

**TEXAS COASTAL MANAGEMENT PROGRAM
CYCLE 28 ADMINISTRATIVE & FINANCIAL GUIDANCE
NOAA-FUNDED PROJECTS**

ADMINISTRATIVE EXPECTATIONS

PRE-CONTRACT EXECUTION

Work Plan Development

Upon notification of project selection in late January/early February 2023, GLO staff will begin drafting the project work plan based on information contained in the applicant's final application. The GLO will make edits to the work plan to ensure the project produces deliverables consistent with both the CCAC and subrecipient's needs. GLO staff will send the first draft of the work plan to the subrecipient for initial review in late March 2023. The final draft of the work plan will be provided again in July 2023 for review before incorporation into the CMP grant contract.

Project Advisors

All funded projects will be assigned a CCAC agency project advisor. If necessary, more than one CCAC member may participate. The advisor(s) will have a vested interest in the project results and may participate in the project's work plan development to ensure it is crafted to provide mutually beneficial end results. The CCAC advisor may receive project deliverables and provide input and guidance throughout the duration of the project, as needed.

Contracting

Cycle 28 contracts using NOAA funds will have an October 1, 2023, effective date. While effective dates will be honored, a CMP grant contract is not fully executed until all GLO and subrecipient signatures are secured. Technically, subrecipients can begin work on their project's effective date but should proceed with the full understanding that, until the contract is completely signed, they run a risk of not having their work reimbursed if, for any reason, the CMP contract is ultimately not signed. The GLO recommends waiting until full contract execution to begin reimbursable work.

Kick-Off Call

The GLO will host a kick-off call with the subrecipient in August 2023 to go over the project work plan, budget, deliverables, due dates, and project expectations one last time before contract execution. Subrecipients are highly encouraged to ask questions, as needed. Subrecipient kick-off call attendees should include the project manager, the financial reporter and anyone else pertinent to the success of the project.

POST-CONTRACT EXECUTION

The GLO expects the subrecipient project manager to maintain clear and open communication with the CMP project management staff throughout the grant award period. Adhering to the project's timeframe (18-months) is paramount.

Subrecipient Grant Agreement

CMP grant funding is provided through the issuance of a binding and enforceable contract between the subrecipient and the GLO. This contract, called a subrecipient grant agreement, sets forth the terms and conditions of the grant to the subrecipient, and includes other contract documents governing the grant, such as the approved project work plan and budget.

The subrecipient is legally responsible for successfully completing each task and producing each project deliverable as specified in the approved work plan. If the funding amount approved for a task is underestimated, the subrecipient is responsible for providing any additional funding needed to complete the project as approved.

Special Award Conditions (SAC)

Subrecipient grant agreements may include special award conditions requiring additional NOAA or GLO review and approval of project aspects prior to the commencement of work or construction. Subrecipient grant agreements for land acquisition projects will include a special award condition requiring GLO review and approval of due diligence deliverables prior to the land transaction.

SACs typically place a hold on either the entire federal funding request or a certain dollar amount. **Federal funds cannot be utilized, in the amount listed on the SAC, until the SAC is removed by the GLO and/or NOAA.** Subrecipients must submit SAC requirements to the GLO within 90 days of the grant agreement execution. Failure to do so will delay the use of federal funds. Subrecipients will receive written notification from the CMP project manager stating when the SAC is removed, and federal funds can be utilized.

Reporting

Progress reports and reimbursement requests are due on or before the tenth day of the month following the reporting period. Progress reports must provide a brief description of each task's status, describe major accomplishments for the reporting period, list deliverables/milestones and provide the date completed/submitted, identify any obstacles encountered, and describe plans for the next reporting period. If a task has not started, this should be noted in the progress report.

Reimbursement request requirements are detailed below.

