

**LSTA AUTOMATED SYSTEM GRANTS
2003-2004
Information & Guidelines**

What is this grant program and its purpose?

LSTA Automated System Grants are available in 2003-2004 to help achieve Output 1.1.A in *Library Services & Technology Act Plan for Implementation in North Carolina – 2003-2007* (found at URL <<http://statelibrary.dcr.state.nc.us/lsta/lsta.htm>>): supporting North Carolina libraries' efforts to have the information technology infrastructure to provide access to networked information for their users.

This grant program targets libraries having automated systems that do not meet one or more of the following criteria from *Minimum Standards for Library Automation in North Carolina*:

- capability to export entire bibliographic and holdings databases in MARC format (2.1, 2.10).
- capability of showing circulation status of items in OPAC (3.1).
- ability to access the OPAC via the Internet through a graphical Web browser interface (4.7).

(For the complete listing of minimum standards, see URL <<http://statelibrary.dcr.state.nc.us/lsta/minstds.pdf>>)

Eligible libraries may seek funds to acquire and implement

- *new or upgraded modules* for existing integrated online systems, or
- *new or upgraded integrated online systems*.

The library must describe how its current automated system fails to meet these specific standards and must explain, insofar as is possible at the time of application, how its projected additional module(s), upgrade(s) or replacement system will meet these requirements. Due to procurement timelines, some libraries may not know at the time of application what solution they will ultimately choose. However, no grant will be funded in which the solution chosen does not enable the library to address the specific criteria above. Any library seeking to replace its automation system completely must choose a system that complies with the *Minimum Standards for Library Automation in North Carolina*. Libraries will also be expected to follow best practices for automation as indicated in *Best Practices for Automation in Libraries in North Carolina* (see URL <<http://statelibrary.dcr.state.nc.us/lsta/bestprac.pdf>>).

This grant program is designed to avoid placing an excessive paperwork burden on libraries seeking to upgrade or replace their automated system. However, the library must follow all applicable local procurement rules, including the use of a "Request for Proposal" where required.

These grants are in a category called "Project Grants" in the policies and procedures outlined in *Library Services & Technology Act Plan for Implementation in North Carolina – 2003-2007* at the URL above.

What is the application process?

The grant process has two steps aimed at saving time and other resources for those libraries that may not be competitive for an Automated System Grant in the current round.

Step #1: Letter of Intent: A library interested in applying for this grant must have submitted (by the November 22, 2002 due date) a "Letter of Intent" which is intended to help determine whether the library is proposing a project that meets the criteria of the grant program. State Library staff and the LSTA Advisory Committee review the Letters of Intent and the LSTA Advisory Committee determines which libraries are authorized to submit a full application.

Step #2: Full Grant Application: Those libraries that receive authorization are invited to submit a full application with a project plan and budget. Libraries will be notified December 20, 2002; applications will be due February 20, 2003. State Library staff, external reviewers, and the LSTA Advisory Committee will review the applications and make recommendations to the State Librarian regarding funding.

Who may apply?

The following libraries are eligible to submit a Letter of Intent: public libraries that qualify for grants from the Aid to Public Libraries Fund, community college libraries, libraries serving the constituent institutions of the University of North Carolina (which includes libraries serving the Area Health Education Centers and the North Carolina School of Science and Mathematics); libraries serving the member institutions of North Carolina Independent Colleges and Universities, and the State Library of North Carolina. *Only libraries that submit a Letter of Intent by November 22, 2002, and receive authorization to submit a full application are eligible to apply for an Automated System Grant.*

Only one Automated System Grant may be submitted by an eligible library system or academic institution. [Definitions: A library system is inclusive of all outlets making up that system (e.g. Nantahala Regional Library). An institution is the parent institution of the library (e.g. UNC-Greensboro)].

What is the basis for selecting projects for funding?

To be eligible for consideration, a library must have submitted a Letter of Intent, have been authorized to submit a full application, and have submitted a full application that is **received** by the deadline of 5:00 p.m. February 20, 2003. The following factors and criteria will be used to determine priority for funding among the eligible applications.

