

STATE OF LOUISIANA
COASTAL PROTECTION AND RESTORATION AUTHORITY

INTERNAL AGENCY POLICIES FOR ADMINISTERING
GRANTS GOVERNING THE STATE OF LOUISIANA’S
CENTER OF EXCELLENCE UNDER THE RESOURCES AND
ECOSYSTEMS SUSTAINABILITY,
TOURIST OPPORTUNITIES, AND REVIVED ECONOMIES OF
THE GULF COAST STATES ACT (RESTORE ACT)

I. BACKGROUND AND PURPOSE

The Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (“RESTORE Act”) was signed into law on July 6, 2012. The RESTORE Act creates a Gulf Coast Restoration Trust Fund (“Trust Fund”) and dedicates 80% of the administrative and civil penalties paid after the enactment of the Act under the Federal Water Pollution Control Act in connection with the *Deepwater Horizon* oil spill to the Trust Fund for the restoration and protection of the Gulf Coast region. The RESTORE Act contains five different funding components, one of which directs 2.5% of the funds deposited into the Trust Fund, plus 25% of the interest on the Trust Fund, to each of the five Gulf Coast States in equal shares to establish Centers of Excellence in each state to conduct research only on the Gulf Coast region.

In August 2014, the United States Department of the Treasury (“Treasury”) published the Interim Final Rule for the RESTORE Act which became effective on October 14, 2014. The Interim Final Rule specifies that the duties of the State of Louisiana for the Center of Excellence will be carried out by the Coastal Protection and Restoration Authority (“CPRA”). The CPRA’s selection process for the Center of Excellence was based on existing state law and regulations (Louisiana Revised Statutes Title 39, Chapter 17, Subtitle III (The Louisiana Procurement Code)) that apply to grants and procurements consistent with the Interim Final Rule, 31 C.F.R. §34.703(b). With regard to the policies that will apply to grants for the Center of Excellence, the Interim Final Rule requires each of the Gulf Coast States to describe the policies it will issue to the Center of Excellence and any lower tier subrecipients to ensure compliance with the Act and Federal law and policies for grants.

Accordingly, the purpose of these Internal Agency Policies is to set forth the following:

- (1) The public review process for the policies.
- (2) The policies applicable to the Center of Excellence grants issued by the State and the policies for lower tier subawards the Center of Excellence will issue.

- (3) The establishment and implementation of a program for CPRA to monitor compliance with its grant agreements.
- (4) The measures the CPRA will use to guard against conflicts of interest.
- (5) Additional policies applicable to the Center of Excellence grants process and its lower tier subgrantees as required by State and Federal law.

II. PUBLIC REVIEW AND COMMENT

These policies for administering Centers of Excellence grants were published and made available for public review and comment for a minimum of forty five (45) days. These policies were adopted after consideration of all meaningful input from the public, including broad-based participation from individuals, businesses, Tribal nations, and non-profit organizations. Public comments on these policies were accepted from February 12, 2015 – Friday, April, 17 2015, via email to: coastal@la.gov, or via regular mail to: CPRA, Attn: Jenny Kurz, P.O. Box 44027, Baton Rouge, LA 70804.

III. INTERNAL AGENCY POLICIES FOR CENTER OF EXCELLENCE GRANTS

These internal agency policies are applicable to the grants issued to the Center of Excellence and, to the extent required by law, to any lower tier subawards the Center of Excellence makes to entities for the expenditure of funds under the Center of Excellence Research Grants Program and shall be included in any legal agreements with lower tier subrecipients. Additionally, the Center of Excellence shall comply, and require each of its lower tier subrecipients, contractors and subcontractors employed in the completion of the activity, project or program conducted with Center of Excellence funds to comply with all federal statutes, federal regulations, executive orders (EOs), Office of Management and Budget (OMB) circulars, Treasury's RESTORE Act Centers of Excellence Research Grants Program Guidelines and Application to Receive Federal Financial Assistance, Treasury's Standard Terms and Conditions, Program-Specific Terms and Conditions, and any Special Award Conditions of a Center of Excellence grant award, as applicable.

