



Financial Assistance Award

DENALI COMMISSION
 510 "L" Street, Suite 410
 Anchorage, Alaska 99501
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 www.denali.gov

Project Number	0113-DC-2004-II
Project Title	Development of Rural Alaska Fuels Services, Inc.
Performance Period	January 15, 2004 to January 30, 2005
Authorizing Resolution	03-10
Recipient Organization & Address	
Rural Alaska Fuel Services Inc. PO Box 242412 Anchorage, AK 99524 (907) 351-3097	
Recipient DUNS # 142012702	

Authority
112 Stat 1854

CFDA Number
90.100

Denali Commission Finance Officer Certification

CCE

Cost Share Distribution Table

Accounting Code	Denali Commission	Other Contributors	Total
95670000	\$200,000		\$200,000
			\$0
			\$0
			\$0
			\$0
Total	\$200,000	\$0	\$200,000

This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission is issued in triplicate and constitutes an obligation of federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions indicated below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Federal Co-Chair of the Denali Commission and the Recipient shall retain the third document. If not signed and returned without modification by the Recipient within 30 days of receipt, the Federal Co-Chair may unilaterally terminate this Award.

- Special Award Conditions and Attachments
- Line Item Budget
- OMB Circular A-133, Audits of States, Local Governments and Indian Tribal Governments
<http://www.whitehouse.gov/omb/circulars/a133/a133.html>

Administrative Requirements (check one)

- OMB Circular A-102, Grants and Cooperative Agreements with State and Local Governments
<http://www.whitehouse.gov/omb/circulars/a102/a102.html>
- OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations
<http://www.whitehouse.gov/omb/circulars/a110/a110.html>

Cost Principles (check one)

- OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments
www.whitehouse.gov/omb/circulars/a087/a087-all.html
- OMB Circular A-122, Cost Principles for Nonprofit Organizations
www.whitehouse.gov/omb/circulars/a122/a122.html
- OMB Circular A-21, Cost Principles for Educational Institutions
<http://www.whitehouse.gov/omb/circulars/a021/a021.html>
- 48 CFR 31.2, Contracts with Commercial Organizations

Signature of Authorized Official - Denali Commission 	Typed Name and Title Jeffrey B. Staser, Federal Co-Chair	Date 2-3-2004
Signature of Authorized Official - Rural Alaska Fuel Services Inc. 	Typed Name and Title Bill Schoephoester, Interim CEO	Date 2/3/2004

***Award Conditions to the Financial Assistance Award
Between the Denali Commission and Rural Alaska Fuel Services Corporation
For Development of Rural Alaska Fuels Services, Inc.
Project No. 0113-DC-2004-I1***

1. Scope of Work

The business planning and development of the Rural Alaska Fuels Services Corporation (RAFS) was funded under previous Denali Commission Financial Assistance Award #0084-DC-2003-I1. This Financial Assistance award funded the creation of the RAFS Business Plan (Attachment #1) and the creation of RAFS as a Non-profit Corporation (Articles of Incorporations are Attachment #2).

The purpose of the corporation is to provide an alternative means for managing and operating rural bulk fuel facilities and to bring economies of scale and expertise to bear on tank facility operations not available to individual communities and therefore, created more sustainable bulk fuel operations for Denali Commission funded bulk fuel facilities. Pursuant to the attached RAFS Business Plan it was determined that costs related to start-up of RAFS would require Denali Commission funding support.

The purpose of this funding is to support the development of RAFS pursuant to the attached business plan. Funding will support the development of the non-profit corporation in its “start-up phase” which will include expenses such as but not limited to:

- Cost to establish corporations presence
- Purchase of materials and equipments
- Personnel Costs
- Marketing of RAFS Services

All expenses will be within an operating budget approved by the RAFS Board of Directors. Prior expenses will be reimbursed as of December 13, 2003.

All Commission funding is intended for use for the scope of work identified in the Award document only. In the event there is a balance of funding remaining after the full scope of work has been completed, the Denali Commission shall determine how the excess funds will be allocated.

2. Award Performance Period

The Award performance period is January 15, 2004 through January 30, 2005. This is the period during which Award recipients can incur obligations or costs against this Award.

3. *Direct and Indirect Costs*

The cost principles of OMB A-122 are applicable to this Award. Please refer to the cost principles regulations for specific details on allowable charges under this Award.

