



Grants Manual

Updated August 2009

Introduction

This Grants Manual is designed to provide information to entities that have received federal Coastal Zone Management Act (CZM) Section 306 and 306A grant assistance from the Indiana Department of Natural Resources (DNR), Division of Nature Preserves, Lake Michigan Coastal Program (LMCP). The United States Department of Commerce, and the National Oceanic and Atmospheric Administration consider the State of Indiana, Department of Natural Resources to be the recipient of these funds. The entities, which receive these funds, are **grantees**, and will be referred to as such throughout this manual.

As a grantee, you are responsible for abiding by:

- All of the requirements in your Grant Agreement;
- State and federal accounting standards; and
- The instructions contained in this Grants Manual.

We encourage you to review this information thoroughly to ensure that your project is successful. Failure to adhere to these grant standards can result in the reduction or cancellation of the state's funding offer. The LMCP Program Specialist can answer questions about your responsibilities as a grantee.

Jenny Orsburn

Program Specialist
Lake Michigan Coastal Program
Indiana Dunes State Park
1600 North 25 East
Chesterton, IN 46304
Ph: 219-983-9912
Fax: 219-926-9775
jorsburn@dnr.in.gov

www.in.gov/dnr/lakemich

DNR

Indiana Department of Natural Resources



Division of Nature Preserves



Table of Contents

Introduction	1
Timeline for Completing a Coastal Grants Program Project	3
Requirements for §306 Projects (Non-Construction)	4
Requirements for §306A Projects (Construction/Restoration)	6
Requirements for §306A Land Acquisition Projects	8
Appendix A: Conditions and Certifications	11
Appendix B: Fiscal Requirements (incl. CFDA Number)	12
Appendix C: Procurement	13
Appendix D: Reporting and Reimbursement	17
Reporting Schedule	20
Quarterly Progress Report	21
Quarterly Financial Report	22
Appendix E: Signage	23
Appendix F: Project Changes and Extensions	24
Appendix G: Final Report	25
Appendix H: Performance Measures Reporting	26

Timeline for Completing a Coastal Grants Program Project

- LMCP offers grant funding to the applicant
- Applicant attends the Historic Preservation Section 106 Review and Environmental Review meeting. Applicant then submits required documentation to begin both review processes
- Final NOAA approval of grant. Grantee notified
- Grantee accepts the grant award and conditions-
Grantee signs Grant Agreement, processed by State of Indiana.
Project officially starts after Grant Agreement clears signatory process
- Grantee attends Start-up Meeting with Program Specialist-
Review the Grants Manual
- Grantee provides LMCP any draft bid documents or draft contracts for approval-
Grantee bids for contractors and consultants. Grantee submits documentation for required permits
- Project Site visit made by Program Specialist (if applicable)
- LMCP approves contractor-
Grantee provides LMCP with a copy of contract and permits.
Grantee begins work
- Grantee submits quarterly Progress Reports and Financial Reports
- Monitoring Report (on-site) submitted by LMCP Program Specialist (if applicable)
- **60 DAYS BEFORE END DATE:**
Extension Request submitted to LMCP for approval
- **30 DAYS BEFORE END DATE:**
 - Draft version of product or report submitted
 - All outstanding budget items are paid
 - Final version of product or report submitted for approval
 - Final reimbursement request and financial report submitted
- **30 DAYS AFTER END DATE:**
 - Product officially accepted and final reimbursement issued.

Requirements for §306 Non-Construction Projects and Small Grant Projects

These projects are studies, signage, research projects, plans, educational materials and inventories, as well as workshops and any other non-construction/non-land acquisition type projects.

Grant Acknowledgement

Grantee must acknowledge the support of the National Oceanic and Atmospheric Administration and the Indiana Department of Natural Resources, Lake Michigan Coastal Program on the title page of any publication written or published under this grant.

Correct examples of this acknowledgement of support are:

“This publication was made possible by a grant from the National Oceanic and Atmospheric Administration and the Indiana Department of Natural Resources, Lake Michigan Coastal Program.”

“Funding for this program was provided in part by the National Oceanic and Atmospheric Administration and the Indiana Department of Natural Resources, Lake Michigan Coastal Program.”

“Funding for this sign was provided in part by the National Oceanic and Atmospheric Administration and the Indiana Department of Natural Resources, Lake Michigan Coastal Program.”

Hiring Practices

In many cases grantees will hire individuals to complete certain tasks of the project. Workers engaged by the Grantee on an hourly or salaried basis are considered to be the Grantee’s employees.

- For more information see Appendix C: Procurement – Contracts and Competition.

Contracting for Professional Services: *All companies must be registered with the State of Indiana, and approved to conduct business within the State of Indiana.*

This category refers to the cost of professionals engaged to work on the project on a contractual basis. Note that federal regulations require an open selection process in the hiring of all consultants and contractors connected with a federally-funded position. The grant recipient must either advertise the position or distribute a request for proposals to a reasonable number of qualified individuals or firms, and must receive back at least three written bids or qualifications. After the open selection process, the Lake Michigan Coastal Program must approve of the selected contractor before they may be hired by the grant recipient. When hiring contractors for a grant project, the grantee must also provide evidence that:

- The fee is appropriate considering the qualifications of the consultant/contractor, the fees which the contractor ordinarily charges, and the nature of the services to be provided; and
- That no contractor with equal experience and qualifications is available for a lesser amount.

The Lake Michigan Coastal Program reserves the right to reject contractors selected by grant recipients to work on grant projects. Contractors who have failed to perform adequately on past projects will not be approved. **The grantee is warned not to make any commitments to any parties prematurely**, as this could make the applicant ineligible for grant funding.

- See Appendix C: Procurement – Contracts and Competition.

Partnerships with Non-Profit Organizations with 501(c)3 status: Grantee must provide the name and contact information for the organization and a detailed description of services to be completed by the organization. Grantee must maintain on file and provide LMCP a copy of certification of non-profit status. This relationship is considered to be contractual, and may follow the same standards and guidelines as hiring consultants.

Accounting and Reimbursement Requirements

It is understood that the Grantee makes initial outlays, and will submit quarterly Financial Reports with their Progress Reports for reimbursement. It is expected that the Grantee maintain records of all expenses incurred and funds received for a period of three years.

