



# APPLICANT FUNDING MANUAL

## DONATION MINI-GRANT PROGRAM

### Overview, Guidance & Sample Application

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## Grant Funding Overview

### Donation Mini-Grant Funds

Donation Mini-Grants provide a maximum of \$50,000 for transaction, property management, and stewardship costs associated with the donation of property in fee simple or a permanent conservation agreement. **All project acres must be restricted with a permanent conservation agreement to protect natural or cultural resources.**

The donation must be for at least one of the following purposes:

- Land that is within the first 300 feet from the top of the stream bank, or the width of the 100-year floodplain, whichever is greater for the purpose of protecting surface water quality or developing a riparian greenway.
- Land containing natural areas, element occurrences, or species of concern as defined by NC Natural Heritage Program or adjacent buffer land that is critical to protecting the viability of those areas for the purpose of protecting ecological diversity.
- Land buffering military installations for the purpose of minimizing incompatible land use for installations and training.
- Properties on which historic or cultural events can be interpreted and that help develop a balanced state program of historic properties.

### Eligible Applicants

To receive funds from NCLWF through the Donation Mini-Grant Program, the applicant must be one of the following:

- a state agency
- a local government unit
- nonprofit corporation whose primary purpose is the conservation, preservation, and/or restoration of NC's cultural, environmental, and/or natural resources

## Key Requirements

- The donation must be made to and be accepted by the organization applying for the grant.
- The donation must be an absolute gift. Bargain sales or transactions in which any of the fee or conservation agreement value is funded by a third party do not qualify.
- The value of the donation must exceed requested funds.
- Funds will only be released after the recording of the conservation agreement or the transfer of the land into state ownership.
- The donation must occur during the contract period.
- The contract will be written for one year. Contract extensions beyond six months will be referred to the Board of Trustees for consideration.

## Grant Timeline

### Deadlines for Application

Applications are reviewed three times a year. Deadlines are:

- January 15
- April 15
- August 15

Award decisions will be made within six weeks of the Application deadlines.

## General FAQs

### Where can I access the application?

The application is a web-based form available at <https://nclwf.nc.gov/apply>

### What is required for application?

An eligible applicant must submit a completed application form, location map, property map, tax card, shapefile of the project, and draft conservation agreement, if available.

### Who makes funding decisions?

The NCLWF Board of Trustees delegated approval of Donation Mini-Grant awards to NCLWF Board of Trustees Chair. The Chair may approve or deny applications, ask for additional information, or request review by the Acquisition Committee.

### How are projects selected for funding?

Each application is reviewed by NCLWF staff with input from NC Natural Heritage Program staff, State Historic Preservation Office, and military representatives, as appropriate. There is not a formal rating system as there is with NCLWF's other programs. Staff consider the resources protected and the conformance of the application to the Donation Mini-Grant Program requirements when making recommendations to the Chair.

Approval of grants is subject to the availability of funds.

### How is the stewardship endowment calculated and paid?

NCLWF will pay up to 50% of the stewardship endowment, calculated using a worksheet included in the application budget. The payment is in lump sum to the grant recipient after recordation of the conservation agreement. The funds must be deposited in a restricted endowment for the purpose of monitoring the donated property or interest.

### Are matching funds required?

The value of the donation and at least 50% of any stewardship endowment request are required as matching funds.

### How are applications reviewed?

NCLWF staff will contact you after you submit an application to confirm receipt, ask additional questions to clarify the application, and answer any questions you may have. If needed, staff may request an on-site visit.

## **How will I be notified if my application is approved and funded or not approved?**

Following the funding decision, NCLWF staff will contact you to confirm the award and to begin the contracting process.

## **How are funds awarded?**

Funds are awarded through the state contracting process. All contracting requirements by the State of NC and NCLWF apply to Donation Mini-Grant contracts.

