

**ADMINISTRATIVE PROCEDURES FOR FUNDING FROM THE
NORTH CAROLINA COMMERCIAL FISHING RESOURCE
FUND**

Administrative Procedures for Funding from the North Carolina Commercial Resource Fund

I. PURPOSE

The purpose of this document is to define procedures used to disburse funds from the North Carolina Commercial Fishing Resource Fund (“Fund”), as provided for in the Memorandum of Understanding (“MOU”). The purpose of the Fund is to (1) fully fund the State’s incidental take permits for the commercial fishing industry under the federal Endangered Species Act of 1973 or the federal Marine Mammal Protection Act of 1972 and (2) after the priority set for in one has been fully funded, the Fund may be used for other projects to develop and support sustainable commercial fishing in the State.

II. BACKGROUND INFORMATION

- a. North Carolina Commercial Fishing Resource Fund
 - i. North Carolina General Statute (N.C.G.S) § 113-173.1 defines the North Carolina Commercial Fishing Resource Fund.
 - ii. **The State Treasurer shall hold the Fund separate and apart from all other moneys, funds, and accounts. With respect to fund used pursuant to projects to develop and support sustainable commercial fishing in the State, the State Treasurer shall disburse the principal of the Fund only upon the written direction of both the Marine Fisheries Commission and the Funding Committee after funds have fully funded the State’s incidental take permits for the commercial fishing industry.**
- b. Role of the Marine Fisheries Commission Commercial Resource Fund Committee (CRF Committee) and the Funding Committee for the North Carolina Commercial Resource Fund (Funding Committee)
 - i. After funds have fully funded the State’s incidental take permits for the commercial fishing industry, both shall establish annual funding priorities in accordance with objectives set forth in the Strategic Plan for the Commercial Fishing Resource Fund.
 - ii. After monies have fully funded the State’s incidental take permits for the commercial fishing industry, both shall determine percentage of funds or absolute amount to be released for the Commercial Resource Fund for the upcoming fiscal year.
 - iii. Appoint members to form the Marine Fisheries Commission Commercial Resource Fund Committee and six members to form the Funding Committee for the North Carolina Commercial Resource Fund in the manner set forth in G.S. 143-47.6.

- iv. **The Committee shall elect annually a chair and other officers as it deems necessary to carry out purposes of this Committee, who shall serve a term of one year corresponding to the calendar year.**
- v. **Jointly authorize, through written direction to the State Treasurer, disbursement of the principal of the Commercial Fishing Resource Fund.**
- vi. CRF Committee and the Funding Committee shall meet twice annually.
- c. Role of Division of Marine Fisheries Staff
 - i. The Grants Program Manager, Administrative Services Section Chief, and Division Director will ensure that the Fund will fully fund the State's incidental take permits for the commercial fishing industry.
 - ii. Once the incidental take permits have been fully funded, the Grants Program Manager will conduct all administrative functions (i.e. track proposals through funding process, notify recipients, request funds to be distributed to recipients, administer the appropriate budget accounts, ensure reports are submitted, etc.) for all projects and/or proposals received and those granted funding.
 - iii. The Division of Marine Fisheries Staff will review projects and proposals to determine if they develop and support sustainable commercial fishing in the State and make recommendations to the CRF Committee and the Funding Committee.

III. FUNDING PROCESS

- a. General Steps in the Funding Decision Process (per fiscal year)
 - i. Once incidental take permits for commercial fishing industry are fully funded, the CRF Committee and the Funding Committee may ask staff to develop proposals for projects and/or research; OR
 - ii. The CRF Committee and the Funding Committee may request staff to complete specific projects/research; OR
 - iii. At the request of the CRF Committee and the Funding Committee, the Grants Program Manager may develop a Request for Proposals to be issued by the Division of Marine Fisheries based on priorities established in the Strategic Plan for the North Carolina Commercial Fishing Resource Fund. If a Request for Proposal is requested by the Funding Committee:
 - 1. The Division of Marine Fisheries will develop the RFP based on the priorities set forth in the Strategic Plan as directed by the Funding Committee.
 - 2. At the time the RFP is initially distributed, a news release will be sent to media outlets currently receiving notification from the Division. The RFP will also be posted on the DMF website. The press release will provide specifics regarding the RFP process, and provide contact information.
 - 3. The Grants Program Manager will forward all proposals to the Division of Marine Fisheries Staff to make recommendations based on technical merit and applicability to developing and supporting sustainable commercial fishing in the State.