Subrecipient will submit progress reports, deliverables, and reimbursement requests to the GLO via the CMPreceipts@glo.texas.gov mailbox either monthly or quarterly. Reporting frequency is determined by project and entity type. Generally, §306A projects and nonprofit organizations report monthly and all other entities and project types (i.e., §306 projects, universities, local and regional governments) report quarterly, unless specified. Reporting frequency requirements are denoted in the project work plan which will be contained in Attachment A of the subrecipient grant agreement. Reimbursement requests must be submitted with progress reports every month or quarter, even if they contain a \$0 request.

Progress reports, deliverables and reimbursement requests should be submitted on or ahead of the date specified in the work plan. If a delay is anticipated, the subrecipient should email the GLO project manager notifying them of the impending delay.

Contract Amendments

Informal contract amendments are amendments that do not substantively change the project scope or outcome (e.g., changes to deliverable and task due dates within the 18-month contract period and budget revisions that do not increase or decrease the project budget). Subrecipients must submit a written request for an informal contract amendment to the GLO independent of routine progress reports. For budget revisions that do not change the overall budget, subrecipients must submit a completed Budget Amendment form. The form is available for download at <http://www.glo.texas.gov/coast/coastal-management/forms/index.html>.

Formal contract amendments include changes to the project scope, increases or decreases to the project budget, and extensions to the project duration beyond the 18-month contract period. Subrecipients must submit a written request with acceptable justification to the GLO for consideration at least 60 days prior to the expiration of the contract. Subrecipients may request a contract extension provided additional time is required for successful completion of the project and the term of the contract does not extend beyond the Federal Award period. Requests will be considered on a case-by-case basis. Subrecipients must fulfill tasks as described in the subrecipient grant agreement as projects are awarded based on the information provided in the original application. Substantive modifications to the contract tasks, budget, or deliverables may require NOAA review and approval.

Acknowledgement of CMP Funds

Publications, materials, and permanent signage produced with grant funding must include the required acknowledgement statements as well as the NOAA and CMP logos. Acknowledgement language is provided in the subrecipient grant agreement. Reports, papers, requests for proposals, and bid solicitations must provide the acknowledgement and logos on the front cover or title page of the document.

Signage acknowledging the use of CMP/GLO funding must be installed at all construction and land acquisition project sites. During the construction of a project, subrecipients are responsible for producing and installing temporary signage. Acknowledgement language for temporary signage is provided in the subrecipient grant agreement. The GLO will provide subrecipients with permanent signage for the project site. Subrecipients are responsible for the installation of permanent signage and associated costs.

Performance Monitoring, Evaluations and Risk Assessment

To ensure compliance with expectations, GLO staff will provide the subrecipient with a “Project Monitoring and Review Timeline” at the beginning of the grant contract. The timeline will detail how CMP staff will review, audit, and assess a project’s compliance during the grant and provide information on consequences of non-compliance. Please note, adherence to this schedule can play a role in securing future grant funding.

The GLO will perform quarterly project evaluations and annual risk assessments. These mechanisms will be used by GLO staff to identify contracts that may need additional monitoring and/or oversight and identify areas of risk. Additional monitoring activities may include telephone calls, meetings, desk reviews and site visits. Subrecipients will be notified in writing if non-compliance issues are identified during either the quarterly or annual reviews.

Site Visits

The GLO will conduct at least one site visit during the grant period for §306A projects. Subrecipients must provide the GLO or other agencies of the state or federal government reasonable access to the site for project monitoring.

Geographic Information Systems Data Products

Data, databases, and products associated with electronic Geographic Information Systems (GIS) that have been collected, manipulated, or purchased with CMP grant funds and/or local match funds will be subject to all applicable terms of the Texas Administrative Code (TAC) Rule §205.10, State Agency Geographic Information Standards ([texreg.sos.state.tx.us/public/readtac\\$sub.ListRegister?p_reg_id=288527](http://texreg.sos.state.tx.us/public/readtac$sub.ListRegister?p_reg_id=288527)).

Any GIS data to be transferred or exchanged that is collected, manipulated, or purchased with funds from this contract must be documented as specified in the Federal Geographic Data Committee's (FGDC) Content Standard for Digital Geospatial Metadata (CSDGM). The federal metadata standard is available online at www.fgdc.gov/metadata/csdgm.