- See Appendix D: Reimbursement Process.

Quality Assurance Protection Plan (QAPP)

Grantee must submit to LMCP for approval, a QAPP, if the project involves water quality sampling and testing.

Completion of a §306 Project

The DNR will retain 15% of the total grant amount until the Lake Michigan Coastal Program has reviewed the final products and has found them to be in compliance with applicable requirements in the Grant Agreement and this Grant Manual. When all the work has been completed and accepted, and all required financial documentation has been submitted to the LMCP, the 15% retention, or the balance of approved grant expenditures will be released for payment.

All budget items outstanding must be paid by Grantee within 30 days of the grant end date.

A draft report must be submitted to the LMCP a minimum of 30 days prior to the project end date.

The report should include a detailed description of the work accomplished. The LMCP will review the draft report to ensure that all project elements have been completed. Written comments will be sent to the grantee for guidance in preparation of the final report. **Grantee must also provide, along with their Final Report, a Post-Project Public Outreach Plan.**

The final report should incorporate LMCP comments and be submitted by the project end date. Please submit **one hard copy** of the final report and any attachments or supporting material. In addition, the Grantee shall provide **one electronic copy** of the final report to the LMCP. Project reports are required to have a title page which acknowledges the support of the DNR LMCP and NOAA, CZM.

Requirements for §306A LOW COST CONSTRUCTION PROJECTS

These projects are construction projects that involve the use of machinery or the construction of man-made structures; also includes habitat restoration practices.

Permits: The Grantee is responsible for obtaining all necessary federal, state and local permits and following the guidelines established in those permits. Failure to do so may result in the cancellation of the award.

Contractual: *All companies must be registered with the State of Indiana, and are approved to conduct business within the State of Indiana.*

This category refers to the cost of professionals engaged to work on the project on a contractual basis. Note that federal regulations require an open selection process in the hiring of all consultants and contractors connected with a federally-funded position. The grant recipient must either advertise the position or distribute a request for proposals to a reasonable number of qualified individuals or firms, and must receive back at least three written bids. After the open selection process, the Lake Michigan Coastal Program must approve of the selected contractor before they may be hired by the grant recipient. When hiring contractors for a grant project, the grantee must also provide evidence that:

- The fee is appropriate considering the qualifications of the consultant/contractor, the fees which the contractor ordinarily charges, and the nature of the services to be provided; and
- That no contractor with equal experience and qualifications is available for a lesser amount.

The Lake Michigan Coastal Program reserves the right to reject contractors selected by grant recipients to work on grant projects. Contractors who have failed to perform adequately on past projects will not be approved. **The grantee is warned not to make any commitments to any parties prematurely**, as this could make the applicant ineligible for grant funding. Additional information on contracting with consultants can be found in Appendix C of this Grants Manual and Exhibit D in your Grant Agreement.

Hiring Practices

In many cases grantees will hire individuals to complete certain Tasks of the project. Workers engaged by the Grantee on an hourly or salaried basis are considered to be the Grantee's employees.

- For more information see Appendix C: Procurement – Contracts and Competition.

Partnerships with Non-Profit Organizations with 501(c)3 status: Grantee must provide the name and contact information for the organization and a detailed description of services to be completed by the organization. Grantee must maintain on file and provide LMCP a copy of certification of non-profit status. This relationship is considered to be contractual, and may follow the same standards and guidelines as hiring consultants.

Restoration Projects: Please provide with your quarterly progress report a detailed map that identifies where specific restoration activities took place for that quarter. Restoration projects should include photo documentation of completed work.

Plans and Bid Package

- See Appendix C: Procurement – Contracts and Competition

Responsibility after project completion for the operation, maintenance and use of grant assisted areas

Grantee shall record liens or other appropriate notices of record to indicate that real property has been acquired or improved with Federal funds and that disposition conditions apply to the property.

It is understood that Grantees have committed to maintaining project operation and standards for a minimum of **20 years** through a maintenance plan, easement/deed restriction, or as specifically stated in your Grant Agreement.

Accounting and Reimbursement Requirements

It is understood that the Grantee makes initial outlays, and will submit quarterly Financial Reports with their Progress Reports for reimbursement. It is expected that the Grantee maintain records of all expenses incurred and funds received for a period of three years.

- See appendix D: Reimbursement Process

Grant Acknowledgement - Signage

- See appendix F: Signage

Completion of a §306A Construction Project

The DNR will retain 15% of the total grant amount until the Lake Michigan Coastal Program has reviewed the final products and has found them to be in compliance with applicable requirements in the Grant Agreement and this Grant Manual. When all the work has been completed and accepted, and all required financial documentation has been submitted to the LMCP, the 15% retention, or the balance of approved grant procedures will be released for payment.

A draft report must be submitted to the LMCP a minimum of 30 days prior to the project end date.

The report should include a detailed description of the work accomplished, a brief summary of the project's Quarterly Reports that includes actions to date, as well as a budget summary. The LMCP will review the draft report to ensure that all project elements have been completed. Written comments will be sent to the grantee for guidance in preparation of the final report. Construction projects should include an as-built drawing and must include photo documentation of completed work. **Grantee must also provide, along with their Final Report, a Post-Project Maintenance Plan and Public Outreach Plan.** The Grantee shall include a public access component in the maintenance/management plan. The public access should include ways to minimize impact from authorized use, and ways to deter unauthorized harmful use of the site.

All budget items outstanding must be paid by the Grantee within 30 days of the grant end date.

The final report should incorporate LMCP comments and be submitted by the project end date. Please submit **one hard copy** of the final report and any attachments or supporting material. In addition, the Grantee shall provide **one electronic copy** of the final report to the LMCP. Project reports are required to have a title page which acknowledges the support of the DNR LMCP and NOAA, CZM.

Requirements for §306A LAND ACQUISITION PROJECTS

Land Acquisition projects involve the acquisition from willing sellers of a fee-simple or other interest in land e.g. purchasing an easement for a public right of way.

