



**Procedures for  
Funding  
from the  
North Carolina  
Marine Resources  
Fund  
and the  
North Carolina  
Marine Resources  
Endowment Fund**



**March 12, 2007**

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I. PURPOSE

The purpose of this document is to define procedures used to disburse funds from the North Carolina Marine Resources Fund and the North Carolina Marine Resources Endowment Fund. The North Carolina Marine Fisheries Commission (MFC) and the North Carolina Wildlife Resources Commission (WRC) are statutorily charged to jointly disburse these funds to manage, protect, restore, develop, cultivate and enhance the marine resources of North Carolina. This document outlines procedures for consideration of project proposals, review, approval, accounting, and reporting.

II. BACKGROUND INFORMATION

A. North Carolina Marine Resources Fund

1. North Carolina General Statute (N.C.G.S.) § 113-175 defines the North Carolina Marine Resources Fund as being comprised of revenues from the **net proceeds from the annual and 10-day Coastal Recreational Fishing License (CRFL) and the CRFL portion of the annual unified fishing and sportsman licenses.**
2. **The purpose of the fund is to enhance the marine resources of the state (N.C.G.S. § 113-175.1). The principal of the fund includes:**
  - a. **Marine resources license revenues;**
  - b. **Proceeds of any gifts, grants, and contributions to the State that are specifically designated for inclusion in the Marine Resources Fund;**
  - c. **Funds realized from the sale, lease, rental, or other grant rights to real or personal property acquired or produced from funds disbursed from the Marine Resources Fund;**
  - d. **Federal aid project reimbursements to the extent that funds disbursed from the Marine Resources Fund originally funded the project for which the reimbursement is made.**

3. **The State Treasurer will hold the fund in a separate account from all other accounts. The State Treasurer will disburse the principal of the Marine Resources Fund and marine resources investment income only upon written direction from both the MFC and WRC.**

B. North Carolina Marine Resources Endowment Fund

1. **N.C.G.S. § 113-175 defines the North Carolina Marine Resources Endowment Fund (hereinafter “Endowment Fund”) as being comprised of the net proceeds from the sale of lifetime CRFL and the CRFL portion of the unified lifetime fishing and lifetime sportsman licenses.**
2. **The purpose of the fund, as outlined in N.C.G.S. § 113-175.5, is to provide the citizens and residents of the State with the opportunity to invest in the future of the marine resources of the State. The principle of the fund includes:**
  - a. **Endowment license revenues;**
  - b. **Proceeds of any gifts, grants, or contributions to the State that are specifically designed for inclusion in the Endowment Fund;**
  - c. **Proceeds of any gifts, grants, or contributions to the MFC or the N. C. Division of Marine Fisheries (DMF) that are not specifically designated for another purpose;**
  - d. **Funds realized from the sale, lease, rental, or other grant of rights to real or personal property acquired or produced from endowment investment income;**
  - e. **Federal assistance project reimbursements to the extent that endowment investment income originally funded the project for which the reimbursement is made;**
  - f. **Transfers to the Endowment Fund;**
  - g. **Any endowment investment income or marine resources license revenue that is credited to the Endowment Fund for the purpose of increasing the principal of the Endowment Fund.**
3. **The State Treasurer will hold the Endowment Fund separate and apart from all other accounts. The State Treasurer will disburse the endowment investment income only upon written direction of both the MFC and WRC.**