Any electronic spatial data collected, manipulated, or purchased with CMP grant funds and/or local match funds shall be transferred in a mutually acceptable GIS format, along with appropriate documentation. Non-spatial data deliverables (textual, spreadsheet, database, etc.)

must be delivered in standard text, image, or database formats, and on mutually acceptable delivery media. All applicants are expected to comply with these guidelines. An applicant who cannot comply with these guidelines must provide a written justification detailing why an exception is warranted.

Intellectual Property

Subject to the rights of the federal government, the GLO will own, and the subrecipient must irrevocably assign to the GLO, all ownership right, title, and interest in and to all intellectual property acquired or developed by the subrecipient in connection with the CMP grant, including without limitation all intellectual property in and to reports, drafts of reports, data, drawings, computer programs and codes, and/or any other information or materials acquired or developed by the subrecipient in connection with the CMP grant. The GLO will have the right to obtain and to hold in its name any and all patents, copyrights, trademarks, service marks, registrations, or such other protection as may be appropriate to the subject matter, including extensions and renewals. Subrecipients must give the GLO and the State of Texas, as well as any person designated by the GLO or the State of Texas, all assistance and execute such documents, as required to perfect the intellectual property rights granted to the GLO without any additional charge or expense.

Audit Compliance

Subrecipients who expend \$750,000 or more in federal awards during a fiscal year must obtain an annual audit and comply with audit requirements set forth in 2 C.F.R. Part 200, Subpart F. Subrecipients who are under this threshold must submit a completed Audit Reporting Form within 60 days of the end of their fiscal year. The Audit Reporting Form may be downloaded at <http://www.glo.texas.gov/coast/coastal-management/forms/index.html>. Entities, such as state agencies and institutions of higher education, subject to the statewide single audit are not required to submit the Audit Reporting Form.

All subrecipients are subject to audit. Subrecipients selected for audit must provide the GLO and other agencies of the state and federal government reasonable access to the project site and to project records. Project records and deliverables are subject to the state and federal administrative and audit regulations, including the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200).

Period of Retention

Unless applicable federal laws or regulations specify a longer retention period, subrecipients are required by state law to retain project files for a seven-year period following the official grant award closeout date or until final audit resolution is reached. Following closeout, subrecipients will receive a letter from the GLO specifying the period of retention for the grant award.

Special Provisions for §306A Projects

Permitting

Subrecipients are solely responsible for obtaining all local, state, and federal permits or other authorizations. Funding of a project does not exempt a subrecipient from obtaining required permits or authorizations or place an obligation on a permitting or authorizing local, state, or federal agency to issue a permit or authorization for the project.

Permits or authorizations may require project modifications or post-project monitoring that increases the project cost. Subrecipients must secure the appropriate budgetary commitments to ensure permitting requirements are met. Subrecipients are solely responsible for identifying and securing any additional funding required to complete the project. The Land Commissioner is not obligated to award additional funds to cover cost overruns.

Land Surveys

When undertaking a construction or land acquisition project, subrecipients may be required to obtain a land survey. The type of survey required varies depending on the conditions of the property and the type of activity proposed in the application.

Federal Uniform Appraisal Standards

All NOAA-funded project appraisals performed in connection with a land acquisition project must conform to the Uniform Appraisal Standards for Federal Land Acquisitions. These standards can be found at <http://www.justice.gov/enrd/land-ack/Uniform-Appraisal-Standards.pdf>.

Project Maintenance

Subrecipients undertaking projects that result in a physical improvement (e.g., construction, habitat restoration) must maintain the improvement for the useful life of the project. The GLO and NOAA will determine the useful life of the project in consultation with the subrecipient. However, in most cases, the useful life is a minimum of 20 years.

