

PROGRAM 7 – COMMUNITY ASSISTANCE PROGRAM

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

I. PROGRAM OBJECTIVES

Under the State of Alaska Community Assistance¹ program (AS 29.60.850 - .879 and 3 AAC 180), payments are made to unified municipalities, boroughs, cities and unincorporated communities in the unorganized borough for any public purpose.

II. PROGRAM PROCEDURES

Municipalities and unincorporated communities may receive, upon application, a base payment plus a per capita payment.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirements: Payments received by a municipality or unincorporated community must be used for a public purpose (AS 29.60.850)

B. ELIGIBILITY -

The auditor is not expected to verify eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

There is no matching or level of effort requirements. The auditor should determine that funds have been spent on a public purpose.

D. REPORTING REQUIREMENTS -

There are no requirements for the periodic reporting on the use of the funds. Municipalities are required to submit an annual audit and/or certified financial statement for continued receipt of the entitlement.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: Those municipalities which levy and collect a property tax are required to provide notice to taxpayers, pursuant to AS 29.45.020, showing: a) the amount of financial assistance received from the State and b) the equivalent mill rate needed to raise that amount in the

¹ Per 2 AAC 45.010(m)(1), this program is excluded from the threshold calculation in determining if an audit is required for an entity receiving financial assistance under 2 AAC 45.010(b). However, per 2 AAC 45.010(n), exemption from the threshold calculation does not exempt a program from compliance testing if the entity meets the threshold monetary requirements under 2 AAC 45.010(b).

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municipality. If a borough levies and collects only a sales-and-use tax, it must provide notice to taxpayers, pursuant to AS 29.45.660, showing:

- a) The amount of financial assistance received from the State, and
- b) The equivalent sales tax rate needed to raise that amount in the municipality.

Suggested Audit Procedure: Review appropriate records to determine whether required notice to taxpayers was provided in accordance with AS 29.45.020 and AS 29.45.660.