### C. Role of the MFC and WRC

1. Approve/adopt the Strategic Plan for the Conservation and Improvement of North Carolina's Marine Resources through Funding for the Coastal Recreational Fishing License (Plan). The Plan provides the overall guidance for establishing funding priorities from the Marine Resources and Endowment funds.
2. Establish annual funding priorities. These priorities will be based on the Program Areas and Objectives described in the Plan.
3. Determine percentage of funds or absolute amount to be released from the Marine Resources and Endowment funds for the upcoming funding cycle.
4. Appoint three members from each respective Commission to form the CRFL Committee that reviews and recommends prioritized projects to be considered for funding. The CRFL Committee recommendations are to be presented to the full MFC and WRC for final approval.
- 4. Jointly authorize, through written direction to the State Treasurer, disbursement of the principal of the Marine Resources Fund and marine resources investment income and authorize disbursement of the endowment investment income to manage, protect, restore, develop, cultivate, conserve and enhance the marine resources of the State.**
5. Review the status of funded projects, annually.
- 6. Jointly submit to the Joint Legislative Commission on Seafood and Aquaculture by October 1 of each year a report on the Marine Resources Fund and the Marine Resources Endowment Fund that includes the source and amount of all moneys credited to each fund and the purpose and amount of all disbursements for each fund during the prior fiscal year (N.C.G.S. § 113-175.6).**

### D. Role of the DMF, WRC staff, and Department of Environment and Natural Resources

1. The DMF and Department of Environment and Natural Resources (DENR) will develop a Strategic Plan for the Conservation and Improvement of North Carolina's Marine Resources through Funding for the Coastal Recreational Fishing License and a list of potential funding priorities to be presented and considered by the MFC and WRC for adoption.
2. The DMF and DENR will conduct all administrative functions (i.e., track proposals through funding process, notify recipients, request funds to be distributed to recipients, serve as technical monitors for some projects,

administer the appropriate budget accounts, ensure reports are submitted, etc.) for all proposals received and those granted funding.

3. The DMF and WRC staff will jointly review the technical merit of proposals and determine which meet Plan objectives and funding priorities. DMF and WRC staff will jointly prioritize proposals to be presented to the CRFL Committee.
4. DMF and WRC staff will solicit external peer review for those projects meeting plan objectives and funding priorities, but may be outside the expertise of DMF and WRC staff reviewers.
- 5. All proposals to the MFC and the WRC for the disbursement of funds from the Marine Resources Fund and Marine Resources Endowment Fund shall be made by and through the Fisheries Director.**

### III. FUNDING PROCESS

#### A. General Steps in the Funding Decision Process (per funding cycle).

1. The MFC and WRC will establish priorities based on program area objective within the Plan after considering recommendations from the CRFL Committee.
2. Issue Request for Proposals (RFP) and consider unsolicited proposals.
3. Fisheries Director forwards all proposals to DMF and WRC staff. A summary list of all proposals is also supplied to CRFL Committee. DMF and WRC staff reviews proposals for technical merit, applicability to the Plan and funding priorities. Notification to applicants to resubmit, if revisions are necessary. Send out for external peer review, if necessary.
4. DMF and WRC staff reviews revised proposals, considers external reviewer comments, and prioritizes recommendations for funding of projects.
5. CRFL Committee reviews and prioritizes recommendations on final proposals.
- 6. Fisheries Director submits the CRFL Committee's prioritized funding recommendations to the MFC and the WRC for approval of funding.**
- 7. MFC and WRC notify the State Treasurer in writing of approved disbursement of funds.**
8. Notify applicants of funded and non-funded projects.

9. Project monitoring is conducted and reporting requirements are reviewed.
10. Fisheries Director accepts final project report and approves final payment.

Table 1. Funding process timeline from the initiation of the cycle to when the State Treasurer is notified to disburse funds.

