

**LSTA INNOVATION / DEMONSTRATION GRANTS  
2007-2008  
Information & Guidelines**

**1. PROGRAM-SPECIFIC INFORMATION AND GUIDELINES**

**1.1. What is this grant program and its purpose?**

LSTA Innovation / Demonstration Grants are available in 2007-2008 to help implement North Carolina's LSTA five-year plan *Library Services and Technology Act Plan for Implementation 2003-2007 (August 2002)*, Outcome #2.2: "North Carolinians have access to innovative library services."

As stated in the plan: "Innovation projects are designed to test a concept or to demonstrate new approaches or new services. The projects must result in formal reports that are shared with North Carolina's library community and may lead to new grant programs to support replication of the original project."

The following statements will help explain the basis and intent – the spirit – of this new grant program, first offered for 2006-2007:

- An Innovation / Demonstration Grant will result in a project that has broad benefit to the library community and whose results – whether successful or not – are worthy of sharing. Libraries will be able to develop and demonstrate innovative new services, but the benefit of the project will also be to share information with colleagues. Applicants must have a solid plan for evaluation, in order to share information with colleagues, especially North Carolinians. The evaluation should answer these and similar questions: What was learned? What was successful? What was not successful? Can the results be transferred to others?
- Innovation / Demonstration Grants are to help libraries develop, demonstrate, test and assess innovative processes and models. Improved or enhanced services for users may result from the projects, but project funds will not pay for ongoing delivery of such services.
- Technology may play a role in the proposed project and should be included because it can help improve service to users, not just for the novelty of testing new technology.
- Applicants should carefully consider the scope of the project. It will be preferable to have a smaller project that is doable in the allowable time, rather than a very ambitious project that would be challenging to accomplish in the project's timeframe.
- While "Innovation / Demonstration Grants" may be "cutting edge", the grant program will also accommodate projects that rethink traditional services or methods.

Since Innovation / Demonstration Grants will test concepts or services that may be completely new, it is difficult to write a comprehensive definition of what "Innovation" means. The following examples illustrate the intention of this grant program. (Please note: While the word "library" will be used throughout this Information and Guidelines document, library associations and related organizations may also be eligible to apply. See Section 1.2. for details.)

*Innovation / Demonstration Grants **WILL** do one or more of these:*

allow a library to test unique applications of technology that are new or untested in North Carolina libraries

allow a library to develop software or web-based programs or services – or modify commercially-available products - that could be shared with other libraries

allow a library to replicate a service program that was initiated elsewhere and seems to have potential to be modified so that it will be successful in North Carolina

allow a library to expand a home-grown service or program to other libraries

allow a library to develop the methodology to offer new services

allow a library to try to solve a problem that also affects other libraries

allow a library to try a solution that may be “cutting edge”

allow a library to try a solution that may fail, yet will provide valuable lessons and knowledge for themselves and others.

*Innovation / Demonstration Grants **WILL NOT**:*

allow a library to implement something that is new just to that library, but is already in place in other North Carolina libraries

allow a library to develop a solution to a problem that is essentially unique to that library and would have little or no applicability to other libraries

allow a library to acquire equipment for day-to-day operations or large quantities of library materials

fund projects that are fundable under any other grant category offered by the State Library of North Carolina. See <http://statelibrary.dcr.state.nc.us/lsta/Overview2007-08.pdf> for a list of the grant categories available for 2007-2008.

be a means to enrich a library with new high-end technology or resources.

*Additional notes about this grant program:*

Applicants should be aware that this is a more open-ended grant program which does not easily lend itself to exact definitions. This is only the second year this program has been offered; input from applicants will be used to continue to fine-tune it. Libraries interested in this grant program will have more interaction with State Library staff and LSTA Advisory Committee members throughout the course of an innovation/demonstration application and project than may be called for with other grant programs.

The projects funded under this program may be very challenging and might demand much more of a library's staff time and resources than the library will receive in grant funds.

These grants have a two-step application process: 1) eligible libraries submit a Letter of Intent, and 2) libraries whose Letter of Intent is approved may submit a full application.

