United States Department of Agriculture
Food and Nutrition Service

Federal Nutrition Programs Electronic Healthy Incentives Project (eHIP) Cooperative Agreement Project

Fiscal Year 2023 Request for Applications (RFA)

CFDA: 10.561

Release Date:	**January 19, 2023**
Application Due Date:	**11:59 PM, Eastern Standard Time (EST), April 17, 2023**
Anticipated Award Date:	**June 2023**

OMB Burden Statement: The valid OMB control number for this information collection is 0584-0512. The estimated average time required to complete this information collection is 39 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: U.S. Department of Agriculture, Food and Nutrition Services, Office of Policy Support, 1320 Braddock Place, 5th Floor, Alexandria, VA 22314 ATTN: PRA (0584-0512). Do not return the completed form to this address.

INITIAL ANNOUNCEMENT

CATALOG OF FEDERAL DOMESTIC ASSISTANCE: This program is listed in the Assistance Listings under the Catalog of Federal Domestic Assistance number 10.561.

DATES: Applications must be received by **11:59 PM, Eastern Standard Time (EST)** on **April 17, 2023.** Applications received after this deadline will normally not be considered for funding (see Part IV, C of this RFA). Comments regarding this request for applications (RFA) are requested within six months from the issuance of this notice. Comments received after that date will be considered to the extent practicable.

EXECUTIVE SUMMARY: FNS requests applications for the Electronic Healthy Incentives Project (eHIP) Cooperative Agreement Projects for fiscal year (FY) 2023 to support projects that develop innovative strategies to prioritize nutrition security among low-income consumers participating in the Supplemental Nutrition Assistance Program (SNAP) by testing the delivery of incentives for healthy foods using State's electronic benefit transfer (EBT) systems. The total funding amount available for FNS to support this program in FY 2023 is approximately $25,000,000.

This Application Checklist provides applicants with a list of the required documents. However, FNS expects that applicants will read the entire RFA prior to the submission of their application and comply with all requirements outlined in the solicitation. The Application Checklist is for applicant use only and should not be submitted as part of the Application Package.

Complete the following **at least four weeks** prior to submission:

- ☐ Obtain a Unique Entity Identifier (UEI);
- ☐ Register the UEI number in the System for Award Management (SAM); and,
- ☐ Register in Grants.gov.

When **preparing your application**, ensure:

- ☐ Your application format and narrative meet the requirements included in Section IX "Application and Submission Information." This includes page limits, priorities outlined in Section IX, and all necessary attachments.

When **preparing your budget,** ensure the following information is included:

- ☐ Cost Allocation
  - o If other programs will benefit from this project, the costs supported by the grant will only fund the SNAP aspects of the project.
- ☐ Personnel
  - o Proposal includes all key employees paid for by the grant.
  - o Proposal identifies employees by name, position, and title.
  - o The percentage of time the Project Director will devote to the project in full-time equivalents (FTEs).
  - o Your organization's fringe benefit rate and amount, as well as the basis for the computation.
  - o The type of fringe benefits to be covered with Federal funds.
- ☐ Travel
  - o Expenses are itemized and explained in the budget narrative. For example: origination/destination points, number and purpose of trips, number of staff traveling, mode of transportation, and cost of each trip.
  - o Attendee objectives and travel justifications are included in the budget narrative.
  - o Basis for lodging estimates are identified in the budget narrative.
- ☐ Equipment
  - o Equipment costs are justified in the budget narrative.
  - o Types of equipment, unit costs, and number of items are listed in the budget narrative, along with basis for cost per item.
- ☐ Supplies
  - o Types of supplies, unit costs, and number of items are listed in the budget narrative, along with basis for cost per item.
- ☐ Contractual and Consultant Costs
  - o The need for a contractor has been identified in the proposal, and the cost is justified in the budget narrative.
  - o Applicants that are required to issue a bid have provided a narrative explaining the requirement and provided a reasonable estimate for contractual and consultant costs.

- ☐ Indirect Cost Information

o Indirect cost information (either a copy of a Negotiated Indirect Cost Rate Agreement (NICRA) or if no agreement exists and the applicant has never been approved for a NICRA, they may charge up to 10% de minimis). If applicant is requesting the de minimis rate or indirect costs are not requested, please indicate this in the budget narrative.

- ☐ Other
    - o Any other costs associated with this project are itemized, explained, and reasonable

When **submitting** your application, ensure you have submitted the following:

- ☐ SF-424 – Application for Federal Assistance (fillable PDF in Grants.gov)
- ☐ SF-424A – Budget Information and Instruction Form (fillable PDF in Grants.gov)
- ☐ SF-424B – Assurances for Non-Construction Programs (fillable PDF in Grants.gov)
- ☐ SF-LLL – Disclosure of Lobbying Activities
- ☐ FNS-906 – Grant Program Accounting System & Financial Capability Questionnaire (Appendix Pg. 51)
- ☐ Negotiated Indirect Cost Rate Agreement (PDF - Upload using the "Add Attachments" button under SF-424 item #15)

When applicable, application packages are required to include the following documents:

- ☐ All non-profit organizations must include their 501(c)(3) determination letter issued by the Internal Revenue Service (IRS)

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PART I - FUNDING OPPORTUNITY DESCRIPTION

A. AUTHORITY AND BACKGROUND

The Supplemental Nutrition Assistance Program (SNAP), authorized under the Food and Nutrition Act of 2008, as amended, is the cornerstone of the Nation's nutrition assistance safety net. The United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) certifies low-income Americans to participate in the program and authorizes and monitors retailers to accept SNAP benefits for eligible food products. Currently, around 40 million low-income Americans receive SNAP benefits, and more than 250,000 retailers are authorized to accept SNAP benefits.

Section 1001 of the American Rescue Plan Act of 2021, P.L. 117-2, ("ARPA") authorized USDA $4,000,000,000 for Food Supply Chain and Agriculture Pandemic Response, including the ability to provide grants and other assistance to maintain and improve food and agricultural supply chain resiliency. The Department authorized $25,000,000, on a competitive basis, to enter into cooperative agreements with State agencies to carry out Electronic Healthy Incentive Projects (eHIP) under USDA's Framework to Transform the Food System.

FNS announces, through this Request for Applications, the availability of a maximum of $25,000,000 in total grant funding to award as many as three **cooperative agreement grants**. Eligible entities are the 53 State Agencies who administer SNAP benefits. This award is contingent upon the availability of funds. Awards are contingent upon funds having been apportioned internally and made available to FNS.

FNS reserves the right to make more than one award, and to use this competition to award additional grants in this or the subsequent fiscal year should additional funding become available.

In 2012, FNS tested a way of making fruits and vegetables more affordable for participants in SNAP through the Healthy Incentives Pilot (HIP). Under HIP, SNAP participants received 30 cents for every SNAP dollar spent on qualifying fruits and vegetables at participating SNAP-authorized firms. The pilot's incentive model integrated incentive delivery and redemption through the State's Electronic Benefit Transfer (EBT) processor, which loaded the incentive directly onto the household's EBT card (i.e., EBT integration).

The final HIP evaluation presented positive findings on the impacts of financial incentives for fruit and vegetable consumption and as a result, FNS has witnessed a significant increase in healthy foods incentives offered to SNAP households. In FY 2022, the Gus Schumacher Nutrition Incentive Program (GusNIP) awarded $38,700,000 to 8 organizations, to implement fruit and vegetable incentive projects to SNAP households; FNS approved six incentive waiver requests for independent retailers to offer fruit and vegetable incentives across seven States; and FNS awarded $3,000,000 for a grantee to implement a healthy milk incentive project across six States. The increased purchase for fruit and vegetables resulting from eHIP will maintain and strengthen the delivery infrastructure of such foods, benefitting supply chain resiliency.

While HIP tested the impact of financial incentives and the feasibility of EBT integration, eHIP will evaluate the administrative costs when administered at the State-level through the State's EBT processor and compare these costs to other incentive programs. FNS' goal is to maximize funds directed to SNAP households, establish methods for consistent and effective incentive delivery, and decrease overall administrative costs. The final eHIP project will be independently evaluated by an evaluation contractor competitively selected by FNS.

B. PURPOSE AND OBJECTIVES

The primary purpose of the eHIP project is to develop innovative strategies to prioritize nutrition security. eHIP will enable grantees to provide incentives under these grants and to test the delivery of incentives through States' electronic benefit transfer (EBT) systems, which is also known as EBT integration, to incentivize and reward SNAP households for purchasing healthy foods. Applicants must offer SNAP households a set percentage, up to 100%, of the cost of qualifying fruits and vegetables (F/V) purchased with SNAP benefits back onto their EBT card to be redeemed for future purchases of qualifying F/V or any SNAP-eligible food product, depending on the model selected. For the purpose of this grant, eligible incentive foods are fruits and vegetables identified for increased consumption with the most recent dietary recommendations as defined under section 9(j) of the Food and Nutrition Act of 2008, as amended. In turn, FNS anticipates the increased purchase of fruits and vegetables will support the delivery infrastructure of such foods and maintain and strengthen supply chain resiliency.

eHIP is focused on leveraging the State SNAP EBT infrastructure for the delivery of the incentives to SNAP participants. eHIP does not displace other on-going incentive activities or opportunities that are available through the Gus Schumacher Nutrition Incentives Program (GusNIP), Healthy Fluid Milk Incentive (HFMI) or retailer-initiated and funded incentives supported and encouraged by FNS. Rather, eHIP can operate in tandem with these or State-funded SNAP incentive projects.

Key Objectives

All eHIP projects must meet the following objectives:

#	Objectives
1	*Develop and implement EBT integration to deliver and redeem eHIP incentives.*
2	*Partner with SNAP-authorized retailer(s) to operate the point-of-purchase incentive solution in compliance with all relevant SNAP regulations and requirements.*
3	*Communicate and promote eHIP incentive availability and information to SNAP households.*
4	*Provide training and technical support to participating SNAP-authorized retailers in administering the incentives.*
5	*Facilitate participation in the eHIP evaluation through data collection and sharing.*
6	*Separately track, report, and fund eHIP benefits through modified versions of currently existing processes.*

C. FY 2023 FUNDING PRIORITIES

According to USDA's Economic Research Service (ERS), the food-at-home Consumer Price Index (CPI) increased 11.9% from May 2021 to May 2022. In 2022, food-at-home prices were predicted to increase between 8.5 and 9.5 percent. As at-home food prices increase, access to safe, healthy, and affordable foods increasingly becomes more challenging for low-income families.

eHIP aligns with the USDA Strategic Plan (Goal 4) to make safe, nutritious food available to all Americans. FNS is committed to eliminating barriers to access nutrition assistance programs and prioritizing nutrition security. Nutrition security emphasizes providing Americans not just calories, but calories that matter for their health and well-being. This requires taking an equity lens to our efforts and having consistent and equitable access to healthy, safe, affordable foods that are essential to optimal health.

Diet-related diseases hit hardest in communities with high food insecurity. According to the Office of Minority Health at the U.S. Department of Health and Human Services (HHS), American Indian/Alaskan Natives[1], Black/African Americans[2], and Hispanic/Latino Americans[3] are more likely to be obese than non-Hispanic whites, which is a risk factor for several diseases such as diabetes, heart disease, and stroke.

In addition to the general program purpose and priorities, FNS will prioritize applications who propose models that ensure incentives reach marginalized and/or high food insecurity communities such as:

- Tribal Nations and/or surrounding tribal communities.
- Rural communities as defined by the U.S. Census Bureau.
- Persistent poverty counties, as defined by USDA ERS Poverty Area Measures
- Low-income and low access census tracts, as defined by the USDA ERS Food Access Research Atlas

FNS will provide up to 20 bonus points to applicants who meet these funding priorities (See *Section V.B. Evaluation Factors and Criteria*). Applicants must indicate the method(s) used to identify the priority areas and describe how the partnering retailer(s) will target those identified communities.

D. PROJECT DESIGN

The awardee(s) and its team of partners, including State agency staff, retailers, the State's EBT contractor, and optionally other community partners, must develop and operate a project that tests the delivery of a financial incentive that is returned to the SNAP household's EBT card, also known as EBT integration.

Below are the **required** design parameters.

1. Qualifying Foods

[1] Obesity and American Indians/Alaska Natives - The Office of Minority Health (hhs.gov)
[2] Obesity and African Americans - The Office of Minority Health (hhs.gov)
[3] Obesity and Hispanic Americans - The Office of Minority Health (hhs.gov)

eHIP is intended to increase the purchase and consumption of healthy foods that are consistent with the most recent dietary guidelines. For the purpose of this grant, the qualifying foods must be fruits and vegetables as defined below:

Qualifying Fruits and Vegetables (F/V): Whole fruits and vegetables (including legumes); 100% fruit or vegetable juice; and any variety of fresh, canned, dried, or frozen whole or cut fruits and vegetables without added sugars, fats, or oils, and salt (i.e., sodium).

2. Incentive Models

Incentives must be offered to every SNAP household shopping at the partnering retailer locations. The grantee must select one of the following eHIP incentive models to test:

- ***Qualifying F/V for any SNAP eligible food:*** SNAP participants purchase qualifying F/V using their SNAP benefits to receive a percentage of the qualifying purchase back onto their EBT card to be redeemed subsequently through the State EBT processing system for the purchase of any SNAP eligible food.

  Any SNAP-eligible food is any product that SNAP households are normally allowed to purchase using their SNAP benefits.