1. USE OF FUNDS AND ELIGIBLE ACTIVITIES

As required by Section 1605 of the RESTORE Act and 31 C.F.R. §34.703, the Gulf Coast States shall give priority to entities and consortia that demonstrate the ability to establish the broadest cross-section of participants with interest and expertise in science, technology and monitoring in the eligible discipline(s) on which the proposal is focused. In order to receive funds made available as competitive subawards from the State, a Center of Excellence and any lower tier subgrantees shall focus on science, technology, and monitoring in at least one of the following disciplines:

1. Coastal and deltaic sustainability, restoration, and protection, including solutions and technology that allow citizens to live in a safe and sustainable manner in a coastal delta in the Gulf Coast Region.
2. Coastal fisheries and wildlife ecosystem research and monitoring in the Gulf Coast Region.
3. Offshore energy development, including research and technology to improve the sustainable and safe development of energy resources in the Gulf of Mexico.
4. Sustainable and resilient growth and economic and commercial development in the Gulf Coast Region.
5. Comprehensive observation, monitoring, and mapping of the Gulf of Mexico.

Research conducted by the Center of Excellence or its lower tier subgrantees should focus on issues pertinent to Louisiana with emphasis on advancing Louisiana's Coastal Master Plan. Where research is conducted outside of the State, it should show a clear connection to its relevance in Louisiana.

2. RELATIONSHIP BETWEEN CPRA AND THE CENTER OF EXCELLENCE

The Center of Excellence shall serve as the granting organization for the Section 1605 RESTORE Act funding. As such, it is anticipated that the Center of Excellence will be responsible for conducting various activities, including but not limited to the following:

- Coordinate with the State to develop goals and objectives for the research program.
- Develop a research strategy and competitive grant process that includes guidelines and grant requirements, selection criteria and confidential expert review, and reporting requirements.
- Develop collaborative partnerships with academia, business/industry, governmental and non-profit organizations and encourage collaboration through a research strategy.
- Distribute limited resources in accordance with the established goals, objectives and research strategy to various research entities in an effective and efficient manner.
- Maintain high standards and methodologies, utilize best practices and maintain high ethical standards.
- Manage all contract management activities, including reporting, with expert reviewers and grant recipients.
- Provide technical expertise in multiple disciplines to assist the program.
- Provide administrative and financial oversight for a large-scale grant program, which could include: invoice and billing activities, accounting and auditing services, reporting and tracking, and overall grant administration to ensure compliance with all state and federal requirements.
- Provide anticipated administrative rates and/or costs anticipated being necessary to perform Center of Excellence duties as identified in the RESTORE Act.
- Develop and track success metrics.

- Form a multi-discipline Center of Excellence Review Board responsible for providing review and guidance on the research strategy, grant selection, and performance evaluation.

3. MANAGEMENT OF SUBAWARDS

a. ADMINISTRATION OF SUBAWARDS

i. COMPETITIVE PROCESS FOR SELECTING SUBAWARDS AND LOWER TIER SUBAWARDS AND AWARD REQUIREMENTS

Any Center of Excellence selected by the State shall be selected according to the competitive process required by Louisiana law (Louisiana Revised Statutes Title 39, Chapter 17, Subtitle III (The Louisiana Procurement Code)). For any lower tier subawards issued by the Center of Excellence, the Center of Excellence shall develop the competitive grant selection process by which any lower tier subawards are issued, in accordance with Louisiana law. This process shall be subject to approval by CPRA and will, at a minimum, be based on the following: the relevance of research to the eligible discipline(s), the quality of the proposed research, the advancement of Louisiana's Coastal Master Plan and the amount of available funds.

Contracts for the Center of Excellence and any lower tier subawards will be issued using standard terms and conditions required by Louisiana law and these policies, and shall conform to: (i) Section 1605 of the RESTORE Act, (ii) 31 C.F.R. Part 34, Subpart H-Centers of Excellence Research Grants Program and Subpart I-Agreements, (iii) Treasury's RESTORE Act Centers of Excellence Research Grants Program Guidelines and Application to Receive Federal Financial Assistance, and (iv) Treasury's RESTORE Act Financial Assistance Standard Terms and Conditions and Program-Specific Terms and Conditions and these policies.