See *details in Section 2.3. of these Guidelines*. The process is described in the policies and procedures found in *Library Services & Technology Act Plan for Implementation in North Carolina – 2003-2007* (<http://statelibrary.dcr.state.nc.us/lsta/plan2003-07.pdf>).

## 1.2. Who may apply?

A North Carolina library, library association, or library-related organization that is eligible to receive LSTA funds, as defined in North Carolina's LSTA plan, are eligible to submit a Letter of Intent. This includes:

- 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;
- State Library of North Carolina;
- public schools with a qualified school library media center\*;
- qualifying state agency libraries\*;
- qualifying special libraries\*;
- qualifying North Carolina library-related organizations \*\*.

- \* In order to be eligible for LSTA funds, a library must meet these basic requirements:
- be at least 51% publicly funded, or not-for-profit;
  - be headed by a trained library professional (school libraries must be headed by a full-time certified school media coordinator; all other libraries must be headed by a person with an MLS);
  - have a cataloged collection of information resources, designated space, a materials budget, and be open a minimum of 20 hours per week.

Additional requirements exist based on the type of library. See the *Library Services and Technology Act Plan for Implementation in North Carolina 2003-2007*, pages III-2 through III-5, for more information: <http://statelibrary.dcr.state.nc.us/lsta/plan2003-07.pdf>

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- Library Cooperative Organizations: A formally organized cooperative association of libraries that provides for the systematic and effective coordination of the resources of school, public, academic, and special libraries and information centers, for improved services for the clientele of such libraries. At least half of the members of the organization must be eligible libraries.
- State and local professional library associations providing or encouraging professional involvement and continuing education (e.g. North Carolina Library Association).
- Library/media center administrative units of public school districts or institutions of higher education.
- Graduate library education programs accredited by the American Library Association or by a regional accrediting organization.

Library Related Organizations (e.g. Friends groups, library foundations) are **NOT** eligible entities for the Innovation / Demonstration Grant program.

*Only libraries that submit a Letter of Intent by November 20, 2006, and receive authorization to submit a full application are eligible to apply for an Innovation / Demonstration Grant.*

An eligible library system, academic institution, or organization may submit only one Innovation / Demonstration Grant application in this round. *[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)].*

### **1.3. Multiyear Grants**

Innovation / Demonstration Grants may be for multiyear projects. That is, they may be proposed for one year or for two or three years to allow sufficient time to fully test a concept; adequately demonstrate a process or service; or undertake a project that is too complex to complete in one year.

The initial approval of a multiyear project does not guarantee funding for future years, but it does assume the project will have priority over new proposals in subsequent years if:

- federal funds are available;
- the required match from local sources is available;
- the project is being implemented as proposed; and
- the project is being managed according to federal requirements and according to terms of the grant agreement.

Multiyear grants are intended to support *implementation* of a project. LSTA Project Planning Grants are available to assist libraries if they have not completed research, planning activities, and/or partnership development activities.

In addition to the requirements for any grantee applying for a one-year grant, multiyear applicants must provide information about the final project outcomes, a multiyear action plan and budget for the full project. While evaluation and other factors may lead to changes over the three-year period, applicants must have plans with clear outcomes in order to qualify for initial funding. Modifications to the project during implementation may be allowed in subsequent years with approval of the State Library in consultation with the LSTA Advisory Committee and/or peer reviewers.

LSTA funds should be viewed as start-up money. Long-term funding for projects or services that are successful is a local responsibility. Applicants for a multiyear grant may be expected to provide a plan for sustainability if the project is designed to develop a new service that, if successful, the library intends to continue to offer.

Complete guidelines for multiyear grants are available at <http://statelibrary.dcr.state.nc.us/lsta/multiyear0708.pdf>.

### **1.4. What amount of funds may be requested?**

The maximum grant request per year is \$100,000; the minimum is \$1,000. The maximum project length is three years. Approval of the project for the initial funding year does not guarantee funding for future years, but applicants will receive priority over new proposals if funds are available and if the project is proceeding in a satisfactory manner.

### **1.5. Are local matching funds required?**

Yes. Innovation / Demonstration Grant project budgets must include local matching funds; matching funds demonstrate the library's commitment to the project. These funds must be clearly documented in the application and meet the following guidelines.

