



# Report in Brief

September 24, 2018

## Background

In fiscal year 2000, Congress established the Pacific Coastal Salmon Recovery Fund (PCSRF) to reverse the decline of West Coast salmon populations. PCSRF is a competitive grants program through which the National Oceanic and Atmospheric Administration (NOAA) National Marine Fisheries Service supports activities to protect, conserve, and restore salmon populations and their habitats in California, Oregon, Washington, Idaho, Nevada, and Alaska. As of October 2016, NOAA has awarded states, tribal commissions, and federally-recognized tribes of the Columbia River and Pacific Coast nearly \$1.3 billion in PCSRF grants and leveraged over \$1.6 billion in matching contributions.

NOAA awards PCSRF grants annually and recipients have 5 years to use the funds. The Northwest Indian Fisheries Commission (the Commission) spends approximately 9 percent of the PCSRF grant from NOAA on administrative expenses and its own projects. It allocates the remaining funds to its 20 member tribes in the form of sub-awards.

## Why We Did This Review

Our objectives were to determine whether the Commission (1) claimed allowable, allocable, and reasonable costs, (2) complied with grant terms and conditions, administrative requirements, cost principles, and audit requirements, and (3) met performance requirements of the grants.

## NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

### Audit of NOAA Pacific Coastal Salmon Recovery Fund Grants to the Northwest Indian Fisheries Commission

OIG-18-026-A

## WHAT WE FOUND

We found that the Commission claimed costs on both PCSRF grants that were not allowable, allocable, and reasonable. While the Commission complied with most grant terms and conditions, administrative requirements, cost principles and audit requirements that we reviewed, it did not provide the Department of Commerce with a written statement certifying it protected federal interest in real property when grant funds were used to acquire or improve real property.

We determined the Commission met program performance requirements by working closely with tribal representatives to ensure projects align with PCSRF program objectives and priorities, maintaining regular contact with subrecipients to track progress on salmon recovery projects, and conducting site visits to monitor subrecipient project performance. Commission staff interacted with subrecipients to ensure information about salmon recovery projects was recorded in the NOAA PCSRF Project and Performance Metrics Database and submitted performance reports to the NOAA Grants Officer in a timely manner. In addition, the Commission's projects involving restoration planning and assessment activities, as well as conservation planning and policy analysis were consistent with PCSRF objectives.

## WHAT WE RECOMMEND

We recommend the Director of NOAA Grants Management Division do the following:

1. Make a determination on the reported \$372,027 in questioned project costs.
2. Require the Commission to implement procedures to monitor administrative expenses on PCSRF grants and ensure claimed administrative expenses do not exceed 3 percent of program funds.
3. Require the Commission to implement procedures to ensure it retains adequate documentation for all cost transfers to PCSRF awards and maintains records showing cost transfers are allocable to the grant.
4. Require the Commission to implement procedures to ensure the indirect cost pool includes only allowable, allocable, and reasonable expenses.
5. Require the Commission to ensure its subrecipients (a) comply with cost principles, indirect cost rate agreements, uniform administrative requirements, and federal records retention requirements, (b) submit indirect cost rate proposals on time, and (c) use the current approved indirect cost rate to claim indirect costs on federal grants.
6. Reiterate to the Commission its responsibility to ensure subrecipients provide documentation showing compliance with real property requirements of the grant.
7. Instruct the Commission to submit to NOAA documentation showing subrecipients perfected statements of the federal interest in real property acquired and improved with 2010 and 2011 PCSRF grants.