I. Need

Libraries are eligible to apply for funding in the 2003-2004 grant year if they have an existing automated system that does not meet the following *Minimum Standards for Library Automation in North Carolina*:

- capability to export entire bibliographic and holdings databases in MARC format (2.1, 2.10).
- capability of showing circulation status of items in OPAC (3.1).
- ability to access the OPAC via the Internet through a graphical Web browser interface (4.7).

(*Minimum Standards for Library Automation in North Carolina* are posted on the State Library web site at URL <http://statelibrary.dcr.state.nc.us/lsta/minstds.pdf>.)

II. Readiness

- The library must show evidence of substantial planning and preparation for the installation of new or upgraded modules for existing integrated online systems or for the installation of a new or upgraded integrated online system. Libraries are expected to follow best practices for automation as indicated in *Best Practices for Automation in Libraries in North Carolina* (see URL <http://statelibrary.dcr.state.nc.us/lsta/bestprac.pdf>).

A more competitive application will clearly indicate that the library can develop a Request for Proposal (if necessary), acquire and implement its proposed upgrade or new system during the year-long period covered by the grant.

Because of the potential length and complexity of the RFP and procurement process, a library needing to develop an RFP may have a more competitive application if the RFP has already been developed prior to applying for an Automated Systems Grant. Libraries in this situation may wish to consider applying for an LSTA Technology Planning Grant for consulting assistance in developing the RFP before applying for an Automated Systems Grant.

- The library must clearly explain how the existing online system does not meet the criteria specified above and, insofar as is known at the time of application, how the library expects its proposed solution to meet the criteria.

III. Local Commitment

- The library must contribute the required local matching funds, which must be available by the time the library signs the grant agreement. The source of matching funds must be documented in the application. In the review of grant proposals a critical factor will be whether a library can clearly show that they will have adequate local resources to implement the project.
- The library must be able to pay ongoing telecommunications and other support costs for the project.
- In order to receive a grant, a library or its parent institution or governing body must have an approved policy in place to assure that computer workstations are replaced at three-to-five-year intervals.

IV. Ability to Pay and Local Effort

Two additional factors will serve as measures of institutional need *if all other factors are equal in the review of a group of grant proposals*. Those are:

- The relative resources available to fund library services from local government or within an academic institution—that is, the per capita local tax base or the per FTE institutional resources will be used as a measure of its **ability to pay** for services locally.
- The relative **local effort** in supporting library services—that is, per capita support of a public library or, for academic libraries, the library operating expenditures as a percentage of the Educational and General Expenditures for the academic institution.

The data is from the following sources:

- For public libraries, the data is based on information compiled and analyzed by the Public School Forum of North Carolina in their publication *2002 North Carolina Local School Finance Study* (Public School Forum of North Carolina, 2002) and from *Statistics Report of North Carolina Public Libraries – July 1, 2000-June 30, 2001* (State Library of North Carolina, 2002).
- For community colleges, the average annual FTE is from the subtotal columns of Table 26 “Annualized Average Annual Full-Time Equivalent (FTE)” in the *2000-2001 Annual Statistical Report* (North Carolina Community College System, September 2001).
- For public and private colleges and universities, FTE data are those collected for IPEDS and NCHEDS with the following definition: *For institutions of higher education, enrollment of full-time students, plus the full-time equivalent of part-time students as reported by institutions. In the absence of an equivalent reported by an institution, the FTE enrollment is estimated by adding one-*

third of part-time enrollment to full-time enrollment. This data element includes only resident-credit enrollment in courses basic to or creditable to a bachelor's or higher degree.

- For all the post-secondary institutions, the Education and General Expenditures and library operating expenditures are from unpublished data collected from each institution for the Integrated Postsecondary Education Data System (IPEDS). Library operating expenditures are from IPEDS data submitted by the institutions and published in the *Statistical Abstract of Higher Education in North Carolina 2001-02* (The University of North Carolina -General Administration, April 2002).