- The local contribution to the project must equal a minimum of 10% of the amount of federal LSTA funds requested. The match is a 1 to 10 ratio of matching funds to grant funds. Example: If the grant amount requested is \$100,000, the local match must be at least \$10,000, and the total project cost will be at least \$110,000 (\$100,000 grant funds + \$10,000 local funds).
- All of the cash match must be from local or state funds or funds from non-governmental agencies (e.g. foundations, service groups). **Other federal funds and local administrative overhead costs may not be used as match.**
- Cash matching funds must be spent for the same categories of allowable expenses as the grant funds [See below: "How may project funds be used?"]. Exceptions may be allowed; however, applicants must contact the State Library staff to discuss exceptions before submitting a final application.
- The local contribution may be a combination of cash and library staff salary and benefits.
- Salary and benefits for existing staff who will work with the project may be used for up to 25% of the required local match. Applicants must indicate the role of the staff member(s) with regard to the project and must provide hourly pay rate and benefits calculations information as well as the number of hours the staff will work on the project.
- Matching funds must be from source(s) clearly explained in the grant application.
- Matching funds must be available for expenditure at the time a funded library signs the grant agreement.
- Matching funds must be available and spent during the same time period as the grant funds: 2007-2008 grant **and match** funds are to be spent in the 2007-2008 fiscal year (July 1- June 30).

The State Library recognizes that a local commitment for future matching funds may not be possible; the intention to provide matching funds in years two and/or three will suffice in the first year of the application.

*No expenditures of either grant or local matching funds may be made until library representatives and the State Librarian sign the grant agreement.*

### **1.6. How may project funds be used?**

Project funds are to be used for necessary and appropriate costs to achieve the project's objectives. The proposal must clearly state how proposed expenditures were determined and why each is needed to achieve project outcomes.

Possible expenditure categories and definitions:

- *Equipment and Furniture.* Costs for equipment and furniture (if any) to be purchased and used by the project are covered in this category. Include only items with a useful life of at least one year and an acquisition cost of \$500 or more. Small equipment items that do not meet this definition should be shown in the "Supplies" category. [Note: The State Library does not encourage purchase of furniture unless it is critical to the success of the project.]

Applicants proposing to purchase computers or printers must provide specifications for all hardware, and these specifications must be suitable for the project's clearly defined purposes. Successful applicants may be asked to modify their requested purchases if reviewers note potential issues with the proposed configurations.

- *Software and/or Web-based Tools.*
- *Library Materials.* Costs for books, periodicals, newspapers, documents, pamphlets, photographs, reproductions, microforms, pictorial works, graphic works, musical scores, maps, charts, globes, sound recordings, processed video tapes, computer software, and materials designed specifically for the handicapped, and licensed resources.

For an Innovation / Demonstration Grant, the acquisition of library materials should not be the primary purpose of the project. If library materials are purchased, then the materials should support the programs and services that are the project's main focus.

- *Salaries and Benefits.*  
Allowable with grant funds: Wages and benefits for each staff person employed for the project -- part-time or full-time personnel hired specifically to help carry out the project, or additional hours for existing part-time staff. May also include wages and benefits for substitutes or temporary help in order to free up a staff person to work on the project, and/or pay a portion of salary (i.e. supplant) for existing staff. The budget narrative should explain the basis for determining the salary and benefits, with benefits shown separately from the salary.  
CAVEAT: Payments to existing staff may supplant current salary, but may not be a salary supplement to full-time staff.

Fees and expenses for consultants should be included under Contractual Services.

Allowable as a local match: Up to 25% of the required local match can be met with staff salary and benefits for existing staff that will work with the project. Applicants must indicate the role of staff member(s) with regard to the project, and provide hourly pay rate and benefits calculations information as well as the number of hours they will work on project.

[NOTE for K-12 School Libraries: Appendix A provides specific clarification regarding use of grant and matching funds for salaries and benefits in a public school environment.]

- *Contractual Services.* Costs for specific services to be performed by an outside organization or individual under contract. Examples include consultant fees, rentals, and honoraria for speakers. Applicants should be able to show in the application that proposed contractors are qualified to perform the work or service.
- *Travel and/or Training Expenses.* Include mileage, lodging, meals and/or training costs associated with the project.
- *Supplies.* Costs for project supplies such as paper, tape, pencils, computer supplies, and small equipment items costing less than \$500.