FINANCIAL REQUIREMENTS

Financial Assistance Standard Terms and Conditions

Subrecipients must comply with the Department of Commerce Financial Assistance Standard Terms and Conditions, including the Office of Management and Budget (OMB) Uniform Guidance (2 C.F.R. Part 200) and all associated Terms and Conditions. Subrecipients should refer to 2 C.F.R. § 200.101(b)(1) to determine the applicability of 2 C.F.R. Part 200 and 2 C.F.R. § 200.330 (Subrecipient and contractor determinations) through § 200.332, (Subrecipient

monitoring and management). The Standard Terms and Conditions is available on the GLO website.

Subrecipients should review and understand the subrecipient grant agreement requirements and all applicable state and/or federal assurances, certifications, OMB rules, Uniform Management Grant Standards and travel rules and guidelines, including the following:

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200)
- Assurances for Non-construction (SF-424B)/Construction Projects (SF-424D)
- Certifications regarding Debarment, Suspension, and other Responsibility Matters; Drug Free Workplace Requirements and Lobbying (CD-511)
- Certifications regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Transactions (CD-512)
- State of Texas Travel Guidelines (TexTravel) - <https://fmx.cpa.state.tx.us/fmx/travel/texttravel/index.php>

Invoices and Reimbursements

The GLO will pay project expenditures on a reimbursement basis. The subrecipient is expected to make the initial outlays for the project. CMP funding may reimburse up to 60% of total project costs. Subrecipients must provide a local and/or third-party match for the remaining 40% of total project costs. The GLO will only reimburse the subrecipient for allowable, budgeted expenses. Any costs incurred prior to the effective date or after the termination or expiration of the subrecipient grant agreement are not eligible for reimbursement or use as match. Payments are directly linked to grant performance and may be withheld if project schedules are not met and/or deliverables are not submitted.

Subrecipients are required to submit reimbursement requests and documentation for local and third-party match with the corresponding progress report on or before the 10th day of the month following the reporting period. Reimbursement requests should be submitted to the CMPreceipts@glo.texas.gov. If a subrecipient does not incur expenses during the reporting period, a \$0 invoice should still be submitted. For the final invoice, documentation for reimbursement requests or local and third-party match must be submitted within 60 days from the date the expense is incurred.

Invoices and evidence of Match must be submitted on the approved GLO forms, which may be downloaded at <http://www.glo.texas.gov/coast/coastal-management/forms/index.html>.

Subrecipients must include documentation that adequately supports the expenses. Documentation of direct costs must be acceptable to the GLO. Subrecipients should be set up for direct deposit for reimbursements.

Unallowable costs

Unallowable costs, as defined in 2 C.F.R. Part 200, Subpart E – Cost Principles, are ineligible for reimbursement and prohibited for use as match regardless of whether the cost was disclosed in the application. Unallowable costs include, but are not limited to, costs related to alcohol, contingency, entertainment, fund-raising, food (not associated with travel), tips, and snacks/drinks for employees/volunteers. The reimbursement of administrative costs is prohibited.

Withholding

To ensure completion of the project in accordance with the subrecipient grant agreement, the GLO may withhold an amount equal to five percent (5%) of the budget. Final disbursement will occur upon project completion and submission of final deliverables.

CMP Budget Categories

Salary

Salary includes the wages of the subrecipient's personnel working directly on the project. For reimbursement and match documentation, subrecipients are required to submit time sheets or another form of documentation from the payroll system for all subrecipient staff paid by the grant. Documentation must be acceptable to the GLO.

Fringe

Fringe benefits include allowances and services provided to employees by the subrecipient as compensation in addition to regular salaries and wages. Fringe benefits should be limited to no more than 35% of salaries and wages. For reimbursement and match documentation subrecipients are required to submit time sheets or another form of documentation from the payroll system for all subrecipient staff paid by the grant. Documentation must be acceptable to the GLO.

Travel

Travel costs include expenses for transportation, lodging, subsistence, and related items incurred by employees traveling for project-related purposes. Subrecipients must claim actual expenses for travel not to exceed the maximum allowable rates. Reimbursement of per diem rates is not permitted. Itemized receipts and proof of payment must be submitted for reimbursement and match documentation.

