

Accessing Federal Funds for Dockside Monitoring

NOAA is providing \$1.2 million to New England groundfish sectors to help cover dockside monitoring expenses for fishing year 2010. These funds are flowing through GMRI as federal grants, which are based on reimbursing sectors for expenses. Receiving federal grants requires substantial accounting and legal oversight.

What do I need to do to get federal funds?

Each sector needs to sign a subaward agreement (provided by GMRI). GMRI also needs a W-9 and a federal A-133 “single audit” letter on file from each sector. Then sectors must submit invoices to GMRI for reimbursement (along with documentation in the form of an invoice from the monitoring company to the sector).

Subaward Agreements

Each sector needs to complete and sign its Subaward Agreement. An officer of the sector who has the authority to sign contracts – ideally the president – must sign the subaward agreement.

Budget

The subaward agreement includes a budget that can be as simple as one line totaling your anticipated costs for hiring a dockside monitoring company for the year. If the contract you signed with the dockside monitoring vendor included a signing fee or retainer, include that cost as an additional line in the budget. The total budget should add up to the figure under Article 3, which is the initial estimate of the sector’s share of the funds as determined by the funding formula (explained below).

What do I do to get reimbursed?

By the last business day of the month, the sector needs to submit:

- i) an invoice from the sector to GMRI that shows the total reimbursement request, and
- ii) the invoice (or bill) that dockside monitoring company sent to the sector for the month’s activity to document the reimbursement request.

The invoice should also show the pounds of groundfish that were monitored, number of trips monitored, and number of landings that required a roving monitor in order for GMRI to apply the funding formula.

How long will it take for me to get a check?

GMRI estimates that it will take from 5 to 8 weeks from the submission of an invoice for the sector to receive its reimbursement. GMRI can only invoice the granting agency

(Woods Hole Oceanographic Institute - WHOI) once a month for this grant. WHOI then invoices NOAA. Funds go from NOAA to WHOI to GMRI and finally to the sector.

Do we have to pay the dockside monitoring company before receiving reimbursement?

No – sectors may submit an invoice from their dockside monitoring vendor for reimbursement before it is paid. The sector will have to be able to demonstrate that it used federal funds to pay the invoice.

Will we get fully reimbursed each month?

Not necessarily. Each month, GMRI will apply the funding formula to each sector's activity to establish the maximum reimbursement for that month. If the invoice from the vendor is less than or equal to that maximum, the sector will get fully reimbursed. If the invoice is greater, however, GMRI will only reimburse up to the maximum amount. In that case, GMRI will keep track of a sector's deficit with the goal of making all sectors whole by the end of the year.

How were the funds divided up?

The federal funds are intended to cover all dockside monitoring expenses for all sectors during the fishing year. Over the winter, a group representing groundfish sectors met several times to determine how to divvy up the funds. To balance the need to cover expenses with the desire to make sure the funds lasted the entire fishing year, the group settled on an initial distribution that accounts for pounds of groundfish monitored, trips monitored, and the use of roving monitors.

Funding Formula

The initial formula distributes the funds along the following lines:

- 60% - pounds of groundfish monitored
- 25% - trips monitored
- 5% - use of roving monitors
- 10% - reserve.

GMRI took the funding formula and applied it to estimates of fishing activity for each sector. The result for your sector is the figure shown in Article 3 on the subaward. GMRI and the sectors anticipate meeting regularly throughout the fishing year to assess whether the formula accurately reflects the costs to sectors. If not, the group may decide to modify the formula and/or dip into the reserve.

The following table summarizes the formula and its assumptions:

Formula Category	portion of \$1.2 MM	assumption	funds allocated per monitoring event (@50% coverage)
pounds of groundfish monitored	60% (\$720,000)	99 million lbs landed	\$0.015/lb
trips	25% (\$300,000)	18,216 trips (2008 data)	\$33/trip
“roving” trips	5% (\$60,000)	4,300 trips	\$ 27.50/trip
reserve	10% (\$120,000)		

The following table is an example of how running a sector’s fishing activity for a given month through the formula would result in establishing the upper limit for reimbursable funds for that month:

Monthly sector activity	amount monitored	\$ credited	total credited
200,000 lbs gf landed	100,000 lbs	\$ 0.015/lb	\$ 1,500
30 trips	15 trips	\$ 33/trip	495
8 “roving” trips	4 trips	\$ 27.50/trip	110
Total			\$2,105

What will the reserve be used for?

The group agreed to set aside a reserve as a hedge against the great uncertainty about how much dockside monitoring would cost and how fishing practices might change. The goal is to spend the reserve by the end of the fishing year. The reserve may be used to reimburse sectors whose situations mean that the formula doesn’t adequately account for the costs of monitoring. For example, a sector with a high percentage of landings in remote ports may incur much higher than average costs. In addition, the reserve may be rolled into the overall funding formula if it is clear that all sectors are short each month.

More questions?

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