- *Postage and Printing costs.*
- *Other Expenses.* Costs for any other justifiable expenses needed to implement the project but which do not fall under the prior categories.

**Use of LSTA funds for certain allowable purchases may require public libraries or public elementary and secondary school libraries to comply with the federal Children's Internet Protection Act (CIPA).**

**These purchases include the following:**

- **Computers used to access the Internet.**
- **Other items and services associated with accessing the Internet, including hardware, software, peripherals, network components, and accompanying installation costs. Specific examples include servers; workstations and the components that comprise a workstation; hubs, routers, cabling, modems, and other components of the network infrastructure; operating system software; Internet service provider (ISP) charges; and installation charges.**

**Additional information on CIPA, with guidelines and all required forms, is available at <http://statelibrary.dcr.state.nc.us/lsta/cipa.htm>.**

***Ineligible expenses:***

These LSTA grant funds may **not** be used for

- Entertainment/refreshment costs,
- administrative "overhead" or indirect costs.

**1.7. What is the basis for selecting projects for funding?**

***Eligibility for consideration:***

To be eligible for consideration, a library must

- have submitted a Letter of Intent and have been authorized to submit a full application;
- have submitted a full application that is received by the deadline of 5:00 p.m. February 21, 2007.

***Criteria for evaluating eligible applications:***

For eligible applications, reviewers will use these criteria to make funding decisions.

- Priority will be given to projects that have the potential to impact the largest number of libraries beyond the library(ies) directly involved in the project. All applicants will need to provide evidence that other libraries are interested in the outcome of the project.
- Applicants must clearly explain the problem/issue/need they want to address, and why the proposed approach or methods were selected.
- The project plan must be clear and understandable. It must be of appropriate scope, with a realistic timeline. The roles of all key staff, including outside consultants or experts, and any partners, must be clearly described. The budget must be explained and justified through the project narrative as well as in the budget sections.

- Applicants must demonstrate that they have the experience, skills, and resources needed to carry out their proposed project. The skills may reside with existing staff or may be contracted for the project. In other words, applicants must demonstrate that they have the capacity to carry out the project, and be able to make a convincing case that they are the appropriate library or organization to undertake the project.
- Applicants must have a well-developed communication plan for the project. They must also have a plan in place so that within 12 months following the end of the project they will communicate with other libraries, particularly North Carolina libraries, that will be interested in the results of the project. The communication plan could involve personal contact, presentation at a conference or meeting, journal article or other publication, or other appropriate means of sharing information. They must also be prepared to communicate regularly during the project with the State Library and with any partners.
- Evaluation measures must be appropriate for the nature of the project. Applicants must discuss the evaluation plan with State Library staff in advance of submitting a Letter of Intent.
- Sustainability is not necessarily a critical component of an Innovation / Demonstration Grant project, but it might be an important aspect depending on the nature of the proposed project and should be adequately addressed in the proposal when relevant. [This is something that should be discussed with State Library staff as the Letter of Intent and the application are being prepared.]
- If partnerships are proposed, are they appropriate? “Partnership” implies more than a letter of support. A community agency or another library that is considered a “partner” will be providing services or expertise that are crucial to the successful implementation of the project. For example, if the proposed project involves expanding a library’s homegrown product to other libraries, the other libraries must be committed to a level of testing and evaluation that will help demonstrate the effectiveness of the new product. If there are obvious partners who have not been included in the project, their omission must be adequately explained.

**See Section 2.1. of these guidelines for additional factors and issues that may be taken into account in the review of all grant proposals and selection of applications for funding.**

### **1.8. What else do applicants need to know?**

#### **Procurement**

Grant provisions for this program (see Section 3 of these guidelines) include 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.

### **1.9. For further information:**

Questions about the Innovation / Demonstration Grants should be directed to State Library of North Carolina, Library Development Section: Penny Hornsby, Federal Programs Consultant; 919-807-7420, <[phornsby@library.dcr.state.nc.us](mailto:phornsby@library.dcr.state.nc.us)>.