The State Library is aware that the data for the post-secondary institutions must be viewed in the broader context of institutional mission, degree programs, and other factors. The analysis of "Ability to Pay" and "Local Effort" indicators may include consultation with appropriate officials at The University of North Carolina, the North Carolina Community College System, and North Carolina Independent Colleges and Universities.

What amount of funds may be requested?

The maximum grant request is \$75,000; the minimum grant request is \$10,000.

The final grant amount will be based on actual costs of the vendor(s) selected.

Are local matching funds required?

Yes. Automated System Grant project budgets must include local matching funds.

- The local **cash** contribution to the project must equal a minimum of 25% of the amount of federal funds requested. The match is a 1 to 4 ratio of matching funds to grant funds. Example: If the grant amount requested is \$75,000, the local match must be at least \$18,750, and the total project cost will be at least \$93,750 (\$75,000 grant funds + \$18,750 local funds).
- All of the match must be cash from local or state funds or funds from non-governmental agencies (e.g. foundations, service clubs). Other federal funds and local administrative overhead costs may **not** be used as local match.
- Matching funds must be spent for the same categories of allowable expenses as the grant funds.
- Matching funds must be available at the time a funded library signs the grant agreement.

No expenditures of either grant or local matching funds may be made until the library receives the final executed grant agreement signed by library representatives and the State Librarian.

How may the project funds be used?

The primary purpose of this grant program is to help libraries cover essential costs to

- install new or upgraded modules for existing integrated online systems, or
- install new or upgraded integrated online systems

when the library's existing automated system does *not* meet the following *Minimum Standards for Library Automation in North Carolina*:

- capability to export entire bibliographic and holdings databases in MARC format (2.1, 2.10).
- capability of showing circulation status of items in OPAC (3.1).
- ability to access the OPAC via the Internet through a graphical Web browser interface (4.7).

It is expected that the majority of project funds will be spent for critical hardware, software, and installation costs. However, implementation of modules or an automated system may include a number of other expenses. The budget form found in the application identifies possible expenditure categories; not all may be needed in a particular applicant's project.

If you request funding to hire a consultant, you must explain why a consultant is needed (for example, to assist with evaluation of bids or contract negotiation). Grant funds may be used to pay for consulting services only if provided by a consulting firm on the approved list established by the State Library through the North Carolina Office of Information Technology Services (see <http://statelibrary.dcr.state.nc.us/lsta/contract.htm>), or by a consulting firm qualified to carry out the proposed library automation procurement activities. If a consultant is not selected from the approved list (i.e., "convenience contract"), the choice of consultant is subject to State Library approval based upon information about the consultant's background and experience demonstrating appropriate qualifications for the library automation procurement work.

Grant funds may be used to hire a consultant to assist in developing a Request for Proposal (RFP). However, the library must be prepared to acquire and implement its proposed upgrade or new system during the project year and should not expect to make the development of an RFP the major outcome of the grant.

Because of the potential length and complexity of the RFP and procurement process, a library needing to develop an RFP may have a more competitive application if the RFP has already been developed prior to applying for an Automated Systems Grant. Libraries in this situation may wish to consider applying for an LSTA Technology Planning Grant for consulting assistance in developing the RFP before applying for an Automated Systems Grant. A library may not apply for an Automated Systems Grant and a Technology Planning Grant for library automation planning in the same year.

Neither grant funds nor local funds used for match may be committed or expended prior to award of grant funds and final execution of the grant agreement by representatives of the library and the State Librarian. A library sign may not sign a contract with a consultant until the grant agreement is fully executed.

Ineligible expenses:

- Grant funds may **not** be used to cover annual on-going costs (e.g., monthly telecommunication charges).
- LSTA grant funds may **not** be used for "overhead" or indirect costs.

Is there any special information pertaining to these grants?

Vendor Estimates

- For purposes of this application, libraries must obtain at least one simplified vendor estimate to substantiate the proposed cost of the new or upgraded modules or the new or upgraded automated system.
- Vendors will base their estimates on basic information about the library (which the library must provide): typically, number of titles owned, annual circulation, number of patrons, and number of computer workstations that will be required. The estimate should also include the costs of training,

data conversion, and other necessary expenses related to implementation (if applicable). Copies of the estimate(s) must be included in the library's grant application packet.