- ***Qualifying F/V for Qualifying F/V:*** SNAP participants purchase qualifying F/V using their SNAP benefits to receive a percentage of the qualifying purchase back onto their EBT card to be redeemed subsequently through the State EBT processing system for the purchase of additional qualifying F/V.

  Note: This model will require additional technical requirements. Applicants should confirm the feasibility of this incentive model with the State's EBT processor and include a description of the additional technical requirements in their letter of commitment.

3. Incentive Redemption Method

Applicants will need to specify whether the incentives can be redeemed at any SNAP-authorized location or only at retailer locations participating in the eHIP project.

If incentive redemption will be restricted to only participating locations, the applicant must provide the technical and budgetary justification for the limitation, such as utilizing a separate EBT account for eHIP incentives or other solutions that would involve extensive programing changes to current retailer POS devices or require new devices for incentive redemption capabilities, but that would result in better tracking, monitoring, etc., and explain how such solution is scalable Statewide and eventually nationwide.

Applicants must also specify whether an additional incentive will be earned on a purchase where an incentive benefit (rather than a SNAP benefit) was used to pay for the qualifying purchase (i.e., earning an incentive on an incentive). Additionally, applicants must explain the processes that will be implemented to mitigate the potential for fraud, including creating and trafficking incentive benefits.

4. Incentives Amount

Applicants must offer SNAP households a set percentage, up to 100%, of the cost of qualifying F/V purchased with SNAP benefits back onto their EBT card to be redeemed for future purchases of qualifying F/V or any SNAP-eligible food product, depending on the model selected.

Proposals should indicate:

- The percentage of the qualifying purchase amount households will receive back as incentives for future purchases;
- A monthly earnings cap - the maximum amount of incentives each household can earn per month;
- An expiration timeframe - the amount of time from the date an incentive is earned that it will remain available for redemption by the household; and
- Any other incentive earning caps that will be implemented, such as a cap per transaction.

5. <u>Site Selection</u>

Proposed project site(s) may include State or sub-State areas, such as county, city, community, or group of contiguous communities, and/or Tribal Nations.

Priority will be given to applicants who incorporate the priority target areas , listed in Section I.C.

6. <u>Retailer Selection</u>

Prior to submitting an application under this RFA, applicants must establish partnerships with SNAP-authorized retailers located in the project site(s) that typically sell the qualifying foods directly to households. If the applicant wishes to partner with a firm(s) that is not currently authorized to accept SNAP benefits, the applicant should specifically identify such firms in the proposal, provide justification for the firms' selection, and include statements in the firm's letter of commitment that 1) the firm intends to meet the stocking or sales requirements for SNAP authorization, and 2) will submit an application for authorization within 30 days of award.

Selected grantee(s) will be required to provide the retailer's FNS authorization numbers in a secured format within 2 weeks of award. Applicants should confirm that selected partner firms are authorized though the retailer locator map.

Ideally, project site(s) would include some combination of supermarket chains, independent retailer grocers of all sizes, convenience stores, and farmers. States who elect to partner with farmers are encouraged to select farmers who process payments using SNAP Market Link solutions. States are also encouraged to consider including retailers who accept SNAP payment online so that incentives are available to online SNAP shoppers as well.

Retailers with integrated electronic cash register (IECR) systems that include scanners and point-of-sale (POS) interfaces will need to reprogram their systems to identify the qualifying foods, calculate and transmit the value of the incentive earned and the value of the incentive purchase, and print the resulting incentive balance on the SNAP receipt. Retailers using standalone (side-by-side) POS terminals may need to create and manually enter a separate subtotal of qualifying foods based on visual identification so that this additional value can be captured; these retailers would be expected to keep records to provide incentive issuance and redemption data. Technical assistance will be available from FNS as needed. See Appendix, page 44.

Applicants must submit letters of commitment from each retailer banner or location that will participate in the project and at a minimum, include the following:

- Retailers with IECR systems: Confirmation that the selected retailer(s) can program their systems to offer incentives or the intentions to upgrade their systems to offer incentives using the proposed project design.
- Retailers with side-by-side POS terminals: Confirmation that the selected retailer(s) has 1) a process in place to identify qualifying fruit and vegetable purchases at the point of sale and 2) a system to offer and track incentives using the proposed project design.

Indicate if the selected retailers offer other incentives through other grants or privately funded programs and, specifically, whether the other incentives are operating under a Gus Schumacher Nutrition Incentive Program (GusNIP) or Healthy Fluid Milk Incentive (HFMI) grant.

If a grantee(s) wishes to add additional retailer banners and/or locations during the project period that were not included in the initial proposal, the grantee(s) will be required to submit a written request to FNS, including justification, store name(s), addresses, and FNS numbers. If the grantee(s) is partnering with a new retailer banner(s), the grantee will be required to attach a letter of commitment from each retailer banner.

***Ineligible retailers*:** Retailers that are not eligible to participate in an incentive project under this grant include:

- Authorized retailers that do not typically sell the qualifying foods to households, such as bakeries, or seafood or meat specialty stores.
- Wholesalers and meal services, such as drug/alcohol treatment programs, battered women's shelters, communal dining facilities, group living arrangements, homeless meal providers, meal delivery services, and senior and other residential centers.

Funding POS System Upgrades or Equipment for Retailers in Priority Target Areas: Applicants may propose to use grant funds for independent retailers that sell sufficient quantities of qualifying fruits and vegetables and are located in Priority Target Areas, described in Section I.C., for POS system costs to provide incentives though a process that can be certified by the retailer's third-party processor (TPP) and electronically tracked through the POS system at the point of the qualifying purchase. See Part IV.A.7. "*Budget"*.

7. Incentive Delivery Mechanism- Integration with Current EBT System

eHIP will utilize the existing EBT system currently in place for SNAP: its debit cards, POS terminals, receipts, and vendor data system. However, the system will need to accommodate the unique accounting needs of eHIP at the point of purchase, which differs from regular SNAP transactions. Thus, changes are needed to EBT system programming, accounting and reporting for the duration of the project. Due to the technical nature of changes necessary to allow retailers to comply with the accounting, crediting and the reporting needs of eHIP, these specifications and requirements are enumerated systematically in the Appendix, page 44, of this RFA. State Agencies will need to review these requirements carefully and, together with their EBT contractor and other relevant parties, develop a plan of action to address them and present that plan in their application.

EBT integration will require substantial modifications to the EBT and retailer systems and procedures to enable them to:

- Validate participating eHIP stores;
- Recognize qualifying foods and total their value;
- Properly calculate incentives earned and post incentives;
- Identify incentives separately from SNAP transactions in order to debit and post incentives, and for back-end accounting and tracking purposes;
- Transmit the information in the authorization request to the EBT system in a manner compliant with current ANSI message standard X9.58, modified as necessary to transmit eHIP data in a standard manner for all retailers participating in the project (this will require collaboration with FNS, participating integrated retailers and their TPPs, and standalone terminal providers);
- Generate appropriate approval messages to retailers;
- Print incentive values earned on EBT receipts;
- Apply a cap to the monthly amount of incentive that can be earned by any one household;
- Remove incentive amounts from the available balance after the expiration date.
- Ensure that households no longer in SNAP (i.e. no longer receiving monthly benefit allotments) cannot earn incentives.
- Continue to include checks for valid FNS authorization number, account number and PIN value, as well as determining that account status is active and that there are sufficient funds.

Applicants must provide letters of commitment from the State's EBT contractor for the proposed EBT system changes, reporting and accounting requirements, and any necessary POS upgrades at participating retailers. See Part IV.B. *"Appendices"*.

8. <u>Household eHIP Earnings Information</u>

Projects should include ways to provide each household with information on the incentive amount earned and the remaining accumulated value of incentives, as well as the expiration date for unused incentives (expirations should be no less than 30 days) to include, at a minimum, the following methods:

- <u>EBT Receipts</u>: At the point of purchase in the form of a message on a printed receipt, which is already a SNAP receipt requirement.

  Example: The receipt could read immediately above the remaining SNAP balance:

Healthy Incentive Earned:	$xx.xx
Expiration Date:	xx /xx /xx
Remaining Incentive Balance:	$xx.xx

- <u>Automated Response Unit (ARU)</u>: Report incentive transaction and balance information in the same manner as other transactions when the caller selects the options to listen to the list of the most recent transactions or to have a two-month statement mailed.

Projects should also specify how households will be informed on how their earned incentives will be applied to subsequent purchases, including the order in which incentive benefits versus monthly benefits will be applied.

9. <u>Communication/Outreach Promotion</u>

Applicants must include a detailed plan for communicating information about and promoting eHIP incentives to SNAP households in their grant application.

For each distinct eHIP project, the awardee must ensure the following is communicated to SNAP households:

- Availability of eHIP incentives and the conditions for receiving the incentives;
- Qualifying foods for which an incentive is offered, and the eligible foods that can be purchased with incentives;
- Location of participating firms;
- The monthly cap amount and how to track the amount of incentives earned;
- How to use the incentives earned, and locations of where earned incentives can be used;
- The expiration date of the incentives earned; and
- Where to get additional information.

Examples of State SNAP agency promotional activities include:

- Making eHIP promotional materials available at local SNAP offices;
- Allowing promotional videos to be played at local SNAP offices;
- Creating eHIP promotional materials for social media accounts; or
- The State Agency sending promotional materials through direct mail to area SNAP recipients. State Agencies may not provide outside entities with a list of SNAP recipients' mailing addresses, even under a MOU.

10. Retailer Training and Technical Support Plan

Applicants must provide a plan for training cashiers and other on-site staff of participating firms on the mechanics, as well as the requirements and limitations of eHIP to ensure compliance. The proposal must also describe the process for addressing and resolving any technical, policy or operational issues that may arise at firm locations during the course of project implementation and ongoing operations and how that process will be communicated to participating firms.

A detailed description of the resolution process should include information on the organizations/partners responsible for such activities, including hours of availability and expected response timeframes.

11. Data Collection and Evaluation

FNS will conduct an administrative cost analysis using data provided by the awardee. FNS will develop and monitor indicators of progress towards objectives by examining eHIP project activities in terms of (1) the project's administrative costs, (2) the amount of incentives issued, and (3) sales of qualifying F/V, as described below. The data should be reported separately by retailer outlet (e.g., individual stores/market locations). The awardee must provide information on the incentive model that all individual retailer outlets are implementing at the start of the project. The set incentive amount provided by an individual retailer outlet should not be changed without approval from FNS (see section I.D.4 for Incentives Amount).

Awardees are required to have a Data Use Agreement with each firm that guarantees each firm will provide the following required data elements related to administrative costs:

- If additional funding other than FNS grant is used to support this project, grantee must be able to separately identify and account for any SNAP funds used for the incentive program and for administrative costs; and

- Breakout of SNAP grant funding spent on administrative costs versus incentives to SNAP participants.

Data Use Agreements shall also ensure that the following data elements related to incentive issuance and sales, are provided for each firm:
- Number of households issued an incentive and the average incentive amount issued per household per month.
- Amount of incentives issued to SNAP participants, in dollars and number of transactions per month;
- Amount of incentives redeemed by SNAP participants, in dollars and number of transactions per month;
- Number of households that redeemed an incentive and incentive amount redeemed per household per month.

Proposals should discuss any opportunities and challenges with the data collection requirements and how they will be addressed. Proposals should also describe any previous evaluation experience with SNAP participants, food retailers, or nutrition incentive programs. The proposal should demonstrate the capacity and willingness to comply with the data collection and evaluation requirements.

12. Proposed Project Enhancements

In addition to meeting the basic requirements of this RFA, applicants may wish to include in their proposal enhancements that exceed the project requirements. Enhancements may be submitted in the application as long as these do not detract from or interfere with the goals, rigor, and integrity of the project or contradict project design requirements. Such enhancements may include but are not limited to: partnership with other entities which offer additional, or matching, funding. Any enhancements should be presented separately from the core proposal in the application and should include an accompanying budget proposal that is separate from the core proposal budget. It should be noted that this section will not be scored.

13. Key Timeframes

The anticipated period of performance for this grant project is 4 years. Priority will be given to proposals that plan to launch the project in a fully operational form within 18 months of executing a signed cooperative agreement. Prior to launching the project, the awardee will be expected to make and test all administrative and accounting systems adjustments to set eHIP up for operations. Once launched, the project operations may last for the remainder of the grant period of performance. The awardee will be responsible for collecting and reporting specified incentive issuance and redemption data during the entire project period on a monthly basis. Biweekly conference calls during implementation and monthly conference calls thereafter are required to report on project progress/status to FNS. Formal progress and financial reports are due quarterly.

E. COOPERATIVE AGREEMENT

This grant will be awarded in the form of a cooperative agreement. This agreement is a legal instrument reflecting a relationship between the Federal government and the awardee. Substantial involvement is expected between the Federal government and the awardee when carrying out the activity in the agreement. Cooperative agreements are subject to the same administrative requirements as grants.