## **2. GENERAL INFORMATION & GUIDELINES**

### **2.1. What is the basis for selecting projects for funding?**

In addition to the criteria and priorities listed in Section 1 of the Information & Guidelines for each LSTA grant program, the following criteria also apply:

#### **I. Ability to Pay and Local Effort**

In awarding LSTA grants to North Carolina libraries, 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. They are:

- **Ability to pay:** 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 ability to pay for services locally, and
- **Local effort:** 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, or, for a school library, the per capita support or the library operating expenditures as a percentage of the general expenditure for the school.

The data used by State Library staff and reviewers to determine ability to pay and local effort is updated annually. Data for the current year is available at <http://statelibrary.dcr.state.nc.us/lsta/financialfactors0708.htm>.

#### **II. Applicant's LSTA Grant History**

Two other issues may be taken into consideration in selecting applications for funding:

- the quality and effectiveness of the applicant's management of prior LSTA grants, and
- if requests exceed available funds, the number and type of grants that a library has received over the life of LSTA and their total dollar value. This will help ensure that more libraries have the opportunity to benefit from LSTA grant funds.

### **2.2. Do you need a planning grant?**

**[NOTE:** Planning grants are **required** as a preliminary step in two instances.

**NC ECHO Heritage Partners Grants:** applicants are **required** to have first successfully completed an LSTA Project Planning Grant.

**Automated System Grants:** applicants proposing to implement a shared automated system for a consortium **must** have first successfully completed a Technology Planning Grant.]

A library may determine that additional planning is needed before they are ready to apply for a grant. If so, a preliminary step may be to apply for one of the LSTA planning grants. These grants, which have no matching requirement, provide some funds to assist with costs of planning activities. There are three categories of planning grants.

- LSTA Project Planning Grants – to help libraries get ready to apply for specific LSTA grant programs, providing funds to carry out needs assessments; build collaborative partnerships and develop project plans; assess archival and special collections and create plans for digitizing them.
- Planning Grants – general planning for programs and services, process analysis, community-based planning for youth services, a building program or library space utilization study,

- Technology Planning Grants – developing a comprehensive technology plan, planning for a new or upgraded automated library system, including development of an RFP.

*The State Library offers two cycles for its suite of planning grants. A mid-year 2006-2007 grant (application due November 20, 2006) would allow a library to complete planning activities between January and July 2007 in time to file a Letter of Intent (LOI) in November 2007 for a 2008-2009 project grant. If the Letter of Intent is successful, the library may submit a full application in late February 2008 for a project that would begin in July 2008.*

*Information (guidelines and applications) for mid-year planning grants can be found under “2006-2007 LSTA Grant Programs” at: <http://statelibrary.dcr.state.nc.us/lsta/lsta.htm> .*

*A library applying and funded for a planning grant in the regular cycle (2007-2008 applications due February 21, 2007) would have an allowable planning period of one year, beginning July 2007. With a regular cycle planning grant a library could potentially meet the November 2007 LOI deadline for a 2008-2009 Project grant, however the planning time is likely to be more compressed. A library must consider its own circumstances and capabilities to determine the most appropriate course of action.*

A library may not receive the relevant planning grant and the Project grant for which they planned, in the same grant year.

### **2.3. What is the application and review process?**

#### **For Project grant programs (i.e., programs REQUIRING a Letter of Intent):**

Project grant programs for 2007-2008 include: Automated System; Innovation / Demonstration; Internet Infrastructure Improvement; Library Outreach Services; NC ECHO Digitization; NC ECHO Heritage Partners.

The grant process for Project grant programs has two steps aimed at saving time and other resources for libraries that are interested in applying for some of the more complex grant programs. It allows the library to determine whether its project concept is eligible and/or competitive.

- Step #1: Letter of Intent: A library interested in applying for a Project grant must submit by November 20, 2006 a Letter of Intent (LOI) explaining the proposed project. (The Letter of Intent is a brief application form found at <http://statelibrary.dcr.state.nc.us/lsta/lsta.htm>.) The LOI will be used to 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. Libraries will be notified of authorization by December 19, 2006.

