



Acquisition Program Contract Administration Manual for Nonprofit Organizations and Local Governments

January 2024

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Introduction

Congratulations on your NC Land and Water Fund Acquisition Program grant award! The entire team looks forward to working with you and your organization toward a successful conservation project.

This manual is intended as a resource to help nonprofit and local government grant recipients through the NCLWF closing process. In addition to explanation of timelines, contacts, and frequently asked questions, we have also included checklists of requirements for the program, perfect for sharing with your vendors and reviewing prior to submission of materials.

If you represent a state agency or your organization is transferring property directly to the state, please see our companion manual, Acquisition Program Contract Administration Manual for State Agencies and Property Transferred to the State at Closing.

All projects are different, as land acquisition is often complex. Our team has tried to provide steps and checklists that fit many conservation strategies, but if you find that you have questions or your project has additional complexities, please do not hesitate to contact your NCLWF Contract Administrator, who is here to help you with the contracting through closing process. See the contacts section of the manual to get in touch with our team.

Thank you for your commitment to conserving our shared natural and cultural resources for the benefit of all North Carolinians and beyond!

Sincerely,
Marissa Hartzler
Acquisition Program Manager

Contact Information

Each project is assigned to a NCLWF Contract Administrator who will be a key resource throughout your award. To find the staff member assigned to your project, please see page 1 of your grant contract, visit EBS-GMS to view the online record for your award, or reach out to any team member below.

Acquisition Program contacts:

| Name | Position | Email | Phone |
|-------------------------|---|--|----------------|
| Christina Benton | Acquisition Project Manager <i>Contract Administrator</i> | christina.benton@dncr.nc.gov | (919) 707-9477 |
| Marissa Hartzler | Acquisition Program Manager <i>Contract Administrator</i> | marissa.hartzler@dncr.nc.gov | (919) 707-9401 |
| Marie Meckman | Acquisition Project Manager <i>Contract Administrator</i> | marie.meckman@dncr.nc.gov | (919) 707-9455 |
| Donna Morris | Acquisition Administrative Assistant <i>Claims and Reporting</i> | donna.morris@dncr.nc.gov | (919) 707-9482 |
| EBS-GMS | Password resets | ebssupport@ncdot.gov | |

Roles and Responsibilities

As your organization's Contract Administrator, you will oversee the day-to-day grant management. You will be assisted throughout this process by the NCLWF Acquisition team as well as DNCR legal counsel, but we need your leadership and open communication to make the project successful.

The Grant Recipient Contract Administrator is responsible for:

- reviewing draft versions of the grant contract
- submitting quarterly progress reports
- communicating questions, updates, and changes to your NCLWF Contract Administrator
- submitting extensions and keeping track of the expiration date of the contract
- coordinating with vendors, including appraisers, surveyor, and closing attorney, to ensure accurate document preparation
- reviewing all documents against NCLWF Checklists to ensure requirements have been met
- keeping track of the project budget and submitting claims
- submitting all annual nonprofit pre-disbursement, pre-closing, and post-closing documents
- submitting final reports

Your NCLWF Contract Administrator and Acquisition Team are responsible for:

- creating and reviewing draft versions of the grant contract
- initiating electronic signature of the final approved grant contract
- responding to your questions and concerns about the project and providing guidance
- reviewing pre-closing and post-closing documents
- coordinating SPO appraisal and DNCR legal review on behalf of the Grant Recipient
- reviewing and approving claims in a timely manner
- approving projects for closing once all requirements have been met by the Grant Recipient

More information on each of these steps and requirements can be found in this manual.

Contracting

After the NCLWF Board of Trustees' funding decisions, NCLWF staff will prepare and forward a draft contract for all funded projects; any projects funded provisionally will not receive a contract until funds are available. The Grant Recipient Contract Administrator is responsible for reviewing the draft grant contract and working with your NCLWF Contract Administrator to finalize the contract.

Once the contract is finalized, the designated signee will receive an email through DocuSign to sign the contract. Both Grant Recipient Contract Administrator and signee will receive a fully executed copy for your files. A copy of the executed contract will also be added to NCLWF's online grant management system known as EBS-GMS.

Enterprise Business Services Grant Management System (EBS-GMS) Account

At least one staff member from your organization must have an account to access NCLWF's online grant management system, or EBS-GMS for short. This system is administered through NC DOT and is our portal for the administrative management of your grant. It is accessed through the web and is best viewed on Chrome or Edge browsers.

If your organization has received grants from NCLWF in the past, please take the opportunity to check access to this system, updating passwords as needed, and contacting the DOT help desk for assistance at ebssupport@ncdot.gov. If your organization does not have an EBS-GMS account holder, the individual has left your organization, or you are not sure who your organization's account holder is, please contact Terri Murray at teresa.murray@dncr.nc.gov or (919) 707-9445 to set up a new account.

EBS-GMS is used in the Acquisition Program for the following contract administration tasks:

1. Submission of Change Requests regarding the expiration date, scope of work, or budget for your project
2. Submission of Claims

For questions on how to use EBS-GMS, please refer to the Help Document listed on the home page once you have logged into EBS-GMS or contact your NCLWF Contract Administrator.

Annual Nonprofit Pre-Disbursement Documents

The State requires all nonprofit grant recipients to submit a series of documents to NCLWF before funds can be disbursed; these documents are not required from local government grant recipients.

The list of Annual Nonprofit Pre-Disbursement Documents can be found in Exhibit C of your grant contract, and includes:

- Articles of Incorporation
- By-Laws
- Notarized Conflict of Interest Policy
- IRS Letter of Determination of Tax-Exempt Status
- Statement of No Over-Due Taxes
- Most recent annual audit, for organizations receiving more than \$500,000 in state funds in a given year

These documents are maintained on file for the organization by NCLWF. It is your responsibility to notify NCLWF of any updates or amendments to these documents as they occur, as well as provide an annual update. NCLWF staff will reach out to your organization to coordinate the annual update or you may contact Terri Murray at teresa.murray@dncr.nc.gov or (919) 707-9445 for more information.

