

Outdoor Heritage Fund Grant Application



The purpose of the North Dakota Outdoor Heritage Fund is to provide funding to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to projects that enhance conservation practices in this state by:

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Exemptions

Outdoor Heritage Fund grants may not be used to finance the following:

- A. Litigation;
- B. Lobbying activities;
- C. Any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development;
- D. The acquisition of land or to encumber any land for a term longer than twenty years; or
- E. Projects outside this state or projects that are beyond the scope of defined activities that fulfill the purposes of Chapter 54-17.8 of the North Dakota Century Code.

NO CONSIDERATION:

In addition to those specific items in law that are ineligible for funding, in the absence of a finding of exceptional circumstances by the Industrial Commission, the following projects will NOT receive consideration for funding:

- A completed project or project commenced before the grant application is submitted;
- A feasibility or research study;
- Maintenance costs;
- A paving project for a road or parking lot;
- A swimming pool or aquatic park;
- Personal property that is not affixed to the land;
- Playground equipment, except that grant funds may be provided for up to 25% of the cost of the equipment not exceeding \$10,000 per project and all playground equipment grants may not exceed 5% of the total grants per year (see Budget Form for how this will be calculated);
- Staffing or outside consultants except for costs for staffing or an outside consultant to design and implement an approved project based on the documented need of the applicant and the expenditures may not exceed 5% of the grant to a grantee if the grant exceeds \$250,000 and expenditures may not exceed 10% of the grant to a grantee if the grant is \$250,000 or less (see Budget Form for how this will be calculated);

- A building except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project (see Budget Form for definition of comprehensive conservation plan and new or expanded recreational project); or
- A project in which the applicant is not directly involved in the execution and completion of the project.

Application Deadline

Applications for this grant round cycle are due on **October 1, 2015 at 5:00 p.m. CT**. All information, including attachments, must be submitted by that date. See instructions below for submission information.

Instructions

Please download this Word document (available on the Industrial Commission/Outdoor Heritage Fund Program website at <http://www.nd.gov/ndic/outdoor-infopage.htm>) to your computer and provide the information as requested. You are not limited to the spacing provided except in those instances where there is a limit on the number of words. After completing the application, save it and attach it to an e-mail and send it to outdoorheritage@nd.gov or print it and mail it to the address noted in the next paragraph.

Attachments in support of your application may be sent by mail to North Dakota Industrial Commission, ATTN: Outdoor Heritage Fund Program, State Capitol – Fourteenth Floor, 600 East Boulevard Ave. Dept. 405, Bismarck, ND 58505 or by e-mail to outdoorheritage@nd.gov. The application and all attachments must be received or postmarked by the application deadline. You will be sent a confirmation by e-mail of receipt of your application.

You may submit your application at any time prior to the application deadline. Early submission is appreciated and encouraged to allow adequate time to review your application and ensure that all required information has been included. Incomplete applications may not be considered for funding. **Any item noted with an * is required.**

Oral Presentation. Please note that you will be given an opportunity to make a ten-minute Oral Presentation at a meeting of the Outdoor Heritage Fund Advisory Board. These presentations are strongly encouraged.

Open Record. Please note that your application and any attachments will be open records as defined by law and will be posted on the Industrial Commission/Outdoor Heritage Fund website.

Name of Organization * The Nature Conservancy

Federal Tax ID# * 53-0242652

Contact Person/Title * Eric Rosenquist

Address * 1401 River Road

City * Center

State * ND

Zip Code * 58530

E-mail Address * erosenquist@tnc.org

Web Site Address www.nature.org

Phone * 701-794-8741

Fax # (if available)

List names of co-applicants if this is a joint proposal

MAJOR Directive: (select the Directive that best describes your grant request)*

Choose only one response

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Additional Directive: (select the directives that also apply to the grant application purpose)*

Choose all that apply

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Type of organization: (select the category that describes your organization)*

- State Agency
- Political Subdivision
- Tribal Entity
- Tax-exempt, nonprofit corporation.

Project Name* Davis Ranch field restoration

Abstract/Executive Summary. An Executive Summary of the project stating its objectives, expected results, duration, total project costs and participants.* (no more than 500 words)

The Nature Conservancy proposes to restore an approximately 80 acre field at its Davis Ranch property in Sheridan Co. This field was abandoned many years ago and has grown back to many undesirable species. Restoration will add diversity which will increase its value to native wildlife, pollinators and for grazing. It is typical for native grass seeding to take several years to mature. We expect this project to take two field seasons to prepare the seedbed and seed the area. Following the seeding the area will be monitored for germination as well as for detection and control of weeds. Because this area is within an area exposed to cattle grazing a fence will be required to prevent damage from cattle following seeding and to better manage the unit once mature. This project will cost \$14,931 and take two years to complete. Staff from TNC will perform all required labor during the project as well as after the project has been completed. Davis Ranch is open to public hunting access.

Project Duration:* This project will 2 years to implement and 3-5 years to fully mature. Once established this project should sustain itself for many years.

Amount of Grant request \$ * \$9,450

Total Project Costs \$* \$14,931

(Note that in-kind and indirect costs can be used for matching funds)

A minimum of 25% Match Funding is required. Amount of Matching Funds \$5,481

Please indicate if the matching funds will be in-kind, indirect or cash.

Matching funds will be combination of cash and indirect expenses.

Source(s) of Matching Funds*

Please provide verification that these matching funds are available for your project. Note that effective as of July 1, 2015 no State General Fund dollars can be used for a match unless funding was legislatively appropriated for that purpose.

Matching funds will be TNC contributions of labor. The source of funds is private fundraising. The FTE's providing the labor are approved in the current year (FY16) budget and are regular FTE's which are budgeted every year. They are expected to be funded at a similar level in year two of the project.

Certifications *

X I certify that this application has been made with the support of the governing body and chief executive of my organization.

X I certify that if awarded grant funding none of the funding will be used for any of the exemptions noted on Page 1 of this application.

Narrative

Organization Information – Briefly summarize your organization’s history, mission, current programs and activities. *

Include an overview of your organizational structure, including board, staff and volunteer involvement. (no more than 300 words)

The Nature Conservancy is a 501c3 non-profit whose mission is to conserve the lands and waters in which all life depends. TNC is governed by a national board of directors and works in all 50 states and 35 countries. State operating units also maintain a state level board of directors. Our work in North Dakota is part of a three state operating unit which also includes South Dakota and Minnesota. TNC in North Dakota has three full time employees whose time is focused on management of properties we hold. These full time FTE's are supplemented with seasonal staff capacity during the field season.

Purpose of Grant – Describe the proposed project identifying how the project will meet the specific directive(s) of the Outdoor Heritage Fund Program *

Identify project goals, strategies and benefits and your timetable for implementation. Include information about the need for the project and whether there is urgency for funding. Please indicate if this is a new project or if it is replacing funding that is no longer available to your organization. Identify any innovative features or processes of your project. Please note that if your proposal provides funding to an individual, the names of the recipients must be reported to the Industrial Commission/Outdoor Heritage Fund. These names will be disclosed upon request.

This project will re-seed about 80 acres of an old field that were abandoned many years ago. Re-seeding will add plant diversity to the field, reduce weed issues, and improve habitat for many species of prairie wildlife. Once established it's highly likely this field will be successfully incorporated into a prescribed grazing management plan.

Timeline:

Spring 2016- TNC staff will conduct a prescribed burn to remove litter.

Spring/Summer 2016- TNC staff will chemically treat regrowth, likely 2 times, with the goal of creating a clean seed bed.

Summer/Fall 2016- TNC staff will construct a fence needed to isolate this area from areas managed with cattle grazing.

Spring 2017- TNC staff will rent a grass drill from Sheridan SCD and seed the field.

Summer 2017- TNC staff will monitor the area for weed issues and treat as needed.

The next 2-3 years following the seeding the area will continue to be monitored for success and weed issues. Once managers are comfortable with the grass establishment, other management, such as grazing or burning will be considered.

Management of Project – Provide a description of how you will manage and oversee the project to ensure it is carried out on schedule and in a manner that best ensures its objectives will be met.*

Include a brief background and work experience for those managing the project.

TNC employs full time professional land management staff who will be responsible for the implementation and management of this project. The project manager (Eric Rosenquist) has managed land management projects in North Dakota for TNC for 17 years. We have used a similar plan on the successful restoration of an old field near Turtle Lake ND. We also regularly hire seasonal summer staff to assist with land management projects. This project will be made a priority in our 2016 and 2017 work plan. TNC also has a demonstrated history of successfully managing grants from state and federal programs.

Evaluation – Describe your plan to document progress and results. *

How will you tell if the project is successful? Please be specific on the methods you will utilize to measure success. Note that regular reporting, final evaluation and expenditure reports will be required for every grant awarded.

Full success can only be determined several years after the seeding by the presence of a full stand of desired grass and forbs. The current monitoring plan calls for annual photo point monitoring as well as annual documentation of what species have germinated and persisted from year to year.

Financial Information

ATTACHMENT: Project Budget – Using the standard project budget format that is available on the website at <http://www.nd.gov/ndic/outdoor-info/page.htm> , please include a detailed total project budget that specifically outlines all the funds you are requesting. Note that a minimum of 25% match funding is required.*

The project budget should identify all matching funds, funding sources and indicate whether the matching funds are in the form of cash or in-kind services. Effective July 1, 2015 no State General Fund dollars can be used for a match unless funding was legislatively appropriated for that purpose. As noted on the standard project budget format, certain values have been identified for in-kind services. Please utilize these values in identifying your matching funds. **NOTE: No indirect costs will be funded.**

X I certify that a project budget will be sent to the Commission*

Sustainability – Indicate how the project will be funded or sustained in future years. *

Include information on the sustainability of this project after all the funding from the Outdoor Heritage Fund has been expended and whether the sustainability will be in the form of ongoing management or additional funding from a different source.

TNC plans to continue full time management staff who have the ability and resources to manage this project as part of the management of our ownership at Davis Ranch. Future management would be likely to include prescribed grazing, prescribed fire, weed management, and possibly inter seeding of additional forbs.

Partial Funding – Indicate how the project will be affected if less funding is available than that requested. *

Project will only be pursued if funding allows for completion of the entire project.

Partnership Recognition - If you are a successful recipient of Outdoor Heritage Fund dollars, how would you recognize the Outdoor Heritage Fund partnership? * Please note it is a requirement that there be signage at the location of the project acknowledging the funding from the Outdoor Heritage Fund if appropriate for your project.

If funded, the project could be recognized in the TNC MN-ND-SD chapter bi-annual newsletter 'Pines to Prairies'. OHF signage could also be posted at project site.

Scoring of Grants

All applications will be scored by the Outdoor Heritage Fund Advisory Board after your ten-minute oral presentation. The ranking sheet(s) that will be used by the Board is available on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm> .

Awarding of Grants*

All decisions on requests will be reported to applicants no later than 30 days after Industrial Commission consideration. The Commission can set a limit on duration of an offer on each application or if there isn't a specific date indicated in the application for implementation of the project, then the applicant has until the next Outdoor Heritage Fund Advisory Board regular meeting to sign the contract and get the project underway or the commitment for funding will be terminated and the applicant may resubmit for funding. Applicants whose proposals have been approved will receive a contract outlining the terms and conditions of the grant. Please note the appropriate sample contract for your organization on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm> that set forth the general provisions that will be included in any contract issued by the North Dakota Industrial Commission. Please indicate if you can meet all the provisions of the sample contract. If there are provisions in

that contract that your organization is unable to meet, please indicate below what those provisions would be. *

Responsibility of Recipient

The recipient of any grant from the Industrial Commission must use the funds awarded for the specific purpose described in the grant application and in accordance with the contract. The recipient cannot use any of the funds for the purposes stated under Exemptions on the first page of this application.

If you have any questions about the application or have trouble submitting the application, please contact Karlene Fine at 701-328-3722 or kfine@nd.gov

Revised: June 10, 2015

Budget Standard Form

Please use the table below to provide a detailed total project budget that specifically outlines all the funds you are requesting and the matching funds being utilized to fund this project. Please note if the matching funds are in the form of cash, indirect costs or in-kind services. The budget should identify all other committed funding sources and the amount of funding from each source. Match can come from any source (i.e. private sources, State and Federal funding, Tribal funding, etc.) Effective as of July 1, 2015 no State General Fund dollars can be used for a match unless funding was legislatively appropriated for that purpose. Note a minimum of 25% match funding is required. An application will be scored higher the greater the amount of match funding provided. (See Scoring Form.)

Please feel free to insert columns and rows as needed. Please include narrative to fully explain the proposed budget.

Note that NO INDIRECT COSTS will be funded from the Outdoor Heritage Fund. Also by law several items are ineligible for funding -- see Exemptions in the Application Form. Effective June 10, 2015 the following guidelines were approved by the Industrial Commission:

NO CONSIDERATION:

In addition to those specific items in law that are ineligible for funding, in the absence of a finding of exceptional circumstances by the Industrial Commission, the following projects will NOT receive consideration for funding:

- A completed project or project commenced before the grant application is submitted;
- A feasibility or research study;
- Maintenance costs;
- A paving project for a road or parking lot;
- A swimming pool or aquatic park;
- Personal property that is not affixed to the land;
- Playground equipment, except that grant funds may be provided for up to 25% of the cost of the equipment not exceeding \$10,000 per project and all playground equipment grants may not exceed 5% of the total grants per year; (See Definitions/Clarifications below)
- Staffing or outside consultants except for costs for staffing or an outside consultant to design and implement an approved project based on the documented need of the applicant and the expenditures may not exceed 5% of the grant to a grantee if the grant exceeds \$250,000 and expenditures may not exceed 10% of the grant to a grantee if the grant is \$250,000 or less; (See Definitions/Clarifications below)
- A building except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project; (See Definitions/Clarifications below)
- A project in which the applicant is not directly involved in the execution and completion of the project.

Project Expense	OHF Request	Applicant's Match Share (Cash)	Applicant's Match Share (In-Kind)	Applicant's Match Share (Indirect)	Other Project Sponsor's Share	Total Each Project Expense
Site Prep.	\$450 (chemical)	\$3000 (labor for Rx burn and chemical application)	\$	\$654	\$	\$4104
Fencing	\$2700 (supplies)	\$1000 (labor)	\$	\$218	\$	\$3918
Seeding drill rental	\$800 (rental)	\$500 (labor)	\$	\$109	\$	\$1409
Seed	\$5,500 (seed)	\$	\$	\$	\$	\$5500

	purchase)					
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$
Total Costs	\$9,450	\$4,500	\$	\$981	\$	\$14,931

DRAW TEXT BOX FOR DETAILS HERE

Match Indirect is budgeted at The Nature Conservancy's current Negotiated Indirect Cost Rate Agreement (NICRA) rate, attached, applied to direct match costs only. The Conservancy's NICRA rate is negotiated annually. The Conservancy will charge the rate in effect at the time of the expense according to the applicable NICRA.

In-kind services used to match the request for Outdoor Heritage Fund dollars shall be valued as follows:

- Labor costs \$15.00 an hour
- Land costs Average rent costs for the county as shown in the most recent publication of the USDA, National Agricultural Statistics Services, North Dakota Field Office
- Permanent Equipment Any equipment purchased must be listed separately with documentation showing actual cost. (For example: playground equipment)
- Equipment usage Actual documentation
- Seed & Seedlings Actual documentation
- Transportation Mileage at federal rate
- Supplies & materials Actual documentation

More categories will be added as we better understand the types of applications that will be submitted. We will use as our basis for these standards other State and Federal programs that have established rates. For example the North Dakota Nonpoint Source Pollution Management Program has established rates. If your project includes work that has an established rate under another State Program please use those rates and note your source.

Definitions/Clarifications:

Building - Defined as "A structure with a roof either with walls or without walls and is attached to the ground in a permanent nature."

Comprehensive Conservation Plan - Defined as "A detailed plan that has been formally adopted by the governing board which includes goals and objectives--both short and long term, must show how this building will enhance the overall conservation goals of the project and the protection or preservation of wildlife and fish habitat or natural areas." This does not need to be a complex multi-page document. It could be included as a part of the application or be an attachment.

New and Expanded Recreational Project means that the proposed building cannot be a replacement of a current building. The proposed building must also be related to either a new or expanded recreational project--either an expansion in land or an expansion of an existing building or in the opportunities for recreation at the project site.

Playground equipment calculation - Only the actual costs of the playground equipment (a bid or invoice showing the amount of the equipment costs must be provided) - cannot include freight or installation or surface materials or removal of old equipment, etc.

Staffing/Outside Consultants Costs - If you are requesting OHF funding for staffing or for an outside consultant, you must provide information in your application on the need for OHF

Fine, Karlene K.

From: Eric Rosenquist <erosenquist@TNC.ORG>
Sent: Friday, October 02, 2015 8:47 AM
To: Fine, Karlene K.
Cc: Jeffrey Streier
Subject: RE: OHF proposal- TNC Davis Ranch
Attachments: NICRA FY 16 July 27 2015.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Karlene,

Thank you for bringin your questions to my attention, I'll do my best to answer them.

1. Sorry this was omitted. It is attached to this message.
2. The labor costs used as match represent an estimate of the actual labor costs we expect to incur with this project. My understanding is that the \$15 rate is only for in-kind match.
3. I have an estimate from a seed vendor which I used to estimate seed costs, since the seeding is two years out (2017) I allowed for some raising of prices (~\$200). Fencing costs were estimated based on our experience building fences. We estimate 3800 feet of three strand barbed wire fence (10 rolls @ \$65/roll= \$650) on 5ft 1.25 lb T-posts spaced at 16 feet (237 posts @ \$5.50/post= \$1306). This fence will also require at least 2 corner H braces (= \$200), 2 H-braces (= \$100) made from 6-8" dia. 8' wood posts. Additional wood posts will be needed on hill tops and valleys- to be determined during construction as well as misc. supplies (~\$450). This fence matches very closely NRCS fence specifications.
4. We expect leave this fence up for years to come to allow us to better apply management specific to the re-seeded area.

I hope this clarifies your questions, if you have additional questions I would be happy to discuss them further with you.

Eric

From: Fine, Karlene K. [<mailto:kfine@nd.gov>]
Sent: Thursday, October 01, 2015 1:36 PM
To: Eric Rosenquist
Cc: Jeffrey Streier
Subject: RE: OHF proposal- TNC Davis Ranch
Importance: High

Eric – We did our initial review and have a couple of questions:

- 1) On the budget form in discussion the match indirect you refer to “The Nature Conservancy’s current Negotiated Indirect Cost Rate Agreement” and state that it is attached. I couldn’t find it in the materials you sent.
- 2) The labor costs that you are using as a cash match, are those calculated at the \$15 rate we have established or was another rate used? If another rate was used, could you please provide justification for that rate?

- 3) Do you have any documentation for the amount you have indicated as seed costs? Also if you have any detail for how the costs of the fence was determined including how many feet of fencing you have estimated needs to be installed.
- 4) Last, it wasn't clear to me whether the fencing would be removed once the grass has matured. Could you clarify?

If you could get back to me as soon as possible with this information it would be greatly appreciated. We hope to post all the applications on Monday, October 5. Thanks. If you wish to discuss these questions, please give me a call at 328-3722. Karlene



United States Department of the Interior

INTERIOR BUSINESS CENTER
Indirect Cost Services
2180 Harvard Street, Suite 430
Sacramento, CA 95815



July 27, 2015

Ms. Laura Travis, Director, Grants Services Network
The Nature Conservancy
4245 N. Fairfax Drive, Suite 100
Arlington, VA 22203-1606

Dear Ms. Travis:

Enclosed is the signed original Negotiated Indirect Cost Rate Agreement that was processed by our office. If you have any questions concerning this agreement, please refer to the signature page for the name and contact number of the negotiator.