Reimbursement for lodging, travel, and other incidental direct expenses must be limited to the rates established in the Texas Administrative Code and the State of Texas travel guidelines, *Textravel*. Additional information is available at <https://fmx.cpa.state.tx.us/fmx/travel/textravel/>. Lodging and meal reimbursement must not exceed the allowable U.S. General Services Administration per diem rates at <https://www.gsa.gov/travel/plan-book/per-diem-rates>. Mileage

rates must not exceed the allowable State rate at <https://fmx.cpa.state.tx.us/fmx/travel/texttravel/rates/current.php>.

Travel-related expenses to attend specific meetings, conferences or events must be included in the subrecipient grant agreement work plan. If not included in the original work plan, the subrecipient must submit an acceptable justification and receive the GLO project manager's written approval prior to the travel.

Grant funds should only be spent on travel necessary to complete the goals and deliverables delineated in the project work plan. Travel should occur within Texas. Grant funds may be used to travel to one (1) out-of-state conference, meeting, or workshop if the subrecipient can provide proof that they will actively participate in the event (i.e., were invited to attend for a specific purpose, are presenting work or project results). Out-of-state travel is limited to the contiguous United States and must be strongly justified and approved by the GLO project manager.

Supplies

Supplies include all personal property with an acquisition cost of less than \$5,000 per unit. Supplies must be purchased during the contract period for the purpose of implementing the project. Subrecipients must comply with 2 C.F.R., Part 200, Sec. 320 Methods of Procurement to be Followed when procuring supplies. Itemized receipts and proof of payment are required as reimbursement and match documentation.

Subrecipients are prohibited from purchasing computer software not included as a reimbursable item in the subrecipient grant agreement.

Equipment

Equipment includes tangible, non-expendable personal property with a useful life of more than one year and an acquisition cost of more than \$5,000 per unit. Subrecipients must comply with 2 C.F.R., Part 200, Sec. 320 Methods of Procurement to be Followed when procuring equipment. Subrecipients are prohibited from purchasing equipment not included as a reimbursable item in the subrecipient grant agreement. Itemized receipts and proof of payment are required as reimbursement and match documentation.

Subrecipients must retain title to, and possession of equipment purchased with grant funding unless the equipment is transferred to the GLO, upon written request by the GLO. The final request for reimbursement must include a list of all equipment purchased as part of the project, including the name of the manufacturer, the model number, and the serial number. Disposition of equipment must follow state and federal audit regulations.

Contractual

The contractual category includes all subrecipient subcontracts required, as determined by the subrecipient, to implement the project. This budget category would include “professional services” as defined in Texas Government Code Chapter 2254 (i.e., architects, landscape architects, land surveying, land appraisers), engineering contracts, construction contracts and university subawards. Per the CMP subrecipient grant agreement, these subrecipient subcontracts must comply with 2 C.F.R., Part 200, Sec. 320 Methods of Procurement to be Followed when procuring contractual services. Competitive bidding procedures must be followed as required and in all other cases when possible. Per State law, architectural and engineering services **cannot** be competitively bid and must be acquired using a Request for Qualifications.

Subrecipients must provide the GLO with a copy of each subcontract agreement and any subsequent amendments, including agreements with third-party contributors within 10 business days after execution. Subrecipients must submit invoices and proof of payment (e.g., canceled checks or copies of bank statements) as reimbursement and match documentation.

For regional and local governments and non-profit organizations, a competitive bid process is required to establish a subcontract under the following circumstances, when using federal funds:

- <\$50,000: no bids required
- >\$50,000: Competitive bids must be obtained from a minimum of 3 bidders

For state agencies and state universities, state procurement rules apply, even when using federal funds (2 CFR 200.317). Applicable thresholds include:

- < \$10,000 - no RFP/RFQ required - Can issue purchase order directly to vendor.
- < \$25,000 - informal RFP/RFQ process
- > \$25,000 - formal RFP/RFQ process required

Other

Costs include any anticipated purchases excluded from all other budget categories, including printing, registration fees, equipment rental, fleet vehicle use and volunteer time. Subrecipients must include itemized receipts or invoices for budgeted expenses and documentation (e.g., canceled checks or copies of bank statements) verifying the subrecipient has paid all invoices submitted for reimbursement or as match.