Acquisition Closing Timeline and Process

The process for closing your NCLWF award includes three main phases, each of which has several steps that must be completed by the Grant Recipient’s Contract Administrator and vendors. Please do not set a closing date for the acquisition until you have an approval to close from the Acquisition Program.

See Appendix G of this document for detailed illustration of the below closing process.

| Phase | Step | Overview |
|--------------|-----------------------|---|
| Pre-Closing | 1. Prepare documents | Grant Recipient Contract Administrator uses checklists to prepare <u>draft</u> documents to program standards |
| | 2. NCLWF staff review | NCLWF Contract Administrator reviews documents and requests revisions |
| | 3. DNCR legal review | DNCR General Counsel reviews documents and request revisions |
| | 4. Approval to close | Approval memo from NCLWF is required prior to closing. |
| Closing | 5. Closing | Grant Recipient purchases property or easement and records documents. |
| Post-Closing | 6. Project closeout | Grant Recipient prepares and submits recorded documents, title policy, and final report. |

Timeline for Closing

Many Grant Recipients ask when their project will close, which is an understandable question, yet difficult to predict. While a closing date should not be set until an approval to close has been issued at the end of review, it is important to note that the Grant Recipient Contract Administrator is largely in control of the timeline. Closing can be achieved in as little as two to three months provided that the Grant Recipient Contract Administrator submits materials that adhere to program requirements, proactively addresses issues that may delay closing, and promptly responds to requested revisions.

Acquisition Document Submission Portal

All documents for the pre-closing process, including appraisals, full pre-closing packet, revisions, and post-closing materials must be submitted through the Acquisition Document Submission Portal through Formsite:

fs24.formsite.com/NCLWF/vrmhpbvm7/index.html

No account is needed to submit documents, but you may choose to create an account to save and return to your work prior to submitting. NCLWF staff will not look at materials that have been saved but have not been submitted. If you do not receive confirmation that we have received your materials within three business days of submission, please email or call your NCLWF Contract Administrator.

Step 1. Pre-Closing: Prepare Documents

The Grant Recipient Contract Administrator will prepare all pre-closing documents that are relevant to the specific project, and according to program standards. All pre-closing documents required are listed in Exhibit F of your grant contract and may include documents listed below:

- Appraisal(s)
- Conservation Agreement(s) for both NCLWF funded parcel and match property
- Assignment of conservation easement to the State
- General warranty deed(s)
- Preliminary title opinion and supporting documents
- Title commitment(s), including closing protection letter
- Preliminary, unrecorded, and unsigned plat of survey
- Phase I Environmental Site Assessment, if available
- Draft Baseline Documentation Report, if applicable
- Draft settlement statement
- Joint Representation and Conflict Waiver

Appendices A-F of the manual provide information in the form of checklists for you and for your vendors to follow while preparing documents. Please review these checklists and share with your vendors so that they may incorporate NCLWF's requirements into their scope of work.

Appraisals should be completed early in the closing process and submitted immediately via the Acquisition Document Submission Portal. All other pre-closing documents can be completed contemporaneously but must be submitted as a full packet also through the Acquisition Document Submission Portal. Do not send appraisals or other pre-closing documents through email nor upload to EBS-GMS.

Step 2. Pre-Closing: NCLWF Review

Once your appraisals and other pre-closing documents are received, your NCLWF Contract Administrator will review these documents against program requirements found in Appendices A-F of the manual. If there are any revisions necessary, you will receive an email summarizing the necessary changes.

The Grant Recipient Contract Administrator will request changes from their vendors and review any edits to the documents prior to resubmitting to NCLWF. If you or your vendors have questions regarding the necessary revisions, do not hesitate to reach out to your NCLWF Contract Administrator for clarification.

Once you have confirmed that all documents have been edited according to the program requirements and the specific requests made by your NCLWF Contract Administrator, resubmit all updated documents using the Acquisition Document Submission Portal.

Step 3. Pre-Closing: DNCR Legal Review

Your NCLWF Contract Administrator will forward documents to DNCR Legal Counsel for final review. If there are any revisions necessary, the Grant Recipient Contract Administrator and project closing attorney will receive a closing memo from DNCR Legal Counsel outlining the revisions.

The Grant Recipient Contract Administrator will request changes from their vendors and review any edits to the documents prior to resubmitting to NCLWF. If you or your vendors have questions regarding the necessary revisions, do not hesitate to reach out to your NCLWF Contract Administrator or request that your closing attorney schedule a meeting with DNCR Legal Counsel.

Once all documents have been edited according to the program requirements, resubmit all updated documents using the Acquisition Document Submission Portal. You will receive an updated closing memo upon satisfactory completion of all outstanding items.

Step 4. Pre-Closing: Approval to Close

After completing legal review, the Acquisition Program will issue an approval to close memo, which will be sent to the Grant Recipient Contract Administrator. It may include additional instructions or require signature from your closing attorney. Please follow any instructions included.

Step 5. Closing

After receiving the approval to close memo, you may set a closing date for the acquisition, submit a claim for acquisition and transaction costs, proceed with closing on the acquisition, and record all final copies approved by NCLWF.

Step 6. Post-Closing

After closing your acquisition, you should submit any remaining claims through EBS-GMS to receive final reimbursements. In addition, it is the Grant Recipient Contract Administrator's responsibility to submit the recorded closing documents to NCLWF as soon as possible after closing.

All post-closing documents required are listed in Exhibit G of your grant contract and may include documents listed below, as are applicable to your project:

- Recorded survey
- Recorded conservation agreements
- Recorded assignments
- Recorded warranty deed
- Executed settlement statement
- Signed BDR
- Title policy for the State-held conservation agreements
- Final GIS shapefiles for the project
- Final Report

All the above documents must be submitted through the Acquisition Document Submission Portal. In addition, the original recorded state-held conservation agreements and assignments must be submitted in hard copy, sent to the attention of your NCLWF Contract Administrator at NC Land and Water Fund, 1651 Mail Service Center, Raleigh, NC 27699-1651.