Project Roles and Responsibilities

FNS: FNS will provide direction and technical assistance both to the eHIP awardee(s) and the evaluation contractor and coordinate their efforts. FNS will approve major aspects of the project(s) in advance of implementation in a manner and timeframe agreed upon between the awardee(s) and FNS. FNS will establish a funding mechanism consistent with the cooperative agreement and provide the awardee with detailed directions on claiming and accounting for eHIP funds. FNS will review quarterly progress reports and financial reports to ensure objectives, terms, and conditions of the agreement are met. FNS will participate in periodic collaborative meetings with the awardee.

eHIP Grantee: The eHIP grantee(s) is the State SNAP Agency that will be competitively selected based on the technical merits of its application. The grantee has overall responsibility for project planning, implementation, and operations in cooperation with retailers, SNAP local agency(ies), EBT contractor, and other partners as designated by the grantee(s). FNS encourages consultation and partnering with SNAP-Ed agencies who have experience with nutrition education through teaching SNAP households how to make healthy meals and how to stretch their SNAP dollars and WIC agencies who have experience with retailer and participant training on the purchase of qualifying F/V. The awardee(s) shall:

- Select/hire appropriately credentialed personnel to manage and operate the project;
- Delegate responsibilities to SNAP local agency staff, the EBT processor, retailers and other partners as appropriate;
- Inform, promote, and educate SNAP households on how to earn and use eHIP incentives;
- Recruit and train retailers in all relevant aspects of eHIP and overseeing their activities to ensure project integrity and effectiveness, including:
    - Amending the retailer's point-of-sale service provider agreements, as needed, to support system and procedural changes at participating retailers;
    - Developing a plan for the tracking and use of incentives that ensures project integrity;
    - Developing Memoranda of Understanding with participating retailers that have the capability to identify eHIP qualifying foods to ensure they understand their responsibilities and meet milestones of the eHIP management plan.
    - Conducting employee trainings to inform and educate cashiers on eHIP incentives and how to issue/redeem them;
    - Collecting, recording, and reporting required data; and
    - Providing necessary support, resources, and oversight.
- Monitor partner retailer incentive operations, including accuracy of eligible incentive product lists, to ensure that incentives continue to be earned and redeemed as expected.;
- Train other partners, as applicable, on the requirements and limitations of eHIP to ensure compliance;
- Maintain records on all project costs, including costs covered by other funding sources (e.g., retailers system changes; in-kind contributions)
- Cooperate fully with the FNS evaluation contractor to ensure the integrity of the evaluation and quality of the project cost data provided to the contractor before, during, and after project operations;
- Seek FNS approval at critical junctures and checkpoints after award, including management plan, budget plan, training plans, EBT contractor's design and implementation plan, and retailer accountability plans that are submitted in preliminary form in the application;
- Meet specific obligations and approval points that will be further delineated by FNS in terms of

the cooperative agreement between FNS and the awardee;

- Submit timely progress reports, financial reports, data reports, and special reports during the project and a final progress report and a final financial report;
- Participate in periodic collaborative meetings during the project, as well as orientation and close-out meetings with FNS; and
- Account for eHIP funds separately from SNAP administrative funds, any other grant award funds, or funds provided by any other partner, and establish financial and management reporting and controls to ensure that eHIP funds are not commingled with other funding sources or used inappropriately. A separate and distinct audit trail must be established and maintained for the expenditure of eHIP funds that clearly demonstrates they are solely used for eHIP purposes.
- States should present their plan for compensating retailers in Priority Target Areas for costs associated with eHIP, such as reprogramming of existing POS terminals and modifying internal data storage systems or acquiring additional equipment.

Retailers: Participating retailers must develop and maintain their POS systems and other incentive procedures necessary to support eHIP, including cashier checkout processes at the point of purchase, maintaining a list of qualifying foods eligible for the incentive, a list of foods that can be purchased with the incentive (if applicable), procedures for informing SNAP recipients of any incentive received at the point of purchase, and meeting requirements for providing incentive information on receipts.

EBT Contractor: The EBT contractor servicing retailers will, at the direction of the eHIP Grantee, meet all requirements and operate and maintain the eHIP system as described in the Appendix, page 44, of this RFA. This includes, but is not limited to the following duties:

- Calculate the incentive amount earned at the point of purchase.
- Be able to provide incentive balance information to households.
- Track each SNAP household's monthly cumulative incentives earned to ensure that capped value is not exceeded, and report "real time" cumulative incentives earned on cash register receipts.
- Reconcile and provide daily reports on incentives earned and credited to EBT accounts.
- Reimburse retailers for the redemption of eHIP incentive benefits along with their regular SNAP benefits.
- Provide daily and monthly summary reports and daily activity files at the individual transaction level as specified during the Project Design phase to FNS and/or its designated agents.
- Support clients with eHIP questions or problems through the client Automated Response Unit (ARU) and customer service representatives.
- Support EBT-only and commercial retailers on eHIP-specific problems through the retailer ARU and customer service representatives.
- Cooperate with FNS in obtaining data and other information for evaluation purposes and work directly with FNS' evaluation contractor to provide at a minimum, the items prescribed in Section I.D.11. Data and Evaluation.
- At the request of the eHIP Grantee, assist with other eHIP implementation activities, such as assisting the eHIP Grantee in the training of retailers for the new system.

Other Partners: Other partners may be engaged to facilitate eHIP projects. Duties of any partners should be described clearly in the application, along with an overview of how the State will provide oversight to their activities throughout eHIP.

To demonstrate that the applicant (See Part III.A. *"Eligible Applicants"*) and its stakeholders possess strong capability to work together to successfully carry out the obligations of this agreement in a timely, efficient, and effective manner,applicants must include in the proposal:

- A signed letter of commitment to work closely and cooperatively with FNS in support of the grant objectives.
- Signed letters of commitment from each retailer banner or location that will participate in the project.
- Copies of agreements with all necessary stakeholders.

F. PROGRAM POLICY

This section addresses certain aspects of eHIP and SNAP policies as they pertain to the eHIP cooperative agreement project. This section also deals with policies regarding the participation of firms (e.g., convenience stores, grocery stores, farmers markets, direct-marketing farmers) in eHIP projects. "Firm" is defined at 7 CFR 271.2. Questions regarding the policies discussed below may be directed to SM.FN.SNAP-RetailerPolicy@usda.gov.

Incentive Restrictions

eHIP awardees may not solely incentivize specific brand names or product lines of F/V, nor may eHIP awardees solely incentivize a specific subset of qualifying F/V. In addition, eHIP awardees may not provide incentives earned through a "no purchase required" mechanism or through an automatic discount. Households must be required to purchase qualifying F/V using their SNAP benefits to earn incentives that can only be used on a future purchase.

Concurrent Participation in SNAP-Ed, GusNIP, and/or HFMI

Grantees that receive eHIP as well as SNAP-Ed, HFMI, and/or GusNIP funds must keep in mind the following guidelines:

- SNAP-Ed is an evidence-based program that helps people lead healthier lives. SNAP-Ed implements nutrition education to promote healthy food choices and physical activity consistent with the most recent Dietary Guidelines for Americans. Participation in both eHIP and SNAP-Ed is permitted, however, each program has its own separate funding, participation, and reporting requirements. SNAP-Ed funds may not be used to provide actual cash or other financial incentives, and awardees must meet each program's participation and reporting requirements.

- Gus Schumacher Nutrition Incentive Program (GusNIP) is a grant program targeted to increasing the purchases of F/V by SNAP recipients through incentives provided at the point of purchase. The Healthy Fluid Milk Incentive (HFMI) project is a cooperative agreement grant program targeted to increase the purchases and consumption of healthy fluid cow's milk by SNAP recipients through incentives provided at the point of purchase. Participation in eHIP as well as GusNIP and/or HFMI is permitted, however, each program has its own separate funding, participation, and reporting requirements. eHIP awardees participating in GusNIP and/or HFMI cannot comingle funds between the programs and must meet each program's participation and reporting requirements.

Proposal Changes

If the awardee wishes to significantly change this plan after eHIP funds have been awarded, then the awardee must notify FNS in writing and in detail, regarding the change and the budget impact, and receive approval for the proposed change.

G. AWARDEE AND FIRM REQUIREMENTS

Sales Tax

In accordance with section 4405(a)(3) of the Food, Conservation, and Energy Act of 2008 (the 2008 Farm Bill), as amended by Section 4208 of the Agricultural Act of 2014 (the 2014 Farm Bill), no State or local sales tax shall be collected on any purchase of food made using eHIP incentives.

Equal Treatment

Because the statutory language of the 2018 Farm Bill authorizes FNS to grant waivers for retailers that provide incentives to SNAP households, the regulatory waiver of the SNAP equal treatment provision at 7 CFR 278.2(b) and 7 CFR 274.7(f) is incorporated through this RFA. eHIP awardees do not need to apply separately for the waiver for the purpose of providing incentives under the eHIP cooperative agreement. However, other than providing eHIP incentives to SNAP households, awardees must ensure that the same terms and conditions apply to purchases made by individuals with SNAP benefits and with incentives provided under eHIP as apply to purchases made by individuals who are not members of households receiving benefits.

Refunds

eHIP incentives are intended to increase the purchase and consumption of qualifying F/V and must be spent accordingly. The returning or refunding of eHIP incentives is not consistent with the intention of eHIP. While spoiled or undesired food products purchased with eHIP incentives may be exchanged for equivalent food products at the firm's discretion, eHIP incentives like SNAP benefits may not be refunded with cash. Proposals must indicate the process for returns and refunds to mitigate against the ability of a household to earn an incentive without the required SNAP purchase.

SNAP Firm Data Confidentiality

Under 7 CFR 278.1(q), certain forms of SNAP firm information are prohibited from disclosure. Local and State SNAP Agencies may not disclose such firm data. The names and addresses of SNAP authorized firm are available to the public and can be obtained via the SNAP Retailer Locator.

The FNS number for individual firms is not public information and is subject to restrictions in SNAP regulations at 7 CFR 278.1(q); therefore, it must be obtained directly from the firm. Likewise, SNAP redemption or transaction data at the individual firm level is considered protected data and must be obtained directly from the firm. eHIP awardees should work in close concert with their participating firm in order to obtain any such required information. Both the FNS number and individual firm transaction/redemption data, while necessary for data collection and evaluation purposes, are protected and shall not be published in a public report. SNAP firm transactions/redemptions should only be reported in aggregate. Whenever transmitting any confidential SNAP firm data to FNS, this data must be password protected.

Memorandum of Understanding (MOU) between Awardee and Retailers.

eHIP awardees must work with their retailer partners to enter into a MOU before that retailer can participate in the eHIP project. At a minimum, the MOU should lay out the roles and responsibilities for the grantee and the retailer to ensure that the terms of the RFA are met and include provisions on how retailers will be held accountable for operating the incentive project as designed. The MOU must be signed and dated by the awardee project director(s) and all firm's owners. If the awardee is working with a chain of centrally-owned and operated firms, then one MOU that includes all relevant information on every participating firm location will be sufficient. The applicant/grantee organization should keep the original MOU in their records and be able to present it in the event of an audit.

Noncompliance with Program Policy.

Awardees and their participating retailers are expected to comply with all of the policies and requirements laid out in this RFA document as well as any eHIP or SNAP policies or requirements further clarified in Q&As, memoranda, or other relevant USDA documents (including all applicable provisions of the Food and Nutrition Act of 2008 and SNAP regulations at 7 CFR 278). Awardees will be notified in writing of instances of noncompliance and will face serious repercussions for repeated instances of noncompliance.
Examples of such noncompliance include, but are not limited to, failure to timely report a change of Project Director (PD), allowing unapproved firms to participate in a project, and/or incentivizing ineligible products.

First Instance of Noncompliance. If the awardee or the awardee's firms fail to comply with eHIP or SNAP rules and this is the first instance of noncompliance associated with that awardee, then the USDA will notify the awardee of the issue in writing and establish a timeline for corrective action. The general timeline for such corrective action is 30 calendar days, although the timeline may be extended or shortened depending on the nature and extent of the issue at hand at the discretion of the USDA.

If the grantee fails to take required corrective action within the established timeline, then the USDA will immediately suspend that awardee's access to eHIP funds. Access to eHIP funds will be restored when corrective action has been taken.

Second Instance of Noncompliance. If the awardee or the awardee's firms fail to comply with eHIP or SNAP rules and this is the second instance of noncompliance associated with that awardee, then the USDA will immediately suspend that grantee's access to eHIP funds, notify the awardee of the issue in writing and establish a timeline for corrective action. The general timeline for such corrective action is 30 calendar days, although the timeline may be extended or shortened depending on the nature and extent of the issue at hand at the discretion of the USDA. Access to eHIP funds will be restored when corrective action has been taken.

Third Instance of Noncompliance. If the awardee or the awardee's firms fail to comply with eHIP or SNAP rules and this is the third instance of noncompliance associated with that awardee, then the USDA will immediately suspend that awardee's access to eHIP funds, notify the awardee of the issue in writing and establish a timeline for corrective action. In addition, the USDA will rescind 10% of the total Federal eHIP funding. The general timeline for such corrective action is 30 calendar days, although the timeline may be extended or shortened depending on the nature and extent of the issue at hand at the discretion of the USDA. Access to the remaining eHIP funds will be restored when corrective action has been taken.

Further Instances of Noncompliance. If the awardee or the awardee's firms fail to comply with eHIP or SNAP rules and more than three such instances of noncompliance have already been documented, then the USDA will rescind the remaining Federal eHIP funds in their entirety.

Considering a History of Noncompliance during Application Evaluation. A history of noncompliance with eHIP or any other USDA grant policies and requirements will be considered during the eHIP application evaluation process.

Acknowledgement of USDA Support

As outlined in 2 CFR 415.2, awardees shall include acknowledgement of USDA Food and Nutrition Service support on any publications written or published with award support and, if feasible, on any publication reporting the results of, or describing, an award-supported activity. Awardees shall include acknowledgement of USDA Food and Nutrition Service support on any audiovisual which is produced with award support and which has a direct production cost of over $5,000.