General Step Number	Action	Date	Cumulative Number of Days within the Cycle	Example by Month (assumes cycle starts July 1)
1	MFC and WRC establish funding priorities	Prior to release of RFP and funding priorities	N/A	Prior to July 1 RFP
2	Issue RFP	1 <sup>st</sup> week prior to the start of funding cycle, allowing 30 days to apply	30	July 1 – August 1
3a	DMF and WRC staff reviews proposals for applicability to the CRFL Strategic Plan, funding priorities and comments on proposals. Notify applicant to resubmit, if further revisions are necessary. Send proposals to external peer reviewers, if necessary	Within 30 days of RFP closure	60	August 1 – September 1
3b	Resubmission and external peer review comments, if necessary.  <i>Note: This step may be bypassed, if resubmission or external peer review is not necessary, thus moving the timeline up by 30 days.</i>	Up to 30 days but not beyond October 1 <sup>st</sup>	90  <i>60 days, if step is skipped</i>	October 1  <i>September 1, if step is skipped</i>
4 and 5	DMF and WRC staff review and prioritize proposals based on the CRFL Strategic Plan, funding priorities and technical merit. Present DMF/WRC staff's prioritized proposals to CRFL Committee for prioritization and recommendation.	45 days after initial review (i.e., step 3) or review of resubmission and/or comments from external reviewers (i.e., step 4)	135  <i>105 days, if step 3b is skipped</i>	November 15  <i>October 15, if step 3b is skipped</i>
6a	<b>Fisheries Director submits recommendations to the full MFC and WRC for approval.</b>	Next MFC meeting (up to 60 days)	195 (by Feb 15)  <i>165 days, if step 3b is skipped.</i>	<i>Between Dec 15 – Feb 15</i>  <i>Between Nov 15 – Feb 15, if step 3b is skipped.</i>
6b	<b>Fisheries Director submits recommendations to the full MFC and WRC for approval.</b>	Next WRC meeting (up to 60 days)	195 (by Feb 15)  <i>165 days, if step 3b is skipped</i>	<i>Between Dec 15 – Feb 15</i>  <i>Between Nov 15 – Feb 15, if step 3b is skipped.</i>
7	<b>Notify State Treasurer and applicant of the final approved proposals to be funded.</b>	20 days after final approval.	215  <i>185 days, if step 3b is skipped</i>	<i>Mar 1</i>

**Bolded items indicate statutory requirements.**

## B. Detailed Steps

### Step 1. Establish Priorities Based on Program Area Objective within the CRFL Strategic Plan.

The MFC and WRC will establish, in writing, priorities to be funded during the upcoming grant funding cycle. Priorities will be based on the CRFL Strategic Plan and categorized by Program Area Objective. Additionally, the MFC and WRC will determine percentage of funds to be released from the Marine Resources Fund and Endowment Fund for the upcoming cycle.

Proposals from universities, North Carolina local governments, WRC and DMF will be accepted. Multi-party collaborations are encouraged.

Funds will be disbursed annually. Multiple year proposals will be conditionally approved on an annual basis for periods up to five years but continuation of funding for the project is dependent upon satisfactory completion of previous work including timely submission of reports, submission of annual renewal documents, and a determination by the MFC and WRC that the project continues to meet Plan objectives and funding priorities.

### Step 2. The Annual Funding Cycle.

The annual funding cycle begins on July 1. Request for Proposals (RFP) by DMF will be issued prior to July 1 of each year and project proposals from universities, local North Carolina governmental entities, DMF or WRC will be accepted until August 1 of each year. The RFP will include the CRFL Strategic Plan, funding priorities, proposal submission guidelines, and submission deadline. All proposals and resubmissions must be submitted to the DMF Director. Proposals will be evaluated and applicants notified of acceptance or rejection by March 1 of the funding cycle. Notification of approved proposals will also be sent to the State Treasurer by March 1. Proposal guidelines are:

- a. Submit proposals in MS Word or Adobe PDF format. Applicants must submit an original hard copy and 10 copies of the proposal.
- b. Proposals are not to exceed 17 pages including figures, tables, drawings, vitae, etc.
- c. Indirect cost rates cannot exceed the indirect rate established for the Division of Marine Fisheries (this rate is established annually).
- d. Proposals are to identify benefits expected from the proposed activities, including users served, economic benefit to the local communities and state, etc.

e. Proposals for public access must provide estimates on the usage of the facilities, including expected number of people who will use the access site.

f. Research projects must include a written plan for delivering to DMF, that data gathered or obtained during the course of the project, along with a data dictionary.

g. Each proposal is to include the following:

Applicant Name: Identify the name of the applicant and/or applicant's organization.

Project Title: A brief statement to identify the project.

CRFL Strategic Plan Program Area, Objective and Funding Priority: Identify the CRFL Strategic Plan Program Area Objective and funding priority for which the proposal is being applied and identify the funding priority established by the MFC and WRC.