Please note that by submitting the Final Report, you are releasing any remaining funds on your contract, and they will not be available to you for future claims.

Stewardship

If your project includes a state-held conservation easement, there is a perpetual obligation to monitor and report on the easement. For these projects, NCLWF provides stewardship monitoring funds to annually reimburse the designated monitor for work on behalf of the state. The stewardship funds are allotted in your grant contract, and will be transferred to NCLWF's Endowment, a special non-reverting interest-earning account that will ensure these funds are available for your organization each year.

The monitoring organization will enter into an annual stewardship contract, separate from your grant contract. Traditionally, the annual stewardship contract is drafted in June, and your contract will start July 1 and run until June 30 of the next year (with invoices accepted through July 15). The stewardship contract will include the annual allotment of funds for monitoring expenses for all the properties for which the monitoring organization is responsible. Reimbursement is based on actual time and expense spent up to the total annual allotment for a given project. Organizations are required to monitor annually, submit reports promptly, and immediately notify the Stewardship Manager of changes, violations, or other issues throughout the year. Templates for invoices and monitoring reports can be found on the Fund's website: <https://nclwf.nc.gov/stewardship>

NCLWF does not hold the monitoring organization responsible for monitoring until the property is under contract in the annual monitoring contract. Because this contracting process happens once annually, it may be up to a full year until monitoring is required by NCLWF. Should the property be monitored prior to the contract, we cannot reimburse for time or expenses. Exceptions will be made when a violation or other issue threatens the conservation values or easement and should be reported to the Stewardship Manager immediately.

If you have any questions on stewardship of state-held or match conservation agreements, including monitoring contracts and expectations, reserved rights and interpretations, or potential easement violations and other issues, please contact the Stewardship Manager.

Stewardship Program contact:

Justin Mercer, Stewardship Manager
justin.mercer@dncr.nc.gov | (919) 208-9955

Event and Media Guidance

Once your project closes, we look forward to celebrating this conservation success with you, your organization, and your entire community! It's vitally important that we get the message out about your and our successes so that we can continue providing grant assistance.

Hosting an Event

If your organization will host a celebration or ribbon cutting to dedicate the newly protected property, please notify your NCLWF Contract Administrator of potential dates and times. If scheduling permits, we would be happy to attend, see the property, and provide remarks as your agenda allows.

Recognizing NCLWF Funding in News Releases and Media

NCLWF encourages grant recipients and partners to issue local press releases from your organization announcing news such as:

- grants received from NCLWF
- projects completed using NCLWF funding
- land purchases completed using NCLWF grant funding

While NCLWF issues our own press releases through the Department of Natural and Cultural Resources when grants are awarded, you, as our partner, can often receive more recognition and attention for specific projects by issuing your own news releases to local media.

You know your local press and reporters best, and information from local sources is often better received than one of many press releases originating from a state agency. When writing press releases or conducting media interviews about NCLWF-funded projects, we ask that you include recognition of your NCLWF grant award in your information.

Suggested language:

"Funding for this project was provided by a \$X grant from the North Carolina Land and Water Fund (NCLWF). The North Carolina Land and Water Fund was established in 1996 and awards grants to protect land for natural, historical, and cultural benefit, limit encroachment on military installations, restore degraded streams, reduce flooding, and develop and improve stormwater treatment technology."

Press Release Tips

If press releases aren't something you do a lot, our communications office has put together some tips:

- Share the most important information first – what are you announcing and why is it important?
- Grab the reader's attention with a good headline.
- Use active voice. ("NCLWF announced grants today" vs. "The grants were announced by NCLWF")
- Use plain language; avoid jargon and acronyms.
- Include quotes – perhaps a local government figure or someone in your organization. Never quote more than two people in a release.
- Keep it short and to the point. Reporters lose interest after about one page. You can include website links for more information.
- Have at least two people proofread your release before it goes out. Correct grammar and spelling are very important!
- Don't forget to include your contact information.
- Don't "drop and run." Send your release out early in the day, not at 5 p.m.
- Consider sending the text of your press release in the body of an email, not as an attachment that likely won't be opened.

Recognizing NCLWF Funding on Websites and Social Media

NCLWF encourages grant recipients and partners to recognize NCLWF as a funder of projects through posts on your websites and social media accounts. NCLWF requests that you include both a link to NCLWF's website (nclwf.nc.gov) and NCLWF's logo.

Recognizing NCLWF Funding on Signage

Grant Recipients are required through the grant contract to include recognition of NCLWF on signage posted at the protected property. NCLWF has pre-made signs that are available upon request; if you would like a sign, please reach out to your Field Representative. To find your Field Representative, visit our website: <https://nclwf.nc.gov/contact-us>

In addition to or in lieu of installing NCLWF signage, you may opt to use our logo on maps, kiosks, or other signage.

NCLWF Artwork and Guidelines for Use

Logo artwork and the guidelines for using these files can be found on NCLWF's website:

<https://nclwf.nc.gov/nclwf-logo-artwork>

Media inquiries:

Michelle Walker, DNCR Public Information Officer

michelle.walker@dncr.nc.gov | (919) 814-6660

Frequently Asked Questions

Contracts

1. When and how will I receive my contract?

Within approximately two to three months of the Board of Trustees' funding decisions, NCLWF staff will prepare a draft grant contract. You are responsible for reviewing the draft grant contract and working with your NCLWF Contract Administrator to finalize the contract. Once the grant contract is finalized, you will receive instructions for signing through DocuSign. A copy of the fully executed contract will be sent to you and your organization's signee via email. Your contract will also be available in EBS-GMS.

2. My project was provisionally funded, so when will I receive my contract?

Provisional funding means that your award and contract will be delayed until funds are available. You will receive a notification from your NCLWF Field Representative when your project is fully funded, and then NCLWF staff will prepare and forward to you a draft grant contract.