- When acknowledging USDA support, use the following language: "This material is based upon work that is supported by the Food and Nutrition Service, U.S. Department of Agriculture." Awardees should follow the USDA Visual Standards Guide when using the USDA logo.
- Grant recipients *may* be asked to host USDA officials for a site visit during the course of their award. All costs associated with the site visit will be paid for by USDA and are not expected to be included in grant budgets.

PART II - FEDERAL AWARD INFORMATION

A. AVAILABLE FUNDING

The following information is intended to provide applicants with information to help applicants make informed decisions about proposal submissions.

- Total amount of funding expected to award: $25,000,000
- Anticipated number of awards: Up to 3
- Anticipated award announcement date: June 2023
- Expected amounts of individual Federal awards: Up to $25,000,000
- Anticipated start dates and period of performance: June 2023– December 31, 2027
- Application due date: April 17, 2023

Please note:

- Grant awards are subject to the availability of funding and/or appropriations of funds.
- FNS reserves the right to use this solicitation and competition to award additional grants this year or the subsequent fiscal year, should additional funds become available.

The award period for the FY2023 Cooperative Agreement will be up to 4 years. All funds must be obligated and all program activities under the cooperative agreement (other than activities relating to the close-out of the cooperative agreement) must be completed by the end of the award period. The close-out of the agreement must occur no later than 120 days following the termination date of the agreement, and all obligations incurred under the grant must be liquidated by this date. Any funds that are not liquidated within 120 days following the end of the award period must be returned to FNS. In addition, the final progress reports are due to FNS no later than 90 days following the end of the award period. Please see the section on Federal Award Administration Information for details on reporting requirements.

B. FUNDING ALLOCATION GUIDANCE

Funds provided under eHIP must primarily provide for the integration of the issuance and redemption of SNAP incentives into existing EBT processing systems and the incentives themselves.

Costs that are indirect in nature and included in entities' indirect cost pool fall under the indirect cost rate.

Note that all costs, with the exception of the actual incentives, are legitimate State Agency expenditures for purposes of normal Federal-State cost share associated with SNAP administration. States may also utilize American Rescue Plan Act funds for these costs at a 100% reimbursement rate.

C. ALLOWABLE COSTS

Indirect Costs

A current Negotiated Indirect Cost Rate Agreement (NICRA), negotiated with a Federal negotiating agency, should be used to charge indirect costs. Indirect costs may not exceed the negotiated rate. If a NICRA is used, the percentage and base should be indicated. If the applicant does not have, and has never been approved for, a NICRA, they may charge up to 10% de minimis. In this instance, the applicant must indicate they are requesting the de minimis rate. An applicant may elect not to charge indirect costs and, instead, use all grant funds for direct costs. If indirect costs are not charged, the phrase "none requested" should be stated in the budget narrative. For questions related to the indirect cost rate, please work with the Grant Officer as noted in **Section VII** of this RFA.

Sub-awardee Costs

The State applicant is expected to perform a substantive portion of the project. FNS will allow applicants to indicate in their proposal if they intend to sub-award or subcontract a portion of the project but this deviation will require FNS approval. Projects may divide their budget allocations between partners as it fits their work plan. For additional knowledge or expertise that is not available within the applicant organization, funds for expert consultation may be included in the "All Other Direct Costs" section of the proposed budget narrative and must identify the total amount in the line-item budget as "Sub-awardee" or "Sub-contract".

Unallowable Costs

Funds awarded under this may not be used for any purpose that limits the use of benefits provided under the Food and Nutrition Act of 2008. Similarly, funds awarded may not be used for the purpose of providing access to ineligible items under the Food and Nutrition Act of 2008. Examples include, but are not limited to, giveaways of alcohol, tobacco, firearms, and lottery tickets.

Under no circumstances may eHIP awardees engage in any activities intended to persuade or recruit individuals to apply for SNAP benefits. The use of Federal and/or match funds to employ personnel tasked with enrolling individuals in SNAP is strictly prohibited.

Promotional activities must be limited to factual statements and eHIP awardees must generally avoid emotional appeals in their promotional activities. Promotional activities funded with Federal and/or match funds:

- Must present factual statements intended to inform, not to persuade,
- May include locational information about firms (i.e., the address of firms participating in the grantee's project),
- May also specify that firms accept SNAP and EBT (this includes appropriate logo use as outlined here:Using the SNAP Logo, and
- May include information describing the mechanics of the grantee's project (e.g., spend $1 on qualifying F/V and earn $1 to spend on more qualifying F/V).

Regardless of format, the following example would be an unallowable expense:
"Sign up to receive SNAP benefits and then you can also get 50% off fruits and vegetables at Main Street Grocers! Eating fruits and veggies will keep you and your family healthy and happy, so come on down on the corner of Maple and Elm Streets!"

The following example would be considered an allowable promotional expense:
"Thanks to eHIP, when you use your SNAP benefits to purchase fruits or vegetables at any of the retailers listed below, you will receive 50% of that purchase amount back on your EBT card."

Unallowable costs may not be paid for with either Federal or matching funds. If an applicant is unclear as to whether a specific promotional material is acceptable, it can be submitted to SM.FN.SNAP-RetailerPolicy@usda.gov for review by FNS.

Non-Supplantation

Grants must be used to supplement, not supplant, non-Federal funds that would otherwise be available for expenditure on incentive program activities. Grant funds must be used to fund new projects. They may not -be used to replace State or local funds that would, in the absence of Federal aid, be available or forthcoming for incentive programs.

PART III - ELIGIBILITY INFORMATION

A. ELIGIBLE APPLICANTS

Eligible entities include the 53 State agencies who administer the Supplemental Nutrition Assistance Program (SNAP). State agencies in the process of **EBT system** re-procurement **are eligible as long as the State agency can ensure the project can operate within the given timeline stated in the RFA**. **State agencies in the process of converting their EBT processer and that have finished building out the requirements at the time of applying will not be considered eligible** applicants. Each eligible applicant may only submit one application in response to this grant solicitation.

Partners and Collaborators: Applicants may seek and create partnerships for the purposes of providing additional resources, for outreach and training. Only the applicant must meet the requirements specified above for grant eligibility. Project partners and collaborators need not meet the eligibility requirements. Planning collaborations awardees may sub-award to organizations not eligible to apply provided such organizations are necessary for the successful completion of the project. See Part II.C. *"Allowable Costs"*.

B. COST SHARING OR MATCHING CONSIDERATIONS

There are no cost sharing or matching requirements for this program. However, FNS supports collaboration among local, State, regional, or national partnerships that leverage assets to most effectively reach the goals associated with this solicitation. Collaboration may include in-kind contributions of resources by partner organizations. In-kind contributions may include donations of services, equipment, meeting space, or other resources to be used specifically for the proposed project. The value of these in-kind contributions should be calculated and noted both in the Project Narrative and the Budget Narrative. Commitments of in-kind contributions and/or cost- sharing should be demonstrated through letters of commitment and included in the application package. Any enhancements that include additional, or matching funding for incentives will not increase the applicant's score for award purposes under this RFA.

C. PRE-AWARD SCREENING REQUIREMENTS

In reviewing applications in any discretionary grant competition, Federal Awarding Agencies, in accordance with 2 CFR 200.205, are required, prior to making a Federal award, to review information available through any OMB-designated repositories of government-wide eligibility qualifications or financial integrity information. Additionally, Federal Awarding Agencies are required to have a framework in place for evaluating the risks posed by applicants before they receive Federal awards. The FNS review of risk posed by applicants will be based on the following:

- SAM.gov, the *System for Award Management*, the Official U.S. Government system that consolidated the capabilities of CCR/Fed Reg, ORCA, and EPLS;
- FAPIIS, the *Federal Awardee Performance and Integrity Information System* that has been established to track contractor misconduct and performance;
- FNS Risk Assessment Questionnaire:
  - Applicants must complete the Grant Program Accounting System & Financial Capability Questionnaire that allows FNS to evaluate aspects of the applicant's financial stability, quality of management systems, and history of performance, reports and findings from audits. The questionnaire contains a number of questions that may bean indicator of potential risk.

The evaluation of the information obtained from the designated systems and the risk assessment questionnaire may result in FNS imposing special conditions or additional oversight requirements that correspond to the degree of risk assessed.

PART IV - APPLICATION AND SUBMISSION INFORMATION

Content and Form of Application Submission

FNS strongly encourages eligible applicants interested in applying to this program to adhere to the following applicant format. The proposed project plan should be presented on an 8 ½" x 11" document with at least 1-inch margins on the top and bottom. All pages should be single-spaced, in 12-point font. The project description with relevant information should be captured on no more than 35 pages, not including the cover sheet, table of contents, resumes, letter of commitment(s), endorsement letter(s), budget narrative(s), list of partnering retailers, appendices and required forms. All pages, excluding the form pages, must be numbered.

Special Instructions:

- Late application submission will not be considered in this competition. FNS will not consider additions or revisions to applications unless they are submitted via Grants.gov by the deadline. No additions or revisions will be accepted after the deadline.
- Applications submitted without the required supporting documents, forms, certification will not be considered.
- Applications missing a written proposal or budget narrative will not be considered.
- FNS reserves the right to request clarification on any application submitted in response to this solicitation.
- Applications not submitted via Grants.gov will not be considered.
- If multiple application packages are submitted through Grants.gov by the same applicant in response to this solicitation, FNS will accept the latest application package successfully submitted. All other packages submitted by the applicant will be removed from this competition.

A. Content of Application Submission

1. Cover Sheet

The cover page should include, at a minimum:

- Applicant's name and mailing address;
- Primary contact's name, job title, mailing address, phone number and e-mail address; and
- Grant program title and subprogram title (if applicable).

2. Table of Contents

The Table of Contents should include relevant sections and subsections, as well as associated page numbers.

3. Work Plan with Implementation Timeline

FNS expects the Applicant State to submit a written plan that outlines milestones and tasks the applicant considers essential to development, design, and implementation for EBT integrated incentives. Detailed information about the work plan is provided in the sections below. If detailed requirements or a Business Requirements Document are available at the time of application, those documents may be submitted with the application. The plan should also provide contact information for each stakeholder's own or contracted staff responsible for primary functions that are critical to the success of the project.

The following areas are considered required elements of the work plan.

A. Project Overview

Applicant States must develop a project overview that specifies the approach, implementation strategy, and anticipated impact the selected EBT integration solution will have on SNAP household's purchasing and consumption of F/V. The project overview must include a detailed description of the proposed EBT integration solution outlining the incentive delivery method(s) (see Part I.D. *"Incentive Delivery Mechanism- Integrations with Current EBT System"*), security considerations specific to the method(s), including security measures to deter fraud, as well as any benefit and constraints for the chosen method. The project scope and strategy should be well-defined, including:

- Goal: describe the overarching purpose(s) of the project
- Objectives: describe the specific and measurable steps necessary to accomplish the goal(s) of the project
- Indicators: describe the specific tasks/outcomes that will be observed to ensure the objectives are achieved
- An Implementation Timeline
- Define parameters – describe the scope of the project, including any limitations or constraints (geographical constraints, partners, etc.) The scope should include:
    1. Incentive Design including qualifying foods that trigger the incentive; items eligible to purchase with the incentive; incentive percentage; monthly cap; and expiration timeframe.
    2. Description of the community(ies) where the project will operate, including a detailed description of the geographic area(s); their boundaries, whether it is rural or urban, or located in a priority target zone, and any other relevant characteristics to justify targeting the program in the selected area(s).
    3. Retailer(s) Names and Locations and a justification for the number of selected retailers
    4. A Plan for promoting and communicating the incentive to SNAP Households. After award, final communication/promotion plans will be submitted to FNS.
- The approach the State Agency took to determine the feasibility of the proposed solution

B. **Description of Additional Technologies**

Applicant States must define and describe any additional technologies that are included in the work plan. The description should include an overview of the additional technology, its purpose in supporting EBT integration, the strategy for incorporating it into the project (if not clearly defined in the work plan), and how the additional technology will affect the incentive process and the customer experience of SNAP recipients. The description must also include any security efforts specific to the technology. For each additional technology identified, applicant State agencies must outline the standards and regulations that govern the technology and describe the plan to adhere to the governance requirements.

Additional technologies will necessitate additional Partner Stakeholders, and therefore, stakeholder agreements for the project (see Part I.E). Applicant States must identify these stakeholders as a project resource.

C. **Identified Resources**

Applicant States are required to have letters of commitment with all necessary stakeholders prior to submitting an application, as stated in Part I.E. The application must include a listing of all stakeholders and reference the work plan areas (e.g., planning, design, development, testing, implementation, operations) where each stakeholder group has responsibilities. For the Applicant State agency and each Partner Stakeholder group, the listing must identify the responsible party for each group and include their contact information. Applicant States will make clear in all Stakeholder agreements the expectation for responsible parties to remain committed throughout the implementation. Applicant States should have a plan or strategy in place to manage any staff turnover and prevent potential negative impact to the implementation. The following information is required for all responsible parties:

- Name
- Position/Title

- Contact email and telephone
- Salary and percentage of time committed to eHIP
- Specific roles and duties

In the appendix attach current Resume or Vita for all key personnel.

Chain of Command and Responsibilities. Provide a chart or a narrative that describes the management relationships and channels of communication that will be used between key personnel and provide information on who has authority over whom.

Key Partners. The Work Plan should identify key partners and describe the expertise and time commitments they will dedicate to the project. In the appendix to the application, provide copies of documentation in the form of letters, memoranda of understanding or agreement or other documentation that demonstrates each key partner's understanding of its role and commitment to eHIP and willingness to cooperate and actively participate in eHIP.