- Vendor estimate(s) for new or upgraded systems should include the costs of installation for at least these basic modules – OPAC, circulation, and cataloging.
- A form for vendors to sign is included at the end of the application form. This form should accompany the vendor's estimate.

Request for Proposal (RFP)

- The library's Request for Proposal (RFP) for an automated system is **not** required as part of the Letter of Intent or the full grant application.
- Because of the potential length and complexity of the RFP and procurement process, a library needing to develop an RFP may have a more competitive application if the RFP has already been developed prior to applying for an Automated Systems Grant. Libraries in this situation may wish to consider applying for an LSTA Technology Planning Grant for consulting assistance in developing the RFP before applying for an Automated Systems Grant. A library may not apply for an Automated Systems Grant and a Technology Planning Grant for library automation planning in the same year.

What is the review process?

- A library interested in applying for an Automated Systems Grant must submit by November 22, 2002, a brief "Letter of Intent" which explains the proposed project.
- State Library staff and the LSTA Advisory Committee review the Letters of Intent, and the LSTA Advisory Committee determines which libraries are authorized to submit a full application. Libraries are notified by December 20, 2002.
- Full grant applications must be received in the State Library's Library Development Section Office (Room 210, Archives & State Library Building) by 5:00 p.m. February 20, 2003, to be eligible for review.
- Only **complete** applications from eligible institutions (those authorized to submit a full application) will be reviewed.
- Eligible applications will be reviewed and evaluated by State Library staff and outside peer reviewers, according to the grant program criteria. The LSTA Advisory Committee will consider the applications in conjunction with reviewer evaluations and make recommendations to the State Librarian regarding funding.
- Since the LSTA Advisory Committee reviews all LSTA Project Grants and makes funding recommendations, no appeal is available.
- Announcement of funded applications will be posted to the State Library's web site (at URL <<http://statelibrary.dcr.state.nc.us/lsta/lsta.htm>>) by the June award announcement date.
- No project funds (grant or matching dollars) may be encumbered or expended until library representatives and the State Librarian sign the grant agreement.

How are grant payments made?

Grant funds are paid on a reimbursement basis. Libraries pay project expenses using local funds, and are then reimbursed for *actual* documented expenses up to the grant amount awarded.

Grant payments will only be made for expenses incurred after a library is awarded a grant and library representatives and the State Librarian have signed the grant agreement.

Grantees must submit requests for reimbursement once a quarter, at a minimum. Regular reimbursements ensure an even flow of grant payments. This process also assists the Department of Cultural Resources in managing its monthly allocations from the state.

By the postmark date of April 15, 2004, a minimum of seventy-five percent (75%) of the grant amount must be requested for reimbursement. Requests received by this date will be paid by June 30, 2004. At the same time grantees must also estimate the remaining grant expenses that will be claimed; these expenses will be paid after June 30.

July 15, 2004 is the final deadline for grant payment/reimbursement requests to be received or postmarked. The State Library will complete all payments by August 30, 2004.

The State Library understands that costs of computer equipment change rapidly. If any proposed equipment is purchased for less than the grant award amount, the library must obtain State Library approval to use the balance of the grant funds. The State Library does not guarantee approval for additional purchases in order that all grant funds can be used.

What reports must grantees make?

As part of the evaluation process for this grant program, all grant recipients must complete a report on the grant. It will be due to the State Library by September 30, 2004. The report will include a summary of project expenditures and descriptions of the grant's impact on access to resources for users. The State Library will provide a form for the grant report.

What else do applicants need to know?

Grant Provisions

Because these grants are from federal funds (Library Services and Technology Act) administered through a state agency, all grantees must adhere to required federal and state provisions. (See **Grant Provisions**, page 10.) Please read these carefully.

Procurement

Among these grant provisions is the federal regulation requiring grantees to conduct all procurement transactions in a manner providing full and open competition consistent with the standards of 45 CFR 1183.36. Local and state provisions may be more stringent. State requirements are available upon request.