3. When can I start on my project's scope of work?

It is best to wait until you have a copy of the fully executed contract. However, any approved expense incurred after the Award Date is eligible for reimbursement or credit toward matching funds, after contract execution, as long as the work is acceptable to NCLWF.

4. What if I need to make changes to the project?

Changes in the scope of work, conservation agreement, budget, etc. must be discussed with your NCLWF Contract Administrator prior to implementation. Some changes require NCLWF board approval so to prevent delays, contact your NCLWF Contract Administrator as soon as you know of a change.

5. What if the project is delayed and I need to extend the grant contract?

Submit a Change Request in EBS-GMS to propose a new end date and explain the reason for the extension request. Please also make sure that you are current in your quarterly reports; if not, please submit a quarterly report through the Acquisition Document Submission Portal. NCLWF staff will consider the reason for the request as well as evaluate how much progress has been made before approving or denying the extension.

6. How do I submit quarterly progress reports?

Progress reports must be submitted quarterly through the Acquisition Document Submission Portal until the grant contract is complete.

Acquisition/Closings

1. When can I purchase the Property or Conservation Easement?

You may close on the project only after pre-closing documents are reviewed and you have received approval to close from NCLWF. Closing prior to approval may result in re-recording documents or ineligibility of acquisition funds from NCLWF if issues with the property or closing documents cannot be resolved to NCLWF's satisfaction. Do not set a closing schedule or expectations with a landowner without consulting NCLWF.

2. What if I purchased the Property or a Conservation Easement before approval from NCLWF?

All closing documents must be submitted and reviewed by NCLWF before release of acquisition funds. If you purchase property or a conservation easement without approval from NCLWF, this may result in re-recording documents or ineligibility of acquisition funds from NCLWF if issues with the property or closing documents cannot be resolved to NCLWF's satisfaction.

Claims

1. When can I submit a claim?

- Transaction and Administrative costs - You may request funds for transaction and administrative costs prior to, after, or at the same time you request funds for the fee simple or conservation agreement acquisition but please remember that matching funds must be documented in order to request funds from NCLWF. All requests and match must be substantiated with invoices.
- Acquisition costs - You may request funds for acquisition of fee simple or conservation easement after pre-closing documents have been approved and you have received written approval to close from NCLWF.

2. How do I submit a claim?

All claims must be requested through EBS-GMS. For more assistance on how to submit a claim, attach invoices to a claim, or other questions, see the Help Document on the left bottom half of the main page of EBS-GMS or contact your NCLWF Contract Administrator.

3. Do I request stewardship endowment funds in my claim?

No. Stewardship endowment funds will not be paid to the grant recipient but will be transferred to the Stewardship Endowment by NCLWF. You should not request reimbursement for stewardship endowment funds as part of your claim. The funds for the monitoring organization's work will be provided on an annual basis through a separate contract with NCLWF. However, if you have match stewardship funds in your budget, you must request credit for those funds in the Matching Funds column of your claim and attach substantiation that those funds were deposited to your endowment account.

4. When should I document matching funds in my claim?

Your grant contract requires that funds be spent proportionally, and so match expended to date should be substantiated with every claim.

5. Most of my project's match is from bargain sale or conservation easement donation, so how can I substantiate match before closing?

We recognize that transaction costs can be a burden when incurred many months prior to closing a project. As with all claims, reimbursements for transaction costs are payable provided the grant recipient can document a proportional spending of match, which may not be possible for projects that rely heavily on bargain sale or donation of a conservation agreement. To accommodate these situations, NCLWF will reimburse for transaction costs prior to closing if the grant recipient has received an appraisal review memo that indicates the value of any bargain sale or donated conservation agreement to be realized at closing. This gives us the necessary documentation that the project budget is on track.

6. What documents should I submit with my claim?

All claims must be accompanied by relevant invoices or other documentation that substantiates the approved expense, whether seeking reimbursement or match credit. In addition, please download, complete, and upload the Acquisition

Claim Companion Workbook to your claim in EBS-GMS to help expedite claim review and payment. The workbook is available on our website: <https://nclwf.nc.gov/docs/claim-companion-workbook>

7. May I submit a claim for an outstanding invoice for which my organization has not yet paid?

Yes, but you must fill out an Unpaid Vendor Verification Form to attach to your claim in EBS-GMS after the payment to the vendor has been made. The form is available on our website: <https://nclwf.nc.gov/grants/grant-administration/forms-verify-unpaid-vendors-form>

Pre-Closing Documents

1. Why must we submit a warranty deed when we are not purchasing a property?

The warranty deed is the last link in the chain of title. It verifies ownership and lists any applicable exceptions and access easements.

2. Can we add new reserved rights that were not mentioned in the application?

All conditions must be discussed with and approved by NCLWF. Call your NCLWF Contract Administrator as soon as you know this information so that discussions can begin. A change in reserved rights may require NCLWF board approval.

3. Can NCLWF review single documents as they become available?

Due to the volume of documents that NCLWF Contract Administrators review and because the documents are interconnected, NCLWF staff can only review complete pre-closing packets. See below for possible exceptions.

4. Can NCLWF accommodate early review of appraisals?

Yes! Please submit your appraisals as soon as they are ready.

5. Can NCLWF accommodate early review of conservation agreements?

If you need an earlier review of a conservation agreement, whether to assist the landowner or to inform appraisals, please contact your NCLWF Contract Administrator to set up this review.

6. Can NCLWF review a complex title opinion or other major closing problem early in the process?

Yes! If at any point of the closing process you or your vendors find a major issue, such as outstanding mineral rights, exceptions that could diminish protection of the property, encroachments on the survey, etc., please contact your NCLWF Contract Administrator as soon as possible to discuss.

