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# Commercial Fisheries Research Foundation

## Funding Guidelines

### Supplemental Document to Requests for Proposals

- Submitting a Proposal
- Developing a Proposed Project Budget
- Sub-Award Procedures

## **COMMERCIAL FISHERIES**

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## **Introduction**

The following document is intended to serve as a guide to Project Teams seeking funding support from the Commercial Fisheries Research Foundation (CFRF) for collaborative research projects. The guidelines included pertain to the various parts of the sub-award process, including developing a proposal and a proposed project budget, and accepting a sub-award. These guidelines are to be viewed as supplemental to the specific guidelines included in Requests for Proposals (RFP) issued by the CFRF, and should be reviewed and understood by all members of Project Teams, including both the scientists and fishing industry members (fishing vessel owners and captains, net builders, etc.), and by the supporting institutions involved (academic and research institutes, state agencies, etc.). Hopefully the guidelines provided will help streamline the process of applying for and accepting sub-awards under research programs being administered by the CFRF, and assist in better understanding and complying with the elements contained in project Work Agreements.

As background information, the CFRF was founded in 2004 by a group of commercial fishermen interested in supporting research to develop practical solutions to common problems affecting economically important fisheries in southern New England. The CFR Foundation's primary goals are to support research that assists in the achievement of sustainable fisheries through better information and effective technologies, and to establish collaborative working relationships among scientists, managers, and members of the commercial fishing industry. The CFR Foundation's Board of Directors, comprised solely of commercial fishermen and individuals working in support businesses for the commercial fishing industry, oversees the CFR Foundation's work.

## **Submitting a Proposal**

### **Collaborative/cooperative team approach**

*Project Teams submitting proposals to the CFRF for funding support must be comprised of both members of the fishing community and fisheries scientists and/or researchers in fields complementary to fisheries science.*

One of the missions of the CFRF is to promote long-term collaborative working relationships between members of the fishing community and scientists. Inherent in this mission is the recognition that the complex resource management issues facing the commercial fishing industry and managers in the southern New England region need to be approached using the expertise and knowledge of both scientists and members of the commercial fishing industry.

Project Teams are encouraged to use a collaborative approach in the research projects that are proposed for funding meaning that scientists and members of the fishing industry work together closely to identify a research topic, develop the scope of work, carry out the research, and analyze the research

results. The CFRF also recognizes the value in members of the fishing industry working together in a cooperative way to carry out research, which may mean fishing industry members simply assisting with bringing back specimens for laboratory analysis, providing fishing vessels to be used as research platforms at sea, etc. Although the collaborative approach is favored by the CFRF, both approaches contribute to expanding the ability to collect and analyze data, explore new ideas, and develop new technologies.

### **Importance of research topic to southern New England region**

*Overall, projects funded by the CFRF must address topics important to the commercial fishing industry based in the southern New England region*

The work of the CFRF is focused on the southern New England region, and the interests of the commercial fishing industry that is based in this region. [From the CFRF perspective, the southern New England region encompasses the area including Cape Cod, through southern Massachusetts, Rhode Island, eastern Connecticut, and the northeastern end of Long Island.] Project Team members (scientists and fishing industry members) do not have to live or be employed in the southern New England region to qualify for funding consideration; they simply need to present a research topic that is of importance to the commercial fishing industry in the southern New England region within the research areas delineated in RFPs. Similarly, the research project itself does not necessarily have to take place in the southern New England area but does have to be applicable to important management issues of fisheries targeted by commercial fishermen based in southern New England.

### **Outreach/Education Component**

*Project Teams accepting funding from the CFRF should be prepared to share information promptly at the completion of a research project, and realize the importance and necessity of presenting research results through the appropriate mechanisms of the regional fisheries governance system.*

The work of the CFRF is focused on better informing fishery management decisions, and to that end Project Team members are expected to participate in research forums, and meetings with Councils, Commissions, committees within the fishery governance system in the Northeast and Mid-Atlantic regions to present research findings. Sharing information and educating industry members and managers about research results is considered a key component of every research project the CFRF funds.