Appraisal. Before purchasing a piece of property with NOAA Coastal Zone Management (CZM) Program/Lake Michigan Coastal Program funds, the Grantee shall obtain an independent appraisal by a state approved appraiser to determine fair market value. Grantees shall adhere to the following steps in negotiating acquisition price (adapted from 49 CFR per 24.102 below):

- a. Secure independent property appraisal.
- b. Present appraisal to land owner and negotiate price based on appraisal. Property owner shall be given a reasonable opportunity to consider the offer and present material which the owner believes to be relevant to determine the property's value.
- c. If the property owner will not sell for the appraised price or lower, and the Grantee receives written permission from the LMCP to pursue the acquisition, a second independent appraisal shall be done, or the original appraisal updated to account for changed circumstances, e.g., extensive time passage, natural disaster.
- d. If after negotiations and a second or revised first appraisal, the purchase price still exceeds the appraised value, the Grantee may be allowed to pay more than the appraised value (with federal CZM funds) if the Grantee demonstrates reasonable efforts to negotiate at the appraised value and *if the applicant provides the DNR Lake Michigan Coastal Program with a written justification for the higher price, based on reasonableness, prudence, public interest, appraisals, estimated condemnation/trial costs, and/or valuation supports a settlement. The National Oceanic and Atmospheric Administration, Coastal Programs Division must also approve a request to pay more than the appraised value. However, the total grant cost cannot exceed \$150,000 and is contingent upon availability of funds.*

49 CFR Sec. 24.102 Basic acquisition policies.

- a) Expeditious acquisition. The Grantee shall make every reasonable effort to acquire the real property expeditiously by negotiation.
- b) Notice to owner. As soon as feasible, the owner shall be notified of the Grantee's interest in acquiring the real property and the basic protections, including the agency's obligation to secure an appraisal, provided to the owner by law and this part. (See also Sec. 24.203.)
- c) Appraisal, waiver thereof, and invitation to owner.
 - (1) Before the initiation of negotiations the real property to be acquired shall be appraised, except as provided in Sec. 24.102(c)(2), and the owner, or the owner's designated representative, shall be given an opportunity to accompany the appraiser during the appraiser's inspection of the property.
 - (2) An appraisal is not required if the owner is donating the property and releases the Grantee from this obligation, or the Grantee determines that an appraisal is unnecessary because the valuation problem is uncomplicated and the fair market value is estimated at \$2,500 or less, based on a review of available data.
- d) Establishment and offer of just compensation. Before the initiation of negotiations, the Grantee shall establish an amount which it believes is just compensation for the real property. The amount shall not be less than the approved appraisal of the fair market value of the property, taking into account the value of allowable damages or benefits to any remaining property. (See also Sec. 24.104.) Promptly thereafter, the Grantee shall make a written offer to the owner to acquire the property for the full amount believed to be just compensation.

- e) Summary statement. Along with the initial written purchase offer, the owner shall be given a written statement of the basis for the offer of just compensation, which shall include:
 - (1) A statement of the amount offered as just compensation. In the case of a partial acquisition, the compensation for the real property to be acquired and the compensation for damages, if any, to the remaining real property shall be separately stated.
 - (2) A description and location identification of the real property and the interest in the real property to be acquired.
 - (3) An identification of the buildings, structures, and other improvements (including removable building equipment and trade fixtures) which are considered to be part of the real property for which the offer of just compensation is made. Where appropriate, the statement shall identify any separately held ownership interest in the property, e.g., a tenant-owned improvement, and indicate that such interest is not covered by the offer.
- f) Basic negotiation procedures. The Grantee shall make reasonable efforts to contact the owner or the owner's representative and discuss its offer to purchase the property, including the basis for the offer of just compensation; and, explain its acquisition policies and procedures, including its payment of incidental expenses in accordance with Sec. 24.106. The owner shall be given reasonable opportunity to consider the offer and present material which the owner believes is relevant to determining the value of the property and to suggest modification in the proposed terms and conditions of the purchase. The Agency shall consider the owner's presentation.
- g) Updating offer of just compensation. If the information presented by the owner, or a material change in the character or condition of the property, indicates the need for new appraisal information, or if a significant delay has occurred since the time of the appraisal(s) of the property, the Agency shall have the appraisal(s) updated or obtain a new appraisal(s). If the latest appraisal information indicates that a change in the purchase offer is warranted, the Agency shall promptly reestablish just compensation and offer that amount to the owner in writing.
- h) Coercive action. The Grantee shall not advance the time of condemnation, or defer negotiations or condemnation or the deposit of funds with the court, or take any other coercive action in order to induce an agreement on the price to be paid for the property.
- i) Administrative settlement. The purchase price for the property may exceed the amount offered as just compensation when reasonable efforts to negotiate an agreement at that amount have failed and an authorized NOAA official approves such administrative settlement as being reasonable, prudent, and in the public interest. When Federal funds pay for or participate in acquisition costs, a written justification shall be prepared which indicates that available information (e.g., appraisals, recent court awards, estimated trial costs, or valuation problems) supports such a settlement.
- j) Payment before taking possession. Before requiring the owner to surrender possession of the real property, the Grantee shall pay the agreed purchase price to the owner, or in the case of a condemnation, deposit with the court, for the benefit of the owner, an amount not less than the Grantee's approved appraisal of the fair market value of such property, or the court award of compensation in the condemnation proceeding for the property. In exceptional circumstances, with the prior approval of the owner, the Grantee may obtain a right-of-entry for construction purposes before making payment available to an owner.
- k) Uneconomic remnant. If the acquisition of only a portion of a property would leave the owner with an uneconomic remnant, the Agency shall offer to acquire the uneconomic remnant along with the portion of the property needed for the project. (See Sec. 24.2.)

[54 FR 8928, Mar. 2, 1989, as amended at 64 FR 7132, Feb. 12, 1999]

Completion of a §306A Land Acquisition Project

The grantee shall record liens or other appropriate notices of record to indicate that real property has been acquired with Federal funds and that disposition conditions apply to the property, of which may include a LMCP approved deed restriction or conservation easement held by the DNR for a minimum of twenty years.

The DNR will retain 15% of the total grant amount until the Lake Michigan Coastal Program has reviewed the final products and has found them to be in compliance with applicable requirements in the Grant Agreement and this Grant Manual. When all the work has been completed and accepted, and all required financial documentation has been submitted to the LMCP, the 15% retention, or the balance of approved grant procedures will be released for payment.

All outstanding budget items must be paid by the Grantee within 30 days of the project end date.

