\_\_\_

1. What is the status of the project; include portions completed?

2. Is the project on schedule; if not, how will this be dealt with?

3. Is the project on budget; if not, how will this be dealt with?

4. Other comments/problems and solutions:



**Denali Commission  
Quarterly Project Financial Report**

**Project Name:** \_\_\_\_\_

**Agency:** \_\_\_\_\_ **Reporting Period:** \_\_\_\_\_

**Grant #:** \_\_\_\_\_

**Please include the following information:**

*(Use additional pages as necessary)*

Budget Information:

1. The total project budget—Denali Commission and other funds combined
2. The total project expenditures as of the end of the most recent quarter
3. The total amount of Denali Commission funds committed to the project
4. The total expenditure of Denali Commission funds for the project as of the end of this reporting period
5. The percentage of expenditures to the total budget
6. Project Performance Analysis (use PPA form on page2 of 641)

Project Schedule:

Show the project schedule with milestone dates for design and construction.

Form 641A

*WFO*

## Denali Commission Quarterly Project Financial Report Project Performance Analysis (PPA) Form

Project Name: \_\_\_\_\_

Agency: \_\_\_\_\_ Reporting Period: \_\_\_\_\_

Grant #: \_\_\_\_\_

| Line Items:    | Approved Budget: | Actual Cost: | Scheduled Completion Date: | Actual Work Performed: |
|----------------|------------------|--------------|----------------------------|------------------------|
|                |                  |              |                            |                        |
|                |                  |              |                            |                        |
|                |                  |              |                            |                        |
|                |                  |              |                            |                        |
|                |                  |              |                            |                        |
|                |                  |              |                            |                        |
|                |                  |              |                            |                        |
|                |                  |              |                            |                        |
| <b>Totals:</b> |                  |              |                            |                        |

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name and Title: \_\_\_\_\_

Form 641B

*Handwritten initials/signature*

**Denali Commission**  
**Annual Labor Type, Residence, & Wage Report**  
Reporting Period: 11/1 - 10/31

Project Name: \_\_\_\_\_

Agency: \_\_\_\_\_ Grant #: \_\_\_\_\_

| <b>Position</b> | <b>Place of Primary Residence</b> | <b>Date of First Check</b> | <b>Date of Last Check</b> | <b>Rate of Pay Per Hour</b> | <b>Total Earnings from the Project to date:</b> |
|-----------------|-----------------------------------|----------------------------|---------------------------|-----------------------------|---|
|                 |                                   |                            |                           |                             |   |
|                 |                                   |                            |                           |                             |   |
|                 |                                   |                            |                           |                             |   |
|                 |                                   |                            |                           |                             |   |
|                 |                                   |                            |                           |                             |   |
|                 |                                   |                            |                           |                             |   |
|                 |                                   |                            |                           |                             |   |
|                 |                                   |                            |                           |                             |   |
|                 |                                   |                            |                           |                             |   |

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name and Title: \_\_\_\_\_

*MKS*

# Attachment I

|   |   |   |             |
|---|---|---|-------------|
| <b>REQUEST FOR ADVANCE<br/>OR REIMBURSEMENT</b><br><br><i>(See instructions on back)</i>  | OMB APPROVAL NO.<br>0348-0004   | PAGE  | OF<br>PAGES |
| 3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED | 1. TYPE OF PAYMENT REQUESTED  | 2. BASIS OF REQUEST   |             |
|   | a. <input checked="" type="checkbox"/> ADVANCE <input type="checkbox"/> REIMBURSEMENT<br>b. <input type="checkbox"/> FINAL <input type="checkbox"/> PARTIAL | <input type="checkbox"/> CASH<br><br><input type="checkbox"/> ACCRUAL |             |
| 4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY                   |   | 5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST                    |             |

|                                   |   |                                   |
|-----------------------------------|---|-----------------------------------|
| 6. EMPLOYER IDENTIFICATION NUMBER | 7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER | 8. PERIOD COVERED BY THIS REQUEST |
|-----------------------------------|---|-----------------------------------|

|   |  |
|---|--|
| 9. RECIPIENT ORGANIZATION<br><br>Name:<br><br>Number<br><br>and Street:<br><br>City, State<br><br>and ZIP Code: | 10. PAYEE (Where check is to be sent if different than item 9)<br><br>Name:<br><br>Number<br><br>and Street:<br><br>City, State<br><br>and ZIP Code: |
|---|--|