For multiyear projects, the Letter of Intent must identify the intention to apply as a multiyear grant. The LOI must also identify activities that will occur over the life of the project and estimate a budget for the entire project.

- Step #2: Full Grant Application: Those libraries that receive authorization are invited to submit a full application with a project plan and budget. Full applications are due February 21, 2007.

For multiyear projects, the full application must include an action plan and timeline for all proposed years, including milestones or checkpoints to demonstrate progress for the full project; an estimated budget for all the years of the project; and, as appropriate, a plan for sustainability.

- To be eligible for review, 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 21, 2007.
- 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 LSTA web site (<<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.

#### **For EZ grant programs (i.e., programs NOT requiring a Letter of Intent):**

EZ Programs for 2007-2008 include: Basic Equipment; LSTA Project Planning; NC ECHO Digitization Starter; Planning; School Library Collection Development; Strengthening Public and Academic Library Collections; Technology Planning.

- To be eligible for review, 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 21, 2007.
- Only **complete** applications from eligible institutions will be reviewed.
- Eligible applications will be reviewed and evaluated by State Library staff according to the grant program criteria. State Library Senior Management will make final decisions.
- Procedures for EZ grants allow for appeals of funding decisions. Awards are not final until the appeals process is completed.
- Announcement of funded applications will be posted to the State Library's LSTA web site (<<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.

#### **2.4. 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.**

- **June 30, 2008, is the date by which all project funds (grant and matching) must be spent.**
- 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.
- By the postmark date of April 15, 2008, 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, 2008.
- **July 15, 2008 is the final postmark deadline** for submitting grant reimbursement requests. The State Library will complete all payments by August 30, 2008.

For grant programs that allow purchase of computer equipment:

The State Library understands that costs of computer equipment change rapidly. If 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.

## **2.5. What reports must grantees make?**

As part of the evaluation process for LSTA grant programs, all grant recipients must complete a report on their grant-funded project. It will be due to the State Library by September 30, 2008. The report will include a summary of grant expenditures, review of the project's accomplishments and descriptions of outcomes/benefits for users. The State Library will provide a form for the grant report.

To help you develop your plan for evaluation and reporting, please review the type of report you will have to provide. The 2005-2006 online report form may be found at URL <http://statelibrary.dcr.state.nc.us/lsta/report0506.htm>.

Non-profit grantees must comply with the requirements of North Carolina General Statute 143-6.2 and the corresponding rules of North Carolina Administrative Code, Title 09, Chapter 03M, "Uniform Administration of State Grants," and the applicable requirements in the Office of the State Auditor's Audit Advisory ADV-2005-001 September 2005, including submission of required financial reports within six months (or nine months for \$500,000 threshold) of the end of the Library's fiscal year(s) in which grant funds are received.

## **2.6. What impact will CIPA have on LSTA grantees?**

In Fall 2000, Congress passed the Children's Internet Protection Act (CIPA) establishing certain requirements that affect public and school libraries that use federal funds to support public access to the Internet. One result is that the State Library must assure the Federal Government that affected libraries have Internet safety policies in place and are using technology protection measures, e.g., filtering software technology. This requirement applies to public libraries and public elementary and secondary school libraries that receive LSTA funds to purchase computers for accessing the Internet or to pay for the direct costs of accessing the Internet.

Libraries that participate in the Universal Service (E-rate) program are also subject to CIPA compliance requirements, which are more stringent for the E-rate program than for LSTA.

E-rate CIPA compliance requirements take priority over those for LSTA. This means that a public or school library that is already complying with CIPA under the provisions of the E-rate program does not have to take any further compliance action to be eligible for LSTA funds. For additional information on CIPA compliance for libraries subject to LSTA rules, please see <http://statelibrary.dcr.state.nc.us/lsta/cipa.htm>.

**Every library that submits an application for funding to the State Library must include the appropriate CIPA certification documents as part of its application package.** This applies to all grant applicants—no matter what type of library or what type of grant. This requirement is the result of guidance provided to state library agencies by the Institute of Museum and Library Services (IMLS), the federal agency that administers LSTA.

Additional information on CIPA, with guidelines and all required forms, is available at <http://statelibrary.dcr.state.nc.us/lsta/cipa.htm>.