A draft report must be submitted to the LMCP a minimum of 30 days prior to the project end date. The report should include a detailed description of the work accomplished. The LMCP will review the draft report to ensure that all project elements have been completed. Written comments will be sent to the grantee for guidance in preparation of the final report. **Grantee must also provide, along with their Final Report, a Post-Project Public Outreach Plan.**

The final report should incorporate LMCP comments and be submitted by the project end date. Please submit **one hard copy** of the final report and any attachments or supporting material. In addition, the Grantee shall provide **one electronic copy** of the final report to the LMCP. Project reports are required to have a title page which acknowledges the support of the DNR LMCP and NOAA, CZM.

The Grantee shall include a public access component in the maintenance/management plan. The public access should include ways to minimize impact from authorized use, and ways to deter unauthorized harmful use of the site.

Final Report Outline

- See appendix I: Final Report

Grant Acknowledgement - Signage

- See appendix F: Signage

CONSERVATION EASEMENTS/PUBLIC RIGHT OF WAY

Appraisals for conservation easements/public right of ways must also follow the same standards and procedures as fee-simple acquisition.

Conservation easements and public right of ways must be held by a 501(c)3 non-profit organization, land trust or State/Local agency for a minimum of twenty years.

Where appropriate an LMCP approved conservation easement will be provided to Grantees.

APPENDIX A: Conditions and Certifications

The following federal conditions and certifications were included in the LMCP Coastal Grants Program Application.

- Eligibility Questionnaire
- Assurances- §306 Non-Construction Projects
- Assurances- §306A Construction Projects
- Title Opinion
- Certification of Public Ownership
- Certification of Non-Profit Status (if applicable)

Other items that require signature of an authorized agent of the Grantee agency, and which must be submitted to the LMCP before the grant project may begin:

- Grant Agreement
- W-9 Taxpayer Identification and Direct Deposit Form

Other project-specific conditions included with the Grant Agreement are not listed above; grantees should review their Grant Agreement for information on any other conditions or project-specific requirements.

APPENDIX B: Fiscal Requirements

It is required by state and federal government regulations to include the following in all grant agreements and contracts:

- The State Board of Accounts, or its designee, will have the right to conduct financial audits of the grant recipient.
- Audits will be performed in accordance with compliance guidelines established by the State Board of Accounts.
- Grantees must agree to comply with all reporting requirements prescribed by the State Board of Accounts.
- All grantees must provide a copy of their audit review to the LMCP for any fiscal year concurrent (in whole or part) with the period of the LMCP grant.

- **The Catalog of Federal Domestic Assistance number for NOAA/LMCP projects is 11.419**

Audit Requirements of Grant Recipients

As of September 1, 1986, the State Board of Accounts (or its designee) became responsible for the examination of the records and accounts of entities receiving financial assistance from governmental sources. Entities are defined as providers of goods, services, or other benefits that are maintained in whole or in part at public expense, or supported in whole or in part by appropriations or public funds, or taxation. This definition does not include municipalities, but does include for-profit corporations, and unincorporated associations and organizations. Financial assistance is defined as payments to entities in the form of grants, subsidies, contributions, aid, etc. All organizations must provide the LMCP with a copy of their audit report for any fiscal year concurrent (in whole or in part) with the time period of the LMCP grant.

Non-governmental entities receiving financial assistance from the LMCP in the form of grants are required to file an Entity Annual Report (Form E-1) (Exhibit 5) with the State Board of Accounts. This form is due within thirty (30) days of the closing of the grant recipient's year; it requests unaudited, cash, or accrual basis financial information relating to the receipt and disbursement of governmental funds during the year.

The receipt of grant funds also subjects grant recipients to compliance with state audit requirements described in IC 5-11-1-9 as follows:

- Entities deriving 25% or more of their disbursements from government funding will be subject to a complete organization-wide audit performed in accordance with guidelines established by the State Board of Accounts;
- The audit of grant recipients, deriving at least 25% of their disbursements from government funds will be limited to matters relevant to the use of these grant funds;
- The audit of grant recipients, deriving at least 25% but less than \$25,000 of their disbursements from government funds and who are also incorporated as a not-for-profit, will be limited to matters relevant to the use of these grant funds; and
- All local government units must ensure that the federal funds disbursed by the LMCP are included in the Single Audit conducted on their governmental agency by the State Board of Accounts.

Audit guidelines are available from the State Board of Accounts and should be reviewed prior to contracting for audit services. For additional information about the audit requirements, or to obtain audit guidelines or annual report forms, contact:

**State Board of Accounts
302 West Washington Street, Rm. E418
Indianapolis, Indiana 46204
317-232-2525**

Appendix C: Procurement

Procedures for Purchasing Supplies and Awarding Contracts

When Coastal Grants Program funds are used to procure supplies or personal services, the purchases must be made in compliance with state and federal standards which govern this program. These standards vary in accordance with the size and nature of the purchase.

Supply Purchasing

Tangible items costing **up to \$5,000** and purchased solely for grant purposes are considered to be supplies. A single supply item that **exceeds an amount of \$5,000** and has a life expectancy beyond the life of the grant is considered to be equipment and therefore is **not reimbursable** by this Grants Program.

Under \$500

Grantees that are local municipalities/governments usually have in place an adequate system by which purchases valued under \$500 are made; therefore grantees are not expected to solicit competition.

Greater than \$500

However, the LMCP requires that the Grantee obtain at least three or more price quotations from qualified vendors if a supply is **between \$500 and \$5,000**.

Grantees may choose from the following ways of solicitation of quotes:

Solicit Quotations by Telephone

Documentation must be attached to the file indicating the person you spoke with and date of your conversation. A State of Indiana Telephone Request form is available from the Program Specialist, if you should need one.

Solicit Quotations in Writing

If you choose to solicit vendors in writing you might want to use **Request for Quotation (RFQ)** process. The policy regarding written quotations for purchases less than \$5,000 is at the discretion of each grantee, but remember that anything you include in the quotation package must be used in the evaluation.

When soliciting quotations in writing, be sure to always specify the date and time that the quote is to be returned. If you choose to solicit in writing, you may mail or fax the solicitation.

Selecting the Vendors

The grantee should select **at least three vendors** to solicit.