7. When should we submit the Baseline Documentation Reports (BDR) to NCLWF?

You should complete your BDR as near to closing as possible. If a BDR was completed more than three months prior to the execution of the easement, or there was a known event or disturbance, you must revisit the property to ensure that it is an accurate representation of conditions. NCLWF may also require a supplemental statement that attests to current conditions and can provide a template at request.

Stewardship

1. What is the long-term monitoring responsibility?

Designated monitors are required to monitor annually, submit reports promptly, and immediately notify the Stewardship Manager of changes, violations, or other issues throughout the year. Templates for invoices and monitoring reports can be found on our website: <https://nclwf.nc.gov/stewardship>

2. How and when do I enter into an annual stewardship contract?

The Stewardship Manager will draft the annual contract and communicate with the monitoring organization every spring. This contract will start as soon as it is fully executed and run until June 30 of the next year (with invoices accepted through July 15). This contract will include the annual allotment of funds for monitoring expenses for all of the properties for which the monitoring organization is responsible.

3. When does monitoring begin?

NCLWF does not hold the monitoring organization responsible for monitoring until the property is under an annual monitoring contract. As this contracting process happens once annually, it may be up to a full year until the monitor is required to monitor the property. Should monitoring occur before contracting, NCLWF cannot reimburse for time or expenses. Exceptions may be made when a violation or other issue threatens the conservation values or easement and is reported to the Stewardship Manager immediately.

4. Do I report monitoring to NCLWF on easements or declaration on non-state-held agreements?

No. If your organization holds a conservation agreement, you need not submit your monitoring reports. If the conservation agreement stipulated noticing the NCLWF prior to exercising a reserved right or transferring the property, please do so as soon as possible by contacting the Stewardship Manager.

APPENDIX A: Grant Recipient Contract Administrator Responsibilities Checklist

NCLWF Acquisition Program

As the Grant Recipient Contract Administrator, you are responsible for coordination of the grant, including **Communications, Reporting, and Document Preparation**. If you have any questions about these responsibilities, please contact your NCLWF Contract Administrator.

Communications

- Contact NCLWF Contract Administrator to discuss any changes in Scope of Work or Budget.
- Familiarize yourself with the Checklists found in **Appendices B-G** of this manual.
- Provide the Checklists to the Closing Attorney and other vendors to communicate NCLWF standards.
- Contact your NCLWF Contract Administrator to discuss any questions, issues, or challenges discovered throughout the administration of the grant.

Document Preparation

- Review documents against the Checklists found in **Appendices B-G** of this manual before submitting to NCLWF.
- Submit documents to NCLWF using the Acquisition Document Submission Portal:
fs24.formsite.com/NCLWF/vrmhpbjvbm7/index.html
- Read pre-closing memo review sent by NCLWF and request all necessary changes from your vendors.
- Review the revised documents from vendors against the pre-closing memo from NCLWF before resubmitting them; look for potential new errors that have been introduced.
- Check the documents against each other for inadvertent conflicts. For example, if the surveyor made a change, did it affect the legal description in an easement?
- Markup the pre-closing memo to indicate how each request has been handled and submit with your materials.
- Resubmit pre-closing documents through the Acquisition Document Submission Portal.
- Send a full-sized copy of the plat of survey to NCLWF when requested.

Reporting

- Ensure submission of all Annual Nonprofit Pre-Disbursement Documents.
- Submit quarterly reports through the Acquisition Document Submission Portal.
- Submit Change Requests for time, budget, and scope revisions through EBS-GMS.
- Close out the grant by submitting all required Post-Closing Documents and Final Report through the Acquisition Document Submission Portal.

APPENDIX B: Closing Attorney Responsibilities Checklist

NCLWF Acquisition Program

As the Closing Attorney, you are responsible for the below items associated with the NC Land and Water Fund (NCLWF) grant. Please note that your representation includes both the Grant Recipient and the NCLWF. If you have any questions about these responsibilities, please contact the Grant Recipient Contract Administrator or the NCLWF Contract Administrator.

Title

- Familiarize yourself with **Appendix D Title Insurance Requirements**.
- Prepare preliminary title opinion and provide related documents, i.e. vesting deed, exceptions to title, etc.
- Prepare, obtain, and provide documents necessary to satisfy the Requirements of the title commitment.
- Request and review title insurance commitment binders.
- Ensure the removal of exceptions that do not impact the insured project area.
- When there are more than 10 exceptions or when an exception needs explanation, provide a memo to NCLWF.
- Update the title search and commitment date at the request of NCLWF.

Settlement Statement

- Familiarize yourself with **Appendix E Settlement Statement Requirements**
- Prepare settlement statement for all pending closings.

Survey

- Familiarize yourself with **Appendix F Survey and Boundary Marking Requirements**.
- Provide surveyor with information on legal access to the property and/or conservation agreement area, vesting deed, title commitment, and exceptions to title listed in the title commitment.
- Ensure that all boundary disputes and gaps within the conservation agreement area are resolved or will be resolved by closing.

Conservation Agreement

- Provide Grant Recipient Contract Administrator with the legal descriptions and exceptions needed for the conservation agreement.

Document Management

- Draft or obtain all other required documents, such as general warranty deeds, access easements and boundary line agreements.
- Provide plan for recording order for documents including but not limited to deeds, boundary line agreements, other conservation agreements or notice of grants, etc.
- Respond to requests for edits to documents.
- Record the final approved versions of documents once approval to close has been issued by NCLWF, completing blanks where appropriate.
- After recording, ensure indexing is correct for all documents at the County Register of Deeds.

APPENDIX C: Appraisal Requirements Checklist

NCLWF Acquisition Program

NC Land and Water Fund (NCLWF) requires substantiation of the fair market value of all real property interests being acquired through the Acquisition Program. All appraisals will be reviewed by the State Property Office (SPO) and must adhere to the following policies and requirements.