| 11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED  |                 |                 |      |         |
|---|-----------------|-----------------|------|---------|
| PROGRAMS/FUNCTIONS/ACTIVITIES   | (a) new project | (b) old project | (c)  | TOTAL   |
| a. Total program outlays to date <i>(As of date)</i>  |                 |                 |      | \$ 0.00 |
| b. Less: Cumulative program income  |                 |                 |      | 0.00    |
| c. Net program outlays for advance period   | 0.00            | 0.00            | 0.00 | 0.00    |
| d. Estimated net cash outlays for advance period  |                 |                 |      | 0.00    |
| e. Total <i>(Sum of lines c &amp; d)</i>  | 0.00            | 0.00            | 0.00 | 0.00    |
| f. Non-Federal share of amount on line e  |                 |                 |      | 0.00    |
| g. Federal share of amount on line e  |                 |                 |      | 0.00    |
| h. Federal payments previously requested  |                 |                 |      | 0.00    |
| i. Federal share now requested <i>(Line g minus line h)</i>   | 0.00            | 0.00            | 0.00 | 0.00    |
| j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances | 1st month       |                 |      | 0.00    |
|   | 2nd month       |                 |      | 0.00    |
|   | 3rd month       |                 |      | 0.00    |

| 12. ALTERNATE COMPUTATION FOR ADVANCES ONLY  |         |
|--|---------|
| a. Estimated Federal cash outlays that will be made during period covered by the advance |         |
| Less: Estimated balance of Federal cash on hand as of beginning of advance period        |         |
| c. Amount requested <i>(line a minus line b)</i>   | \$ 0.00 |

*[Handwritten signature]*



# Fairbanks Memorial Hospital/Denali Center

BANNER HEALTH

1650 Cowles Street, Fairbanks, AK 99701

Lorraine Derr  
President, CEO, AHSNHA  
426 Main Street  
Juneau, Alaska 99801:

Dear Lorraine,

Thank you for this opportunity to request ASHNA Priority Funding. Please accept this application on behalf of Fairbanks Memorial Hospital to develop a Fairbanks Community Diabetes Outpatient Self-Management Education Center.

Over the past year, the hospital has been working with the Fairbanks Patient Educators, the Alaska Diabetes Association and local physicians to address the needs of local individuals with diabetes. A task team was developed consisting of members from all areas of the health community to assess needs and develop recommendations for such a program.

We believe a diabetes self management program can significantly impact the health of the community of Fairbanks and that there is commitment on the part of providers, consumers, and the hospital to develop and maintain a quality diabetes center.

Nationwide recent statistics have shown that only 35% of patients in the U.S have been educated about their condition. There is good research documenting the success of good diabetes management in improving diabetes control. This in turn results in decreased health care costs, morbidity and mortality of patients and contributes to the quality of life experienced by such patients.

Once the hurdle of obtaining funding for program implementation is overcome, the community will have a strong, ongoing, diabetes self management center which can meet the needs of Fairbanks and other Interior communities for many years to come.

Any support you can provide in development for this project would be greatly appreciated.

Sincerely,

Mike Powers  
CEO, Fairbanks Memorial Hospital

Anne Lilley,  
Manager of Clinical Education  
Fairbanks Memorial Hospital

Elizabeth Woodyard,  
Assistant Administrator  
Fairbanks Memorial Hospital

**FACILITY: Fairbanks Memorial Hospital**

**PROJECT: Fairbanks Community Diabetes Self-Management Center:  
Request for Start Up Costs**

**Introduction:**

In the fall of 2002, the Fairbanks Patient Educators Group, the American Diabetes Association and Fairbanks Memorial Hospital facilitated the formation of a diabetes needs assessment task team. Key individuals involved with diabetes and diabetes education in the community were invited to take part in the process. These individuals included local physicians, PA's, NP's, nurses (from the hospital, local clinics and public health department), pharmacists, dieticians, individuals with diabetes, a local representative of the ADA, a representative of the State of Alaska Chronic Disease Program, and a local school district health curriculums educator.

The team met to assess and describe community needs, resources, and gaps in diabetes outpatient services; in order to build consensus, and plan for a sustainable, community diabetes program that will provide improved quality care for individuals with diabetes.

Over the last 6 – 7 months, the team has developed:

1. Data to support the perceived need for comprehensive diabetes self management education services in the community.
2. Data to support funding.
3. Program and fiscal development information.
4. Community consensus, support and commitment.
5. Broad recommendations for program design.

**Diabetes Community Task Team Needs Assessment Findings:**

**Population/Diabetes Data:** Although it is difficult to determine actual numbers, based on available 2000 census data and the Alaska Behavioral Risk Factor Surveillance System there are an estimated 2982 people currently diagnosed with diabetes in Fairbanks.