D. **Description of Necessary System Changes**

Applicant States should work closely with their EBT Processor Stakeholder and other relevant partner Stakeholders to identify changes needed for their EBT systems and any proposed changes to the X9.58 Specification. The Applicant State must provide a chart outlining the recommended X9.58 specification changes. The chart must also include a description of the relevance to the work plan and any impact to the proposed solution if changes are not made.

Other recommended changes to the EBT system and possible changes to the State's eligibility system in order to accommodate and report on incentives should be described in this section. For example: additional reports, and new fields and transaction codes in the State's Administrative Terminal. Applicant States that are selected will then be required to provide FNS detailed documentation for the project. This documentation includes, but is not limited to:

- a project timeline, business requirements identification and analysis.
- a description of any required EBT system related functional design changes, workflow, and customer service.
- copies of changes to screens, notices, and reports.
- internal testing results.

E. **Testing Plan**

FNS expects the Applicant States and Partner Stakeholders to include testing activities in the plan and timeline. All testing activities, including the approach for Quality Assurance (QA) testing, User Acceptance Testing (UAT), and retailer end-to-end testing, must be described in the Test Plan. The plan must address testing for:

- Internal systems and process flows developed for incentive payments.
- System interfaces and messaging for purchases and refunds.
- End-to-end testing.

The plan must describe the process for developing scenarios and test scripts for the full scope of SNAP incentive transactions. Test scenarios must address all potential situations for both purchases and refunds, customized to the participant's business model and functionality.

FNS expects to test the modifications that each selected State's EBT processor develops for EBT integration. FNS also plans to conduct end-to-end testing for each selected EBT integration solution. The solution provider must provide access to a test platform to perform this testing. To the extent possible, the test environment must mirror the production environment and interfaces, so that test transactions flow from the participant's system, and follow the production environment pathways to the EBT processor test platform for authorization and back to the point of sale. The Test Plan must address FNS participation in system testing.

F. **Detailed Implementation Timeline**

The work plan must be supported by a detailed implementation timeline. Applicant States must address the time needed to develop contracts with all stakeholders, design, develop and implement internal systems, interface with external systems, test, institute procedural changes for all stakeholders, and to educate/prepare recipients for the project. The timeline should offer a breakdown of the project into smaller more manageable components for stakeholders and responsible parties. In other words, the Applicant should provide a timeline of specific tasks to achieve project objectives and the Stakeholders that must carry them out. Applicant States may choose whichever tools to organize the work plan and address all the required elements of the timeline. Please provide this in an Excel document. The detailed timeline must have clearly defined time increments (days, weeks, months) and identify benchmarks in each stage, including starting and completion dates for each primary activity.

G. **Summary of Costs**

The Work Plan must include a project budget that outlines the project cost. If different Stakeholders will support the project costs, that breakdown must be included. Costs incurred by State Agencies for the EBT integration may be covered, as described on page 23, under Funding Allocation Guidance.

4. Data Collection

Describe procedures and duties associated with data collection and reporting, including how partners will work with FNS, including FNS contractors, to meet evaluation needs. Specifically:

- How the data elements described in **Part I.D – Data Collection and Evaluation**, will be collected;
- The entities/individuals involved in the data collection;
- How quality assurance will be completed before submission of data files to FNS; and
- How work will be done with FNS to troubleshoot and resolve issues and refine procedures as needed.

How grantee will support the monitoring and evaluation of the earning and redemption of incentives over the course of the grant.

5. Management Plan

Quality Control. Discuss how the integrity of eHIP will be protected and ensured, including management and oversight; monitoring, management and financial controls, corrective actions and adjustment to operations to correct deficiencies or improve on operations.

- Describe accountability plan, including internal controls to ensure the integrity of payments or reimbursements to retailers.
- Describe internal controls to monitor the incentives accounting system to assure that target participant SNAP accounts are credited appropriately.
- Describe how eHIP, SNAP and any private funds will be accounted for as distinct and separate accounts, and what audit trails and financial controls will be used to assure and demonstrate that SNAP funds are used only for SNAP purposes, and eHIP funds will be used only for eHIP-related activities.

External management. Provide plans for management of outside personnel (those not in the direct line of supervision of the eHIP awardee such as those persons identified as *Key Partners* in Part IV.A.3.C).

Describe how strong interrelationships, communication and teamwork will be fostered among partnersby the eHIP Awardee:

- Retailers
- EBT contractor
- Local agency(ies)
- Any community partners

6. Budget

A **line-item** budget detailing eHIP-related costs and how these costs were derived. Please provide this in an Excel document.

Applicants may propose to use grant funds for retailers located in Priority Target Areas, described in Part I.C- FY 2022 Funding Priorities, for POS system purchase or modifications to be able to provide incentives though the proposed project design. The budget should indicate the number of retailers and the proposed cost for each retailer.

7. Application Budget Narrative

The budget narrative should correspond with the proposed project narrative and line-item budget. The narrative must justify and support the bona fide needs of the budget's direct cost. If the budget includes indirect costs, the applicant must provide a copy of its most recently approved Federal indirect cost rate agreement. All funding requests must be in whole dollars.

Costs for systems changes must be detailed and supporting documentation (e.g., quotes from State's EBT vendor and third-party processors) must be included.

Indirect Cost Rate

A current Negotiated Indirect Cost Rate Agreement (NICRA), negotiated with a Federal negotiating agency, should be used to charge indirect costs. Indirect costs may not exceed the negotiated rate. If a NICRA is used, the percentage and base should be indicated. If the applicant does not have, and has never been approved for, a NICRA, they may charge up to 10% de minimis. In this instance, the applicant must indicate they are requesting the de minimis rate. An applicant may elect not to charge indirect costs and, instead, use all grant funds for direct costs. If indirect costs are not charged, the phrase "none requested" should be stated in the budget narrative. For questions related to the indirect cost rate, please work with the Grant Officer as noted in Section VII of this RFA.

8. Activities/Indicators Tracker

Proposed Activities and indicators measuring success must be mapped to Program Key Objectives (as described in Section I – PROGRAM DESCRIPTION page 9) in the below format (additional Activities/Indicators can be added as needed). Note: Indicators are defined as any metric you anticipate will be able to be tracked during the period of performance of the grant. Common examples include Number of People Attended, Number of People Impacted, Number of Incentives Delivered, Number of Materials Created, Number of Trainings, Number of People Trained.

(Example)

Objective #	1
Activity	Provide percentage- back at the point of purchase for SNAP households purchasing qualifying fruits and vegetables at Retailer A
Indicator(s)	Number of SNAP households receiving incentive
Activity	
Indicator(s)	

--

Objective #	
Activity	
Indicator(s)	

Objective #	
Activity	
Indicator(s)	

B. Required Grant Application Forms

Please refer to the Application Checklist for a list of required grant forms.

Appendices

Include each of the following as a separate appendix:

- Resumes and vitas for key personnel;
- Job descriptions for key personnel, indicating those that must be hired;
- State Applicant letter of commitment to work closely and cooperatively with its partners to support the project objectives and methods, including all steps necessary to meet the design, implementation, and operation requirements of the project. The applicant letter of commitment should include at a minimum, the following:
  - State agency name and address
  - Contact name, email, and telephone number
  - The method of incentive model
  - A description of the parameters (geographical or otherwise) of the project
  - List of partner Stakeholders and contact information
  - Signature and Title of responsible official at Applicant State agency

- Letter(s) of Commitment from partnering retailer(s) to provide incentive(s). At a minimum, the letter should include the following:
  - Retailer name and address
  - Contact name, email, and telephone number
  - A description of the retailer(s)
  - The services and role the retailer is contributing to the project
  - A description explaining the type of POS system the retailer uses and any changes that will be made, if applicable.
- Letter of Commitment from EBT contractor. At a minimum, the letter should include the following:
  - Contact name, email, and telephone number
  - The services and role of the EBT contractor
  - The method of the proposed incentive model solution
  - A description explaining the changes that will be made
- Letter(s) of Commitment from other partnering organizations who will partner with the applicant. Letter(s) should include:
  - Organization name and address
  - Contact name, email, and telephone number
  - A description of the organization
  - The services and role the organization is contributing to the project
- Copies of letters, agreements or memoranda of understanding with local agency(ies), the EBT contractor, and retailers, including agreement to cooperate with the evaluation firm;and
- Any other supporting documentation referenced in the application.

C. Submission Date

Complete grant applications must be uploaded to www.grants.gov by 11:59 PM EST on the due date listed on the cover page.

- Applications must be submitted via Grants.gov. Mailed, e-mailed or hand-delivered application packages will not be accepted. For further instructions, go here.
- Late or incomplete applications will not be considered.
- FNS will not consider additions or revisions to applications unless they are submitted via Grants.gov by the deadline. No additions or revisions will be accepted after the deadline.
- If multiple application packages are submitted through Grants.gov by the same applicant in response to this solicitation, FNS will accept the latest application package successfully. submitted. All other packages submitted by the applicant will be removed from this competition.

FNS strongly encourages applicants to begin the registration process at least **four weeks before** the due date and to submit applications to Grants.gov at least **one week** before the deadline to allow time to troubleshoot any issues, should they arise. Please note that upon submission, Grants.gov may send multiple confirmation notices; applicants should ensure receipt of confirmation that the application was **accepted**. Applicants experiencing difficulty submitting applications to Grants.gov should contact the Grant Officer noted in the Agency Contacts (Section VII) of this RFA. FNS will evaluate submission issues on a case-by-case basis.

D. Preparing for Electronic Application Submission through Grants.gov

Applicants must register with Grants.gov, and Sam.gov in order to submit an application to FNS via Grants.gov, as required. FNS strongly encourages applicants to begin the registration process at least **four weeks before** the due date.

In order to submit an application, you must:

1. Obtain a Unique Entity ID UEI number
2. Existing entities can find their UEI by following the steps here: https://www.fsd.gov/gsafsd_sp?id=kb_article_view&sysparm_article=KB0041254. New entities can get their UEI at SAM.gov and, if required, complete an entity registration

   NOTE: As of April 4, 2022, entities can register in SAM.gov and will be assigned their Unique Entity ID (SAM) within SAM.gov. They will no longer obtain or use a UEI (DUNS) for entity registration or reporting. For additional information on the UEI process, please visit: SAM.gov | Duns - Sam UEI.

3. Register in the System for Award Management (SAM.gov)
   - SAM combines Federal procurement systems and the Catalog of Federal Domestic Assistance into one system. For additional information regarding SAM.gov, see the following link: https://sam.gov/content/home
   - Access https://www.sam.gov and complete the online SAM registration process to obtain a UEI (SAM) or verify if your organization already has one. If your organization already has a UEI (SAM), go to Step 3
   - To register, you must have your organization's UEI, entity's Tax ID Number (TIN), and taxpayer name (as it appears on last tax return). **It may take up to 5 – 7 business days** or more to register and/or complete the migration of permissions and/or the renewal of an entity record.
   - Ensure you enter your EBiz POC name and EBiz POC email in SAM, and your organization/entity registration process is complete in SAM, this will allow you to register with Grants.gov (Step 3). Contact the Federal Support Help Desk at https://www.fsd.gov/ for help with the UEI.
   - All applicants must have current SAM status at the time of application submission and throughout the duration of a Federal Award in accordance with 2 CFR Part 25.
   - We strongly encourage applicants to begin the process **at least 3 weeks** before the due date of the grant solicitation.

4. *Create a Grants.gov Account:*

   The next step in the registration process is to create an account with Grants.gov. Applicants must know their organization's DUNS number to complete this process. For more detailed instructions about creating a profile on Grants.gov, refer to https://www.grants.gov/web/grants/applicants/registration.html.

5. *Authorize Grants.gov Roles*:

   After creating an account on Grants.gov, the E-Business Point of Contact (EBiz POC) receives an email notifying them of the registration and request for roles. The E-Biz POC will need to Grants.gov and authorize the appropriate roles. An approved Authorized Organizational Representative (AOR) must complete and submit the application online at Grants.gov. To learn more about the E-Biz POC role and other profile roles, please visit https://www.grants.gov/web/grants/applicants/registration/authorize-roles.html.

6. *Track Role Status*:

   To track your role request, please visit https://www.grants.gov/web/grants/applicants/registration/track-role-status.html.

Electronic Signature: When applications are submitted through Grants.gov, the name of the organization's AOR that submitted the application is inserted into the signature line of the application, serving as the electronic signature. The E-Biz POC **must** authorize individuals who are able to make legally binding commitments on behalf of the organization as an AOR; **this step is often missed and it is crucial for valid and timely submissions.**

E. How to Submit an Application via Grants.gov

Grants.gov applicants can apply online using Workspace. Workspace is a shared, online environment where members of a grant team may simultaneously access and edit different web forms within an application. For each funding opportunity announcement (FOA) or RFA, you can create individual instances of a workspace.

For additional training resources, including video tutorials, refer to: https://www.grants.gov/web/grants/applicants/applicant-training.html

Applicant Support: Grants.gov provides applicants 24/7 support via the toll-free number 1-800-518-4726 and email at support@grants.gov. If you are experiencing difficulties with your submission, it is best to call the Grants.gov Support Center and get a ticket number. The Support Center ticket number will assist the Center with tracking your issue and understanding background information on the issue.

For questions related to the specific grant opportunity, please contact the Grant Officer noted in the Agency Contacts (Section VII) of this RFA.