Fair and Reasonable Pricing

LMCP policy requires verification of fair and reasonable pricing whenever you have prices from only one vendor. This must be proven regardless of the type of purchase. Fair and reasonable pricing may be verified using any of the following methods:

- Provide a copy of the vendor's published price list for the item(s) or service(s) solicited.
- Provide a copy of the purchase order or contract from a previous purchase of the same items or services. If the cost difference is within an acceptable margin based on the current market, the quoted price is considered fair and reasonable.

- Compare the item being purchased to similar items. For example, the total purchase price for a new copier may be less than a contract for the three-year lease term on a similar piece of equipment.
- Compare the item to a similar item(s) on the Internet. Print the Internet page(s) and attach it to the solicitation file. (Compare “apples to apples” whenever possible.)
- Compare the item to another item processed through your office. For example, you may have several maintenance contracts for typewriters in various departments of regions of the state. You can compare those to one another and attach a copy of the contract or purchase order to the solicitation file.

Contracts and Competition

Grantee must submit a copy of any bid documents and contracts under this grant to Department of Natural Resources - Lake Michigan Coastal Program for approval prior to bid solicitation.

There is an affirmative obligation to submit to a formal competitive process on all contracts estimated to exceed \$25,000. Grantees that are local municipalities/governments usually have in place an adequate process for soliciting bids for contracts; however the LMCP requires at a minimum that contracts of this amount or above follow a formal competitive process that includes quotes from at least three bidders. This process must also follow state and federal regulations prohibiting discrimination on the basis of age, sex, race, color, or disability.

For contracts above \$5,000, a solicitation process following grantee’s existing procurement method must take place. This can include obtaining quotes, requesting proposals, or calling for a comparative analysis. A clear audit trail is a must.

Methods of Source Selection

When Grantees decide that there is a need to obtain services from an outside Contractor, the process should include some form of competition. Here are some general guidelines.

- ◆ For contracts above \$25,000, Grantees are expected to follow a procurement procedure which may include:
 - Three (3) competitive written quotations should be obtained via a Request for Quotation (RFQ).
 - Public solicitation by the RFP/Invitation to Bid (ITB) process
 - The use of public notices in news publications can aid in acquiring competitive quotes.

*****An explanation must be provided as to how the entity selected the Contractor.*****

Personal or Professional Contractual Services

Grantees often must hire additional staff or contract with consultants and/or contractors to complete grant projects. In either case, an open selection process must be used to ensure that qualified workers are engaged at a reasonable price. Workers engaged by the Grantee on an hourly or salaried basis are considered to be the Grantee’s employees. Employees hired to work on the grant project must be selected from a pool of applicants located after advertising in local papers or otherwise making the position known to potential candidates. All of the Grantee’s hiring practices must be conducted in accordance with state and federal regulations prohibiting discrimination on the basis of age, sex, race, color, or disability. In many cases, a Grantee finds it advisable to engage a professional or consultant to serve as the principal

investigator on the project or to provide some other specialized service. Consultants are hired on a contractual basis, usually agreeing to provide a certain product or service for a fixed price.

Procurement of contractual/professional services must be conducted in a manner that provides maximum open and free competition. Procurement procedures must not restrict or eliminate competition. Examples of restriction of competition include but are not limited to: placing unreasonable requirements on firms in order for them to qualify to do business, noncompetitive practices between firms, organizational conflicts of interest, and unnecessary experience and bonding requirements.

Minority and Women's Business Enterprises Division

MWBED is a multi-purpose service agency for all Minority Business Enterprises (MBE), Women Business Enterprises (WBE) and Disadvantaged Business Enterprises (DBE) vendors and contractors. For information visit: www.in.gov/idoa/minority/index.html . It is suggested that the contract process involves reviewing the listed businesses and identifying potential businesses to contact during the bidding process.

Competitive Bids

When Lake Michigan Coastal Grants Program funds are used to procure contractual services over \$25,000, competitive bids must be publicly solicited. A fixed-fee price contract (lump-sum or unit price) should be awarded to the bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is lowest in price and is most advantageous to the Grantee, considering the price, discounts, transportation costs, taxes, and the contractor's ability to fulfill the contract. However, there may be instances where a contractor is not the lowest bidder, but can guarantee higher quality work for a reasonable price. When such situations can be documented and justified, it often makes sense to hire this bidder instead of the lowest bidder.

Preparing the Bid and Contract Documents

The Grantee must have written selection procedures in place for procurement transactions to be approved. Bids must be solicited from an adequate number of known consultants, suppliers, or contractors.

The bid documents (and subsequently, contract documents) should include all of the following parts:

- A clear and accurate description of the technical requirements for the material, product, or service to be procured, and a clear definition or description of the work items or services being sought. Such description will not, in competitive procurement, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured, and will set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Included in this section should be references to any specifications and pertinent attachments.
- A **list of all requirements** which bidders must fulfill and all other factors to be used in evaluating bids or proposals, such as prior experience working with slate roofing, or experience in restoration practices.
- A **payment schedule** for the reimbursement of contracted work. As a precautionary measure, Grantees are urged to adopt a measure to help guarantee that contract work will be completed successfully, in a timely manner, and in compliance with all of the project requirements. Please keep in mind that LMCP will only reimburse the Grantee on a quarterly basis.
- A **deadline** for the submission of bids, and a place and time for the public opening and reading of all bids received.

- A **deadline** for the completion of work on the project.
- A **termination for breach of contract clause**, which explains the manner by which the Grantee may enact it, and the administrative, contractual, or legal remedies available to the Grantee. Such language must describe the conditions under which the contract may be terminated for default, as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

In addition, the bid documents (and subsequently, contract documents) must include the following language verbatim:

- This project is funded in part by a grant from the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, and is being administered by the Indiana Department of Natural Resources, Lake Michigan Coastal Program. Compliance with all applicable federal, state, and local laws, rules, and regulations is required.
- The Indiana Department of Natural Resources, the Indiana State Auditor, the U.S. Department of Commerce, the Comptroller General of the United States, or any of their duly authorized representatives, will have access to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract, for the purpose of making audit, examination, excerpts, and transcription. Such records must be maintained for three (3) years after closeout of the contract.