Project Period: The total period of the project proposed for funding. The award period may be for one or multiple years.

Need: Demonstrate the need for assistance.

Objective: Address what is to be accomplished.

Approach: List all procedures necessary to attain each project objective.

Expected Results and Benefits: Identify and document the results or benefits expected from the proposed activities and how the project will help manage, protect, restore, develop, cultivate and enhance the marine resources of North Carolina.

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 DMF. The plan must include the format in which data will be submitted.

Geographic Location: The location where the project will be administered and where the project will be conducted.

Milestone Schedule: An activity schedule in table format for the duration of the project, starting with Month 1 and concluding at the end of the requested award period, including a maximum three-month report writing period.

Cost Summary: Detail all costs to be incurred in the project, including, but not limited to (see budget template): personnel, equipment, information technology needs (computers, staff, etc.), travel expenses, etc. Details are to include start-up versus long-term operational costs.

Principal Investigator: The principal investigator(s) is to be listed and vitae for each principal investigator must be attached. Limit each vita to two pages, as any additional information can be provided upon request. If this is not a research or monitoring project identify a key contact.

Other Funded Research: Identify all other funding sources currently being received and other funding sources where applications have been submitted and in which project personnel are involved. Include funding title, funding source, funding objective, amount of funding, length of funding, and principle investigator.

Step 3. DMF and WRC Staff Reviews Proposals and Applicability to the CRFL Strategic Plan, Priorities and Identify Deficiencies.

The review and evaluation of all written proposals will be limited to items that need to be included, areas that need clarification, organization, additional information needed, etc. to help improve the quality of the proposal. Applicants may be contacted to address questions, concerns, clarification, etc. DMF/WRC staff will solicit external peer review for projects meeting plan objectives and funding priorities that may be outside the expertise of DMF and WRC staff reviewers.

Step 4. Notification to Applicants to Resubmit, if Revisions are Necessary. Send Out for External Peer Review, if Necessary.

DMF/WRC will notify applicants of suggested changes or responses to questions from the initial review process. The requested information must be supplied by the stated deadline in the form of a revised proposal in the same format described in Step 3.

Step 5. DMF and WRC Staff Reviews Proposals and Prioritizes Recommendations for Funding of Projects.

DMF/WRC staff reviews all proposals and comments from the external peer reviewers to determine which proposals meet Plan objectives. Only those proposals meeting the Plan's objectives and priorities will be included in recommendations to the CRFL Committee. These recommendations may include alternate funding levels and specific award conditions according to project guidelines. A list of projects not considered will also be maintained stating the rationale for rejection.

Step 6. CRFL Committee Reviews and Prioritizes Recommendations on Final Proposals.

The CRFL Committee will develop a list of prioritized proposed projects and forward recommendations through the Division Director to the full MFC and WRC for discussion, review, and approval.

Step 7. **Fisheries Director Submits the CRFL Committee's Prioritized Funding Recommendations to the MFC and the WRC for Approval of Funding.**

The full MFC and WRC will review a summary of all submitted proposals from the CRFL Committee, submitted by the Division Director. **To receive funding, both commissions must approve projects.**

Step 8. **MFC and WRC Notify the State Treasurer in Writing of Approved Disbursement of Funds.**

A letter identifying the approved projects and the assigned staff coordinator will be sent to the State Treasurer through the DMF Administrative Services Office. The DMF Administrative Services Office will be responsible for monitoring the available funds.

Step 9. Notify Applicants of Project Funding Status.

A letter detailing the funding recommendations of the MFC and WRC (approved and not approved) will be sent to each applicant by DMF staff.

Step 10. Project Monitoring is Performed and Reporting Requirements are Reviewed.

Grants awarded to applicants will be administered by the DMF. Grant recipients will submit reports as specified in the award letter to the DMF Administrative Services Office. DMF Administrative Services Office will coordinate an initial assessment of the final report to ensure the report is complete in terms of reporting requirements. The report will then receive technical review. Upon making the determination that the report is complete, DMF staff will recommend to the Fisheries Director that final disbursement be made. Reports shall be submitted using the following format:

Progress Reports:

- Title page – grant name, project dates (periods covered), applicant's name, and date.
- Objectives for the award period

- Activities Completed – listed by objective
- Milestone Chart – original and revised if changes occurred during project period.
- Progress during the period of semi-annual progress – bulleted items
- Deviations – planned activities not completed during the period. Provide an explanation for each deviation.
- Activities planned during the next reporting period.