F. Grants.gov Receipt Requirements and Proof of Timely Submission

All applications must be received by 11:59 PM EST on the due date listed on the cover page, as detailed here. Proof of timely submission is automatically recorded by Grants.gov. An electronic date/time stamp is generated within the system when the application is successfully received by Grants.gov. The applicant AOR will receive an acknowledgement of receipt and a tracking number (GRANTXXXXXXXX) from Grants.gov with the successful transmission of their application. Applicant AORs will also receive the official date/time stamp and Grants.gov Tracking number in an email serving as proof of their timely submission.

When FNS successfully retrieves the application from Grants.gov and acknowledges the download of submissions, Grants.gov will provide an electronic acknowledgment of receipt of the application to the email address of the applicant with the AOR role. Again, proof of timely submission shall be the official date and time that Grants.gov receives your application. Applications received by Grants.gov after the established due date for the program will be considered late and will not be considered for FNS funding.

Applicants using slow internet, such as dial-up connections, should be aware that transmission could take some time before Grants.gov receives your application. Again, Grants.gov will provide either an error or a successfully received transmission in the form of an email sent to the applicant with the AOR role. The Grants.gov Support Center reports that some applicants end the transmission because they think that nothing is occurring during the transmission process. Please be patient and give the system time to process the application.

Additional Information on Grants.gov and the Registration Process:

NOTICE: Special Characters and Naming Conventions
All applicants **MUST** follow Grants.gov guidance on file naming conventions. To avoid submission

issues, please follow the guidance provided by Grants.gov (per the Grants.gov Frequently Asked Questions (FAQ):

Are there restrictions on file names for any attachment I include with my application package?

File attachment names longer than approximately 50 characters can cause problems processing packages. Please limit file attachment names. Also, do not use any special characters (examples: & – * % / # ’ -). This includes periods (.) and spacing followed by a dash in the file. To separate words in naming a file, use underscore, as in the following example: Attached_File.pdf.

Please note that if these guidelines are not followed, your application will be rejected. FNS will not accept any application rejected from www.grants.gov portal due to incorrect naming conventions.

Additional information and applicant resources are available at: https://www.grants.gov/web/grants/applicants/workspace-overview.html

PART V - APPLICATION REVIEW INFORMATION

A. REVIEW CRITERIA

Evaluation of Grant Application Criteria

FNS will pre-screen all applications to ensure the applicants are eligible entities and are in compliance with all Program regulations. If an application does not include all appropriate information, FNS will consider the application to be non-responsive and will eliminate it from further evaluation.

FNS will not approve any waivers from Program regulations for any projects submitted in response to this solicitation except for the equal treatment waiver incorporated under this RFA for providing incentives only to SNAP households.

Following the initial screening process, FNS will assemble a panel group to review and determine the technical merits of each application. The panel will evaluate the proposals based on how well they address the required application components, including any bonus points awarded, and array the applications from highest to lowest score.

Additionally, the review committee will evaluate proposals against the criteria below. The project narrative sections include a point value to indicate the importance of each section; however, reviewers will be evaluating proposals based on all sections regardless of whether point values are provided.

The panel members will recommend applications for consideration for a grant award based on the evaluation scoring. The selecting official reserves the right to accept the panel’s recommendation or to select an application for funding out of order to meet agency priorities, program balance, geographical representation, or project diversity. FNS reserves the right to use this solicitation and competition to award additional grants in the next fiscal year should additional funds be made available.

B. EVALUATION FACTORS AND CRITERIA

The following selection criteria will be used to evaluate applications for this RFA.

1. **EBT Integration Solution Design– 35 points**

State Agency applicants must include a detailed description of the proposed EBT integration solution outlining the incentive delivery method(s), as part of the Work Plan, included above in Part IV.A.3. Plans should:

- Demonstrate a detailed understanding of key steps and include viable approaches for identifying target foods and issuing and redeeming incentives at participating retailers.
- Provide sufficiently detailed descriptions of the proposed technical solutions for all partners and thoroughly address the specifications and requirements in the Appendix (page 44).
- Demonstrate a full understanding of the retailer implementation and operational needs and address any concerns and challenges. Include a realistic and reasonable plan to address these potential issues.
- Include Partner Stakeholder agreements confirming the proposed EBT integration solution design is viable.

2. Implementation Plan – 30 points

State Agency applicants must include a detailed implementation plan that demonstrates effective planning with processes that will support successful project completion. Plans should:

- Include a milestone tracker for all key activities with dates and timeframes and the responsible party for each activity.
- Demonstrate a detailed understanding of key timeframes for having fully operational systems in place to meet established milestones.
- Provide detailed plans for informing SNAP clients about the incentive, how to earn the incentive, where to earn the incentive, and includes a well thought plan for fielding ongoing questions and concerns raised by SNAP clients.
- Provide detailed plans for management and cashier training at all participating locations on the program, including what incentives are, how incentives are earned and redeemed, the qualifying foods for earning incentives and the food that can purchased with incentives, and any necessary employee interventions needed for successful transactions.
- Demonstrate a clear and realistic timeline for successfully implementing, operating, and closing the project.

3. Management Plan – 15 points

State Agency applicants must have a clearly identified management plan that includes oversight and monitoring throughout the project duration. Proposals must:

- Identify all key staff/personnel and describe their roles and responsibilities, including partners.
- Include an organization chart showing key personnel and partners and lines of authority.
- Describe how the State will provide oversight necessary to ensure high quality performance and plans to prevent any negligence.
- Demonstrate effective internal controls of eHIP funds that are provided to retailers, the EBT Contractor, community partners, and/or local agencies that ensure funds are used only for eHIP purposes, with an accounting record and audit trail for eHIP that is separate and distinct from SNAP funding account.
- Provides a plan for managing personnel associated with the project and for addressing any contingencies, such as loss of key personnel.

4. **Budget – 15 points**
   - Budgets must include a line-item budget that uses a spreadsheet to show a breakdown of all costs and include a budget narrative describing how costs within the budget categories were derived and links between expenditures and specific activities/tasks.
   - The narrative should provide enough detail for reviewers to easily understand how costs were determined and how they relate to the objectives of the project. There should be adequate justification for budget costs based on current industry costs/standards.
   - The budget should consider all necessary implementation and operation costs as outlined in the RFA.
   - Costs are allowable and reasonable.

5. **Data Collection – 5 points**
   Proposals should describe the necessary procedures and duties required to obtain the required data elements specified in the RFA. Plans should:
   - Include the entities/individuals involved in the data collection.
   - Describe the manner in which the grantee will provide FNS with secure data.
   - Provide a detailed description for how quality assurance will be completed before submission of data files to FNS.
   - Identify contingency plans to troubleshoot and resolve any issues that may occur and a process for refining procedures as needed.

Agency Priorities (20 Bonus Points)

FNS will provide up to 20 additional bonus points to projects meeting Agency priorities. These bonus points will be added to the Evaluation Factors and Criteria score above. The priorities and additional bonus points are as follows:

For those applications submitted in response to this RFA, FNS will give priority to projects that target SNAP households in marginalized and/or likely to be highly food insecure communities such as:

- Tribal Nations or surrounding tribal communities (5 points),
- Rural communities (5 points), and/or
- Persistent Poverty Counties (5 points); and/or
- Low-income and Low-access census tracts (5 points).

C. REVIEW AND SELECTION PROCESS

Following the initial screening process, FNS will assemble a panel group to review and determine the technical merits of each application. The panel will evaluate the proposals based on how well they address the required application components listed above and array the applications from highest to lowest score. The panel members will recommend applications for consideration for a grant award based on the evaluation scoring. The selecting official reserves the right to accept the panel's recommendation or to select an application for funding out of order to meet agency priorities, program balance, geographical representation, or project diversity. FNS reserves the right to use this solicitation and competition to award additional grants in the next fiscal year should additional funds be made available.

NOTE: If a discrepancy exists between the total funding request (submitted on SF-424, SF-424A, and budget or budget narrative) within the application package in response to this solicitation, FNS will only consider and evaluate the estimated funding request contained on SF-424.

D. DETERMINATION OF AWARD AMOUNT

If an application has been selected for funding and the budget submission is realistic and well-supported, the application will be funded at the level requested. However, FNS reserves the right to fund applications out of rank order to achieve priorities identified earlier; or at a lesser amount if FNS judges that the application can be implemented with less; or if Federal funding is not sufficient to fully fund all applications that merit awards. This grant award is subject to the availability of funds. FNS also reserves the right to suspend or terminate an award for materially failing to perform.

NOTE: If a discrepancy exists between the total funding request (submitted on SF-424, SF-424A, and budget or budget narrative) within the application package in response to this solicitation, FNS will only consider and evaluate the estimated funding request contained on SF-424.

PART VI - FEDERAL AWARD ADMINISTRATION INFORMATION

A. FEDERAL AWARD NOTICE

The Government is not obligated to make any award as a result of this RFA. Unless an applicant receives a signed award document with terms and conditions, any contact from a FNS Grants or Program Officer should not be considered as a notice of a grant award. No pre-award or pre-agreement costs incurred prior to the effective start date are allowed unless approved and stated on FNS' signed award document (FNS-529). Only the recognized FNS authorized signature can bind the USDA, Food and Nutrition Service to the expenditure of funds related to an award's approved budget.

B. ADMINISTRATIVE AND NATIONAL POLICY REQUIREMENTS

Confidentiality of an Application

When an application results in an award, it becomes a part of the record of FNS transactions, available to the public upon specific request. Information that the Secretary determines to be of a confidential, privileged, or proprietary nature will be held in confidence to the extent permitted by law. Therefore, any information that the applicant wishes to have considered as confidential, privileged, or proprietary should be clearly marked within the application. Any application that does not result in an award will be not released to the public. An application may be withdrawn at any time prior to the final action thereon.

Safeguarding Personally Identifiable Information

Personally Identifiable Information (PII) is any information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records, and any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information (National Institute of Standards and Technology (NIST) SP 800-122, Guide to Protecting the Confidentiality of Personally Identifiable information, April 2010).

Applicants submitting applications in response to this RFA must recognize that confidentiality of PII and other sensitive data is of paramount importance to the USDA Food and Nutrition Service. All federal and non-federal employees (e.g., contractors, affiliates, or partners) working for or on behalf of

FNS are required to acknowledge understanding of their responsibilities and accountability for using and protecting FNS PII in accordance with the Privacy Act of 1974; Office of Management and Budget Memorandum M-06-15, *Safeguarding Personally Identifiable Information; M-06-16, Protection of Sensitive Agency Information*; M-07-16, *Safeguarding Against and Responding to the Breach of Personally Identifiable Information*; and the NIST Special Publication (SP) 800-122, *Guide to Protecting the Confidentiality of Personally Identifiable Information*.

By submitting an application in response to this RFA, applicants are assuring that all data exchanges conducted throughout the application submission and pre-award process (and during the performance of the grant, if awarded) will be conducted in a manner consistent with applicable Federal laws. By submitting a grant application, applicants agree to take all necessary steps to protect such confidentiality, including the following: (1) ensuring that PII and sensitive data developed, obtained or otherwise associated with UDSA FNS funded grants is securely transmitted. Transmission of applications through Grants.gov is secure; (2) ensuring that PII is not transmitted to unauthorized users, and that PII and other sensitive data is not submitted via email; and (3) Data transmitted via approved file sharing services (WatchDox, ShareFile, etc.), CDs, DVDs, thumb drives, etc., must be encrypted.

Conflict of Interest and Confidentiality of the Review Process

The agency requires all panel reviewers to sign a conflict of interest and confidentiality form to prevent any actual or perceived conflicts of interest that may affect the application review and evaluation process. Names of applicants, including States and tribal governments, submitting an application will be kept confidential, except to those involved in the review process, to the extent permitted by law. In addition, the identities of the reviewers will remain confidential throughout the entire process. Therefore, the names of the reviewers will not be released to applicants.

Administrative Regulations

Federal Tax Liabilities Restrictions. None of the funds made available by this or any other Act may be used to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the awarding agency is aware of the unpaid tax liability, unless a Federal agency has considered suspension or debarment of the corporation and has made a determination that this further action is not necessary to protect the interests of the Government.

Felony Crime Conviction Restrictions. None of the funds made available by this or any other Act may be used to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation that was convicted of a felony criminal violation under any Federal law within the preceding 24 months, where the awarding agency is aware of the conviction, unless a Federal agency has considered suspension or debarment of the corporation and has made a determination that this further action is not necessary to protect the interests of the Government.

Debarment and Suspension 2 CFR Part 180 and 2 CFR Part 417. A recipient chosen for an award shall comply with the non-procurement debarment and suspension common rule implementing Executive Orders (E.O.) 12549 and 12669, "Debarment and Suspension," codified at 2 CFR Part 180 and 2 CFR Part 417. This common rule restricts sub-awards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities. The approved grant recipient will be required to ensure that all sub-contractors and sub-grantees are neither excluded nor disqualified under the suspension and debarment rules prior to approving a sub-grant award by checking the System for Award Management (SAM) at www.sam.gov.

Universal Identifier and Central Contractor Registration 2 CFR Part 25.
Effective April 4, 2022, all grant applicants must obtain a Unique Entity ID (SAM) as a universal identifier for Federal financial assistance. Active grant recipients and their direct sub-recipients of a sub-grant award also must obtain a UEI. To request a UEI number visit: https://sam.gov/content/home.