Awarding the Contract

A contract for any aspect of project work cannot be entered into without the prior written approval of the LMCP. It is not always necessary to award the contract to the lowest bidder simply because their bid was the lowest. There may be important considerations that obviate such action. However, the justification for doing so must be documented in writing. If unusual circumstances arise surrounding the awarding of contracts, the LMCP should be consulted. Examples of unusual circumstances are failure to receive a sufficient number of bids, great disparity in bid quotations, or intent to award a contract to someone other than the lowest bidder. The Grantee must maintain records sufficient to detail the significant history of procurement. These records will include, but are not necessarily limited to, information pertinent to the following: rationale for the method of procurement, selection of contract type, all bids received, contractor selection or rejection notices, and the basis for the cost or price of the goods and/or services to be provided.

A Final Note on Procurement

Because the procurement process can be very time consuming, and because this is a critical part of getting any project off the ground, the LMCP will make every effort to review bid and contract documents as quickly as possible. If possible, it is recommended that Grantees call the Program Specialist at 219-983-9912 when they are ready to send documents for approval. Verbal approval of bid and contract documents is often given over the telephone and followed up with written notification. This approach can save many days over sending documents back and forth through the mail.

Appendix D: Reporting and Reimbursement Process

PROGRESS REPORTS MUST BE SUBMITTED VIA MAIL OR EMAIL TO:

Lake Michigan Coastal Program
c/o Jenny Orsburn
1600 North 25 East
Chesterton, IN 46304
jorsburn@dnr.in.gov
ph: 219-983-9912

FINANCIAL REPORTS IN ORIGINAL HARD COPY FORM MUST BE MAILED TO:

Lake Michigan Coastal Program
c/o Jennifer Newman
402 W. Washington St. RmW267
Indianapolis, IN 46204
jnewman@dnr.in.gov
ph: 317-234-3985

Assembling Progress Reports:

Quarterly Progress Reports should include the following information, along with updates on Tasks described in **Exhibit A of your Grant Agreement**:

- Comparison of actual accomplishments to the objectives established for the period;
- Reasons for slippage if established objectives were not met;
- Additional pertinent information including: analysis and explanation of cost overruns or high unit costs, explanations of budget LMCP approved budget changes,
- Construction performance reports may include: on-site technical inspections and percentage completion;
- Significant developments: Problems, delays, adverse conditions that will materially impair the ability to meet the objective (This disclosure must include a statement of the action taken, or contemplated and any assistance needed to resolve the situation); and
- Favorable developments: Enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.
- **Restoration Projects:** Please provide with your quarterly progress report a detailed map that identifies where specific restoration activities took place for that quarter. Restoration projects should include photo documentation of completed work.

Copies of the following must also be submitted where applicable:

1. Time sheets – non-contract personnel and volunteer
2. Travel log
3. Supplies purchase information
4. Contractual information (copy of signed contract)
5. Proof of Match spent
6. Publications printed
7. Drafts of maps or site plans
8. Digital photos of project site

9. Correspondence
10. Drafts of final work products

Any item listed as MISCELLANEOUS will NOT be reimbursed. Indirect costs are NOT reimbursable.

Assembling Reimbursement Requests/Financial Reports:

General Instructions

Claims **must** include documentation adequate to prove that each expense has been incurred and subsequently paid, regardless if it is match or reimbursement. Proof that an expense has been incurred can be in the form of copies of invoices, personnel time sheets, or cash receipts. Copies of cancelled checks, credit card receipts or other payment instruments are required to verify that such costs have actually been paid.

Claims should be organized according to the expense categories given in the approved budget contained in your Grant Agreement.

For items paid for by check, note the check number on the individual expense documents. Copies of cancelled checks must be attached to the individual expense documents (i.e., invoice, cash receipt, time sheet, etc.) to which they relate.

It is difficult for the Program Specialist to work with reimbursement requests that do not have the required documentation. Please claim only those items for which proper documentation has been presented.

Our Federal Sponsor, NOAA, requires that all funds be subject to Federal Accounting Standards. These standards include proof of match and adequate information regarding expenditure of grant funds. These standards are set in place to assure that both the Grantee and the IDNR meet federal audit requirements as stipulated in the Coastal Zone Management Act of 1972.

It is imperative that projects accrue match while seeking reimbursement for work performed. **We cannot provide reimbursement until an adequate amount of match is documented** in the Quarterly Financial Reports. LMCP allows for match to be provided on a continuing basis or to be banked in advance of reimbursable costs. Please note that match cannot accrue prior to the date of the last signature on the Grant Agreement document.

The Grant Manual and Grant Agreement contain a list of allowable expense categories. These categories relate to the estimated budget appearing in your **Grant Agreement Exhibit B**. When assembling your claim, use only those expense categories contained in this estimated budget. If you expect to incur costs in other categories, contact the LMCP so that your budget can be amended, prior to expenditure. The budget categories are explained in the following text:

Personnel

This category includes the wage expenses of paid staff, but not the hours donated by volunteers. Time sheets are required for all paid personnel expenses. Copies of time sheets must be prepared and signed by each person involved in the project (other than private consultants/contractors working on a set-fee basis). The project supervisor must also countersign them. Each individual time sheet must include the dates on which each person worked on the project, the number of hours worked on each date, and the hourly rate

applicable for each worker. Grantees may use their own forms if they provide all of the necessary information, or they may use copies of the sample form (available from the LMCP Program Specialist). Copies of payroll information must also be provided for all paid personnel.

Fringe Benefits

This category includes FICA, insurance premiums, etc.; copies of insurance bills and payroll deductions are required to document such expenses. Fringes are usually calculated as a percentage of salary costs.

Travel

This category includes hotel bills, mileage charges, etc. Copies of travel vouchers or other internal paperwork normally used by the grant recipient to verify mileage costs and other travel expenses (per diem rate, special hotel rates) incurred by project personnel must be submitted to the LMCP. This paperwork should give the mileage figures and the date that the mileage was accumulated. Note that mileage claims cannot exceed the Indiana State Auditor's rate of \$.44/mile.

Supplies

This category includes such items as office supplies, photocopies, and long distance telephone calls that are necessary to complete the project, as well as construction materials that may be used on construction projects. Copies of invoices or cash receipts for all supplies or services purchased as part of the grant are required.

Contractual

This category covers contractual expenses, i.e., the cost of professionals (consultants or contractors) engaged to work on the project on a contractual basis. A copy of the signed contract must be on file with the LMCP.