ii. FINANCIAL MANAGEMENT SYSTEM AND INTERNAL CONTROL REQUIREMENTS

The Center of Excellence and its lower tier subgrantees shall expend and account for funds in accordance with state laws and procedures. In addition, pursuant to 2 C.F.R. §200.303, and Paragraph E of Treasury's RESTORE Act Financial Assistance Standard Terms and Conditions and Program-Specific Terms and Conditions, the Center of Excellence and its lower tier subgrantees shall establish and maintain effective internal control over the Federal award in a manner that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. As provided in 2 C.F.R. §200.303, these internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Additionally, as provided in Paragraph C.9 of Treasury's RESTORE Act Financial Assistance Standard Terms and Conditions and Program-Specific Terms and Conditions, the Center of Excellence shall comply with the following:

- a. The Center of Excellence must execute a legally binding written agreement with any lower tier subrecipient. This agreement must incorporate all the terms and conditions of the Center of Excellence's award, including any Special Award Conditions, and must include the information at 2 C.F.R. § 200.331. The Center of Excellence must perform all responsibilities required of a pass-through entity, as specified in 2 C.F.R. Part 200.
- b. The Center of Excellence must evaluate and document each lower tier subrecipient's risk of noncompliance with federal statutes, federal regulations, and the terms and conditions of the subaward for purposes of determining the appropriate lower tier subrecipient monitoring strategy, as described in 2 C.F.R. § 200.331(b).
- c. The Center of Excellence must monitor the lower tier subrecipient's use of federal funds through reporting, site visits, regular contact, or other means to provide reasonable assurance that the lower tier subrecipient is administering the lower tier subaward in compliance with the RESTORE Act, Treasury's RESTORE Act regulations, Treasury's Standard Terms and Conditions, Program-Specific Terms and Conditions, and any Special Award Conditions, and to ensure that performance goals are achieved.
- d. The Center of Excellence must provide training and technical assistance to the lower tier subrecipient as necessary.
- e. The Center of Excellence must, if necessary, take appropriate enforcement actions against non-compliant lower tier subrecipients.
- f. The Center of Excellence must apply the terms and conditions of Treasury's RESTORE Act Financial Assistance Standard Terms and Conditions and Program-Specific Terms and Conditions, including any Special Award Conditions, to all lower tier subawards, and carry out all the responsibilities of a pass-through entity described at 2 C.F.R. Part 200.

b. COMPLIANCE MONITORING

i. CENTER OF EXCELLENCE COMPLIANCE MONITORING

The Executive Director of the CPRA, or his designee, shall monitor compliance by the Center of Excellence with these policies. This compliance monitoring will require the Center of Excellence to submit to the CPRA, on a schedule and dates to be provided by CPRA but no less than once per year, a compliance report including financial statements in accordance with grant terms and conditions in a format to be provided by CPRA. At a minimum this compliance report shall be sufficient to permit the preparation of reports described herein and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to State and Federal statutes, regulations, and the terms and conditions of the Center of Excellence Federal award.

In addition, the Center of Excellence shall perform the duties, or assist the CPRA in the performance of those duties, as defined in (i) Section 1605 of the RESTORE Act, (ii) 31 C.F.R. Part 34, Subpart H-Centers of Excellence Research Grants Program and Subpart I-Agreements,

including without limitation, 31 C.F.R. §34.703, 31 C.F.R. §34.704, 31 C.F.R. §34.705, 31 C.F.R. §34.706, 31 C.F.R. §34.707, 31.C.F.R. §34.708, 31 C.F.R. §34.803, (iii) Treasury’s RESTORE Act Centers of Excellence Research Grants Program Guidelines and Application to Receive Federal Financial Assistance (including Section 6.0 – Centers of Excellence Applicant Certifications and Section 7.0 – RESTORE Act Centers of Excellence Periodic Reporting Documentation, including annual reports to the Gulf Coast Ecosystem Restoration Council as further described in “Recordkeeping, Reporting and Audits” below), and (iv) Treasury’s RESTORE Act Financial Assistance Standard Terms and Conditions and Program-Specific Terms and Conditions. Additionally, to the extent applicable, the Center of Excellence shall comply with the responsibilities of a pass-through entity described at 2 C.F.R. Part 200.