Final Report:

- Title page – grant name, project dates, applicants’ name, date
- Abstract/Executive Summary
- Introduction
- Procedures
- Results
  - Description of sample sizes
  - Data analyses results
  - Summary/Statistics
- Discussion
  - What occurred
  - What did not occur that was expected to occur
  - Explanation of data limitations.
  - Deviations from project proposal identified and justified
  - Interpretation of results
  - Applicability of study results to CRFL Strategic Plan and priorities
  - Recommendations/Summary
- Annual Budget expenditures
- Budget deviations

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.

Marine Resources Fund and Endowment Fund grants will be monitored through an electronic database maintained by DMF staff and will be available for public access. The database will contain the following elements:

Type of Grant – Marine Resources Fund or Endowment Fund.

Tracking Number – A number assigned to each new grant. The number is the permanent number assigned to the grant upon approval for funding. Additional numerical and date spaces may be added to indicate additional years of funding.

Fiscal Year – The fiscal year that money has been awarded.

PI organization – The principal investigator organization, if any (i.e., DMF, UNCW, etc.)

PI individual – The actual person responsible for the proposal, including address, telephone and email.

Grant Title – Name of the grant.

Short Description of the Proposal – Derived from the Abstract/Executive Summary.

Amount Funded – Total amount of funds awarded.

Personnel Costs - Amount requested for salaries and fringe.

Operational Costs - Amount requested for operations and equipment.

Indirect Costs - Amount of indirect or overhead.

Date Funds Received – Date funds were transferred to the recipient.

Report(s) Due – Date the annual reports are due.

Report(s) Received – Date DMF received the annual report.

Final Report Due – Date the final report is due.

Final Report Received – Date the final report is received.

Final Expenditures – Total amount actually spent on the grant.

Comments – Any additional comments that may be necessary.

Step 11. Fisheries Director Accepts Final Project Report and Approves Final Payment.

A goal of the final project report is to disseminate findings, results and end products of projects. A percentage of the final payment may be withheld until the applicant satisfactorily meets all approved project objectives and modifications, including submission of reports and delivery of data.

C. Conditions for Receipt of Funds

1. 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.
2. All funded facilities and public access projects shall post signs providing credit to the Marine Resources Fund or Endowment Fund.
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 North Carolina Department of Environment and Natural Resources grant contract within the allotted timeframe shall render the approved grant null and void with funds reverting back to the appropriate Fund.
7. The Fisheries Director or his designee must approve adjustment of budget accounts of more than 10% of the total project cost.

D. Unused/Returned Funds

A grant recipient will contact the DMF if they are unable to use granted funds for the intended project. The DMF will notify the MFC and WRC and retrieve the unused funds to be placed back into the appropriate granting fund.

Appendix A.

Budget template to be used as a guide to help applicants provide an itemized budget per project proposal. Additional needed items may be added and items not necessary are to be deleted.

Expense	Year 1		Subsequent Years	
	No. FTE	Cost (\$)	No. FTE	Cost (\$)
Personnel by position title (biologist, technician, computer programmer)				
Fringe (social security, retirement, health)				
Indirect (Rate = ___% of salaries and fringe only)				
Travel (mileage, meals, lodging)				
Postage				
Printing/photocopying				
Vessels				
Vehicles				
Telephone				
Computer Equipment (PC, printer, etc.)				
Software				
Office Furniture				
Office Space				
Gas				
Uniforms/Clothing				
Safety Items				
Office Supplies				
Scientific Equipment				
Training				
Office Equipment (photocopier, fax, etc.)				
Maintenance Contracts				
Others				
<b>TOTAL COST</b>				

## Appendix B - CRFL Funding Approval Flow Chart