To expedite your grant contract, please seek appraisals early in the pre-closing process and submit them as soon as all required appraisals are available. **Do not wait to submit appraisals with other required pre-closing documents.**

NCLWF Appraisal Guidelines and Procedures

The NCLWF Board of Trustees has established Guidelines and Procedures that control the appraisal process for the Acquisition Program.

- A minimum of one appraisal is required to determine the fair market value of all real property interests being acquired.
 - Exception: When the tax assessed land value (“tax value”) of a real property interest is less than \$100,000, the tax value will be acceptable in lieu of an appraisal. For fee transactions, up to 100% of the tax value may be used as a substantiation of value. For conservation agreement-only transactions, up to 80% of the tax value may be used as substantiation of value.
- A second appraisal is required when the value of a real property interest, irrespective of any bargain sale, exceeds or is expected to exceed \$500,000.
- NCLWF cannot participate in acquisitions in which the sales price is higher than the SPO-concluded value.
 - Exception: For local government projects or nonprofit greenway projects that avoid the use of eminent domain by a local government partner, NCLWF may reimburse up to 10% over the appraised value, up to \$20,000. Any amount over 10% or \$20,000 must be approved by the Board of Trustees.

Appraisal Requirements

NCLWF requires that all appraisals:

- be performed by a NC general certified appraiser
- be summary appraisals in narrative form in accordance with Uniform Standards of Professional Appraisal Practice (“USPAP”) or Uniform Appraisal Standards for Federal Land Acquisitions (“Yellow Book”)
 - do not mix and match USPAP and Yellow Book methods
 - if another funder requires a Technical Review of a Yellow Book appraisal, contact your NCLWF Contract Administrator prior to contracting with the appraisers as this Technical Review may meet the requirements for a second appraisal
- include permission for use by the State of North Carolina for the North Carolina Land and Water Fund
- include only the property subject to the grant contract
- for conservation agreement-only projects, use the “before and after” approach to calculate the value of the conservation agreement
- clearly exclude the value of structures
 - the purchase of historic structures may be included, if approved by the Board of Trustees
- clearly exclude the value of timber that has been contracted, sold, or harvested
 - timber valuations performed by the appraiser or a forester may be submitted for any timber that will not be harvested

Items to Provide to the Appraiser(s)

Grant Recipients are responsible for providing the above appraisal requirements as well as the following materials to the appraiser(s) prior to their work on the project:

- current map of the project area clearly identifying the subject property and, for conservation agreement-only projects, the boundaries of the proposed conservation agreement(s)
- for conservation agreement-only projects, the draft conservation agreement(s) to be recorded on the property
- preliminary title opinion listing the title exceptions and supporting documentation, including any active timber contracts or deeds
- information regarding public access if the relevant property does not have existing public road frontage; if legal access does not exist, advise appraiser of plans for obtaining easements or otherwise accessing the property
- information regarding any bargain sale intended by the landowner

Appraisal Review

Grant Recipients must ensure the preceding items comply before submitting for NCLWF and SPO review. Noncompliance will cause delays and may require revision of appraisals.

SPO will issue an appraisal review memo with a conclusion of value of the interest being acquired through the grant contract. If any appraisal is found to be unsatisfactory, SPO may require additional appraisals.

NCLWF will provide a copy of the appraisal review memo to the Grant Recipient Contract Administrator once it has been received, approximately 90 days after receipt of appraisals.

Contact your NCLWF Contract Administrator for any questions on the process. Please do not contact SPO directly unless instructed by NCLWF.

APPENDIX D: Title Insurance Requirements Checklist

NCLWF Acquisition Program

NC Land and Water Fund (NCLWF) requires title insurance and supporting documentation for all fee and conservation agreement projects in the Acquisition Program per the following requirements.

Preliminary Title Opinion

NCLWF requires submission of the Preliminary Title Opinion and related documents, i.e. vesting deed, exceptions to title, etc. for all projects.

- For single parcel projects, include all related documents identified in the Preliminary Title Opinion as a single .pdf.
- For multiple parcel projects, include all related documents identified in the Preliminary Title Opinion in a separate .pdf for each parcel.

Title Commitments

NCLWF requires title commitment for every interest to be held by the State through acquisition of the project. The title commitment must be in an amount equal to or greater than the amount attributed to the interest to be held by the State, as indicated in the Grant Contract. Depending on the project, this may include:

- Fee simple title commitment insuring the purchaser of the property

And/Or

- Conservation agreement title commitment insuring the State in the amount that NCLWF is contributing to the purchase
 - This includes insurance for State-held Conservation Easements, Conservation Easements assigned to the State, and Declarations of Covenants and Restrictions in which the State is the holder.
 - In all cases, the interest to insure is “Conservation Easement”
 - The insured should be “The State of North Carolina”
 - The legal description should reference the new conservation agreement plat

NCLWF requires that the exceptions in Schedule B will be reviewed by the Closing Attorney and will meet the following standards:

- The Attorney must provide a memo to NCLWF when there are more than 10 exceptions or when an exception needs explanation.**
- Ensure the removal of exceptions that do not impact the insured project area.
- Do not except matters of survey.
 - A blanket survey exception is only allowed if noted that the exception will be deleted from the final policy upon a survey being provided.
 - If a matter shown on the survey must be excepted, it must be listed individually. Sample language:

The following matters that are shown on the plat of survey by _____, Professional Land Surveyor, entitled “Map of Survey for the _____ “Conservation Easement for North Carolina Land and Water Fund

Contract No. _____," dated _____, which is recorded in Map Book _____, Page _____, _____ County Registry:

A. *Right(s) of Way of [Name] Road*

- Do not include unrestricted or ambiguous exceptions to coverage, nor "all easements and rights-of-way" statements.
- Do not except the conservation easement being insured. Alternate sample language:

Fee simple interest of _____ and rights of underlying fee simple owner to use the Land in any way not inconsistent with the terms of the Conservation Easement between _____ and The State of North Carolina, acting by and through the North Carolina Land and Water Fund (NCLWF), recorded in Book _____ at Page _____.

