

## **Title 15. Natural Resources and Economic Development**

### **Chapter VIII. Arkansas Economic Development Commission, Department of Commerce**

#### **Subchapter C. Community Development Grants**

#### **Part 182. Military Affairs Grant Program Rules**

**Codification Notes.** This part as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"VIII. Rulemaking Authority

AEDC has authority, at §15-4-3910, to promulgate rules necessary to administer the Military Affairs Grant Program"

#### **Subpart 1. Generally**

##### **15 CAR § 182-101. Introduction.**

###### **(a) Overview.**

(1)(A) Acts 2021, No. 522, created the Arkansas Military Affairs Council Act.

(B) The act codified the existing Military Affairs Grant Program administered by the Arkansas Economic Development Commission.

(2) Funds allocated to the Military Affairs Grant Program may be granted, at the discretion of the Executive Director of the Arkansas Economic Development Commission, to applicants meeting eligibility requirements for projects and programs that strengthen and sustain military installations in Arkansas, resulting in economic growth in:

(A) Host communities;

(B) Surrounding regions; and

(C) The State of Arkansas.

(3) As such, grants are intended to leverage, not supplant, other funding sources.

**(b) Program rule summary.**

(1) The commission will periodically solicit Military Affairs Grant Program applications as funding becomes available.

(2) Eligible applicants shall submit completed applications, on forms prescribed by the commission and in accordance with submittal deadlines, to request grant funding from the Military Affairs Grant Program.

(3) The Military Affairs Director, with advice from the Governor's Arkansas Military Affairs Council, shall review and recommend applications for grant funding to the Executive Director of the Arkansas Economic Development Commission.

(4) Applicants receiving approval from the Executive Director of the Arkansas Economic Development Commission shall execute grant agreements with the commission specifying grant terms and conditions.

(5) Grant funding shall be made available to grantees on a cost-incurred basis, subsequent to submittal of requests for payment on forms prescribed by the commission.

(6) Grantees shall submit quarterly progress reports throughout the duration of the grant project in accordance with grant terms and conditions.

(7) A contingency of up to ten percent (10%) of the grant award may be withheld from final payment until all closeout documents have been submitted and have been approved by the commission.

**(c) Contact information.** For more information, please contact:

Arkansas Economic Development Commission  
Military Affairs Director  
One Commerce Way, Suite 601  
Little Rock, AR 72202  
(501) 682-1121

**Authority.** Arkansas Code § 15-4-3910.

**15 CAR § 182-102. Definitions.**

As used in this part:

- (1) "AEDC" means the Arkansas Economic Development Commission;
- (2) "City" means any city of the first class, city of the second class, or any incorporated town in this state;
- (3) "Council" means the Arkansas Military Affairs Council appointed by the Governor pursuant to Arkansas Code § 15-4-3904;
- (4) "County" means any county in this state;
- (5) "Director" means the Military Affairs Director of the Military Affairs Division of the Arkansas Economic Development Commission;
- (6) "Economic development organization" means a business entity:
  - (A) In good standing with the Secretary of State; and
  - (B) Formed to promote community and economic development in a geographic area in Arkansas;
- (7) "Eligible applicant" means a:
  - (A) City;
  - (B) County;
  - (C) Economic development organization;
  - (D) Military community council;
  - (E) Military installation; and
  - (F) State agency;
- (8) "Executive Director" means the Executive Director of the Arkansas Economic Development Commission;
- (9) "Ineligible costs" means:
  - (A) Obligations incurred prior to the eligibility date for incurring project costs as specified in the grant agreement;
  - (B) Expenditures for routine repair, maintenance, and operation;
  - (C) Expenditures that are unsupported by documentation;
  - (D) Project administration costs, including salaries and benefits for grantee personnel, in excess of ten percent (10%) of the grant award;

- (E) Lobbying expenditures;
- (F) Purchases of alcohol;
- (G) Entertainment expenses, including meals and activity fees;
- (H) Travel not directly related to the project; and
- (I) Purchases of material and services that result in benefits accruing to

areas outside the State of Arkansas;

(10) "MAGP" means the Military Affairs Grant Program as administered by the Military Affairs Division of the Arkansas Economic Development Commission;

(11) "Military community council" means a business entity:

(A) In good standing with the Secretary of State; and

(B) Formed to promote cooperation between military and civilian

components of a designated geographic area within Arkansas through the adoption and implementation of matters of joint interest to a military installation and the surrounding community by establishing and maintaining:

(i) Necessary infrastructure;

(ii) Safe and secure communities; and

(iii) Support services; and

(12)(A) "Military installation" means facilities located in Arkansas under the jurisdiction of the United States Department of Defense or the Department of the Military, including a:

(i) Base;

(ii) Camp;

(iii) Post;

(iv) Station;

(v) Yard;

(vi) Center; and

(vii) Homeport facility for any ship.

(B) "Military installation" does not include any facility used primarily for:

(i) National Guard armories;

(ii) Civil works;

- (iii) Rivers and harbors projects; and
- (iv) Flood control projects.

**Authority.** Arkansas Code § 15-4-3910.

**15 CAR § 182-103. Eligibility.**

(a) **Applicants.** To be eligible to receive Military Affairs Grant Program funding, an applicant shall:

- (1) Meet program objectives stated in this part;
- (2) Meet the definition of "eligible applicant";
- (3) For projects within the legal boundaries of military installations, provide written support for the project by the commander of the military installation to which benefits will accrue; and
- (4) Submit a completed application on the forms developed for such purpose by the Military Affairs Division, including any required attachments and supplemental information specified on the forms.