Other:

Publications (Brochures/flyers/newsletters/research papers)

This includes the costs of preparing, typesetting, and printing, a publication under the grant project, as well as the costs of advertising invitations to bid in local and regional newspapers. Copies of all invoices and checks associated with any grant project publication or advertisement must be presented for reimbursement.

Volunteer

This category includes the hours donated by volunteers. Time sheets are required for all volunteer personnel. Copies of time sheets must be prepared and signed by each person involved in the project (other than private contractors working on a set-fee basis). They must also be countersigned by the project supervisor. Each individual time sheet must include the dates on which each person worked on the project, the number of hours worked on each date, and the hourly rate applicable for each worker.

Volunteer time used as an in-kind match must be charged at the rate paid for the type of work being done or at the rate paid for minimum wage (\$7.25/hour effective July 24, 2009). For example, the time an attorney spends doing data entry work for a project is charged at the rate paid to data entry operators. If the attorney volunteers legal work for the project, the attorney's volunteer time is charged at the rate paid an attorney. The Indiana Department of Workforce Development publishes average wages for most Indiana jobs and industries. Wage information can be found at <http://www.in.gov/dwd/inews/lmi.asp>.

Grantees may use their own forms if they provide all of the necessary information, or they may use copies of the LMCP sample form (available from LMCP Program Specialist).

In-Kind Match (Overhead and Staff)

Overhead rates may only be used as match. If the Grantee chooses to include overhead as match, the Grantee must inform LMCP of what is being used and how the rate is calculated. Subsequently, for any staff time being used as match, the Grantee must provide LMCP documentation of what is included in the staff member’s match rate.

Quarterly Report Schedule

2009-2011 Schedule	
Quarter:	Due:
January 1 – March 31	April 14 th
April 1 – June 30	July 14 th
July 1 – September 30	October 14 th
October 1 – December 31	January 14 th

Timeliness of Project Work

The grant recipient must commence work on the project within a reasonable amount of time after the grant is awarded. **Note that adequate progress towards the procurement of goods and services must be demonstrated during the first quarter of the project. Failure to show demonstrable progress on project procurement during this time may result in cancellation of the grant.** Even if a proposed project is not set to begin during the first quarter of the program cycle, grantees are still responsible for making progress on securing goods and services for the project. Costs incurred beyond the end date of the project will not be reimbursed without prior written permission from the LMCP.

Indiana Lake Michigan Coastal Program
Coastal Grants Program
Quarterly Progress Report

Project Identification Number: CZ

Date:

Report Period:

Project Sponsor:

Project Title:

Project Administrator: _____

Please Print

Signature

Status of Tasks (Task Number and Title)	DATE
---	------

Task One: Project Implementation

Task Two: Public Outreach and Education

Task Three: Administration

Status of Benchmarks and Products	DATE
-----------------------------------	------

Work Products:

Status of any Special Award Conditions	DATE
--	------

May include SHPO and Environmental Review comments

Indiana Lake Michigan Coastal Program
 Coastal Grants Program
Quarterly Financial Report

Project Identification Number: CZ

Date:

Report Period:

Project Sponsor:

Project Title:

Project Administrator: _____

Please Print

Signature

Category	Authorized Budget		Current Invoice		Invoiced to Date		Balance	
	LMCP	Match	LMCP	Match	LMCP	Match	LMCP	Match

Appendix E: Signage

Grantees must erect at the site of any construction or restoration project, and be maintained during construction, temporary and permanent signs satisfactory to the DNR that identifies the project and indicates that the project is being funded under the Coastal Zone Management Act by NOAA and the Indiana Department of Natural Resources Lake Michigan Coastal Program.

The LMCP will provide a permanent sign to be displayed at the project site. The permanent sign must be located on-site near the entrance or at the site of the completed construction project.

The temporary sign also must be located on-site, near the entrance or near site of construction of the project. Temporary signs should include the name of the project, start and end dates, and the Grantee's / Sponsor's contact information.

The LMCP can provide logos for the following:

- Indiana Department of Natural Resources
- Division of Nature Preserves
- Lake Michigan Coastal Program
- National Oceanic and Atmospheric Administration

Contact the LMCP staff if you would like to download these images.



DNR

Indiana Department of Natural Resources



Division of Nature Preserves



Appendix F: Project Changes and Extensions

Although projects are to be completed within an 18 month time frame, it is understandable that some will need a short-term, no-cost time extension. In order to request a no-cost extension, Grantees must submit the request **no less than 60 days before the expiration of your grant award. Submitting a request after this deadline may result in the denial of an extension.**

The request must include reasons why they project is unable to be completed on time and an updated Exhibit A to reflect the changes to the project timeframe.

If approved, LMCP staff will provide the Grantee with a Grant Agreement amendment to sign and submit back to LMCP. The amendment will then be processed. The project's no-cost extension is not final until the fully signed amendment is returned to the Grantee.

Other post-grant project changes and budget revisions also require prior written approval from the DNR. All Grantee requests for project changes must be submitted in writing to the Lake Michigan Coastal Program. Such requests should be submitted by the Grantee **at least 30 days before approval is required.** The DNR is responsible for reviewing the Grantee's request and making the final decision.

The Project budget is set forth as Exhibit B in the Grant Agreement. The Grantee shall not spend more than the amount for each line item, as described in Exhibit B, without the prior written consent of a duly authorized representative of the DNR, nor shall the Project costs funded by the grant and those funded by the local and/or private share be amended without the prior written consent of the DNR.

Appendix G: Final Report

Please submit **one hard copy and one electronic copy** (CD/DVD) of the Final Report and any attachments or supporting material. Project reports are required to have a title page which acknowledges the support of the DNR, LMCP and NOAA. Grantee must also provide, along with their Final Report, a Post-Project Maintenance Plan and Public Outreach Plan. The Grantee should include a public access component in the maintenance/management plan.