In order to support and confirm diabetes population estimates, information was collected on the number of diabetics seen in the two largest community clinics as well as a sample from other pediatric, family medicine and internal medicine practices. Information on payer mix and hemoglobin A1C, which is a measure of diabetes control, was also collected. At these 7 clinics, 1583 diabetics were identified in the calendar year 2002. Information on numbers of new diabetics was requested, but only one local internal medicine practice had information available. In a practice with 74 Type 2 diabetics, 20 new diabetics were seen in 2002. Information collected on payer mix and hemoglobin A1C will be useful in further program planning and implementation.

Key Informant Interview Data: Key stake holders for potential diabetes education services in Fairbanks were interviewed in order to:

1. Identify stake holders' interest and knowledge about the need for diabetes education and other services in the community:

Key informants clearly identified current services as limited and inconsistent. In addition to general inadequacy of diabetes education services, specific gaps included: access gaps for poor and underserved populations, type 1 diabetes care, and insulin pump education. Exploding technology was seen as making these gaps even more significant. Many reported individuals with diabetes being referred outside the community and state due to lack of local services. One physician described the gap as "huge/biggest gap in people being able to access a high standard of care (locally)".

2. Identify benefits and barriers as well as key values and special interests involved around the development of diabetic education services in the community:

All respondents recognized a need to develop a nationally recognized program. Concerns cited included: funding; standardization of care and information; addressing education of individuals with type 1 and gestational diabetes; prevention of complications; addressing the education issues of special needs groups such as amputees and diabetic hemodialysis patients; identification of undiagnosed patients; and raising community awareness about diabetes. Individuals also expressed concerns about physician availability (especially internal medicine) in the community and the amount of time physicians and other primary care providers spend on diabetes education that might be better and more cost effectively provided by a certified diabetes educator.

Good communication among all providers of care, provision of a quality program, accessibility and convenience, patient motivation, marketing, and community buy-in were all seen as necessary to the success of a diabetes education program. All wanted to see an established program that would be providing services for many years to come. Several individuals offered support

for fund-raising activities and/or the possibility of funds to help support a well run, community connected program.

#### Patient Survey – Highlights of Preliminary Data

In April, 2003, individuals with diabetes were surveyed around knowledge levels about diabetes, perceived need for education, ability to access services and educational preferences. Some highlights are included:

##### Demographics:

There are 178 respondents to date: 51% male, 49% female; age ranged from 4-82 years with persons aged 50-69 representing 48% of the total. 35% had some college or technical school or above.

Twenty percent (20%) had had diabetes for 1 year; 56% had diabetes for 5 years or less.

Type 1's were 17% of total; type 2's were 82%. 35% of total are insulin dependent.

63% had attended at least one educational session on how to manage diabetes. 95% listed their doctor's office or clinic as their usual source for medical care and advice.

66% rated their understanding of diabetes as good to excellent.

95% have some kind of health care coverage.

Preferences for the location of a diabetes self-management center were:

Doctor's office or clinic—31% Hospital outpatient center—28% Public health center or community health center—30%.

49% of total respondents indicated they would pay out of pocket if their insurance would not pay for diabetes education.

25% said that they would lobby their insurance company to pay for diabetes education.

25% would lobby their legislators to make it mandatory for insurance companies to pay for diabetes education for all providers.

##### Additional Information:

Information collected about existing community services supported the perception that although a variety of limited education services are being offered in the community, a lack of overall coordination and integration of the services described is consistent with key informant interviews and diabetes task team assessment.

Comparisons were also made between existing diabetes self-management programs in Alaska. Several Alaska communities have developed hospital based ADA (American Diabetes Association) approved programs. In these programs, the hospital provides space and shares staffing resources, and reimbursement for services is received through medicare and other 3<sup>rd</sup> party payers. Diabetes educational services are Medicare reimbursable with ADA certification, and several major insurance carriers provide reimbursement with ADA certification, although reimbursement guidelines are stringent.

Reimbursement alone, at current levels, cannot cover the total costs of program operation.

Recommendations: The conclusions of the diabetes needs assessment task team support the development of an ADA certified diabetes outpatient center, with Fairbanks Memorial Hospital as the primary sponsoring organization. Program recommendations include strong involvement of community organizations and providers; with a governing board made up of community advisors to direct curriculum and guide other key program decisions. The group also recommends that networks be established with community service providers. Community providers can serve as affiliate staff at the center, strengthening and enriching the program.

The work of the task team suggests a sustainable program is possible through reimbursement, sharing of hospital infrastructure, and community support. Cost savings may be realized as well, if education and community support of consistent management guidelines can limit hospital stays beyond DRGs (diagnostic related groups). For example, 2002 data was reviewed to look at DRGs for patients at FMH with a primary diagnosis of diabetes. Overall, the cost to the hospital to care for these patients was \$87,375.00 more than reimbursement recovered. Patients with a secondary diagnosis of diabetes may also be experiencing extended lengths of stay, generating additional costs.