Vendor/Service Contracts: Vendors or goods and service contracts should be budgeted under the Other category. While not required per the CMP subrecipient grant agreement, these contractors should attempt to comply with 2 C.F.R., Part 200, Sec. 320 Methods of Procurement to be Followed, when possible, and adhere to the thresholds list in the Contractual section above.

Subrecipients must provide the GLO with a copy of each vendor/service contract agreement and any subsequent amendments, including agreements with third-party contributors within 10

business days after execution. Subrecipients must submit invoices and proof of payment (e.g., canceled checks or copies of bank statements) as reimbursement and match documentation.

Computer Software: Subrecipients are prohibited from purchasing computer software not included as a reimbursable item in the subrecipient grant agreement.

Tuition Rates: Reimbursement of tuition costs is prohibited unless reimbursement is in lieu of salaries and/or wages earned by a student working directly on the project. The amount paid in tuition must not exceed the amount a student would have earned if paid a student wage by the grant. Only direct tuition expenses will be reimbursed; CMP funds cannot be used to cover fees associated with tuition (i.e., athletic fees, health service fees, etc.).

Volunteer In-Kind Services: Volunteer time may be used to match federal funding. To be eligible for match, volunteers must perform a specific service that fulfills a task or deliverable requirement described in the subrecipient grant agreement. Subrecipients must submit documentation for volunteer in-kind services, including dates of service, name of volunteer(s), volunteer affiliation, number of hours worked, wage rate, basis for wage rate, and total value of in-kind service.

Volunteer time is credited at the minimum wage rate (\$7.25 per hour effective 7/24/2009) or at the prevailing minimum wage rate for a specific job type. For example, an attorney's time conducting data entry work for a project is charged at the rate paid to data entry operators. If the attorney volunteers to do legal work for the project, the attorney's volunteer time is charged at the rate paid to an attorney. Volunteer time for site-cleanups, vegetative plantings, and educational/outreach events must be charged at the prevailing minimum wage rate. Applicants requesting an hourly rate greater than minimum wage must provide justification for the higher rate. For information on hourly rates for specialized skill volunteers, please visit the Bureau of Labor Statistics Wage Data by Area and Occupation website at <http://www.bls.gov/bls/blswage.htm>.

The cost of volunteers serving on committees will be carefully reviewed to ensure the use of a committee is appropriate, necessary, and central to the successful completion of the project. Subrecipients should charge no more than \$10 per hour per volunteer committee member. Subrecipients must justify hourly rates greater than \$10 per hour.

The following are ineligible as volunteer in-kind services: (1) unpaid travel expenses incurred by a volunteer to and from the project site; (2) fringe benefits and indirect costs for in-kind volunteers; and (3) the time students and their parents spend participating in grant-funded field trips.

Equipment Rates: Equipment rates may be used to match federal funding. Subrecipients should use the rate schedule established by the governing county commissioner's court or city council for the project's location. If the county or city does not have established rates, subrecipients should use rates established by FEMA at <http://www.fema.gov/schedule-equipment-rates>.

Indirect and Allocated Direct Costs

Indirect and Allocated Direct costs include the costs of continuing operation as established by the Negotiated Indirect Cost Rate Agreement (NICRA) and the Cost Allocation Plan (CAP).

Reimbursement of these costs is prohibited. However, indirect and allocated direct costs may be used as local or third-party match. Subrecipients using indirect and/or allocated direct costs as match must provide the GLO with a copy of the NICRA and the CAP with the applicable negotiated indirect cost rate and allocated direct cost rate identified. Indirect cost rates may only be based on Modified Total Direct Costs (MTDC) as identified in the respective NICRA, or on MTDC as defined in 2 C.F.R. § 200.68. Allocated Direct Costs must follow the cost principles set out in 2 C.F.R. Part 200, Subpart E.