Components of a Final Report

Title Page

Executive Summary

Grant Agreement

Application

Project Area Maps (if applicable)

Contract Information (if applicable)

Design and Construction Information (if applicable)

Copies of Permits (if applicable)

Post-Project Maintenance Plan (if applicable)

Public Outreach Plan

Education and Outreach Work Products

- Brochures, newspaper clippings (copies) and press releases, narrative about efforts

Copies of Progress Reports and Financial Reports (Do not attach supporting documents)

Photos (before and after)

- Include a photo of project signage

Other information you deem pertinent

LAND ACQUISITION PROJECTS: The final report for land acquisition projects will include copies of the new title, a title opinion, liens or notice of record, conservations easement (if applicable) and documentation of the total and amount paid for the property. Final report must also include photos of acquired property.

Exit Interview/Project Walk-Through: This is an opportunity for the grantee to discuss their Lake Michigan Coastal Grants program experience. This may include a variety of topics, such as reporting, reimbursement procedures, application requirements, usefulness of grants materials, to name a few. We can also discuss your current project's outcomes and future opportunities.

Appendix H: Performance Measure Reporting

Our federal sponsor, NOAA, is requiring all state Coastal Management Programs to report on a set of Performance Indicators. There are six indicators:

- Government Coordination and Decision Making
- Public Access
- Coastal Habitat
- Water Quality
- Coastal Hazards
- Coastal Dependent Uses & Community Development

In order to provide an accurate assessment of grant funded projects and programs, LMCP asks that all Grantees submit a completed Performance Indicators Checklist and Form. The checklist and form will be due each year no later than:

➤ **January 14th**

➤ **July 14th**

The reporting period would cover activities that occurred in the six months prior.

The Performance Indicators Checklist can be found on Page 28 of this Manual and available for download on the LMCP Grants webpage.

LMCP PERFORMANCE INDICATORS CHECKLIST

Please check all that apply

Government Coordinator and Decision-Making	YES	NO
1. Involves educational activities	<input type="checkbox"/>	<input type="checkbox"/>
2. Involves training activities	<input type="checkbox"/>	<input type="checkbox"/>
Public Access		
1. Provides a new public access site	<input type="checkbox"/>	<input type="checkbox"/>
2. Provides an enhanced, existing public access site	<input type="checkbox"/>	<input type="checkbox"/>
3. Involves education or training activities	<input type="checkbox"/>	<input type="checkbox"/>
Coastal Habitat		
1. Involves the restoration of coastal habitat		
Wetlands	<input type="checkbox"/>	<input type="checkbox"/>
Beach/Dune	<input type="checkbox"/>	<input type="checkbox"/>
Nearshore Habitat	<input type="checkbox"/>	<input type="checkbox"/>
Other Key Habitat	<input type="checkbox"/>	<input type="checkbox"/>
2. Involves the protection of coastal habitat by acquisition or easement		
Wetlands	<input type="checkbox"/>	<input type="checkbox"/>
Beach/Dune	<input type="checkbox"/>	<input type="checkbox"/>
Nearshore Habitat	<input type="checkbox"/>	<input type="checkbox"/>
Other Key Habitat	<input type="checkbox"/>	<input type="checkbox"/>
3. Involves debris removal program and activities	<input type="checkbox"/>	<input type="checkbox"/>
4. Involves educational or training activities	<input type="checkbox"/>	<input type="checkbox"/>
Water Quality		
1. Involves monitoring activities	<input type="checkbox"/>	<input type="checkbox"/>
2. Involves the development, implementation, or update of ordinances, policies, or plans to control or prevent polluted runoff to coastal waters	<input type="checkbox"/>	<input type="checkbox"/>
3. Involves educational or training activities?	<input type="checkbox"/>	<input type="checkbox"/>
Coastal Hazards		
1. Undertakes activities to reduce future damage from coastal hazards	<input type="checkbox"/>	<input type="checkbox"/>
2. Implements educational programs or campaigns to raise public awareness of coastal hazards	<input type="checkbox"/>	<input type="checkbox"/>
3. Involves educational or training activities	<input type="checkbox"/>	<input type="checkbox"/>
Coastal Dependent Uses & Community Development		
1. Develops, updates or implements local plans that incorporate sustainable growth coastal management practices	<input type="checkbox"/>	<input type="checkbox"/>
2. Involves a port or waterfront redevelopment policy, ordinance, or plan	<input type="checkbox"/>	<input type="checkbox"/>
3. Involves educational or training activities	<input type="checkbox"/>	<input type="checkbox"/>

Source: Minnesota Lake Superior Coastal Program

LMCP PERFORMANCE INDICATORS REPORT FORM
Please submit numerical responses to all of the measures checked “yes”

Government Coordinator and Decision-Making

Number of educational activities	
Number of participants	
Number of training activities	
Number of participants	

Public Access

Number of new public access sites	
Number of enhanced, existing public access sites	
Number of educational activities	
Number of participants	
Number of training activities	
Number of participants	

Coastal Habitat

Involves the restoration of coastal habitat	
Number of acres of Wetlands	
Number of acres of Beach/Dune	
Number of acres of Nearshore Habitat	
Number of acres of Other Key Habitat	
Habitat Type:	Acres:
Habitat Type:	Acres:
Habitat Type:	Acres:

Involves the protection of coastal habitat by acquisition or easement

Number of acres of Wetlands	
Number of acres of Beach/Dune	
Number of acres of Nearshore Habitat	
Number of acres of Other Key Habitat	
Habitat Type:	Acres:
Habitat Type:	Acres:
Habitat Type:	Acres:

Involves debris removal program and activities

Number of Programs	
Estimated pounds of debris	

Coastal Habitat Education and Training

Number of educational activities	
Number of participants	
Number of training activities	
Number of participants	

LMCP PERFORMANCE INDICATORS REPORT FORM
Please submit numerical responses to all of the measures checked “yes”

Water Quality

Number of sites monitored	
Number of communities with ordinances, policies, or plans to control or prevent polluted runoff to coastal waters	
Number of educational activities	
Number of participants	
Number of training activities	
Number of participants	

Coastal Hazards

Number of communities with completed projects to reduce future damage	
Number of communities with educational programs or campaigns to raise public awareness of coastal hazards	
Number of educational activities	
Number of participants	
Number of training activities	
Number of participants	

Coastal Dependent Uses & Community Development

Number of communities that developed or updated local plans that incorporate sustainable growth coastal management practices	
Number of communities that developed or implemented a waterfront redevelopment policy, ordinance, or plan	
Number of educational activities	
Number of participants	
Number of training activities	
Number of participants	