NCLWF also requires title commitments to:

- include affirmative coverage for access to a public road via ALTA endorsement form 17.1-06 or 17.0-06
- clearly omit any arbitration clause
- Please note that no additional documentation will be provided by NCLWF when a title commitment requirement requests documentation that the State of North Carolina is a validly organized entity.

Closing Protection Letter

Closing Protection for the State of North Carolina must be provided for each closing in which NCLWF funds are transferred by the Grant Recipient into the Closing Attorney's account.

- If the fee simple acquisition and conservation agreement recording are part of a simultaneous closing, one Closing Protection Letter issued off the owner's commitment is required.
- The Closing Protection Letter should be addressed to the State of North Carolina by and through the North Carolina Land and Water Fund at 1651 Mail Service Center, Raleigh, NC 27699-1651.

APPENDIX E: Settlement Statement Requirements Checklist

NCLWF Acquisition Program

NC Land and Water Fund (NCLWF) requires settlement statements to substantiate acquisition costs and any related transaction costs, including but not limited to recording fees, attorneys' fees, and taxes.

Please note that NCLWF can only pay funds to the Grant Recipient, who must transfer the funds for closing.

Settlement statements should follow the requirements listed below.

- Include PIN, acreage, and NCLWF grant project number in the Header Section G.
- NCLWF does not sign settlement statements and should not be included in the Buyer/Borrower section of the header.
- For conservation agreement-only transactions (i.e., the fee simple owner is not changing prior to the recordation of the conservation agreement), the closing attorney should prepare a refinance-style settlement statement with the Grant Recipient listed as the Buyer/Borrower and the incoming grant funds shown.
- When the purchase of property and recordation of the conservation agreement are occurring simultaneously, combine the two transactions on one settlement statement with the incoming grant funds shown.
- List all payoffs, including the payee and amount, on the settlement statement.

APPENDIX F: Survey and Boundary Marking Requirements Checklist

NCLWF Acquisition Program

NC Land and Water Fund (NCLWF) requires a new survey for all fee and conservation agreement projects in the Acquisition Program following the requirements listed below.

General Requirements

Grant Recipients must communicate the following to their surveyor to incorporate into the surveyor's scope of work for the project:

- All surveying and boundary marking must meet the Standards of Practice for Land Surveying in North Carolina (NCAC Title 21, Chapter 56.1600; in particular, 56.1602 (d) and (e) and 56.1604).
- The preliminary title opinion must be provided to the surveyor.
- The survey must not include notes that property is subject to all easements, rights of way, and encumbrances, or similar statements.
- The survey must show the actual conditions on the ground that are reasonably observable such as streams, ponds, surface waters, structures that will remain on the property, dams, wells, soil roads, gravel roads, paved roads, primary trails, electric lines, gas lines, uses, encumbrances, and encroachments.
 - If encroachments are found, it is the Grant Recipient's responsibility to ensure all encroachments are corrected or excluded from the project and shown accordingly on the survey.
- The survey must be tied to the North Carolina State Plane Coordinate System NAD83 with the easting and northing of at least one point provided on the plat.
- NCLWF requires recombination of parcels when practicable.
- Survey markers, pins, and monuments shall be clearly marked with flagging, including pre-existing boundary markers set by others.
- The use of computed points or limited fieldwork must be pre-approved by NCLWF staff.

Plat Requirements

All draft plats of surveys must:

- be submitted to NCLWF as unrecorded, unsigned, and preliminary
- include tax/parcel identification numbers for all relevant parcels and the NCLWF grant number in the title block
- show legal access from each relevant property or conservation agreement area to a public road if the property or conservation agreement area does not have existing public road frontage
- include a legend with unique entries for conservation easement boundaries that are not property boundaries and for features of the property such as streams, ponds, swamps, soil roads, gravel roads, electric lines, etc.
- not include superfluous symbols in the legend
- include insets for any boundary lines or other features that are illegible
- conspicuously delineate and label property and conservation area(s) in both symbology and language:
 - NCLWF Conservation Easement: "To be subject to State of North Carolina Conservation Easement"
 - Declaration of Covenants and Restrictions: "To be subject to Declaration of Covenants and Restrictions"
 - Match Conservation Easement: "To be subject to [Partner] Conservation Easement"
- Include acreage for each conservation area as well as the total protected area
- not include a Certificate of Subdivision or Dedication unless the transaction involves a subdivision or a dedication, respectively
- include the date of the survey and the date of the plat and all subsequent revision dates
- include "now or formerly owned by" on surrounding parcels

Boundary Marking Requirements

All property, conservation agreement areas, and any surveyed management area boundaries, as applicable to the project, must be posted as close to the recording date of the conservation agreement(s) as possible and meet the following requirements:

- The perimeter of all conservation agreement area(s) and both sides of every major corner must be marked, ideally at an interval of no more than 300 feet. The boundary signs must face the outside of the property, posted at eye-level on mature trees or permanent metal or fiberglass stakes. Nails should be posted with two 3-4” nails driven halfway into the tree, with space between the sign and the tree to accommodate growth. NCLWF does not have specific color requirements for paint blazes so long as they are conspicuous and suitable for distinguishing easement boundaries from neighboring properties.
- When marking State-held conservation agreements, NCLWF signs must be used. Contact NCLWF regarding availability of signs and printing requirements.
- When marking partner-held conservation easements, the organization’s standard boundary signs may be used.

APPENDIX G: Baseline Documentation Report Requirements Checklist

NCLWF Acquisition Program

Baseline documentation reports (BDRs) involve collecting detailed information depicting the condition and characteristics of a conserved property and its resources assets and current uses at the time the conservation easement is executed. As a snapshot of the property, the report is used as a basis for identifying changes to the property and whether they are manmade or naturally occurring. The BDR is therefore critical to enforcing the terms and conditions of the easement in perpetuity.

BDR General Requirements

All grant recipients with projects with an easement or declaration of covenants and restrictions to be held by the State (collectively, state-held conservation agreements) are required by contract to author a BDR for the easement.