Grant program timeline:

These deadlines apply to the 2003-2004 Automated System Grants.

October 10, 2002	Letter of Intent (LOI) announcement for Project Grants; Guidelines and LOI application available at URL http://statelibrary.dcr.state.nc.us/lsta/lsta.htm
October/November	Obtain vendor estimates
November 22, 2002	Letters of Intent due by 5:00 p.m. *
December 20, 2002	Notification of authorization to submit full application; full application form available at URL http://statelibrary.dcr.state.nc.us/lsta/lsta.htm

February 20, 2003	Applications due by 5:00 p.m. *
June 5, 2003	Announcement of funded projects
July 2003 – June 30, 2004	Grant project implementation period
October 15, 2003	Postmark deadline for first grant reimbursement request
January 15, 2004	Postmark deadline for second grant reimbursement request
April 15, 2004	Postmark deadline for third reimbursement request; a minimum of 75% of grant amount must be requested by this deadline. Also due: estimate of any grant balance that will be claimed after June 30.
June 30, 2004	Date by which all project funds must be spent
July 15, 2004	Final date to submit reimbursement request for balance of grant
August 30, 2004	State Library completes grant payments
September 30, 2004	Final report due to State Library

* Must be received in the State Library's Library Development Section Office, Room 210, Archives & State Library Building.

Instructions for preparing and collating your full application:

Your final application is one of many that reviewers will read. (Some State Library staff reviewers read over 200 applications.) Following these instructions will make it easier for reviewers to read and digest your proposal:

- Use an 11-point font size or greater and margins at least 1" on all sides. Concise wording is best.
- Repeat questions and question numbers from the application form, but do not repeat explanatory information.
- Copy your pages back-to-back on plain white paper.
- Use a header or footer, with a single page numbering system, throughout the whole document except for the initial signature page. Handwritten page numbers on attachments are acceptable.
- Any supplemental information or attachments should follow the completed application form.
- If you append any material not specifically requested in the application, be judicious in how much you include. Provide extracts of long documents. Reviewers can pay more careful attention to applications that are concise and supporting materials that are directly relevant.

Where do I apply?

Letter of Intent (LOI): Interested libraries must first submit a Letter of Intent to the address below. The Letter of Intent application form for 2003-2004 is available at URL: <http://statelibrary.dcr.state.nc.us/lsta/lsta.htm>. Send 20 copies of the LOI, including one with original signatures in blue ink. All Letters of Intent must be received in the State Library's Library Development Section Office (Room 210, Archives & State Library Building) by 5:00 p.m. on November 22, 2002.

Full Application: Only LOI applicants that receive authorization from the State Library may submit a full application. Completed application forms should be sent to the address below. Send 26 copies of your full application, including one with original signatures in blue ink. All applications must be received in the State Library's Library Development Section Office (Room 210, Archives & State Library Building) by 5:00 p.m. on February 20, 2003.

Delivery by US Postal Service:	Delivery by commercial service (e.g. FedEx), or hand delivery: RECOMMENDED
LSTA Grant Applications	LSTA Grant Applications
Library Development Section	Library Development Section, Room 210
State Library of North Carolina	State Library of North Carolina
4640 Mail Service Center	Archives & State Library Building
Raleigh, NC 27699-4640	109 E. Jones Street
	Raleigh, NC 27601

Warning: To be considered, Letters of Intent and full applications must be received in the Library Development Office by 5:00 p.m. on the designated deadline date: November 22, 2002 for Letters of Intent, and February 20, 2003 for applications.

To assure on-time receipt by the State Library, applicants are strongly encouraged to use a commercial service and the Jones Street address. Packages sent via US Postal Service and Mail Service Center address (even Express Mail) frequently encounter delivery delays, and the US Postal Service does **not** deliver to the Jones Street address. Any application not received by the deadline will not be eligible for consideration.

For further information:

Questions about the LSTA Automated System Grants should be directed to Penny Hornsby, Federal Programs Consultant, State Library of North Carolina, Library Development Section; telephone 919.733.2570, or e-mail <phornsby@library.dcr.state.nc.us>.