4. The Division of Marine Fisheries will submit recommendations from Marine Fisheries staff to the CRF Committee and the Funding Committee for approval of funding.
 5. The CRF Committee and the Funding Committee reviews/approves the Divisions prioritized funding recommendations for approval.
- iv. **Notification will be given to the State Treasurer in writing with the signature of the chairmen of both the CRF Committee and the Funding Committee authorizing the disbursement of funds.**
 - v. The Grants Program Manager will notify applicants of funded and non-funded projects.
 - vi. All proposals selected for funding need to have a contract established in accordance with State contracting policies and procedures. The DMF is responsible for obtaining all the information necessary to enter contracts into DEQ's contract processing system.
 - vii. The Division of Marine Fisheries will conduct administrative functions regarding administration of and expenditure of funds. In accordance with State budgeting policies and procedures, the Division will advise the CRF Committee and the Funding Committee as to any requirements with respect to auditing measures or accounting procedures, as well as other requirements related to dispersing funds.
- b. Funding Contracts and Required Information.
- i. Before any funds are distributed, all proposals selected for funding require a contract be established in DEQ's contract processing system. The party requesting funds must complete the contract process containing all relevant information and contract conditions as per the state contracting policies and procedures. The contract with Division of Marine Fisheries must be fully executed prior to the expenditure of any funds.
 1. Contract information required may include but is not limited to:
 - a. A proposal containing the following.
 - i. Applicant Name: Identify the name of the applicant and/or applicant's organization.
 - ii. Project Title: A brief statement to identify the project.
 - iii. Project Period: The total period of the project proposed for funding. The award period may be for one or multiple years.
 - iv. Need: Demonstrate the need for assistance.
 - v. Objective: Address what is to be accomplished.
 - vi. Approach: List all procedures necessary to attain each project objective.
 - vii. Expected Results and Benefits: Identify and document the results or benefits expected from the proposed activities and how the project will to

develop and support sustainable commercial fishing in the State.

- viii. Data Delivery Plan for Research Projects: Provide a written plan describing how all data, analyses, models, etc. generated from the project will be made available to the Division of Marine Fisheries. The plan must include the format in which data will be submitted and acknowledge any required data delivery specifications.
- ix. Geographic Location: The location where the project will be administered and where the project will be conducted.
- x. Milestone Schedule: An activity schedule in table format for the duration of the project, starting with month one and concluding at the end of the requested award period including a maximum three-month report writing period. **On multi-year proposals, a separate budget, scope of work, and milestones must be submitted for each year of the proposal.**
- xi. Match: Matching funds are encouraged as a way to leverage the Commercial Fishing Resource funds. However, if match is offered in a proposal the source of the matching funds must be identified in the budget along with the amount of in kind, cash, etc.
- xii. Cost Summary: Detail budget all costs to be incurred in the project, including, but not limited to personnel, equipment, information technology needs (computers, staff, etc.), travel expenses, etc. Details are to include start-up versus long-term operational costs. Travel related to carrying out the specific duties of the project. A breakdown of travel limited to state levels of allowable per diem showing expected amounts for hotels, meals, miles, etc. as separate lines.
- xiii. Project Administrator/Principal Investigator: The principal investigator(s) is to be listed and vitae for each principal investigator/co-principal investigator must be attached. Limit each vitae to two pages. If this is not a research or monitoring project, identify a key contact.
- xiv. Other Information: Applications for facilities/access projects must provide estimates of the usage of the proposed facility including, and any

other relevant demographic data and estimates that support the need for the project.