The grant recipient must also register its UEI number in SAM.gov. If you were registered in the CCR, your company's information should be in SAM and you will need to set up a SAM account. To register in SAM you will need your entity's UEI and your entity's Tax ID Number (TIN) and taxpayer name (as it appears on your last tax return). Registration should take **3-5 days**. If you do not receive confirmation that your SAM registration is complete, please contact SAM.gov at https://www.fsd.gov/app/answers/list.

FNS may not make an award to an applicant until the applicant has complied with the requirements described in 2 CFR 25 to provide a valid UEI and maintain an active SAM registration with current information.

Reporting Sub-award and Executive Compensation Information 2 CFR Part 170. The Federal Funding Accountability and Transparency Act (FFATA) of 2006 (Public Law 109–282), as amended by Section 6202 of Public Law 110–252, requires primary grantees of Federal grants and cooperative agreements to report information on sub-grantee obligations and executive compensation. FFATA promotes open government by enhancing the Federal Government's accountability for its stewardship of public resources. This is accomplished by making Government information, particularly information on Federal spending, accessible to the general public.
Primary grantees, including State agencies, are required to report actions taken on or after October 1, 2010, that obligates $25,000 or more in Federal grant funds to first- tier sub-grantees. This information must be reported in the Government-wide FFATA Sub-Award Reporting System (FSRS). In order to access FSRS a current SAM registration is required. A primary grantee and first-tier sub-grantees must also report total compensation for each of its five most-highly compensated executives. Every primary and first-tier grantee must obtain a DUNS number prior to being eligible to receive a grant or sub-grant award. Additional information will be provided to grant recipients upon award.

Duncan Hunter National Defense Authorization Act of Fiscal Year 2009, Public Law 110-417.
Section 872 of this Act requires the development and maintenance of a Federal Government information system that contains specific information on the integrity and performance of covered Federal agency contractors and grantees. The Federal Awardee Performance and Integrity Information System (FAPIIS) is designed to address these requirements. FAPIIS contains integrity and performance information from the Contractor Performance Assessment Reporting System, information from SAM.gov, and suspension and debarment information from the SAM. FNS will review and consider any information about the applicant reflected in FAPIIS when making a judgment about whether an applicant is qualified to receive an award.

Freedom of Information Act (FOIA) Requests. The Freedom of Information ACT (FOIA), 5 U.S.C. 552, provides individuals with a right to access records in the possession of the Federal Government.

The Government may withhold information pursuant to the nine exemptions and the three exclusions contained in the Act.

Application packages submitted in response to this grant solicitation may be subject to FOIA by requests by interested parties. In response to these requests, FNS will comply with all applicable laws and regulations, including departmental regulations.

FNS will forward a Business Submitter Notice to the requested applicant's point-of-contact. Applicants will need to review requested materials and submit and submit any recommendations within 10 days from the date of FNS notification. FNS will redact Personally Identifiable Information (PII).

For additional information on the Freedom of Information (FOIA) process, please contact the FNS Freedom of Information Act officer at FOIA@fns.usda.gov.

*Privacy Policy***.** The USDA Food and Nutrition Service does not collect any personal identifiable information without explicit consent. To view the Agency's Privacy Policy, visit: www.fns.usda.gov/privacy-policy.

C. CODE OF FEDERAL REGULATIONS AND OTHER GOVERNMENT REQUIREMENTS

This grant will be awarded and administered in accordance with the following regulations 2 Code of Federal Regulations (CFR), Subtitle A, Chapter II. Any Federal laws, regulations, or USDA directives released after this RFA is posted will be implemented as instructed.

Government-wide Regulations

- 2 CFR Part 25: "Universal Identifier and System for Award Management"
- 2 CFR Part 170: "Reporting Sub-award and Executive Compensation Information"
- 2 CFR Part 175: "Award Term for Trafficking in Persons"
- 2 CFR Part 180: "OMB Guidelines to Agencies on Government-wide Debarment andSuspension (Non-Procurement)"
- 2 CFR Part 200: "Uniform Administrative Requirements, Cost Principles, and AuditRequirements for Federal Awards"
- 2 CFR Part 400: USDA's implementing regulation of 2 CFR Part 200 "Uniform AdministrativeRequirements, Cost Principles, and Audit Requirements for Federal Awards"
- 2 CFR Part 415: USDA "General Program Administrative Regulations"
- 2 CFR Part 416: USDA "General Program Administrative Regulations for Grants andCooperative Agreements to State and Local Governments"
- 2 CFR Part 417: USDA "Non-Procurement Debarment and Suspension"
- 2 CFR Part 418 USDA "New Restrictions on Lobbying
- 2 CFR Part 421: USDA "Requirements for Drug-Free Workplace (Financial Assistance)"
- 41 U.S.C. Section 22 "Interest of Member of Congress"
- Freedom of Information Act (FOIA). Public access to Federal Financial Assistance records shall not be limited, except when such records must be kept confidential and would have beenexcepted from disclosure pursuant to the "Freedom of Information" regulation (5 U.S.C. 552)

General Terms and Conditions (T&Cs) of an award may be obtained electronically in advance of award. For a copy of T&Cs, please contact the Grant Officer at:

Carla Garcia, Grant Officer
Grants and Fiscal Policy Division
U.S. Department of Agriculture, FNS
E-mail *carla.garcia@usda.gov*

D. REPORTING REQUIREMENTS

Financial Reports

The award recipient will be required to enter the SF-425 (Financial Status Report) into the FNS Food Program Reporting System (FPRS) on a quarterly basis. In order to access FPRS, the award recipient must obtain USDA e-authentication certification and access to FPRS. For additional information on FPRS, visit: www.fprs.fns.usda.gov.

Performance Progress Report (PPR)

Grantees will be required to submit progress reports to FNS 30 days following the end of each quarterly period, using the FNS-908 PPR form that will be sent to grantees at the time of award. The reports should cover the preceding period of activity. A final report identifying the accomplishments and results of the project will be due 120 days after the end date of the award. For reference, a blank copy of the FNS-908 PPR form can be found here. **Please note:** the FNS-908 PPR form specific to this opportunity will be sent to grantees at the time of award. Use of the FNS-908 PPR form for progress reports is required.

The recipient will be responsible for managing and monitoring the progress of the grant project activities and performance. The grant terms and conditions will indicate the reporting schedule for submitting project performance/progress reports to FNS. Any additional reporting requirements will be identified in the award terms and conditions, including results of the grant project.

More detailed specifications for the quarterly progress report content and submissions will be included in the award agreement for the selected applicant. Any additional reporting requirements will be identified in the award terms and conditions, including results of the grant project.

Final Progress Report. A report must be submitted within 120 days of the termination date of the grant period using the FNS-908. This report will be composed of a short Executive Summary and the following:

- A project description including a concise summary of the major accomplishments, the difficulties encountered, and the solutions developed to resolve the difficulties; and
- A discussion of the project results and lessons learned.

Copies of any deliverables, media or publicity releases/articles and links to materials on websites also should be included or papers resulting from the grant should be attached to the final report. All products should include an acknowledgement of the source of funding. The Federal awarding agency reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes, the copyright in any work developed under a grant, sub-grant, or contract under a grant or sub-grant or any rights of copyright to which a grantee, sub-grantee, or a contractor purchases ownership with grant support.

PART VII - FEDERAL AWARDING AGENCY CONTACTS

For questions regarding this solicitation, please contact the Grant Officer at:

Carla Garcia
Grant Officer, Grants and Fiscal Policy Division
U.S. Department of Agriculture, FNS
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PART VIII - OTHER INFORMATION

Debriefing Requests

Non-selected applicants may request a debriefing to discuss the strengths and weaknesses of submitted proposals. This information may be useful when preparing future grant proposals. Additional information on debriefing requests will be forwarded to non-selected applicants. FNS reserves the right to provide this debriefing orally or in written format.

APPENDIX

eHIP Systems Functionality and Requirements

This attachment addresses the system changes needed for the EBT contractor, participating integrated retailers, and POS terminal providers to meet the functional requirements of eHIP as envisioned in this RFA. It addresses system interfaces, transaction processing, security, and reporting.

FNS has documented these technical requirements based on historical and on-going work to deliver incentives via EBT. During the technical assistance and design phase of this grant, adjustments to requirements may be necessary. Adjustments will be made in collaboration with FNS and its TA contractor, grantee State(s) and stakeholders.

EBT System Programming, Accounting and Reporting. FNS has determined that there are certain basic elements that are essential to account for transactions through the EBT system for purposes of correctly crediting accounts, for reporting and evaluation purposes, and to meet logistical and administrative needs.

FNS expects that a new benefit type code or a new incentive account (for example, eHIP) would be assigned to the incentive benefits created by the EBT system. The transaction approval process will continue to include checks for valid FNS authorization number, account number and PIN value, as well as determining that account status is active and that there are sufficient funds. However, to meet the project's needs, the eHIP Grantee must modify the EBT system to provide additional basic functions for eHIP participants, which work to:

- ensure incentive transactions can be tracked separately from SNAP transactions in order to debit and post incentives earned.
- ensure that incentives can be earned only by SNAP households and only using their SNAP benefits.
- ensure that households no longer in SNAP (I.e., no longer receiving monthly allotments) cannot earn incentives.
- validate that the retailer type code is allowable for eHIP so that incentives are only calculated and applied for allowable retailer types.
- apply a cap to the monthly amount of incentive that can be earned by any one household.
- keep a separate running tally of each eHIP participant's monthly earnings to ensure that the monthly cap amount is not exceeded.
- determine the remaining allowable incentive earning amount for the household each calendar month. Incentive balances can roll over to the next month and this will not affect the monthly cap.
- assign a unique authorization number to each benefit and automatically populate other fields required by the system design, including availability date.
- post any incentive benefit that is earned to the appropriate account so that it is available for use immediately.
- if the transaction is for a qualifying purchase, increase the eHIP participant's current monthly earnings total by the value of the benefit posted.
- for a return with incentives, the incentive amount will be first added to the incentive benefit authorizations and not to over enrich monthly earning cap. Then the remaining amount will be added to the SNAP benefit authorizations based on the Standard Return Rules, taking into account all available benefit authorizations.
- the order of draw should be that the incentives are used first.
- if the transaction is for a qualifying purchase, include the value of any new incentive benefit posting and the updated monthly earnings total in the approval message transmitted back to the retailer, so that it can be printed on the receipt.

- if the transaction is for a refund at a participating retailer, include the amount actually deducted from the earnings total (as a negative value) and the updated monthly earnings total in the approval message transmitted back to the retailer so that it can be printed on the receipt.
- include in the proposal how refunds will be handled regarding the monthly cap and incentive expiration timeframes.
- store values for incentive benefit created, redeemed, and refunded as well as the ending month-to-date earnings total in a permanent transaction record for all eHIP participants.
- displayed in the online administrative terminal, cardholder and/or retailer sites in the same manner as other benefit postings and debits.
- pay out to retailers in the same Automatic Clearing House (ACH) file with other EBT redemptions.
- report to the Store Tracking and Redemption System (STARS) as part of the total daily SNAP redemptions for each retailer.
- included in the daily ALERT file in the current manner.
- reconciled and reported daily at the benefit type level to validate funds entered into, exiting from, and remaining in the system each day, including the starting and ending balances.

For the most part, eHIP benefits will be treated in the same manner as other SNAP benefit types; however, there are a few differences. eHIP benefits will be:

- transacted in a manner compliant with current ANSI message standard X9.58, modified as necessary to transmit eHIP data in a standard manner for all retailers participating in the Pilot (this will require collaboration with FNS, participating integrated retailers and their TPPs, and standalone terminal providers).
- assigned a hierarchy level that maintains first in, first out redemption of benefits.
- reported by the automated response unit (ARU) separate from other transactions when the caller selects the options to listen to the list of most recent transactions or to have a two-month statement mailed.
- reported each day as they are created to the Account Management Agent (AMA) system as separate issuances
- reported in such a way that they will return to the grant funds upon their expiration for reissuance.
- will not be expunged according to the same rules as other SNAP benefits in the account and they should follow the expiration time frame set by the State.

Although not required for grantees, FNS has determined the following points should be considered if technically possible:

- households should not be able to earn incentives on incentives
- households should not be able to earn incentives on PEBT and Summer EBT benefits – though it is understood if these benefits are included as sub-benefit type on the same EBT card this will not be technically possible.
- interoperability of incentives is allowable, but not required.
- if you choose to have a separate incentive account, you must address how all of the bullets in this appendix will be handled

FNS has the following additional EBT system requirements:

1. This system shall be designed in such a way that it does not change or interfere with EBT functionality for non-participating clients or retailers, both within and outside of the project site. It shall also be set up so that all eHIP functionality can easily be terminated after the last day of project operations. At that point, households may retain all unspent eHIP benefits until used or expired; however, no new incentives may be earned.

2. Reporting requirements related to financial management may be required and will be further defined and working in coordination with FNS.

3. The EBT Contractor shall be responsible for training their customer service representative staff to respond to cardholder and retailer issues involving eHIP.

4. Comprehensive formal testing of eHIP system revisions is required and shall include:

- Contractor-FNS interfaces
- Contractor-TPP interfaces
- POS transaction processing for EBT-only terminals
- POS transaction processing with all integrated system retail Pilot partners and their TPPs
- Voucher authorization, clearing and expiration
- Handling of expiration
- Administrative terminal system functionality
- Automated Response Unit revisions
- Report and data file validation

5. To the extent possible, the test environment shall use or simulate production system interfaces and transaction routing, as is done for system conversions. Testing shall include both positive and negative conditions, and allow for "What If" scenarios. All errors or test problems shall be ranked by level of severity. The Contractor shall log and track the correction, retest and resolution of each issue. FNS will require interim and final reports describing the results of each test performed, any deficiencies found, modifications identified as necessary to resolve system errors, additional re-testing and regression testing performed. On a scale of one to five, with five being the most severe, all problems of level three or greater shall be resolved and accepted by FNS prior to implementation. If any issues remain as of that date, they shall be resolved within 30 days after implementation.