(b) **Eligible costs.**

- (1) The Arkansas Economic Development Commission will review all expenditure requests prior to payment to ensure that costs are:
  - (A) Consistent with the terms and conditions of the grant agreement; and
  - (B) Not "ineligible costs" as defined by this part.
- (2) The commission will:
  - (A) Disallow all ineligible costs; and
  - (B) Only fund expenditures directly related to projects.

**Authority.** Arkansas Code § 15-4-3910.

**15 CAR § 182-104. Application process, review, and approval.**

(a) **Application process.**

(1) The Arkansas Economic Development Commission will periodically solicit Military Affairs Grant Program applications as funding becomes available.

(2) To request funds under the program, eligible applicants shall, using forms prescribed by the commission, submit a completed, signed application with all supporting documentation to the Military Affairs Director by the specified submittal due date.

(3) Applications shall include:

(A) A project title;

(B) Applicant contact information;

(C) Organizational information;

(D) Sources of all funds, including prior program awards, for this project;

(E) Previous program awards not included in subdivision (a)(3)(D) of this section, above;

(F) Proposal information;

(G) The amount of funding requested; and

(H) Start and completion dates of the project.

(b) **Application review and approval.** No grant offer shall be made by the Executive Director of the Arkansas Economic Development Commission to an applicant until the applicant has completed the following review and approval process:

(1) The Military Affairs Director shall conduct a preliminary review of each application to confirm that it:

(A) Was received on or before the due date specified in the application solicitation;

(B) Was submitted by an eligible applicant;

(C) Meets the objectives of the program;

(D) Identifies clearly defined, measurable outcomes;

(E) Includes a letter of support from the installation commander if the project is located within the legal boundaries of the military installation; and

(F) Is complete, including all required appendices and attachments;

(2) All applications meeting preliminary review requirements, as determined by the Military Affairs Director, will be forwarded to the Arkansas Military Affairs Council at least fifteen (15) days prior to the next scheduled council meeting;

(3) The council shall:

(A) Review each application in accordance with the Military Affairs Grant Program Funding Recommendation Worksheet; and

(B) Forward completed Military Affairs Grant Program Funding Recommendation Worksheets to the Military Affairs Director;

(4) The Military Affairs Director shall review each application in accordance with:

(A) The commission's scoring criteria; and

(B) Funding recommendations provided by the council;

(5) Upon completion of reviews, the Military Affairs Director will provide funding recommendations to the Executive Director of the Arkansas Economic Development Commission; and

(6)(A) The Executive Director of the Arkansas Economic Development Commission, after reviewing the Military Affairs Director's recommendations, will specify which applicants may receive grants.

(B) Unsuccessful applicants will be notified in writing by the Military Affairs Director.

(C) Approved applicants will be required to execute a grant agreement with the commission outlining the amount, terms, and conditions of the grant.

**Authority.** Arkansas Code § 15-4-3910.

### **15 CAR § 182-105. Grant agreements.**

(a)(1) All Military Affairs Grants Program grants shall be awarded at the discretion of the Executive Director of the Arkansas Economic Development Commission.

(2) Grant agreements shall specify the:

(A) Eligibility date for incurring costs for the project or program;

(B) Projected completion date of the portion of the project or program funded by the grant;

(C) Terms and conditions of the grant agreement;

(D) Amount of approved costs; and

(E) Process by which grant funds shall be disbursed to the grantee.

(b) The amount of the grant:

(1) Shall be discretionary; and

(2) May be for amounts less than requested, subject to:

(A) Funding availability; and

(B) The Executive Director of the Arkansas Economic Development Commission's discretion.

(c) Grants may be funded from any source of funds appropriated and allocated to the Military Affairs Grant Program.

(d) Grants will be executed according to the following process:

(1) Two (2) original copies of the grant agreement will be prepared by the Military Affairs Director and forwarded to the grantee for signature and return;

(2) Upon receipt of the signed grant agreements from the grantee, the Military Affairs Director will:

(A) Prepare an approval letter; and

(B) Forward the grant agreement and the approval letter to the Executive Director of the Arkansas Economic Development Commission for signature; and

(3) One (1) original copy of the grant agreement will be forwarded to the grantee with the approval letter.

**Authority.** Arkansas Code § 15-4-3910.

**15 CAR § 182-106. Grant disbursement.**

(a) Expenditures incurred before the eligibility date for incurring project costs specified in the grant agreement are ineligible.

(b) A contingency of up to ten percent (10%) of the grant award may be withheld from final payment until all closeout documents have been:

- (1) Submitted; and
- (2) Approved by the Arkansas Economic Development Commission.

**Authority.** Arkansas Code § 15-4-3910.

**15 CAR § 182-107. Reporting.**

(a)(1) Grantees shall submit quarterly progress reports throughout the duration of the grant agreement in accordance with terms specified in the grant agreement.

(2) Failure to submit reports in a timely manner may delay disbursement of grant funds.

(b) The Military Affairs Director shall submit quarterly reports to the Arkansas Military Affairs Council for discussion at council meetings.

**Authority.** Arkansas Code § 15-4-3910.