Standards for BDRs are set both by the US Treasury (with specific requirements when there is a qualified charitable donation) and the Land Trust Alliance Standards and Practices 11.B for all conservation easements. As each conservation agreement is different, and each preparer has different policies and procedures for preparing BDRs, the intent of these requirements is to balance flexibility in the documentation technique and depth of reporting, while encouraging a degree of standardization between BDRs for state-held conservation agreements.

In general, all BDRs should be prepared with the following in mind:

1. All BDRs should be completed prior to the execution of the conservation agreement.
2. If a BDR cannot be completed prior to the execution of the conservation agreement, then a plan for its completion must be provided in writing. As part of post-closing documentation, final disbursements cannot be made until the BDR is completed, received, and approved by NCLWF.
3. If a BDR was completed more than three months prior to the execution of the conservation agreement, or there was a known event or disturbance, the preparing organization must revisit the property to ensure that it is an accurate representation of conditions and provide date of visit to NCLWF staff. NCLWF may also require a supplemental statement that attests to current conditions and can provide a template at request.
4. The report must include a statement signed by the grantor and grantee that acknowledges that the BDR accurately represents the condition of the property at the time the conservation agreement was executed.
5. The applicant may request a NCLWF staff site visit prior to the signing of the BDR; similarly, NCLWF staff may reach out to the applicant to schedule a site visit.

Required Elements

The following outline lists the required elements for inclusion in baselines for state-held conservation agreements funded by NCLWF. The volume and specificity of information required in the baseline will vary depending on the terms of the conservation agreement, conservation values, and current uses of the property. The preparer may organize these minimum requirements as they wish and may opt to include other materials at their discretion. As a general rule, if additional information will aid in future monitoring and enforcement of the easement, please include it.

- **Cover Page:** Include the name of property, NCLWF grant number, date of report, authors' names, and affiliations
- **Table of Contents:** List all sections and appendices to the report with page numbers
- **Purpose of the Conservation Agreement:** Recite the conservation values as stated in the conservation agreement and include a summary of the reserved rights.

- **Purpose of the Baseline Documentation Report:** Include a brief statement that the purpose of the BDR is to document the property’s conservation values and existing conditions, provide a basis by which to measure compliance of the conservation agreement, and to provide information for annual monitoring of the property. Include disclaimer that the BDR does not preclude the use of other information for purposes of enforcement.
- **General Property Information:**
 - Acreage of the property and acreage of the easement area (if different)
 - Legal description of the property, including the property deed reference and the recording date of the conservation agreement
 - Directions to the property from land trust monitoring office, including directions for legal access, parking location, and notes on gated or keyed entries
- **Landowner Information:**
 - Name, address, and phone number of current landowner(s)
 - Name and phone number of any land manager or gatekeeper
 - Description of current leases and/or contact information for current tenants
- **Preparation of the Report:**
 - Date(s) of field work, report compilation, and any follow-up visits
 - Summary of data collection methods, including accuracy of GPS equipment
 - Preparer’s qualifications
- **Land Use and Existing Human Modifications:** Document all features and uses that may impact the monitoring or enforcement of the conservation agreement. Include management plans (forestry plan, prescribed burning plans, agricultural conservation plans, etc.) as an appendix to the BDR when available.
 - *When an item is followed by an asterisk, please include these elements in the map section.*
 - Prior land use, noting any significant archaeological, cultural and/or historical features on the property*
 - Current land use
 - Intended future uses and management of the property
 - Existing roads and trails*
 - Description of right-of-way encumbrances that impact the property*
 - Description of conservation agreement boundary markings
 - Any other existing human modifications*
- **Natural Features:** Supporting information for the conservation values listed in the easement.
 - *When an item is followed by an asterisk, please include these elements in the map section.*
 - Forest and natural communities, including early successional habitat as listed in the conservation agreement*
 - Natural Heritage Areas and Element Occurrences*
 - Aquatic resources, including location of streams, and other bodies of water with general condition of water quality*
 - Major soil types*
 - Non-native invasive species present*
- **Photographic Documentation:** The permanent photo record established for the property, to be used in future monitoring. Photos should be adequate to document the conservation value of the property while also identifying any stewardship concerns. Emphasis should be given to conservation agreement boundaries (especially where encroachment is likely) and any area of the interior where land use/condition differs, such as early successional habitat, presence of invasive species, existing structures, etc. Photos should be in color, have time, date, and coordinate stamping, and include captions. All photo points should be depicted on a map. For photo acknowledgement, it is the applicant’s discretion whether to request landowner signature on each photo page, or to add the affirmation that these photos are an accurate depiction to the Acknowledgement Statement.
- **Maps:** Include concise color maps, each with the name, affiliation, and title of the preparer, along with the date the map was created. All maps should have boundaries for the conservation agreement.
 - Contextual locator map

- Orthographic map
- USGS topographic map
- Soils map
- Natural communities map, with any Natural Heritage elements marked
- Manmade features map
- A copy of the survey is optional, but encouraged
- Additional maps as needed to depict the property's land use, human modifications, and/or natural features
- **Acknowledgement Statement(s):** Statement that the BDR accurately reflects the condition of the property as of the date of conservation agreement granting. At the organization's discretion, an acknowledgement statement may also be signed by the preparer(s).
 - Please note that for conservation agreement in which the original grantee is the state (i.e., not assigned), this acknowledgement statement is not required as an exhibit to the recorded conservation agreement and will only be signed by the grantor of the conservation agreement.
 - If an easement is assigned to the state immediately following conveyance of an easement to the land trust, it is the land trust's discretion whether the acknowledgement statement is included as an exhibit to the recorded conservation easement. The acknowledgement statement should be signed by the grantor and the grantee.

APPENDIX H: Closing Workflow

NCLWF Acquisition Program



NCLWF ACQUISITION CLOSING PROCESS: Nonprofit and Local Government Properties