4. *Budget and Program Revisions*

The Administrative Circular A-110 applies to this Award. Please refer to the Administrative Circular for specific details on revisions to this Award. The Administrative Circular requires that RAFS will inform the Commission in writing (e-mail, letter, or report) at the earliest possible date of any unanticipated project cost overrun, project schedule delays, or changes in the project scope or changed site conditions.

5. *Payments*

Payments under this Award will be made through the U.S. Department of Treasury's Automated Standard Application for Payment (ASAP) system. The ASAP system is the Commission's mechanism for requesting and delivering Federal funds to Award recipients. Your organization must be registered with the ASAP program in order to make draw downs. Please contact the Commission's Program Manager or Finance Manager for further information about registering with the ASAP program. Payments shall be made in accordance with OMB Circular A-110. **No interest will be accrued on these funds.**

6. *Reporting*

Two forms of project reporting are required under this Award, listed below. RAFS shall submit reports using the Denali Commission's on-line Project Database System, available at www.denali.gov.

- a. **Progress Reports** shall be submitted on a bi-annual basis. The first report is due July 30, 2004 and each 6 months thereafter. Reports are due within 30 days of the end of the reporting period. Progress reports which will be submitted on-line through the Denali Commission Project Database shall include the following:
 - i. Total project funding, including both Denali Commission funding and other project funding sources.
 - ii. The total project expenditures for the project as of the end of the reporting period, including both Denali Commission and Other funding sources.
 - iii. Narrative 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.
 - iv. For minor repair and renovation projects or other non-construction projects, pictures should be provided of before and after, or photos that are representative of the funded activity, to the extent possible. Photos shall be

provided in a digital format as part of the on-line report. A short description of the activity and names of those in the photos shall also be provided.

- b. **Federal Single Audits** shall be submitted annually, when required. In accordance with OMB Circular A-133, which requires [subpart 200] “Non-Federal entities that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part. [subpart 205] The determination of when an award is expended should be based on when the activity related to the award occurs.”

Recipients shall also submit single audits to the Federal Clearinghouse designated by OMB. Information can be found on the following web-site:

<http://harvester.census.gov/sac/>

7. Project Close-Out

The project close-out shall be completed within 90 days of the end of the Award performance period or within 90 days of the completion of the project, whichever is earlier. Recipients must also draw down any remaining funds for expenditures incurred under this award during this 90-day period.

The Project Close-out report shall be submitted on-line through the Denali Commission’s on-line Project Database System, available at www.denali.gov. The project close out will require the recipient to submit the following information:

- a. Final data for each item listed in paragraph 6(a) “Progress Reports”
- b. Final project expenditures itemized by the following categories: planning & design; materials & equipment; freight; labor; project administration/overhead and other expenses.
- c. Acknowledgement of support:
Acknowledgement of Denali Commission support will be in the form of Denali Commission recognition and logo inclusion in materials produced by RAFS where appropriate. Costs associated with this requirement shall be paid out of the project funding received by the Award recipient from the Denali Commission.

8. Public Policy Laws and Assurances

Award Recipients are required to comply with the public policy laws and assurances on Standard Forms SF 424b (non-construction projects) or SF 424d (construction projects). This form must also be signed by a certifying official of the organization. Some of the laws are highlighted below for your reference.

To the maximum extent practicable, considering applicable laws, Funding Recipients shall accomplish the project contemplated by the Award using local Alaska firms and labor.

No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

9. *Non-Compliance with Award Conditions*

Recipients not in compliance with the terms and conditions of this Financial Assistance Award will be notified by the Denali Commission. The Denali Commission will work with the recipient to identify the steps necessary to bring them back into compliance, and will establish an appropriate time frame for the corrections to be made. If the corrections have not been made by the deadline, the Denali Commission reserves the right to either suspend or unilaterally terminate the Financial Assistance Award for non-performance.

10. *Program Manager, Financial Manager & Other Contact Information*

Denali Commission	Rural Alaska Fuel Services, Inc.
Krag Johnsen 510 L Street Suite 410 Anchorage, AK 99501 (907) 271-1413 (907) 271-1414 kjohnsen@denali.gov	Bill Schoephoester PO Box 242412 Anchorage, AK 99524 (907) 351-3097 schoep@gci.net

Note: As of December 13, 2003 Bill Schoephoester is the designated interim CEO for RAFS and was authorized by the RAFS Board of Directors to execute this grant agreement. Mr. Schoephoester has been directed by the RAFS Board of Directors to conduct a search for the permanent CEO. Hiring of a permanent CEO is anticipated before February 29, 2004.