ii. LOWER TIER SUBAWARD COMPLIANCE MONITORING

The Center of Excellence shall establish and monitor compliance with lower tier subawards regarding project timeline, financial and programmatic objectives and will describe the policies and procedures to be used to maintain and monitor compliance with the RESTORE Act and all applicable federal and state grant application requirements. The Center of Excellence shall also provide compliance reports on its monitoring of lower tier subgrants to CPRA, on a schedule and dates to be provided by CPRA, but no less than once per year, a compliance report including financial statements in accordance with grant terms and conditions in a format to be provided by CPRA. At a minimum these compliance reports shall be sufficient to permit the preparation of reports described herein and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to State and Federal statutes, regulations, and the terms and conditions of the Center of Excellence Federal award.

The Center of Excellence shall require its lower tier subgrantees to comply with the requirements of the following, as applicable: (i) Section 1605 of the RESTORE Act, (ii) 31 C.F.R. Part 34, Subpart H-Centers of Excellence Research Grants Program and Subpart I-Agreements, including without limitation, 31 C.F.R. §34.703, 31 C.F.R. §34.704, 31 C.F.R. §34.705, 31 C.F.R. §34.706, 31 C.F.R. §34.707, 31.C.F.R. §34.708, 31 C.F.R. §34.803, (iii) Treasury’s RESTORE Act Centers of Excellence Research Grants Program Guidelines and Application to Receive Federal Financial Assistance (including Section 6.0 – Centers of Excellence Applicant Certifications and Section 7.0 – RESTORE Act Centers of Excellence Periodic Reporting Documentation, including annual reports to the Gulf Coast Ecosystem Restoration Council as further described in “Recordkeeping, Reporting and Audits” below), and (iv) Treasury’s RESTORE Act Financial Assistance Standard Terms and Conditions and Program-Specific Terms and Conditions.

Compliance reporting requirements may also require the Center of Excellence to obtain data from third parties that receive funding from subawards (i.e lower tier subrecipients or lower tier subgrantees). It shall be the Center of Excellence’s obligation to implement any contractual arrangements it may need use of, and access to, such data.

c. RECORD KEEPING, REPORTING AND AUDITS

Full compliance with all state and federal statutes, laws, rules, and regulations, and these policies shall be required, including but not limited to assurance that all documentation shall be sufficient to meet the requirements of both the RESTORE Act and the Treasury regulations for release of grant funds from the RESTORE Act's Trust Fund, including without limitation 31 C.F.R. §34.706, 31 C.F.R. §34.707, and 31 C.F.R. §34.708. The Center of Excellence and its lower tier subgrantees shall act in good faith to supply the CPRA and/or Treasury with any supporting material or documentation needed for release of grant funds or for legal compliance.

Treasury, including the Treasury Inspector General, may conduct audits and reviews of each recipient's (including the Center of Excellence and its lower tier subgrantees) accounts and activities relating to the RESTORE Act as deemed appropriate by Treasury and may conduct oversight and monitoring of the progress and financial status of each grant through reporting requirements as provided under the RESTORE Act, the RESTORE Interim and Final Rule and as defined in Treasury's RESTORE Act Centers of Excellence Research Grants Program Guidelines and Application to Receive Federal Financial Assistance and Treasury's RESTORE Act Financial Assistance Standard Terms and Conditions and Program-Specific Terms and Conditions. Additionally, the State, through the Legislative Auditor of the State of Louisiana and/or the Office of the Governor, Division of Administration Auditors shall be entitled to audit the books, documents, paper and records of the Center of Excellence and any lower tier subgrantees which are reasonably related to the agreement between the CPRA and the Center of Excellence.

The Center of Excellence and its lower tier subgrantees shall maintain all books, documents, papers, accounting records, and other evidence pertaining to costs incurred and shall make such materials available at their respective offices at all reasonable time during the contract period and for five (5) years from the date of final payment of RESTORE Act Center of Excellence funds for inspection by the State, Legislative Auditor and/or the Office of the Governor, Division of Administration auditors, and copies therefor shall be furnished if requested.