Start up costs are identified as a significant barrier. Space at the hospital is currently at a premium as FMH has experienced significant growth over the last several years; this makes it difficult to take advantage of sharing existing space as other programs have done. Potential diabetes center space has been identified in the hospital owned MDA (Medical Dental Arts) Building but will need to be remodeled and equipped. Start up costs will include program implementation costs such as setting up accounting and billing systems.

Additionally, programs must be fully operational and have collected 6 months of outcomes data in order to obtain ADA certification. This means that during the first six months of operation and for some months after this while awaiting certification, reimbursement will not be available. Assistance with the start-up costs will allow time for the program to establish during that critical first year of program development, as community funding support structures are consolidated and reimbursement eligibility is established.

Discussions around start up costs have focused on looking for grant funding, hospital foundation support, and community fund raising activities. Securing start up funding would significantly contribute to the overall success and sustainability of the program, and encourage further financial contributions from the community. The following is a summary of projected start up costs for the project:

*MRS*

## REVISED

|  |   |           |
|--|---|-----------|
| Equipment (item amounts includes shipping estimates)                       |   |           |
| Reception  | Files (4 @ 300.00)  | 1200      |
|  | Literature Racks<br>(2 large @ 375.00)  | 750       |
|  | Chairs (4 @ 250.00)   | 1000      |
|  | Book Shelves (2 @ 200.00)   | 400       |
|  | Fax/Copier/Printer  | 1299      |
| Classroom  | TV/VCR with Stand   | 750       |
|  | Whiteboard (8X4)  | 619       |
|  | Tables  | 850       |
|  | Chairs (12 Chairs @ 250.00)   | 3000      |
|  | Laptop (Powerpoint)   | 1925      |
|  | Projector   | 4000      |
|  | Projector Screen  | 185       |
| Offices for CDE, RD & Affillate Professional Staff                         | Modular Furniture Units (3)<br>(1500.00 per work station)                           | 3,500     |
| 2 Rooms - 3 Work Stations  | Chairs (3 each rm. @ 635.00)  | 1,905.00  |
|  | Computers - Install hardwire link to FMH/DC included in remodel costs (3 @ 2450.00) | 7,350.00  |
| Counseling Room/Treatment Room   | Modular counter/shelves/drawers for counseling & treatment room                     | 3370      |
|  | Tables (1 @ 250.00)   | 250       |
|  | Chairs (3 @ 250.00)   | 750       |
| Treatment/Counseling Room to support visiting professionals and Foot Care) | Exam Table  | 3,000     |
|  | Exam Light  | 565       |
|  | DataScope Acutorr Plus B/P  | 4,900     |
|  | Foot Care Instrument Set(s)   | 600       |
| Curriculum/References  | ADA Teaching Curriculum   | 975       |
| ADA Approved   | ADA Patient Tracking Software   | 750       |
|  | Reference Materials   | 2000      |
| Total  |   | \$292,159 |

Highlighted areas - Funding through the Dental Commission Capital Grant

Total \$116,001

**DIABETES OUTPATIENT EDUCATION PROGRAM START-UP COSTS**

|  |  |                   |
|--|--|-------------------|
| <b>Program Design:</b>   |  |                   |
| Staff: Increase current staff hours x 3 months to allow for program planning and implementation                            | .25 Patient Education  | \$ 22,019         |
|  | .25 Education Coordination   | 19, 863           |
| Start Up Personnel Costs:  | For 1st 12 months only. (While awaiting reimbursement eligibility.)  | 19,008            |
| CDE/Program Director   | .5 FTE<br>Add to existing .5 FTE position  | 44,375            |
| RD (1/2 time)  | .5 FTE   | 35,287            |
| Accounting Support   | Grant Administration   | 5,000             |
| Affiliate Staff Consulting/Set Up/Acct.  | Establish system for affiliate staff reimbursement   | 10,000            |
| <b>Facility:</b>   |  |                   |
| Remodel Existing Space   | Medical Dental Arts  | <del>70,108</del> |
| Space rent x 1 <sup>st</sup> 12 mos. of operation (while awaiting certification and reimbursement eligibility for funding) | Medical Dental Arts (Square footage 1031 x 2.35 per square foot – includes janitorial/electrical) 2422.85 x (9) assuming credit of prorated amount for remodel funding over a 5 year period (max allowable - 48,488.00/60 month=825.80). 2422.85 – 824.80 =1598.00 | 1598x 12= 19,176  |
| Phone service x 1 <sup>st</sup> 9 mos.   | \$150.00 x 12  | 1,800             |
| <b>Sub Total</b>   |  | <b>\$246,636</b>  |

*WMS*