### **Travel**

*Before using project funds to cover the costs of participating in professional conferences, symposiums, or forums, Project Team members need to first seek approval from the Board of Directors of the CFRF.*

While participating in professional forums and publishing articles to present research results is valued and encouraged, the CFRF's priority is to have Project Teams share results with managers and stakeholders. Consequently, in regards to the travel expenditures within project budgets, the priority is to cover the costs of time and travel to participate in pertinent fishery commission, council, and committee meetings.

## **Reporting requirements**

*All Project Teams receiving funds from the CFRF are required to submit semi-annual progress reports and a final project report within 60 days of the end date for the project. All data collected during projects is required to be reported in accordance with the requirements issued by the initial funding agency (usually NOAA/NMFS) including the reporting of all raw data collected in an appendix format.*

Project Teams receiving funding from the CFRF need to be aware that progress reports are required to be submitted to the CFRF on a six month basis in accordance with the schedule delineated in a project's Work Agreement, and that all information generated as part of the research activities of funded projects is considered public information. In terms of progress reports, these simply are intended to answer the basic questions of what work was scheduled to be accomplished during this time period, what work was accomplished during this time period, and what special circumstances or events, if any, occurred which need to be explained in terms of the work accomplished.

While it is recognized by the CFRF that researchers may be interested in pursuing formal publication of data and research findings, the priority from the CFRF's perspective is the sharing of information in the fishery governance system. The CFRF will not approve of delays in submitting final project completion reports to accommodate publishing schedules.

In terms of sharing research findings prior to the formal completion of a project and submittal of a Final Project Completion Report, the CFRF leaves the decision of what to share publically up to the Project Team. If it is determined that the Project Team wants to share research findings as they are generated, it is understood that such findings will be identified as preliminary findings, pending the results of a final science peer review process.

## **Equipment Agreements**

*When submitting a proposal for funding, the Project Team needs to include information as it relates to the purchase or lease agreement for equipment. Ownership of all non-expendable equipment procured over the course of the project in excess of \$5,000 may resort back to the CFRF and in turn to the initial funding agency (e.g. NOAA/NMFS).*

Collaborative fisheries research programs in the northeast are working to coordinate the purchase of research equipment, and develop a borrowing system for future use to alleviate unnecessary duplicate spending. Project Teams and supporting institutions receiving funding from the CFRF should be aware that ownership of such equipment may resort back to the CFRF at the end of the project, with all ownership manuals, warrantee records, etc.

Proposal need to include descriptions of nonexpendable equipment to be procured during the project. In the case of nets, this should include a detailed net plan and a quoted net cost for all trawls to be purchased or leased. In cases where nets are to be leased from a net building company during the duration of the project, a copy of the proposed net leasing agreement should also be included.

## **Qualifications of Members of the Project Team**

*Members of Project Teams need to be able to meet basic qualifying criteria, and if previously funded, have demonstrated an ability to meet all the elements of Work Agreements with the CFRF.*

For fishing industry members of Project Team, they must not have any fishing violations that would prohibit them from obtaining the necessary Experimental Fishing Permits or Letters of Authorization to conduct the proposed at sea research, and/or should not have outstanding fines with the NMFS.

Scientific researchers should be in good standing with the CFR Foundation and the initial funding agency involved (NOAA/NMFS) in terms of completing previous research projects.

If previously funded, members of Project Teams need to have demonstrated an ability to meet basic Work Agreement requirements including safety and training, reporting, invoicing, and outreach requirements.

### **Insurance, Safety Training, and Vessel Safety Requirements**

**General:** The following sections outline the CFRF's insurance, safety training, and vessel safety requirements. Appendices A, B, C and D contain insurance guidelines, and sample documents and forms to assist with meeting these requirements. All Project Team members should be aware that copies of all of the required documents need to be submitted to the CFRF by a deadline specified in the Work Agreements before the issuance of a sub-award is considered complete. Consequently, the CFRF will not authorize any pre-spending for a sub-award, and will not issue payment on invoices received until all of the required documents have been received.