In addition to financial and performance reports required by the Office of Management and Budget "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" at 78 Fed. Reg. 78,590 (December 26, 2013), the Center of Excellence shall assist the CPRA with providing (i) any performance report as required by Section 5.0 Treasury's RESTORE Act Centers of Excellence Research Grants Program Guidelines and Application to Receive Federal Financial Assistance, and (ii) an annual report to the Gulf Coast Ecosystem Restoration Council ("Council") in accordance with 31 C.F.R. § 34.706(a) in a form set by the Council no later than sixty (60) days after the end of the federal fiscal year, and provide a copy to Treasury. The annual report, at a minimum, shall include the following:

- executive summary
- information on subrecipients,
- subaward amounts,
- discipline or disciplines addressed,
- research projects undertaken,

- status of performance, and
- any other reporting information the Council may require.

When the subrecipient is a consortium, the annual report also shall identify the consortium members and the respective discipline(s) addressed. This information will be included in the Council's annual report to Congress. Additionally, the Center of Excellence will assist CPRA with the completion of any other reports as required by Treasury as provided in 31 C.F.R. § 34.706(b).

4. CONFLICTS OF INTEREST AND ANTI-FRAUD POLICY

The Center of Excellence and its lower tier subgrantees shall maintain written standards of conduct that comply with state and federal law governing the performance of its employees involved in executing any award or administration of lower tier subawards in accordance with Paragraph C.9(g) of Treasury's RESTORE Act Financial Assistance Standard Terms and Conditions and Program-Specific Terms and Conditions and 2 C.F.R. §200.318(c).

- i. No employee, officer, or agent shall participate in the selection, award, or administration of a subaward supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization in which he/she serves as an officer or which employs or is about to employ any of the parties mentioned in this section, has a financial interest or other interest in the organization selected or to be selected for a subaward.
- ii. The officers, employees, and agents of the recipient shall neither solicit nor accept anything of monetary value from subrecipients or their officers, employees, or agents.
- iii. A recipient may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. A financial interest may include employment, stock ownership, a creditor or debtor relationship, or prospective employment with the organization selected or to be selected for a subaward.
- iv. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

The Center of Excellence and its lower tier subgrantees shall also comply with the requirements of the Louisiana Code of Governmental Ethics, La. R.S. 42:1101 *et seq.*, Louisiana's dual employment prohibitions, La. R.S. 42:61 *et seq.*, 2 C.F.R. §200.318(c) and the Center of Excellence shall implement maintain a process for soliciting and evaluating Center of Excellence subaward proposals through the competitive process as required by Louisiana law and using best practices to guard against conflicts of interest in accordance with Louisiana and Federal law.

In accordance with 31 C.F.R. §34.803(a), any indication of fraud, waste, abuse, or potentially any criminal activity pertaining to grant funds shall be reported to Treasury and the Treasury

Inspector General. Additionally, in accordance with La. R.S. 24:523.1, any actual or suspected misappropriation, fraud, waste or abuse of public funds shall be reported to one of the following:

Toll-Free Phone: 1-844-50-FRAUD (1-844-503-7283);

Or FAX to: 1-844-40-FRAUD (1-844-403-7283)

Or report via U.S. Mail: LLA Hotline
 P. O. Box 94397
 Baton Rouge, LA 70804

5. PERFORMANCE MEASURES

The Center of Excellence, in conjunction with CPRA, shall develop success metrics for any lower tier subawards which may be similar to the performance metrics used by other research-focused organizations. Performance metrics for the Center of Excellence and its lower tier subawards may be quantitative in nature and the metrics may be varied and determined by the work undertaken. Performance metrics may also include an assessment of the Center of Excellence's or a lower tier subgrantee's coordination with a wide variety of other Gulf restoration programs including, without limitation, other Gulf Coast RESTORE Act Centers of Excellence and the Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology Program referenced in Section 1604(f) of the RESTORE Act.

Metrics for assessing the competitive grants process undertaken by the Center of Excellence may include, without limitation: an assessment of the number of proposals received, time from the initiation of the contract to execution, the number of disciplines represented in the proposals, etc. Metrics for the progress of research may include, without limitation: on-time reporting and on-time completion of research. Metrics for the research accomplishments may include publications, citations, theses/dissertations, etc.

The Center of Excellence and its lower tier subgrantees shall also assist CPRA with the completion of Form 5.0 in RESTORE Act Centers of Excellence Research Grants Program Guidelines and Application to Receive Federal Financial Assistance.