- xv. **Environmental Considerations:** The Division of Marine Fisheries encourages low impact development that protects vegetated shorelines, wetlands, water quality, submerged aquatic vegetation, designated primary nursery areas, and designated anadromous fish spawning areas. Proposals should avoid adverse impacts to these sensitive habitats. In the event that impacts cannot be avoided or minimized through alteration of the project configuration or design, the project may not be considered for funding even though it meets a request for proposals funding priority.
 - xvi. Applicants shall maintain the stated or intended use of the proposed facility/access project for a minimum of 20 years. Projects over \$100,000 must maintain the intended use for 30 years. Any abandonment of the project, conversion of the project to another use, or allowance of uses prohibited by the contract shall automatically trigger repayment to the fund of an amortized portion of the total grant reflecting the remaining life of the project.
 - xvii. All projects shall specify dates and deliverables clearly in the proposal.
 - b. Data delivery requirements.
 - c. Conflict of interest statement for non-governmental entities.
 - d. State certification form of no overdue tax debts.
 - e. Any special contract conditions.
 - f. Award letter and signed letter of acceptance of funding.
- 2. If your project is selected for funding and a contract is in place, you will be required to provide semi-annual updates of progress. This report shall be formal and can be submitted via email. The information in each semi-annual update will only be work completed since the last semi-annual update. A formal written comprehensive final report will be required.
 - 3. If your project is selected for funding, you cannot begin any work until there is a state contract in place or you will not be reimbursed for work that has already begun or been completed.
- ii. Applicants who apply through a university that is a part of the UNC system will follow the UNC master agreement with DEQ.

- iii. All projects in which data are collected will be required, as stated in the contract special conditions, to provide the data and a data dictionary in accordance with the DMF data delivery requirements.
- iv. Contracts may only budget the amount of money and cover the duration of time approved by the CRF Committee and the Funding Committee and reported to the State Treasurer on the letter signed by the CRF Committee and the Funding Committee.
- v. Contract terms include:
 - 1. Contract conditions for receipt of funds as stated in section III. FUNDING PROCESS part b. Funding Contracts and Required Information 1-3.
 - 2. Funded projects requiring additional permits from local, state or federal agencies will be the responsibility of the grantee. Failure to obtain these permits will require the grantee to return funds in full.
 - 3. Funded projects shall maintain intended use of facilities and public access areas for a minimum of 15 years. Capital Projects exceeding \$100,000 in total cost must result in facilities and public access lasting at least 30 years. Abandonment, conversion, prohibition of public use, etc. shall automatically require repayment to the fund(s) of an amortized portion of the total grant reflecting the remaining life of the project.
 - 4. Failure to deliver data to the DMF in a format with appropriate documentation to be used by the scientific community at the time completion of the final report shall automatically require repayment to the fund(s).
 - 5. Failure to accept identified special conditions associated with the grant shall automatically require repayment of all or portion to the fund(s).
 - 6. Failure to sign a DEQ grant contract within the allotted timeframe shall render the approved grant null and void with funds reverting to the appropriate Fund.
 - 7. Projects funded under the annual RFP process will be required to send a request for extension of funding three months prior to the end of each funding period. If an extension is not requested, any encumbered funds will revert to the Commercial Fishing Resources Fund.
- vi. Reports shall be submitted semi-annually containing the following:
 - 1. Progress Reports
 - a. Title page – grant name, project dates (periods covered), applicant’s name, and date Objectives for the award period
 - b. Activities Completed – listed by objective
 - c. Milestone Chart – original and revised if changes occurred during project period
 - d. Progress during the period of semi-annual progress report – bulleted items

- e. Deviations – planned activities not completed during the period. Provide an explanation for each deviation
 - f. Activities planned during the next reporting period
2. Final Reports
- a. Title page – grant name, project dates, applicants’ name, date
 - b. Abstract/Executive Summary
 - c. Introduction
 - d. For Multi-Task or Objective projects, organize reporting for each task as follows
 - i. Procedures
 - ii. Results
 - iii. Description of sample sizes
 - 1. Data analyses results
 - 2. Summary/Statistics
 - iv. Discussion
 - 1. What occurred
 - 2. What did not occur that was expected to occur
 - 3. Explanation of data limitations
 - 4. Deviations from project proposal identified and justified Interpretation of results
 - 5. Applicability of study results to CFRF Strategic Plan and priorities
 - e. Overall Project Conclusions (Recommendations/Summary)
 - f. Annual Budget expenditures
 - g. Budget deviations
3. Grant recipients who do not meet the reporting requirements will not receive additional funds until all outstanding reports have been submitted and accepted as being complete by DMF’s Administrative Services Office. A verbal presentation of project results may be requested.
4. A goal of the final project report is to disseminate findings, results and end products of projects. Up to 10% of the total grant may be withheld until the applicant satisfactorily meets all approved project objectives and modifications, including submission of reports and delivery of data.

Effective Date: July 26, 2018

Revisions: