

**COMMONWEALTH OF THE
NORTHERN MARIANA ISLANDS
Consolidated Appropriations Act, 2021
SPEND PLAN 2021 – 2022
ROUND 2**



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Commonwealth of the Northern Mariana Islands
CONSOLIDATED APPROPRIATIONS Act, 2021, Spend Plan

Purpose

To provide guidelines for the distribution and management of funds to eligible participants that were affected by the COVID-19 pandemic pursuant to the CARES Act Section 12005, and to provide guidelines that meet Consolidated Appropriations Act 2021 reporting requirements. The methodology in the following Detailed Spend Plan, once reviewed and approved by NOAA, may be used for any future funds appropriated by Congress for the same purpose. When warranted or if necessary, the CNMI will have the flexibility to change approaches. And if Congress changes any of the parameters (e.g., 35% loss threshold, eligible entities), spend plan would have to be updated. A total of \$404,623.73 has been allocated to the CNMI under this grant award.

Definitions

Business day: Any day except any Saturday and Sunday or any day which is a Federal or State legal holiday.

Charter/for-hire fishing business is an entity with a valid CNMI charter/for-hire Business License and must have been in business for more than one year.

Commercial Fishing Businesses: fishing in which the fish harvested, either in whole or in part, enter commerce through sale, barter, or trade and has been in the business of locally caught marine seafood in the CNMI for one year or more.

Fish dealer: is an entity that primarily sells locally caught marine seafood products. Must have a valid CNMI Business License and be in business for one year or more.

Marine fish: any marine aquatic species including fish and invertebrates

Processors: an entity that adds value to locally caught marine seafood products for resale. Must have a valid CNMI Business License and be in business for one year or more.

Qualified aquaculture: an entity that cultures marine fish in the CNMI. Must have a valid CNMI Business License and be in business for one year or more.

Revenue loss: loss of sales associated with locally caught marine seafood products within the period of eligibility compared to the average revenue earned during the same time period over the previous 5 years

Period of eligibility: the period of time used to determine revenue loss due to COVID 19. The reference period for determining a greater than 35% loss of revenue loss is January 01, 2021 – December 31, 2021^{[1][A2]}.

Seafood retailer: an entity that is an end-user such as a restaurant, fish market, or supermarket for which 25% or more of total sales for that year constitute locally caught seafood.

Subsistence fishermen: any individual who fishes primarily for noncommercial purposes to feed family and relatives. Subsistence fishing includes fishing for ceremonial and cultural purposes. If a subsistence fisherman sells, barter, or trades their fish, they are eligible to apply separately as a commercial fisherman.

Wholesale fish dealer: an entity that takes possession or ownership of locally caught seafood for the purpose of reselling.

Eligibility

Who is eligible:

- a) Fishing-related businesses eligible for Consolidated Appropriations Act 2021 assistance primarily include commercial fishing businesses, charter/for-hire fishing businesses, qualified aquaculture operations, processors, dealers, and certain other fisheries-related businesses.
 - i. For fishing-related businesses applicants must demonstrate and provide proof of evidence that they have sustained an economic revenue loss greater than 35% during the time period between January 1, 2021 and December 31, 2021,^[3] using Business Gross Revenue Tax (BGRT) information from the prior 5-year (2015-2019) BGRT average revenue.
- b) Subsistence fishermen^[4]^[A5]
 - i. Subsistence fishermen must provide an affidavit indicating loss of fishing opportunity to certify the negative impact of COVID 19 compared to previous years.
 - ii. The period of loss of fishing opportunity is based on CNMI COVID-19 fishing restrictions and shutdown from January 01, 2021, through December 31, 2021.
- c) To be eligible to apply, applicants must be at least 18 years of age prior to the start date of eligibility.
 - i. Participants may apply to all categories to which they are eligible.
- d) Eligibility extends to all residents of the CNMI that meet the age requirement, regardless of nationality or immigration status. The fisheries community in the CNMI is made up of citizens from other islands all across the Pacific in which fishing is an integral aspect of their cultural identity. To exclude participants based on citizenship will not portray an accurate picture of the loss incurred by the subsistence or commercial fishing community in the CNMI. By allowing a wider pool of applicants, DLNR-DFW will be able to illustrate and project future fishing measurements, projects, and possible regulations.
- e) Tribal, and non-tribal groups are encouraged to participate. They can apply under the category of subsistence fishermen; however, if they possess a business license, then can apply for both under commercial and subsistence.

Who is not eligible: Businesses farther down the supply chain – including vessel repair businesses, restaurants, or seafood retailers – are not considered “fishery-related businesses” for the purposes of this funding. Bait and tackle businesses are not eligible.

Criteria

a. Commercial Business

- i. Must demonstrate revenue loss greater than 35% between January 1, 2021 and December 31, 2021 when compared to the prior five years’ average per period of eligibility (January 1, 2021 and December 31, 2021).
- ii. For businesses operating for more than one year but less than five years, the reference period will be used to calculate the average for each year of operation.
- iii. Need to have a valid CNMI Business License or must provide an affidavit in support of business operations.
- iv. Need to provide documentation of revenue loss (Business Gross Revenue Tax documents) or an affidavit of loss (Self-certification and Assurances).

b. Subsistence Fisherman

- i. Must demonstrate loss of subsistence fishing opportunity. Subsistence fishing opportunity loss is defined as the number of missed fishing opportunities during the period of loss of fishing opportunity (January 01, 2021, through December 31, 2021) that is based on CNMI COVID-19 fishing restrictions and shutdown.
- i. Subsistence fishermen must provide an affidavit indicating loss of fishing opportunity to certify the negative impact of COVID 19 compared to previous years.

c. Application Form

- i. All applicants must submit a complete application form and required documents (see documentation requirements section below).
- ii. No applications will be accepted after the application deadline.
- iii. The application deadline is June 16, 2022.
- iv. This application is for a one-time payment only.
- v. Separate applications (subsistence or commercial) must be submitted for each eligible category.

Payment and Distribution of Funding

- a. The application must be reviewed by the CNMI Office of Grants Management for completeness and eligibility. Once determined complete and the application period ends, all pertinent information needed by the Pacific State Marine Fisheries Commission (PSMFC) will be electronically forwarded for further processing.
- b. Payments will be distributed by check from the Pacific State Marine Fisheries Commission (PSMFC) and mailed directly to the applicant. It is estimated that payments will be distributed within 90 calendar days after the application deadline; however as with the case with Round 1, unexpected circumstances do arise, thus pushing the dates further down.

- c. Any funding received through the Consolidated Appropriations Act 2021 is subject to federal and local tax requirements. The Pacific State Marine Fisheries Commission (PSMFC) will be responsible for issuing 1099 Forms directly to the applicants.
- d. Payment will be one time only for each approved application.
- e. All returned checks and 1099 forms will be received by PSMFC and communicated with the CNMI Point of Contact.
- f. Any discrepancy, loss of mail, typo-errors will be reviewed and handled collaboratively between PSMFC and the CNMI POC.

Funding Allocation^[12]_[A13]

- a. Participants in all categories, excluding the Subsistence Category, will be paid out the total average revenue loss experienced in 2021 when compared to the same time period over the previous 5 years. Applicants receiving Consolidated Appropriations Act, 2021 cannot be made “more than whole” when combining traditional revenue, relief aid, ^[14]_[A15] and any other federal pandemic-related aid received in 2021 as compared to the previous 5 year average annual revenue earned).
- b. The remaining balance of direct aid will be available to distribute equally to all eligible subsistence fishery participants.
- c. All inquiries and grievances will be handled by the CNMI Office of Grants Management.

Funding Allocation Between Commercial fishing categories and Subsistence Fishermen:

To ensure that funding is equally shared between the commercial fishing categories and the subsistence fishermen, the following allocation is set:

- a. 20% of the total available funding for distribution amongst eligible participants be allocated to commercial fishing categories first. The remaining 80% will be shared amongst the subsistence fishermen.
- b. If the commercial fishing categories do not use all of their 20% funding allocation, the balance will be added to the subsistence fishing category to be distributed equally amongst the total eligible subsistence fishery applicants.

Methodology

- The 5- year average is calculated from 2015 – 2019. Applicants should take into account their prior 5-year average from January 1st through December 31st 2015, 2016, 2017, 2018, and 2019.^[16]_[A17]
- Applicants would then take their 2021 revenues from January 1st through December 31st, 2021 and subtract this from the prior 5-year average.
- Revenue Loss Computation for Commercial Fishing Activities
 - a. Determine the period of eligibility (January 01, 2021 to December 31, 2021)
 - b. Compute greater than 35% Revenue Loss

$$(A) \text{ Last year 5 yrs ave revenue} - (B) \text{ this year's revenue} = (C) \text{ difference}$$

$$(C) \text{ Difference} \div (A) \text{ last 5 year average revenue} = (D)$$

$$(D) \times 100 = \text{percentage revenue loss or gain}$$

Example:

$$\begin{aligned} \$30,000 - \$17,000 &= \$13,000 \\ \$13,000 / \$30,000 &= 0.433 \\ 0.433 \times 100 &= 43.3\% \end{aligned}$$

REVENUE LOSS COMPUTATION

Average of 5 Years Period of Eligibility vs. COVID 19 Period Eligibility

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
2015	\$ 7,383	\$ 11,826	\$ 14,946	\$ 14,187	\$ 9,512	\$ 13,372	\$ 11,247	\$ 12,042	\$ 10,444	\$ 12,526	\$ 12,906	\$ 11,247	\$ 141,638
2016	\$ 10,989	\$ 12,143	\$ 12,168	\$ 14,874	\$ 13,282	\$ 8,032	\$ 7,157	\$ 11,789	\$ 10,580	\$ 7,313	\$ 10,258	\$ 7,157	\$ 125,742
2017	\$ 9,800	\$ 12,628	\$ 13,652	\$ 9,471	\$ 11,912	\$ 8,777	\$ 11,666	\$ 8,939	\$ 7,456	\$ 7,730	\$ 8,514	\$ 11,666	\$ 122,211
2018	\$ 10,314	\$ 8,613	\$ 7,667	\$ 10,616	\$ 12,225	\$ 9,745	\$ 9,741	\$ 12,962	\$ 9,347	\$ 8,449	\$ 12,673	\$ 9,741	\$ 122,093
2019	\$ 11,718	\$ 11,765	\$ 350	\$ 750	\$ 605	\$ 420	\$ 320	\$ 550	\$ 475	\$ 220	\$ 146	\$ 380	\$ 27,699
	\$ 10,041	\$ 11,395	\$ 9,757	\$ 9,980	\$ 9,507	\$ 8,069	\$ 8,026	\$ 9,256	\$ 7,660	\$ 7,248	\$ 8,899	\$ 8,038	\$ 107,877

COVID 19 Period of Eligibility													
2021	\$ 5,459	\$ 1,784	\$ 2,901	\$ 4,446	\$ 2,067	\$ 4,203	\$ 6,506	\$ 9,259	\$ 7,456	\$ 8,462	\$ 9,502	\$ 6,730	\$ 68,775
	\$ 107,877	-	\$ 68,775	=	39,102								
	\$ 39,102	÷	\$ 107,877	=	36.25%	Eligible							

Year	Jan	Feb	Mar	Apr	May	Jun	July	August	September	October	November	December	Total
2015	\$ 7,383	\$ 11,826	\$ 14,946	\$ 14,187	\$ 9,512	\$ 13,372	\$ 11,247	\$ 12,042	\$ 10,444	\$ 12,526	\$ 12,906	\$ 11,247	\$ 141,638
2016	\$ 10,989	\$ 12,143	\$ 12,168	\$ 14,874	\$ 13,282	\$ 8,032	\$ 7,157	\$ 11,789	\$ 10,580	\$ 7,313	\$ 10,258	\$ 7,157	\$ 125,742
2017	\$ 9,800	\$ 12,628	\$ 13,652	\$ 9,471	\$ 11,912	\$ 8,777	\$ 11,666	\$ 8,939	\$ 7,456	\$ 7,730	\$ 8,514	\$ 11,666	\$ 122,211
2018	\$ 10,314	\$ 8,613	\$ 7,667	\$ 10,616	\$ 12,225	\$ 9,745	\$ 9,741	\$ 12,962	\$ 9,347	\$ 8,449	\$ 12,673	\$ 9,741	\$ 122,093
2019	\$ 11,718	\$ 11,765	\$ 350	\$ 750	\$ 605	\$ 420	\$ 320	\$ 550	\$ 475	\$ 220	\$ 146	\$ 380	\$ 27,699
													\$ 107,877

COVID 19 Period of Eligibility													
2021	\$ 10,041	\$ 11,395	\$ 8,344	\$ 3,993	\$ 6,688	\$ 4,319	\$ 6,857	\$ 4,215	\$ 4,590	\$ 4,770	\$ 3,531	\$ 3,918	\$ 72,661
	\$ 107,877	-	\$ 72,661	=	35,216								
	\$ 35,216	÷	\$ 107,877	=	32.64%	Ineligible							

Year	Jan	Feb	Mar	Apr	May	Jun	Jul
2015	\$12,143	\$12,168	\$14,874	\$13,282	\$8,032	\$8,032	\$11,789
2016	\$7,383	\$11,826	\$14,946	\$14,187	\$9,512	\$13,372	\$11,247
2017	\$10,989	\$12,143	\$12,168	\$14,874	\$13,282	\$8,032	\$8,032
2018	\$9,800	\$12,628	\$13,652	\$9,471	\$11,912	\$8,777	\$11,666
2019	\$10,314	\$8,613	\$7,667	\$10,616	\$12,225	\$9,745	\$9,741

Aug	Sep	Oct	Nov	Dec	[18][A19]TOTAL
					[20][A21]\$126,617
\$10,580	\$7,313	\$10,258	\$7,157	\$10,989	17
\$12,042	\$10,444	\$12,526	\$12,906	\$11,247	\$141,638
\$11,789	\$10,580	\$7,313	\$10,258	\$7,157	\$126,617
\$8,939	\$7,456	\$7,730	\$8,514	\$11,666	\$122,211
\$12,962	\$9,347	\$8,449	\$12,673	\$9,741	\$122,093

\$127,835	5-year Average
\$100,136	Absolute Loss
78.3%	Relative Loss

Revenue Loss Computation for Subsistence Fishermen: Subsistence fishermen are required to submit an affidavit indicating a loss of fishing opportunity was experienced. Funding distribution for subsistence fishermen will be as follow:

- Total available funding for distribution for subsistence fishermen / the total number of eligible subsistence applicants.

Outreach Plan

- a. Public Notice: Public outreach will commence immediately upon approval of the CNMI Spend Plan by NOAA Fisheries. No open public meetings will be held due to COVID 19 and social distancing guidelines. Public outreach will be carried out using the following mediums:
 1. Media Advertisement
 - Radio Announcement (KKMP, Power 99, Magic 100.3, Marianas Agupa radio show)
 - Television Announcement (KSPN 2 news)
 2. Public Notices
 - Local newspaper (Marianas Variety and Saipan Tribune)
 3. Social Media
 - Facebook, Instagram, WhatsApp
 4. Targeted Stakeholder
 - Local seafood dealers and fishing groups
 5. Spend Plan Quick Reference Guideline
 - Local seafood dealers and fishing groups

Registration Process

- a. Application.
- b. Supporting documentation.
- c. Submission deadlines.
- d. Checklist.
- e. Application submission confirmation.

Application Process

- a. Applications will become available upon approval of the CNMI Spend Plan by the NOAA Fisheries.
- b. Applications and other requirements will be made available at:
 1. Saipan (DLNR & CNMI Grants Office)
 2. Tinian (Tinian Mayor's Office)
 3. Rota (Rota Mayor's Office)
 4. Through email upon request to the CNMI Grants Office
- c. No applications will be accepted by the CNMI Office of Grants Management after midnight of June 16, 2022^[22]_[A23].
- d. Applicants will be notified about deficient applications. Applicants will be given 7 business days to address any deficiencies. Applications will be put on hold until all

- deficiencies are addressed. If deficiencies are not addressed within the allotted timeframe, the application will no longer be valid and be automatically canceled.
- e. The CNMI Office of Grants Management will create, maintain, and monitor a spreadsheet to account for distributions of applications, applications received deficiency notices, deficiency corrections, and other pertinent tracking information.
 - f. The CNMI Office of Grants Management will have 10 calendar days to review all applications for completeness and to notify applicants of any deficiencies. Applicants have seven (7) business days to correct any deficiencies.
 - g. Applicants have 5 calendar days to submit an appeal after being notified of their ineligibility. Applicants will need to include in their appeal the reason for the appeal and provide supporting documents to support their appeal. Appeals received after the published appeal period date will not be reviewed or considered.
 - h. The CNMI Office of Grants Management has 5 business days to review, make a final determination of the appeal and send a written notification of the appeal decision to the applicant. All applications and appeals will be entertained, determined, and resolved before any application is sent to PSMFC for review and distribution of checks.

Documentation Requirements

- a. Subsistence Fishermen
 1. Completed Application.
 2. Notarized Affidavit of loss of fishing opportunities due to COVID19 government restrictions.
 3. Unexpired Proof of ID (copy driver's license or Mayor's ID, Passport). Picture ID is a must.
 4. Completed W-9 Form.
 5. The CNMI State may request for a photograph of proof that depicts your fishing activities or to have you bring in your fishing gear as evidence.
- b. Commercial fishing business, charter/for-hire fishing businesses, qualified aquaculture operations, processors, dealers, and certain other fisheries-related businesses;
 1. Completed Application.
 2. Copies of Business Gross Receipts Tax (BGRT) for the period of eligibility (January 01, 2021 to December 31, 2021) and the BGRT from the previous five years or provide an affidavit in support of revenue loss.
 3. Unexpired Proof of ID (copy driver's license or Mayor's ID, birth certificate, and/or passport).
 4. Completed W-9 Form.
 5. The CNMI State may request for a photograph of proof that depicts your fishing activities or to have you bring in your fishing gear as evidence.

Submittal and Review Process

- a. Application review will be conducted by the CNMI Office of Grants Management and reviewed pursuant to the approved CNMI Spend Plan. Information considered confidential per CNMI law will not be made available for public disclosure.
- b. Applications can be submitted in the following formats (application period will be open for 40 days):
 1. Hand-delivered to the designated office(s) in Saipan, Tinian, and Rota during normal Government working hours. The CNMI Office of Grants

Management is located at the 1st Floor of the Former Pena House Shop/Bank of Saipan in Chalan Kanoa, Saipan.

2. The application may be electronically inputted at the CNMI Office of Grants Management.
- c. All hand-delivered applications will be stamped with a time/date receipt for each application submitted
- d. All incomplete applications will be returned should the applicant try to submit at the receiving office;
- e. The CNMI Office of Grants Management will be responsible for notifying applicants of application deficiencies within 10 calendar days of receipt.
- f. Applicants have 7 business days to correct deficiencies and re-submit;
- g. Once the CNMI Office of Grants Management certifies the applicant is eligible and their application is complete, they will have five (5) days to scan and package applications before they will be sent to Pacific State Marine Fisheries Commission (PSMFC) for final review and approval. Because funding allocation will be based on proportional revenue loss within each sector, applications and supporting documents will be submitted at one time.
- h. The CNMI Office of Grants Management will be notified of approved applications and payment status by PSMFC.
- i. The PSMFC will notify the State POC of the status of client applications under the Consolidated Appropriations Act 2021.
- j. The PSMFC will provide a list of payments made to recipients to the CNMI Office of Grants Management for reconciliation.
- k. All application concerns will be addressed by the CNMI Office of Grants Management. Appeals must be submitted in writing to the CNMI Office of Grants Management within five (5) calendar days after being notified of their ineligibility. The CNMI Office of Grants Management will be responsible for notifying applicants of the appeal decision within five (5) business days of receipt of an appeal.

Direct Cost 2%

The CNMI Department of Lands and Natural Resources and CNMI Office of Grants Management will develop a budget that will not exceed 2% of the total funding amount to cover administrative costs as allowed by the Consolidated Appropriations Act, 2021. See attached Budget Worksheet.

Clarification was sought from PSMFC and the following administrative charges are to be applied to the total \$411,002. NOAA Fee: \$4,517; PSMFC: \$1,861.27; and CNMI State: \$6,268.43. Thus, a total of \$398,355.30 is available for applicants.

Accomplishment Timeline Table for Implementation of Consolidated Appropriations Act 2021 Round 2 Funding:

- a. February 14, 2022: Submit the Consolidated Appropriations Act 2021 Spend Plan to the Office of the Governor for review and approval.
- b. February 18, 2022: Submit the approved CNMI Spend Plan to the Pacific State Marine Fisheries Commission for review and approval.

- c. April 25, 2022, to May 6, 2022[24]: Preparation, coordination, public notices, public education & outreach, and public questions and answers.
- d. May 9, 2022, to June 2, 2022:[25] Distribution of CARES Act Application.
- e. June 2, to June 16, 2022[26]: Begin accepting and reviewing CARES Act Application for completeness and eligibility of spend plan requirements.
- f. June 2, 2022, to July 5, 2022[27]: Applicants period to correct application deficiencies and to submit an appeal for funding assistance ineligibility.
- g. July 05, 2022 to July 19, 2022:[28] Office of Grants Management period to determine eligible applicants that meet eligibility requirements and determines how much each applicant will receive.

Office of Grants Management will then package all applications and supporting documentation, and submit them to PSMFC for processing of checks.

- h. July 12, 2022: Last day to submit an appeal.
- i. July 26, 2022: Last day for the Office of Grants Management to decide on an appeal.
- j. August 01, 2022 : Submit all eligible and complete CARES Act applications to the Pacific State Marine Fisheries Commission for review, approval, and disposition.

Pacific State Marine Fisheries Commission (PSMFC) review and make determinations on eligibility. (TBD by PSMFC)

Pacific State Marine Fisheries Commission will notify CNMI Office of Grants Management of eligibility determination for payment processing.

- k. Closeout and final report will be submitted to the Pacific State Marine Fisheries Commission (PSMFC) 90 days after the grant award funding expires.

Reporting Requirements

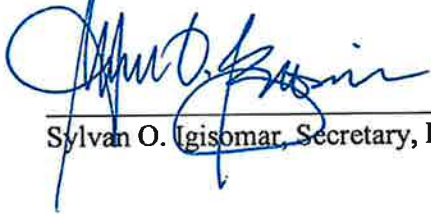
- a. Reports will be submitted pursuant to award conditions and requirements to PSMFC. Responsible party will be CNMI Grants Office.
- b. All records will be maintained for a minimum of 3 years (by October 31, 2026) after the close of the primary grant award to PSMFC by the CNMI Department of Lands and Natural Resources.

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Pacific State Marine Fisheries Commission

APPENDIX

CNMI CARES ACT FUNDING DISTRIBUTION METHODOLOGY

STEP ONE: Account for Revenue Loss Per Non-Subsistence Participant				
	ELIGIBLE CATEGORIES	REVENUE LOSS	CATEGORY TOTAL LOSS	TOTAL FUNDING TO BE DISTRIBUTED TO PARTICIPANT
1	Commercial Fishermen	38.71	38.71	38.71
		38.71		38.71
	ELIGIBLE CATEGORIES	REVENUE LOSS	CATEGORY TOTAL LOSS	PERCENTAGE DISTRIBUTION
2	Charter/for Hire Fishing Business	336.00	36,652.76	336.00
3	Charter/for Hire Fishing Business	477.86	36,652.76	477.86
4	Charter/for Hire Fishing Business	447.14	36,652.76	447.14
5	Charter/for Hire Fishing Business	1,461.43	36,652.76	1,461.43
6	Charter/for Hire Fishing Business	2,657.14	36,652.76	2,657.14
7	Charter/for Hire Fishing Business	2,591.43	36,652.76	2,591.43
8	Charter/for Hire Fishing Business	640.00	36,652.76	640.00
9	Charter/for Hire Fishing Business	9,933.26	36,652.76	9,933.26
10	Charter/for Hire Fishing Business	11,599.49	36,652.76	11,599.49
11	Charter/for Hire Fishing Business	2,844.93	36,652.76	2,844.93
12	Charter/for Hire Fishing Business	464.28	36,652.76	464.28
13	Charter/for Hire Fishing Business	2,924.80	36,652.76	2,924.80
14	Charter/for Hire Fishing Business	275.00	36,652.76	275.00
		36,652.76		36,652.76

STEP TWO: Calculate Funding Distribution for Subsistence Participants				
ELIGIBLE CATEGORIES	Number of Eligible Applicant	Total Amount to Be Distributed	Additional Funding from Commercial Fishing Category	Funding Per Participants
Subsistence Fishermen	1,153	\$199,135.40	\$75,000.00	\$237.76

CARES ACT, Round 2 Funding Allocation, CNMI	
Funding Allocation	\$ 411,002.00
A. NOAA Apportionment	\$ 4,517.00
B. PSMFC Admin Fee	\$ 1,861.27
C. CNMI Admin Fee	\$ 6,268.43
Direct costs Rate (2%) Combined in Total; Authorized Limit	
Less: Direct Charges and NOAA Apportionment	\$ 12,646.70
Available for Distribution Amongst Eligible Participants	\$ 398,355.30