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GRANT PROVISIONS

The following state and federal provisions apply to the LSTA grant program. Libraries awarded grants must agree to comply with these provisions.

1. Grant Agreement and Timing of Expenditures

Official notification of the grant award must be received from the State Library and a grant agreement (formal agreement between the grantee and the State Library) signed by both the representatives of the library and the State Librarian *before* any funds may be encumbered or expended for the project.

2. Allowable and Unallowable Costs

Grantees must carry out the grant project according to the approved grant proposal, and all federal funds must be expended solely for the purpose for which a grant was awarded.

The following costs are unallowable and may not be proposed as grant project costs: bad debts, contingencies, contributions and donations, entertainment, fines and penalties, underrecovery of costs under grant agreements (excess costs from one grant agreement are not chargeable to another grant agreement).

3. Legal and Regulatory Compliance

Grantees must expend grant funds in accordance with all applicable local, state, and federal laws and regulations.

4. Budget Revisions and Programmatic Changes

Grantees must not deviate from the approved budget and plan for carrying out the grant project as contained in the approved grant application unless prior approval is obtained from the State Library.

5. Records Retention

Grantees must maintain adequate financial records to ensure complete reporting, and retain programmatic and financial records relating to the grant for a minimum of three years from the due date of the final grant report.

6. Free and Open Competition

Purchases made from grant funds must be carried out to ensure free and open competition to the extent possible. Libraries eligible to purchase under state contract may use this option for grant purchases.

7. Debarment & Suspension

Transactions for the purposes of this grant will not knowingly be made with parties who have been debarred or suspended from receiving Federal financial assistance under Federal programs and activities (Debarment and Suspension Certification).

8. Equipment and Inventory

Equipment with unit price above \$500 purchased with grant funds must be labeled as purchased with LSTA funds and listed on biennial inventory reports requested by the State Library. If fair market value at the time of surplus or disposal exceeds \$5,000, disposal must be cleared with the State Library.

9. Publications and Presentations

Grantees are expected and encouraged to publicize projects in available and appropriate media outlets. Public relations releases concerning the project, or any publications or materials produced as a part of the grant project, must include the following statement: "This project is ____% supported with federal LSTA funds made possible through a grant from the Institute of Museum and Library Services, administered by the State Library of North Carolina, a division of the Department of Cultural Resources." Copies of any publications or materials produced under the grant must be submitted to the State Library.

10. Lobbying

Grantees are prohibited by federal law from using grant funds to pay costs associated with lobbying Congress or the public for purposes of influencing elections, legislation, or the award of any federal funds. Grantees receiving an award of over \$100,000 must file a certification regarding lobbying.

11. Non-discrimination

All library services provided as a result of the federal grant funds must be available without discrimination to all members of the community served. Participation may not be denied on the basis of race, color, national origin, handicap, age, or sex.

12. Audit Requirements

Grant funds must be audited in compliance with state and federal audit requirements for local governments and public authorities, institutions of higher education, and non-profit organizations, and, as applicable, according to the standards of the Single Audit Act of 1984 as amended 1996.

SOURCE DOCUMENTS:

General Statute 143-6.1 and applicable prescribed requirements in the Office of the State Auditor's Audit Advisory #2 "Rewrite of G.S. 143-6.1 entitled "Nonprofits State Funds Accountability Act -- Reports on the Use of State Funds by Non-State Entities" including its attachments.

Office of Management and Budget (OMB), Circular A-87 Revised, ("Cost Principles for State, Local, and Indian Tribal Governments").

OMB Circular A-21, ("Cost Principles for Education Institutions").

OMB Circular A-122, ("Cost Principles for Non Profit Organizations").

Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; Section 6101 of the Age Discrimination Act of 1975; The Americans With Disabilities Act of 1990; subject to certain exceptions, Title IX of the Education Amendments of 1972.

Code of Federal Regulations, 31 U.S.C. Section 1352 (certification regarding lobbying).

Code of Federal Regulations, 45 CFR Part 1183, ("Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments").

OMB Circular A-133 Revised, ("Audits of States, Local Governments, and Non-Profit Organizations").