

## Frequently Asked Questions for Prospective Grant Applicants

March 28, 2011

**What are construction projects?** - Any project that physically changes a site or an existing structure. For example, installing an interpretive sign, placing a boulder to block ORV access to a trail, and removing or planting vegetation are considered construction activities for the purposes of the Coastal Zone Management (CZM) grant program.

**Are construction projects subject to special requirements?** - Yes. The construction must be completely within the coastal zone boundary and on property owned or controlled by the State or a local government. It must be open to the public, though the owner may charge a reasonable fee to support project maintenance. The owner must maintain the project and keep it open to the public for at least 20 years. Awarding of the grant is contingent on the grantee's compliance with State Historic Preservation Office information requirements. The grant contract may include requirements provided by the Wildlife Division, DNR, for the protection of endangered and threatened species.

**Are fringe benefit costs eligible for reimbursement or use as match?** – Fringe benefits are the employer's personnel costs other than the employees' direct income, specifically, the employer's portion of FICA insurance, retirement, sick leave, holiday pay, and vacation pay. Eligible fringe benefit costs are limited to 40% of direct income only. This applies to both the grant and match portions of the project budget.

**Are indirect project costs eligible for reimbursement or use as match?** – Eligible indirect costs are limited to 20% of personnel and fringe benefit costs only. This applies to both the grant and match portions of the project budget.

**What is the value of volunteer labor used as match?** – Three categories of volunteer labor are valued as follows:

1. Unskilled laborers. (For example, Boy Scouts and Girl Scouts, high school groups, 4-H clubs) The acceptable rate for these workers is the prevailing Michigan or federal minimum wage, whichever is greater. For the current minimum wage, point your browser toward the Michigan Department of Energy, Labor and Economic Growth (DELEG) at [www.michigan.gov/dleg](http://www.michigan.gov/dleg), select "Wage and Hour Division" from the left-hand menu, then select "Minimum Wage and Overtime." The phone number for the DELEG Wage and Hour Division is 517.322.1825.
- Professionals not working in a professional capacity. (For example, an engineer or attorney participating in a beach clean-up event) Participation of professionals in volunteer activities can leverage commitment to the project from other stakeholders. An appropriate rate for this category of

volunteer labor is based on the Independent Sectors annual evaluation of volunteer time. For the current rate, point your browser toward [www.independentsector.org/volunteer\\_time](http://www.independentsector.org/volunteer_time).

2. Professionals working in their normal professional capacity. Professionals, including skilled labor, providing pro bono professional services may count as match their normal rate of pay; this would be considered the value of the volunteer work provided. For example, a wetland consultant donating wetland delineation services could claim the typical wetland delineation fee as the value of the service.

**What are allowable travel expenses?** – Costs incurred for travel that is essential for the successful execution of the project are eligible for reimbursement or use as match. Reimbursements for mileage, lodging, and per diem rates may not exceed the current federal rates published on the General Services Administration Travel Management Policy website at [www.gsa.gov/travelpolicy](http://www.gsa.gov/travelpolicy). Specific travel rates for Michigan are available at <http://www.gsa.gov/portal/category/100120> and meals and incidental rates are available at [www.gsa.gov/mie](http://www.gsa.gov/mie). The portion of travel costs in excess of the federal rates may be used as match.

**Are permit fees and other payments to regulatory agencies eligible project costs?** – Application fees for federal or state permits, licenses, or other approvals are not eligible project costs. However, application fees for local permits or licenses are eligible for reimbursement or use as match.

**Are federal funds eligible for use as match?** - The authority for the federal funding source must explicitly state that the funds can be used to match other federal grants. For example, Community Development Block Grants awarded by the U.S. Department of Housing and Urban Development can match CZM grants. Grant applicants proposing to use federal funds or federal employee labor for match must include documentation in the grant application showing that the authority for the federal funding source allows this.

**Who is eligible to lease or purchase equipment?** – Any grantee may lease or buy equipment essential for the project and equipment leasing or purchase costs are eligible for reimbursement or use as match. However, total equipment costs may not exceed 50% of the total project cost. Grant applicants proposing to buy an individual unit of equipment with a purchase price of \$5,000 or more will be required to provide additional information for NOAA review and approval if the project is selected for funding. Grant applicants must describe how all equipment proposed for purchase has a use uniquely applicable to coastal management and/or to the implementation of the project. The purchase of computers and other general purpose equipment are not eligible project expenses.