CARES Act 2% Direct Cost BUDGET INFORMATION			
Department : Lands & Natural Resources/ Office of Grants Management			
Activity : 1043A			
Program : CARES Act Budget Proposal			
Class Code	Object Classification	CNMI Class Code	Approved Budget SF-424A Class Code
a. Personnel			
61090	Wages/Salaries - CSC	-	
61100	Wages/Salaries - Ung		
61110	Overtime Compensation / Straight Time	3,200.00	
		<u>3,200.00</u>	\$ 3,200.00
b. Fringe Benefits			
61180	Personnel Insurance	128.00	
61195	Retirement Contribution (DC)	-	
61196	FICA @ 6.2%	198.40	
61210	Health Insurance	320.00	
61220	Medicare Contribution	46.40	
		<u>692.80</u>	692.80
c. Travel			
62500	Travel (Inter-Island)	1,100.00	
		<u>1,100.00</u>	1,100.00
d. Equipment (Capitalized Property)			
64550	Computer Systems & Equip. (Non-Capitalized Property)	-	
		<u>-</u>	-
e. Supplies			
63040	Supplies Office	100.00	
63050	Supplies Operations	275.63	
		<u>375.63</u>	375.63
f. Contractual			
62080	Advertisement	750.00	
62300	Printing and Photocopying	150.00	
62680	Freight & Handling	-	
62750	Cleaning Services		
		<u>900.00</u>	900.00
g. Construction			
		<u>-</u>	-
h. Others			
62710	Utilities - Power	-	
62720	Utilities - Water		
		<u>-</u>	-
i. Total Direct Charges (sum of 6a-6h)			
		<u>6,268.43</u>	6,268.43
j. Indirect Charges @ 9.23%			
		<u>-</u>	-
k. Totals (sum of 6i and 6j)			
		<u>\$ 6,268.43</u>	\$ 6,268.43

The following are the expenditure cost categories explanation:

- Personnel – Salary: (\$3,200.00) This is to pay for four persons to be helping with the distribution, receiving, reviewing, and approving the application and documentation. These four or more personnel will also assist in corresponding with the eligible applicants regarding their application status.
- Fringe Benefits: (\$692.80) The fringe benefits is part of the salary components and its' comprised of (a) Personnel insurance, (b) FICA, (c) Health insurance, & (d) Medicare Contribution.

- **Travel: (\$1,100.00)** This expenditure cost category is to pay for 1 personnel to travel from Saipan to Rota & Tinian and vice-versa from Tinian & Rota to Travel for CARES Act related operation and meeting with agency personnel from the other islands to ensure that they understand the Spend Plan, how the CARES Act is to implemented and what are the expectations.
- **Supplies Office: (\$100.00)** This amount is to pay for office supplies that may be needed to carry out the implementation of the CARES Act Spend Plan.
- **Supplies Operation: (\$275.63)** This is amount is to pay for toner cartridges, paper, PPEs, masks, sanitizer supplies to protect staffing from Covid-19. It will help pay for printing of applications, self-certification and assurance documents, and quick reference guidelines to be distributed to eligible applicants.
- **Advertisement: (\$750.00)** This is to pay for newspaper advertisement and radio announcement for dissemination of CARES Act program information to the general public so that we can reach as many eligible applicants affected by the COVID19.
- **Utilities – Power: (\$100.00)** The CNMI has to type of approved indirect cost rate, (1) Indirect Cost Rate of 9.23% if utility cost is included in budget, and (2) Indirect Cost Rate of 32% if utility cost is not included in the budget. A minimum of \$100.00 is included in the proposed budget in order to apply the lower rate of \$9.23%.
- **Indirect Cost: (\$0)** The State will not collect on Indirect Costs.

As indicated above, NOAA will collect/charge the grant \$4,517.00, from the original amount of **\$411,002.00**, leaving a balance of \$406,485.00. The 2% Direct Charges is taken from the total amount **\$406,485.00** allocated for the CNMI which equals to **\$398,355.30**. The balance of which **\$398,355.30** will be used to be distributed amongst eligible participants. The 2% Direct Charges is very nominal for the implementation of the CARES Act. The 2% Direct Charge is most likely to be insufficient to cover all the expenses associated with the delivery and implementation of the CARES Act. Thus, if the administrative cost associated with the delivery and implementation of the CARES Act is greater than what is allowable, the CNMI Government will have to contribute for the overage.

From the administrative standpoint, the Office of Grants Management will provide the Department of Finance sufficient documentation to generate an invoice that will be submitted to PSMFC for processing and payment. PSMFC will make the check payable to **“CNMI Treasury” P.O. Box 5234 CHR, SAIPAN, MP 96950**. Upon receipt of the check, the DOF will credit OGM’s 1043A Business Unit.