## 2.7. What else do applicants need to know?

Because these grants are from federal funds administered through a state agency, all grantees must adhere to required federal and state provisions. (See **Grant Provisions**, Section 3.) Please read these carefully.

## 2.8. Grant program timeline:

### **For Project grant programs (i.e., programs REQUIRING a Letter of Intent)**

Programs include: Automated System; Innovation / Demonstration; Internet Infrastructure Improvement; Library Outreach Services; NC ECHO Digitization; NC ECHO Heritage Partners.

The following deadlines apply to 2007-2008 Project grants. Some dates are also included for 2006-2007 Mid-year planning grant programs.

September 13, 2006	<ul style="list-style-type: none"> <li>Letter of Intent (LOI) announcement for Project grant programs; Guidelines and LOI application form available at URL below.</li> <li>Mid-year cycle 2006-2007 EZ planning grant guidelines and applications available (3 categories) – See “2006-2007 LSTA Grant Programs” at URL below.</li> </ul> <p><a href="http://statelibrary.dcr.state.nc.us/lsta/lsta.htm">http://statelibrary.dcr.state.nc.us/lsta/lsta.htm</a></p>
November 20, 2006	<ul style="list-style-type: none"> <li>Letters of Intent due by 5:00 p.m. *</li> <li>Mid-year 2006-2007 planning grant applications due by 5:00 p.m. *</li> </ul>
December 19, 2006	<ul style="list-style-type: none"> <li>Approved Letters of Intent notified; applications available</li> <li>Announcement of funded Mid-year 2006-2007 EZ planning grants</li> </ul>
February 21, 2007	Full applications due by 5:00 p.m. *
June 12, 2007	Announcement of funded projects
July 2007 – June 30, 2008	Grant project implementation and expenditure period for 2007-2008 projects
October 15, 2007	Postmark deadline for first grant reimbursement request
January 15, 2008	Postmark deadline for second grant reimbursement request
April 15, 2008	Postmark deadline for third reimbursement request; a minimum of 75% of grant amount must be requested by this deadline
June 30, 2008	Date by which all project funds must be spent
July 15, 2008	Final postmark deadline to submit grant reimbursement request
August 31, 2008	State Library completes grant payments
September 30, 2008	Final report due to State Library

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

**For EZ grant programs (i.e., programs NOT requiring a Letter of Intent):**

Programs include: Basic Equipment; LSTA Project Planning; NC ECHO Digitization Starter; Planning; School Library Collection Development; Strengthening Public and Academic Library Collections; Technology Planning.

The following deadlines apply to 2007-2008 EZ grants.

December 19, 2006	Guidelines and applications available to libraries at URL <a href="http://statelibrary.dcr.state.nc.us/lsta/lsta.htm">http://statelibrary.dcr.state.nc.us/lsta/lsta.htm</a>
February 21, 2007	Applications due by 5:00 p.m. *
June 12, 2007	Announcement of funded projects
July 2007 – June 30, 2008	Grant project implementation and expenditure period for 2007-2008 projects
October 15, 2007	Postmark deadline for first grant reimbursement request
January 15, 2008	Postmark deadline for second grant reimbursement request
April 15, 2008	Postmark deadline for third reimbursement request; a minimum of 75% of grant amount must be requested by this deadline
June 30, 2008	Date by which all project funds must be spent
July 15, 2008	Final postmark deadline to submit grant reimbursement request
August 31, 2008	State Library completes grant payments
September 30, 2008	Final report due to State Library

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

**2.9. Instructions for preparing and collating your application:**

Your application is one of many that reviewers will read. Following these instructions will make it easier for reviewers to read and evaluate your proposal:

- Use an 11-point font size or greater and margins at least 1" on all sides. Concise wording is best.
- Use a header or footer, with a single page numbering system, throughout the whole document except for the cover signature page. Handwritten page numbers on attachments are acceptable.
- When using attached sheets to answer questions, repeat the question and question number from the application form, but do not repeat explanatory information.
- 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.
- Copy your pages front and back if possible, on plain white paper.
- Staple application in upper left corner, with signature page on top. Do not bind or include a cover letter.
- Be sure to enclose 1 original of the required CIPA certification forms in your application package. No additional copies are required.