## **When are funds available?**

The following are requirements of the grant contract and must be completed prior to the release of NCLWF funds:

- approval of closing documents by NCLWF
- the recordation of the conservation agreement or transfer of land into state ownership
- deposit of stewardship funds into the grant recipient's stewardship endowment account, if applicable

## **Who should I contact?**

Field representatives are the first line of contact for general questions and for developing projects. Getting the field representative involved early will yield better results for your application and later contract process.

To contact your field representative, please visit our website: <https://nclwf.nc.gov/staff>.

## **Property Restrictions**

A permanent conservation agreement must be recorded on all property for which NCLWF funds will be used to facilitate a fee simple or easement donation.

The following conservation agreements may be used:

- conservation easement held by a qualified organization other than the State of NC
- declaration of covenants and restrictions
- dedication under the State Nature Preserves Act

A Conservation Easement is the preferred conservation agreement.

Conservation Easements must:

- be held by a local unit of government or nonprofit organization qualified to hold conservation easements
- protect significant riparian buffers, natural heritage communities, historic sites and viewsheds, and limit activities that would interfere with military installations, as appropriate for the specific tract
- provide third-party rights of enforcement to the State of NC

Declaration of Covenants and Restrictions may be used if a third-party conservation easement holder is not practicable.

Declaration of Covenants and Restrictions must:

- protect significant riparian buffers, natural heritage communities, historic sites and viewsheds, and limit activities that would interfere with military installations, as appropriate for the specific tract

- provide a right of enforcement to the State of NC

State Nature Preserves Act Dedication is required for tracts donated to state agencies and may be appropriate for other properties. Grant Recipients must work with NCLWF and NC Natural Heritage Program staff to determine eligibility and restrictions.

## Long-Term Obligations

### **Stewardship Endowment**

Stewardship endowment funds provided by NCLWF must be deposited in an endowment or account specified for monitoring the donated property or conservation easement in perpetuity.

### **Monitoring**

After a conservation agreement has been recorded, the Grant Recipient is responsible for annual monitoring in perpetuity.

## Activities Allowed in Conservation Areas

Activities must not impair conservation or historic or cultural values. NCLWF requires that all resources be protected with 50-foot buffers but encourages more where possible. Within these buffers, only passive activities should be permitted. Any exception must be stated in the application, including the minimum buffer width requested and what activities will take place.

For specific allowances and restrictions for properties to be protected through Dedication under the State Nature Preserves Act, please contact the NC Natural Heritage Program.

### Chart 3: Activities Allowed in Conservation Easements and Declarations of Covenants and Restrictions

The following summary is listed here for your convenience. NCLWF allows more activities in donated easement areas but expects protection of conservation values.

Activity	Description and expectations for donated conservation agreements
Passive recreation	Includes hiking, walking, scientific study, education, animal/plant observation, nature and environmental education, historic tours, photography
Natural surface trails and/or paved trails	<u>Not subject to NCLWF trails policy</u> allows boardwalks, ramps, handrails, benches, litter receptacles, trails signs, etc.; may be constructed to ADA standards
Stream crossings (pedestrian foot bridges)	Intended for the continuation of permitted trails; number of crossings must be minimized
Native community restoration, management, and maintenance	Allows use of fire including the creation of firebreaks, and use of other BMPs for community being restored or maintained
Hunting and fishing	Subject to all laws and regulations
Maintenance of existing roads and trails	Allows gravel replacement, ditch and culvert restoration or replacement
Vegetation management	Limited to boundary marking, fencing, signage, fire containment, insect and disease control, hydrology restoration, wetland enhancement, control of invasive exotic plants, removal of trees that pose a threat to life of property
Use of motor vehicles	For purposes of monitoring, management, and emergencies; in working lands and where necessary for approved activities
Maintenance of existing open areas for early successional habitat	Intended to provide habitat diversity for wildlife; may include native grasses, native forbs, and native herbaceous vegetation; outside priority areas <sup>1</sup>
Maintenance of existing open areas as passive recreational amenities	Outside priority areas <sup>1</sup>
Group camping sites	Outside priority areas <sup>1</sup>