### **Insurance Considerations**

*As part of submitting a proposal to conduct a collaborative research project, particularly collaborative research to be conducted at sea, Project Team members should review the insurance coverage available through the supporting institutions and fishing vessels involved and make plans accordingly to augment this coverage if necessary.*

While the CFRF does not formally issue insurance requirements for collaborative research projects, it does strongly encourage Project Team members to address this area and plan accordingly. In Appendix A of this document is a background information sheet developed by the CFRF that provides information about different types of insurance coverage and factors to consider. Project Team leaders should make this information available to all fishing vessel owners and the risk manager of the supporting institution.

When a Project Team receives funding they are required to submit to the CFRF copies of the Certificates of Insurance for the supporting institution and for all fishing vessels involved. Researchers should notify their supporting institution of the intended research project and the scientists, students, and technicians that may be involved. Fishing vessel owners must notify their insurance broker of non-crew participants, and if additional coverage is warranted, a copy of the added Certificate of Insurance must also be submitted to the CFRF. Certificates of Insurance should state 1) vessel name; 2) dollar amount limits; 3) timeframe of coverage; 4) description of operations; 5) any exclusion added by endorsement; and 6) any special provisions. An example of a Certificate of Insurance form is included in Appendix B.

*In terms of equipment, all proprietors of leased or rented equipment to be utilized in the research project will deem the Principal Investigator(s), Charter vessel owner(s) and the CFRF held harmless and indemnified for equipment loss or damage.*

*For project equipment having an insured value of \$1,500 or greater, the CFRF is to be designated as a Secondary Loss Payee on the Certificate of Insurance.*

### **Safety Training Requirements**

*Before going to sea to conduct research, all Project Team members must complete a safety training course, and proof of having completed this requirement must be submitted to the CFRF. Project Teams not adhering to this requirement risk having their project's financial support suspended.*

Project Teams need to be prepared to submit a copy of a Marine Safety Training Certificate for each non-crew member with the date of issuance being within one year of the commencement of the non-crew member of the Project Team going to sea.

### **Vessel Safety Requirements**

*Before going to sea to conduct research, all vessel safety inspection requirements and drill procedures must be met. Emergency Instructions must be posted or readily available on each vessel used in accordance with the CFIVS Regulations specific to 46 CFR 28.265. Project Teams not adhering to these requirements risk having their project's financial support suspended*

Project Teams need to submit to the CFRF copies of the following for each vessel being used: 1) U.S.C.G. Voluntary Safety Dockside Exam Certificate conducted within a one year timeframe of commencement of at sea research; 2) Proof of having completed an onboard safety drill with crew members and third party participants just prior to going to sea. [An example of a U.S.C.G. Voluntary Safety Dockside Exam Certificate is included in Appendix C and a form for onboard safety drill procedures is included in Appendix D.]

## **Developing a Proposed Project Budget**

### **Student Support**

*In terms of student support for a sub-award, the CFRF will adhere to the following limits:*

Tuition – Limit of \$10,000 total per project for graduate students only.

Student Stipends - \$10,000 per year for up to two years for graduate students only.

Health care and other benefits – No payment of benefits for students.

### **Indirect Cost Charges from Supporting Institutions**

*The maximum amount of indirect costs allowed to be charged by institutions playing a supportive role in collaborative research projects funded by the CFRF for charges processed through the supporting institution is 25%.*

Upon request, the CFRF is willing to supply a copy of a letter stating this policy for review by supporting institutions. The CFRF itself operates at a relatively low indirect cost rate and this policy applies to the sub-awards it issues as well.

### **Compensation arrangements for chartered fishing vessels**

*Compensation arrangements for chartered fishing vessels taking part in field research are to take into account four basic factors: daily charter rate, fuel costs, any anticipated proceeds from sale of fish landed, and added F/V insurance coverage.*

The CFRF has developed general guidelines or ranges of costs for daily fishing vessel charter rates depending on the horsepower of the vessel. These rates cover the costs for using the fishing vessel for research, and include the costs of food for the vessel, ice, lumpers, and crew. Specific rates may vary from these general guidelines because of variations in the size and configuration of the vessel, overall condition, and available equipment. Fuel costs need to be considered, and in preparing a project budget, the estimated amount of fuel to be used along with the estimated unit price of the fuel should be clearly delineated as a line item in the proposed budget.