## 2.10. Where do I apply?

Send completed applications to the address below. 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 21, 2007.

Send

- **one** (1) original of your application with certifying signatures in blue ink,
- **one** (1) signed original of each document specified by the *CIPA Certification Guidelines for LSTA Grant Applicants* <<http://statelibrary.dcr.state.nc.us/lsta/cipa.htm>>,
- **plus** the number of copies specified in the table below (excluding CIPA documents).

Grant Program	Application with original signatures in blue ink + CIPA Checklist (& Certification if required) <i>Include CIPA document(s) with original application only; do not make copies.</i>	Copies of application (in addition to the original signed in blue ink) <i>Do not include CIPA document(s).</i>
<b>Project Grants</b>		
Automated System	1	25
Innovation / Demonstration	1	25
Internet Infrastructure Improvement	1	25
Library Outreach Services	1	25
NC ECHO Digitization	1	25
NC ECHO Heritage Partners	1	25
<b>EZ Grants</b>		
Basic Equipment	1	15
Digitization Starter	1	15
LSTA Project Planning	1	15
Planning	1	15
School Library Collection Development	1	9
Strengthening Public & Academic Library Collections	1	15
Technology Planning	1	15

**Warning: To be considered, applications must be received in the Library Development Office by the 5:00 p.m. February 21, 2007 deadline.**

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.

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

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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, under recovery 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 five years from the due date of the final grant report, or until all audit exceptions have been resolved, whichever is longer.

## 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. Publicizing & Acknowledging Funds

Grantees are required to credit IMLS/LSTA in all related publications and activities in conjunction with use of the grant funds. Grantees should publicize grant-supported activities in available and appropriate media.

The following acknowledgement statement must be used when meeting these requirements: "This publication/activity/program/etc) was supported by grant funds from the Institute of Museum and Library Services under the provisions of the federal Library Services and Technology Act as 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. Relevant legislation includes the following: 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.

## 12. Audit and Financial Reporting Requirements

LSTA grants must be audited in compliance with federal and state audit requirements for local governments and public authorities, institutions of higher education, and non-profit organizations. The following source documents outline the standards and requirements:

- United States Office of Management and Budget: (OMB) Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations.
- North Carolina General Statute 143-6.2 "Use of State funds by non-State entities", and the corresponding rules of North Carolina Administrative Code, Title 09, Chapter 03M, "Uniform Administration of State Grants."

## LEGAL REFERENCES:

- Nondiscrimination in Federally Assisted Programs – 45 CFR 1110
- Nondiscrimination on the Basis of Handicap in Federally Assisted Programs and Activities – 45 CFR 1170
- Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments – 45 CFR 1183
- Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants) – 45 CFR 1185
- OMB Circular A-102 – Grants and Cooperative Agreements with State and Local Governments
- OMB Circular A-110 – Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- OMB Circular A-87 - 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

## APPENDIX A

### Clarification for Public School Libraries on Use of Grant and Matching Funds for Salaries and Benefits

The State Library understands that it is an accepted practice in the public school environment for full-time staff to be paid hourly or contract wages for certain kinds of work done after school hours or on weekends. However, this is not an allowable option for use of grant funds under the guidelines of the LSTA Innovation / Demonstration Grant program.

Allowable salary and benefits costs paid with **grant** funds may be **only** for temporary staff, or in this specific grant program, may supplant a portion of salary for existing full-time staff. Grant funds may **not** be used to pay existing full-time staff for additional hours. However, a percentage (up to 25%) of the required local *match* can be met with salary and benefits for existing staff that will work with the project.

We suggest the following possible strategies to help meet staffing needs in your proposed project:

- look to the school system for any part-time staff that could assist;
- consider working with retirees;
- use 10-month staff members for help during any summer months. (This last option would not be allowable for after-hours work during the school year. Note: the grant project implementation period runs from July 1 to June 30.)

If you have questions about these guidelines contact  
Penny Hornsby: 919-807-7420; [phornsby@library.dcr.state.nc.us](mailto:phornsby@library.dcr.state.nc.us)