Activity	Description and expectations for donated conservation agreements
Covered picnic facilities	Outside priority areas <sup>1</sup>
Agriculture, grazing, horticulture, timber management	Outside priority areas <sup>1</sup>
Mountain biking, horseback riding	Per holder's policies
Observation/viewing platforms, docks, camping platforms	Should connect to permitted trails or navigable waterways; allows bench seating, handrails, connecting steps and ramps as required; may be located on the bank of streams
Parking	Outside priority areas <sup>1</sup>
Toilets	Outside priority areas <sup>1</sup>
Educational facilities	Outside priority areas <sup>1</sup>
Passive recreational amenities	Per holder's policies
Buildings and infrastructure	Outside priority areas <sup>1</sup>
Subdivision	Must be limited
Reserved home sites (private residence)	Must be limited
Active recreational amenities	Must be limited
Commercial use	Per holder's policies
Industrial use	Not allowed
Confined animal operation	
Mineral use, excavation, dredging	
Dumping, pollution or alteration of wetlands or water quality	
Golf course	
Use as mitigation under 33 USC Section 1344 or NCGS 143-214.11	
Use as compensatory requirements such as open space requirement	

<sup>1</sup> priority areas include 50' riparian buffer, areas necessary for protecting Natural Heritage natural communities or element occurrences, areas necessary for protecting historic sites and viewsheds and areas determined off-limits due to military operations.

## Budget - Eligible Expenses

Items eligible for reimbursement - up to 100% of costs

- Surveys and Legal Descriptions
- Phase I Environmental Site Assessment or transaction screen
- Baseline Documentation Report
- Title Insurance or Title Opinion
- Legal Fees, Closing Costs, and Recording Fees
- Contract Administration Costs
- Appraisals - only when the donor is not seeking tax incentives

Items eligible for reimbursement - up to \$5,000 total between request and match

- Property Management

Items eligible for reimbursement - up to 50% of costs for nonprofit Grant Recipients

- Stewardship Endowment funds will be paid lump sum to the Grant Recipient after recordation of the conservation agreement. The funds must be deposited in an endowment for the purpose of monitoring the donated property or conservation agreement area and documentation of deposit into the grant recipient's stewardship endowment must be provided.

## Expenses Before and After Award

### Donations before the award date

Projects in which the acceptance of donations prior to the award date are not eligible for funding.

### Expenses prior to award date

NCLWF will not reimburse funds for expenses incurred prior to the grant award date.

### Expenses after the award date and prior to contract effective date

NCLWF will reimburse project costs incurred after the grant award notwithstanding the costs may occur prior to the grant contract effective date; however, funds will not be available until after the execution and encumbrance of a NCLWF grant contract. Funds will only be reimbursed if the grant recipient complies with all terms and conditions in the subsequent grant contract.

## Budget - Line-Item Detail

### Requested Funds

#### Transaction Costs

Enter each requested transaction cost into the appropriate line on the table. Appraisals are only reimbursable if the donor does not intend to seek tax incentives.



## Property Management Costs

Funds needed for securing a property or for the immediate protection of resources. Local governments, nonprofit organizations, and State agencies without a dedicated land acquisition funding mechanism are eligible.

## Contract Administration Costs

Eligible expenses are direct labor cost toward progress reporting, reimbursement requests, project scope management, budget management, and project schedule management. Overhead, postage, phone charges, and audits are not reimbursable.

Contract Administration must be substantiated by itemized documentation of staff/contractor hours and hourly compensation rates (salary and fringe benefits) for time spent on project administration on a form provided by NCLWF.

Expenses to develop a project or apply for a grant are not eligible for reimbursement or as credit toward match.