In some research projects, fish will be landed and sold. In these cases, the Work Agreement between the fishing vessel owner and the CFRF will stipulate that 50% of the proceeds from the sale of the fish will remain with the fishing vessel and 50% of the proceeds will be used to offset the daily charter rate charged to the project. If it is anticipated that no fish will be landed over the course of the research, this should be clearly stated in the proposal.

Added insurance costs to the fishing vessel owner to cover researchers, observers, students, etc. should be included in the proposed project budget as a separate line item.

An example of a standard invoice from a fishing vessel is included in Appendix E.

### **Preferred Arrangement for Net Procurement**

*It is the preference of the CFRF that nets to be built and used during research projects be leased from the company building the net for the duration of the project, and that the ownership of the net resort to the net building company at the end of the project.*

In preparing proposed project budgets, the Project Team needs to obtain and include in the proposed budget a quoted cost for any net that is to be built. Along with the quoted cost, the Project Team must also submit as part of the proposal a detailed net plan, and a summary of a proposed agreement with the net builder that addresses any leasing arrangements (use of the net, warranties, ownership, insurance coverage, damage of loss of the net, etc.).

### **Personnel Costs**

*Personnel costs should be proportionate to the time and effort spent being spent directly on the project.*

Under the personnel cost part of the proposed project budget, the Project Team should clearly delineate the following information:

- Identification of all person working on the project and their job title
- Hourly rate of pay
- Percentage of time to be spent on the project (% of full time equivalency)

### **Insurance Costs**

*The CFRF typically agrees to cover the cost of added insurance incurred by the fishing vessel(s) involved in collaborative research projects but not the insurance costs of the supporting institution.*

In preparing a proposed project budget, Project Teams should determine the added insurance costs to the fishing vessel owner for the added people to be onboard the vessel during the field research, and delineate this as a line item in the budget. The CFRF typically covers the added insurance costs for the fishing vessel owner (this is not typically part of the insurance carried by the fishing vessel owner and the fishing vessel may be engaged in this type of collaborative research a few days each year). The CFRF does not cover the insurance costs of the supporting institution, although it is highly recommended that the supporting institution review its coverage and add MEL coverage if it does not already have this coverage. It is assumed by the CFRF that the supporting institutions are involved in several field research projects over the course of a year, and can assume the added costs for this type of coverage as part of their ongoing research endeavors.

### **Publications**

*Project Teams should plan for some costs in the area of publications in their proposed budgets.*

*Costs of publications (or other types of outreach activities aimed at disseminating project results) should be incorporated in the original proposed budget. The CFRF typically requires that a minimum of \$500 be allocated to this area.*

### **Match Requirements**

*The CFRF does not include match requirements in any of its research programs.*

The CFRF does not require any match contributions to the projects it funds. If Project Teams desire to declare match contributions in proposed project budgets, the CFRF does not prohibit this practice, but it is not required.

### **Budget Limits**

*The limits for proposed projects budgets are delineated in the Requests for Proposals and vary depending upon the specific research program. Budgets can be adjusted once a project is underway with approval of the CFRF.*

Project Teams submitting proposals need to consult the specific Request for Proposals for guidance on budget limits, and develop a proposed budget accordingly. Proposed budgets are reviewed as part of

the evaluation process to determine if they are within the specified budget limit, and to determine, in a general way, if they are realistic. However, proposed projects are accepted or rejected based upon their scientific merit, management relevancy, and the qualifications of the team members, and not based upon proposed budgets.

When a Project Team is offered funding to carry out a proposed scope of work, as part of the award issuance process, the proposed budget is reviewed thoroughly and may be adjusted up or down as deemed appropriate by the CFRF. In submitting proposed project budgets, Project Teams should be as realistic and accurate as possible in delineating the costs of carrying out the proposed project. When a Project Team has been notified that they are being offered funding to support their proposed project, it does not necessarily mean that the proposed budget has been accepted. The budget still needs to be finalized with the CFRF.

Once a project is under way, the Project Team may submit a request to adjust various line items within an approved budget. This request needs to be made in writing to the Executive Director of the CFRF and should be accompanied with an explanation as to what line items will be effected and why, along with a revised project budget showing the proposed changes. The executive Committee of the CFRF makes the decision on whether to approve or reject the request. In terms of exceeding the overall agreed upon project budget, the Project Team can submit a request for additional funding following the same procedures for line item changes, but this type of request must receive approval of the full Board of Directors of the CFRF.