As a recipient of federal funds, the regulations require you to maintain a current indirect cost rate agreement. For provisional/final indirect cost rates, Indirect Cost Proposals should be submitted on an annual basis, and they are due within six (6) months after the close of your fiscal year. For predetermined rates and approved rate extensions, proposals are due in our office six (6) months prior to the expiration of your current rate agreement. Please note that proposals are processed on a first-in, first-out basis.

Common fiscal year end dates and proposal due dates are listed below:

Fiscal Year End Date	Proposal Due Date
September 30 th	March 31 st
December 31 st	June 30 th
June 30 th	December 31 st

Please visit our Web site at http://www.doi.gov/ibc/services/Indirect_Cost_Services for guidance and updates on submitting future indirect cost proposals. The website includes helpful tools such as a completeness checklist, indirect cost and lobbying certificates, sample proposals, Excel worksheet templates, and links to other Web sites.

Sincerely,

Deborah A. Moberly
Office Chief

Enclosure

Ref: J:\Other (Non-Profit, Guam, VI, Puerto Rico)\Nonprofit\Nature Conservancy (Nacoh629)\FY 14F 16P\Naco-IssueLtr.14F 16P.docx

Phone: (916) 566-7111
Fax: (916) 566-7110

Email: ICS@ibc.doi.gov
Internet: http://www.doi.gov/ibc/services/Indirect_Cost_services

**Nonprofit Organization
Indirect Cost Negotiation Agreement**

EIN: 53-0242652

Organization:

The Nature Conservancy
4245 N. Fairfax Drive, Suite 100
Arlington, VA 22203-1606

Date: July 27, 2015

Report No(s): 15-A-0929 14F
15-A-0930 16P

Filing Ref.:

Last Negotiation Agreement
dated June 20, 2014

The indirect cost rates contained herein are for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR Part 200 apply for fiscal years beginning on or after December 26, 2014 subject to the limitations contained in Section II.A. of this agreement. Applicable OMB Circulars and the regulations at 2 CFR 230 will continue to apply to federal funds awarded prior to December 26, 2014. The rates were negotiated by the U.S. Department of the Interior, Interior Business Center, and the subject organization in accordance with the authority contained in applicable regulations.

Section I: Rates

Page 1 of 2

Type	Effective Period		Rate	Locations	Applicable To
	From	To			
Fixed Carryforward	07/01/15	06/30/16	21.80% 1/	All	All Programs
<u>Fringe Benefit Rates</u>					
Final	07/01/13	06/30/14	42.32% 2/	All	Regular Salaries
Final	07/01/13	06/30/14	12.84% 3/	All	Short-Term Salaries
Final	07/01/13	06/30/14	11.32% 4/	All	Foreign Salaries
Provisional	07/01/15	06/30/16	40.00% 2/	All	Regular Salaries
Provisional	07/01/15	06/30/16	12.00% 3/	All	Short-Term Salaries
Provisional	07/01/15	06/30/16	11.00% 4/	All	Foreign Salaries

1/Base: Total direct costs, less external transfers and the value of land sold or donated to government agencies and other conservation organizations. Equipment costs valued between \$5,000 and \$50,000 are included in the base limited to the first year of capitalization. **All subawards, regardless of dollar amounts, are included in the base.**

2/Base: Total salaries and wages for regular employees.

3/Base: Total salaries and wages for short-term employees.

4/Base: Total salaries and wages for foreign employees.

Note: The foreign salaries fringe benefit rates refer to benefits that are paid centrally by TNC's headquarters. Additional benefits are paid locally by TNC's foreign locations which are charged directly to government awards.

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs.

Treatment of Paid Absences: (a) For employees paid on TNC's U.S. payroll, the costs of vacation, holiday and sick leave pay are included in the organization's fringe benefit rate and are not included in the direct costs of salaries and wages. Claims for direct salaries and wages must exclude those amounts paid or accrued to employees for periods when they are on vacation, holiday or sick leave. Other paid absences are billed directly. (b) For employees paid on local payrolls in other country programs, paid absences are billed directly.

Section II: General

A. Limitations: Use of the rate(s) contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rate(s) agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).

B. Audit: All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

C. Changes: The rate(s) contained in this agreement are based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in organizational structure, or changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rate(s) in this agreement, require the prior approval of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowance.