## Matching Resources

The value of the donation and at least 50% of the stewardship endowment, if applicable, are required as match. **The value of the donation must be greater than the funds requested from NCLWF.**

The value of the donation, determined by appraisal or tax card, is entered into the matching funds column.

If an appraisal is used, it should reflect the value of the interest being donated, either the fee simple interest or the value of the conservation agreement. Appraisals must exclude the value of structures or improvements. Conservation agreement appraisals must use the "before and after approach" of valuation.

If an appraisal is not needed or available at time of application, the tax value of the land may be used. For fee simple donations, 100% of tax value may be used as match. For conservation agreement donations, up to 80% of tax value may be used as match.

Matching resources must be for items eligible for NCLWF funds and must be necessary for the completion of the project objectives.

NCLWF grant awards may not be used as matching funds for other NCLWF grant awards. Funds used as match on prior NCLWF grant awards may not be used as match on other NCLWF grant awards.

## Budget - Stewardship Monitoring Costs

Nonprofit grant applicants are eligible to request stewardship endowment expenses using the Stewardship Monitoring Worksheet in the budget.

The Stewardship Monitoring Worksheet will automatically enter 50% of the stewardship endowment into the NCLWF request line. The matching stewardship endowment line must be equal to or greater than the amount requested from NCLWF for stewardship endowment.

## Stewardship Monitoring Estimate Components

**Staff Time** includes any salary and benefits associated with time spent on pre-monitoring, monitoring, and post-monitoring activities, as described below. The rate is \$50.

- **Staff time prior to visit** includes any time spent on preparing for the monitoring visit, including contacting the landowner (if applicable) and reviewing the easement, baseline, and previous monitoring reports. Pre-monitoring is capped at two (2) hours.
- **Monitoring** includes any time on the property including landowner discussion (if applicable), documenting the property, and reposting boundary markers as needed. Monitoring should also include the round-trip travel time from the monitoring organization's office. While there is no limit on monitoring hours, the estimate should include only the above activities and reflect the amount of time required to monitor a property respective to its size, ease of access, length of boundary, uses and reserved rights, etc.
- **Staff time post-visit** includes the time required to complete the monitoring report, and process photos and GPS data. Post-visit monitoring is capped at three (3) hours.
- **Post-monitoring activities** includes the time required to address minor violations on the property. Generally, this should be nominal, as violations are difficult to predict and may not occur annually.

**Other Monitoring Expenses** include any incidental costs associated with monitoring the property and may require additional justification and approval.

- **Travel Cost** is defined as the round-trip mileage the monitor must travel to visit the property.
- **Supplies for Boundary Marking** should include an estimate for tape, paint, and signage for as-needed annual boundary reposting. Initial boundary marking should be included in transaction costs for a survey.
- **Other Monitoring Expenses** should be listed on an as-needed basis, with the cost and description of the items proposed. Allowable costs include supplies for pre-visit mailings, neighboring landowner mailings, follow-up title work, and similar expenses.

#### **Annual Budget and Endowment Amount**

The total of the above Staff Time and Other Monitoring Expenses is the estimated annual cost of monitoring the easement. This annual cost is multiplied by 25 to arrive at the total amount to be eligible for total stewardship endowment.

Grant recipients will receive up to 50% of the endowment estimate as a lump sum payment to be deposited into a stewardship endowment account.

## Application Form

The application is a web-based form available at <https://nclwf.nc.gov/apply>

You will need to enter a username and password to access the DMG form for the first time or register with your Google account. Registering for other program applications will not apply to the DMG form.

We suggest using your email as your username or using a Gmail account. Once signed in, you will be able to save your progress and re-access your application. You can also start subsequent applications under the same username.

The application contains file attachment/upload sections including:

- Project budget
- Location map
- Property map
- Improvements map (if needed)
- Parcel tax card (if needed)
- Draft conservation agreement (if available)
- Shapefile for the project area (zipped)

Section 8 of the web form application contains guidance on file formatting and naming conventions.