### **Standard Budget Form**

An example of a standard project budget form is included in Appendix F.

## **III. Sub-Award Procedures**

The CFRF administers collaborative research programs often through support obtained from federal awards. Project Teams receiving funding support from the CFRF are, in turn, acting in the capacity of sub-award recipients, and must adhere to requirements that are in accordance with what is required of the CFRF under the federal granting agency's award conditions.

When members of Project Teams agree to accept a sub-award from the CFRF, the first step of the process is to enter into a Work Agreement with the CFRF. The Principal Investigator (PI), as the main contact person for each team, is asked to meet with members of the Executive Committee of the CFRF to go over the terms of the Work Agreement, and ultimately the main contact person is asked to sign the Work Agreement on behalf of the Project Team. At the time of this initial meeting, the proposed scope of work and project budget are also discussed and finalized. In addition to the PI or main contact person for the Project Team, fishing vessel owners involved in the project will also be required to participate in this initial meeting.

In addition to this procedure the CFRF recognizes it must enter into an agreement with the supporting institutions (academic institutions, state agencies, private research institutes) connected with each Project Team to cover the working relationship between the CFRF and that entity. The supporting

institution, in addition to the PI, may choose to sign the Work Agreement developed by the CFRF or a separate contract provided that the separate contract does not contradict or negate the requirements contained in the CFRF Work Agreement.

In cases in which the CFRF has agreed with Project Team members to process the fishing industry component of the project budget directly, a separate Work Agreement(s) is established with the fishing vessel owner or business owner involved. In these cases, the fishing vessel or business owner will submit invoices directly to the CFRF. (A template for a fishing vessel invoice is included in Appendix D.) PI as main contact person and leader of the Project Team maintains the responsibility of overseeing the complete project budget. In terms of invoicing procedures, the PI or main contact person for the Project Team will be forwarded copies of the invoices received by the CFRF in order to verify the days at sea were as reported, or the product or service was received by the Project Team. Most often the CFRF chooses to establish separate Work Agreements with the fishing industry component of Project Teams in order to expedite invoicing and payment procedures, establish compensation arrangements that include factors such as proceeds from the sale of fish landed, variable fuel costs, costs of insurance rider policies, individual vessel charter costs, etc., and to insure safety requirements are understood and being met. This involves additional time and effort on the part of CFRF staff but helps in carrying out the CFRF's oversight responsibilities and in not unduly burdening the staff of supporting institutions.

The establishment of Work Agreements and finalization of project budgets are to be completed within a 4-6 week time period from the date of notification to the Project Team that they are being offered a sub-award. Final issuance of an award is contingent upon the submittal of all required documents listed in the Work Agreement by a deadline specified in the Work Agreement.

As part of all Work Agreements and contracts, the CFRF requires the submittal of supporting documentation with invoices submitted by all sub-award recipients. This may be in the form of sales receipts, vendor invoices, purchase orders, travel vouchers, etc. When students or research assistants are established as Project Team members working on a collaborative research project, information indicating the name of the individual, and his or her salary (and benefit arrangement in the case of a research assistant) must be forwarded to the CFRF for its records.

Invoices and financial reports supplied by supporting institutions are combined with copies of travel vouchers, purchase orders, and employee documents submitted to the Foundation by the Principal Investigators (PIs) for each project to determine what materials and services were received, what businesses and personnel were involved, and who was paid what amount. The CFRF must maintain these records in order to be prepared for A-133 audits.

In addition to the award conditions the CFRF must adhere to as issued by the federal granting agency, the CFRF has established, through adoption by the members of its Board of Directors, its own internal financial procedures in accordance with standard business practices. This includes the review of all invoices submitted to the CFRF for payment by its Executive Director and Executive Committee members. The Executive Director and at least two members of the Executive Committee must approve

payment on each invoice received. Approval is dependent on the inclusion of all supporting documentation with the invoice, and on charges adhering to the line item amounts within approved budgets.