D. Rate Type:

1. **Fixed Carryforward Rate:** The fixed carryforward rate is based on an estimate of the costs that will be incurred during the period for which the rate applies. When the actual costs for such period have been determined, an adjustment will be made to the rate for a future period, if necessary, to compensate for the difference between the costs used to establish the fixed rate and the actual costs.

2. **Provisional/Final Rate:** Within six (6) months after year end, a final indirect cost rate proposal must be submitted based on actual costs. Billings and charges to contracts and grants must be adjusted if the final rate varies from the provisional rate. If the final rate is greater than the provisional rate and there are no funds available to cover the additional indirect costs, the organization may not recover all indirect costs. Conversely, if the final rate is less than the provisional rate, the organization will be required to pay back the difference to the funding agency.

3. **Predetermined Rate:** A predetermined rate is an indirect cost rate applicable to a specified current or future period, usually the organization's fiscal year. The rate is based on an estimate of the costs to be incurred during the period. A predetermined rate is not subject to adjustment. (Because of legal constraints, predetermined rates are not permitted for Federal contracts; they may, however, be used for grants or cooperative agreements.)

4. **Rate Extension:** Only final and predetermined rates may be eligible for consideration of rate extensions. Requests for rate extensions of a current rate will be reviewed on a case-by-case basis. If an extension is granted, the non-Federal entity may not request a rate review until the extension period ends. In the last year of a rate extension period, the non-Federal entity must submit a new rate proposal for the next fiscal period.

E. Agency Notification: Copies of this document may be provided to other federal offices as a means of notifying them of the agreement contained herein.

F. Record Keeping: Organizations must maintain accounting records that demonstrate that each type of cost has been treated consistently either as a direct cost or an indirect cost. Records pertaining to the costs of program administration, such as salaries, travel, and related costs, should be kept on an annual basis.

G. Reimbursement Ceilings: Grantee/contractor program agreements providing for ceilings on indirect cost rates or reimbursement amounts are subject to the ceilings stipulated in the contract or grant agreements. If the ceiling rate is higher than the negotiated rate in Section I of this agreement, the negotiated rate will be used to determine the maximum allowable indirect cost.

H. Use of Other Rates: If any federal programs are reimbursing indirect costs to this grantee/contractor by a measure other than the approved rate(s) in this agreement, the grantee/contractor should credit such costs to the affected programs, and the approved rate(s) should be used to identify the maximum amount of indirect cost allocable to these programs.

I. Other:

1. The purpose of an indirect cost rate is to facilitate the allocation and billing of indirect costs. Approval of the indirect cost rate does not mean that an organization can recover more than the actual costs of a particular program or activity.

2. Programs received or initiated by the organization subsequent to the negotiation of this agreement are subject to the approved indirect cost rate(s) if the programs receive administrative support from the indirect cost pool. It should be noted that this could result in an adjustment to a future rate.

3. This Negotiation Agreement is entered into under the terms of an Interagency Agreement between the U.S. Department of the Interior and the cognizant agency. No presumption of federal cognizance over audits or indirect cost negotiations arises as a result of this Agreement.

4. Organizations that have previously established indirect cost rates—exclusive of the 10% *de minimis* rate—must submit a new indirect cost proposal to the cognizant agency for indirect costs within six (6) months after the close of each fiscal year.

Section III: Acceptance

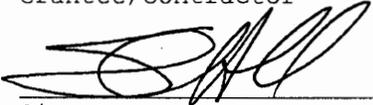
Listed below are the signatures of acceptance for this agreement:

By the Nonprofit Organization:

By the Cognizant Federal Government Agency:

The Nature Conservancy
Grantee/Contractor

U.S. Department of the Interior
Cognizant Agency

 /s/

 /s/

Signature
Stephen Howell
Name (Type or Print)

Signature
Deborah A. Moberly
Name

Chief Financial & Administrative
Title
officer

Office Chief
Office of Indirect Cost Services
Title

JULY 21, 2015
Date

U.S. Department of the Interior
Interior Business Center
Agency

JUL 27 2015

Date
Negotiated by Stacy Frost
Telephone (916) 566-7002