6. Successful implementation of eHIP will require the eHIP Grantee and EBT Contractor to work closely with participating retailers in order to ensure that all parties are ready prior to implementation. This includes assuring that commercial retailers and their TPPs have the necessary information about eHIP the qualifying foods, the X9.58 standard coding changes for eHIP, and certification specifications, as well as performing all necessary testing with TPPs and integrated retailers.

7. FNS requires, at a minimum, the following documentation specific to eHIP prior to the beginning of eHIP operations:

- EBT Contractor's Design, Development, Implementation and Operations Plan (This plan must provide timelines for completing draft and final versions and getting FNS approval of all the deliverables listed below).
- Functional Design Document
- Detailed Design Document including eHIP record layouts
- Receipt Layout in Detail Design Document with eHIP information
- Cardholder Portal Description to include eHIP balance and incentives earned per month information
- Documentation of X9.58 modifications and codes required to support eHIP
- Contractor-FNS Interface Specifications, procedures and schedule
- TPP Certification Specifications

- eHIP System Test Plan
- Detailed Test Scripts
- ARU/IVR description with eHIP balance and incentives earned per month information

8. The EBT system shall continue to support the eHIP Grantee in reconciling regular SNAP benefits separate and apart from eHIP benefits. The eHIP Grantee and EBT Contractor must work together to decide if eHIP benefits and transactions will be included or excluded from the State's own statewide reconciliation totals, data warehouse, daily activity files, and other reports and files.

Integrated Retailer System Programming and Functionality. Virtually all large retailers and many small retailers already have IECR systems that enable in-lane scanning and identification of each item. These are already programmed to identify SNAP-eligible products and automatically provide a subtotal for the EBT transaction. To participate in eHIP, retailers must update their product database to include an additional identifier for eHIP qualifying foods, reprogram software and train clerks. FNS anticipates that system changes for integrated systems will include:

- addition of a new field to the retailer's product database to identify eHIP qualifying foods.
- coding of flags for all eHIP qualifying foods. FNS does not plan to maintain its own database of Price Look-Up (PLU) or Universal Price Codes (UPC).
- in addition to the current calculation of the all SNAP-eligible items subtotal, computation of a second subtotal just for eHIP qualifying foods for both purchases and refunds.
- revising the content of two fields of the store's SNAP authorization message, where applicable, to include an eHIP program indicator and the eHIP-only subtotal.
- reprogramming the system to read two additional values from the authorization message
- print these values for the eHIP incentive earned with the current purchase and the cumulative monthly earnings with concise explanations (see example in body of RFA under eHIP Household Earnings Information).

FNS anticipates that each integrated retailer will need to work closely with the EBT Contractor through its TPP in order to be certified as compliant with Contractor's specifications for eHIP transactions. FNS reserves the right to participate in the retailer's system testing to ensure that transactions are accurately processed and recorded on the receipt.

Standalone EBT Terminal Programming and Functionality: The requirements in this section apply to EBT-only retailer POS terminals as well as the standalone commercial equipment provided by TPPs. These retailers will need to identify eHIP qualifying foods and separate them from the household's other SNAP eligible foods. The clerk must obtain a subtotal for eHIP, and record the value. The clerk would then continue adding up the value of the remaining SNAP items to get a total that also includes the eHIP value.

The software in standalone EBT terminals will need to be modified, for both purchases and refunds, to add manual entry of the eHIP value and to transmit the eHIP program indicator and eHIP value to the processor. It must also be revised to read the values for the eHIP incentive earned with the current purchase and the cumulative monthly earnings and print them on the customer receipt with concise explanations.

RFA Budget Narrative Checklist

FOR GRANT APPLICANT USE ONLY. DO NOT RETURN THIS FORM WITH THE APPLICATION.

This checklist will assist you in completing the budget narrative portion of the application. Please review the checklist to ensure the items below are addressed in the budget narrative.

NOTE: The budget and budget narrative, as well as forms SF-424 and SF-424A must be in line with the proposal project description (statement of work) bona fide need. FNS reserves the right to request information not clearly addressed. All funding requests must be in whole dollars.

ITEM	YES	NO
Personnel		
Did you include all key employees paid for by this grant under this heading?		
Are employees of the applicant's organization identified by name and position title?		
Did you reflect percentage of time the Project Director will devote to the project in full-time equivalents (FTE)?		
Fringe Benefits		
Did you include your organization's fringe benefit amount along with the basis for the computation?		
Did you list the type of fringe benefits to be covered with Federal funds?		
Travel		
Are travel expenses itemized? For example, origination/destination points, number and purpose of trips, number of staff traveling, mode of transportation and cost of each trip.		
Are the Attendee Objectives and travel justifications included in the narrative?		
Is the basis for the lodging estimates identified in the budget? For example, include excerpt from travel regulations.		
Equipment		
Is the need for the equipment justified in the narrative?		
Are the types of equipment, unit costs, and the number of items to be purchased listed in the budget?		

ITEM	YES	NO

Is the basis for the cost per item or other basis of computation stated in the budget?		
Supplies		
Are the types of supplies, unit costs, and the number of items to be purchased reflected in the budget?		
Is the basis for the costs per item or other basis of computation stated?		
Contractual: (FNS reserves the right to request information on all contractual awards and associated costs after the contract is awarded.)		
Has the bona fide need been clearly identified in the project description to justify the cost for a contract or sub-grant expense(s) shown on the budget?		
A justification for all Sole-source contracts must be provided in the budget narrative prior to approving this identified cost.		
Other		
Consultant Services – Has the bona fide need been clearly identified in the project description to justify the cost shown on the budget? The following information must be provided in the justification: description of service, the consultant's name and an itemized list of all direct cost and fees, number of personnel including the position title (specialty and specialized qualifications as appropriate to the costs), number of estimated hours and hourly wages per hour, and all expenses and fees directly related to the proposed services to be rendered to the project.		
For all other line items listed under the "Other" heading – List all items to be covered within "Other" along with the methodology on how the applicant derived the costs to be charged to the program.		
Indirect Costs		
Has the applicant obtained a Negotiated Indirect Cost Rate Agreement (NICRA) from an Federal Agency? If yes, a copy of the most resent and signed negotiated rate agreement must be provided along with the application.		
2 CFR 200 allows any non-Federal entity (NFE) that has never received a negotiated indirect cost rate to charge a de Minimis rate of **10%** of modified total direct costs (MTDC), which the NFE may use indefinitely as a Federally-negotiated rate.		

PURPOSE

Recipients of Federal funds must maintain adequate accounting systems that meet the criteria outlined in 2 CFR §200.302 Standards for Financial and Program Management. The responses to this questionnaire are used to assist in the Food and Nutrition Service Agency's (FNS) evaluation of your accounting system to ensure the adequate, appropriate, and transparent use of Federal funds. Failure to comply with the criteria outlined in the regulations above may preclude your organization from receiving an award. This form applies to FNS' competitive and noncompetitive grant programs. Please submit this questionnaire along with your application package.

ORGANIZATION INFORMATION

Legal Organization Name:

Unique Entity ID (SAM):

FINANCIAL STABILITY AND QUALITY OF MANAGEMENT SYSTEMS

Requirement	Yes	No
1. Has your organization received a Federal award within the past 3 years?	☐	☐
2. Does your organization utilize accounting software to manage your financial records?	☐	☐
3. Does your accounting system identify the receipt and expenditure of program funds separately for each grant?	☐	☐
4. Does your organization have a dedicated individual responsible for monitoring organizational funds, such as an accountant or a finance manager?	☐	☐
5. Does your organization separate the duties for staff handling the approval of transactions and the recording and payment of funds?	☐	☐

6. Does your organization have the ability to specifically identify and allocate employee effort to an applicable program?	☐	☐
7. Does your organization have a property /inventory management system in place to track location and value of equipment purchased under the award?	☐	☐

AUDIT REPORTS AND FINDINGS

Requirement	Yes	No
1. Has your organization been audited within the last 5 fiscal years? ***(If the answer is "Yes" and this report was issued under the Single Audit Act please note this in the box below marked "Additional Information" and if not issued under the "*****Single Audit Act"*****, please attach a copy or provide a link to the audit report in the Hyperlink space below).***	☐	☐
2. If your organization has been audited within the last 5 fiscal years, was there a "Qualified Opinion" or an "Adverse Opinion"?	☐	☐
3. If your organization has been audited within the last 5 fiscal years, was there a "Material Weakness" disclosed?	☐	☐
4. If your organization has been audited within the last 5 fiscal years, was there a "Significant Deficiency" disclosed?	☐	☐
Hyperlink (if available):		
Additional information including expanding on responses in previous sections:		

APPLICANT CERTIFICATION

I certify that the above information is complete and correct to the best of my knowledge.

____ ____________________________
Signature of Authorized Representative Date

Name of Authorized Representative: ____

Phone Number: ____

Email: ____

FNS-908 Performance Progress Report (PPR) – For Reference Only

The following pages contain screenshots of the PPR form that grantees are required to use for progress and final reports submitted to FNS. Upon award, a PPR PDF form, customized for the specific FNS program, will be included in award packages.

FNS-908 Performance Progress Report (PPR) – For Reference Only

Print | Submit by Email

UNITED STATES DEPARTMENT OF AGRICULTURE
Food and Nutrition Service

PERFORMANCE PROGRESS REPORT

The public burden statement: According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0584-0512. The time required to complete this information collection is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of in formation. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: U.S. Department of Agriculture, Food and Nutrition Services, Office of Policy Support, 3101 Park Center Drive, Room 1014, Alexandria, VA 22302, ATTN: PRA (0584 - 0512*). Do not return the completed form to this address.

1. Recipient Organization
a. Organization Name:
b. Street Address:
City: State: Zip:

2. Program Information:
Program Area:
Federal Fiscal Year of Award:
Program:
Tag:

3. Primary POC:
a. First Name: Last Name: b. Title:
c. Telephone (Area Code & Number): d. Email Address:

4. Federal Award Identification Number (FAIN):

5. Type of Report (Select One):
Quarterly Semi-Annual Final
Reporting Fiscal Year: Period:
Original/Revision:

6. Federal Grant Agreement Number:

7. Additional POC (Optional)
a. First Name: Last Name: b. Title:
c. Telephone (Area Code & Number): d. Email Address:

8. Report Submitted By:
a. First Name: Last Name: b. Title:

9. Certification
I certify by checking this box that, to the best of my knowledge and belief, this report is correct and complete for performance of activities set forth in the award documents.

10. Date Report Submitted:

Form FNS-908
Version Number: 1.0 (5-19)

SBU

Electronic Form Version Designed in Adobe AEM 6.4 Version

Program Management Information

1. Progress Summary

Provide summary of progress this reporting period, highlighting your greatest achievements and challenges to date in this reporting period. For challenges, how did you resolve or overcome them? (Max 2000 characters):

2. Personnel Information

a. Number of FTEs: b. Were there any changes in key personnel? ☐ Yes ☐ No

c. If yes, please describe the changes in key personnel, including the individual leaving/joining the project as well as the name and contact information (email address, phone number, and name of organization) of the individual. Note: This information does not serve as a formal request to approve the change in key personnel. This request must be forwarded to the Grants Officer in a separate request (Max 2000 Characters):

3. Projected Amendments (Cost and No-Cost)

a. Number of amendments projected this upcoming quarter?

b. Do the projected amendment(s) require FNS approval? ☐ Yes ☐ No

c. Please describe the type of amendment(s) projected and justification for each. Note: This information does not serve as a formal request to approve amendments. This request must be forwarded to the Grants Officer in a separate request (Max 2000 characters:):

4. Expenditures/Purchases:

a. Were there any significant expenditures or purchases, including any contracts entered during this reporting period? ☐ Yes ☐ No

b. If so, please describe (Max 2000 Characters):

5. Deviations (Changes this quarter outside of the agreed upon budget, timeline, or scope):

a. Have there been any deviations? ☐ Yes ☐ No b. Type: ☐ Budget ☐ Timeline ☐ Scope ☐ Other

c. Describe any deviation(s), including a justification and impacts to budget/timeline (Max 2000 characters):

d. Please describe proposed activities to mitigate the impact of the deviation(s) (Max 2000 characters):

Page 2

Program Management Information (Continued)

6. Upcoming Activities and Anticipated Changes

a. Please describe activities planned for next quarter (Max 2000 Characters):

b. Do you anticipate any changes in your project timeline, activities or cost? Yes No

c. If yes, please explain the anticipated changes (Max 2000 Characters):

7. Final Reporting Summary (Final Reporting Period Only)

a. Are all goals and objectives completed at this time? Yes No

b. If no to answer 7a, briefly describe the goals and objectives that were not completed and why they were not completed (Max 2000 Characters):

c. Was the project budget sufficient for meeting the project goals? Yes No

d. If no to answer 7c, briefly describe why the budget was insufficient for meeting the project goals (Max 2000 Characters):

8. Additional Comments (Max 2000 Characters)

Page 3

__Instructions__: Complete this section by adding all Activities and Indicators as listed on your submitted proposal for each listed objective. For each reporting period, update these Activities/ Indicators with the most up to date information. **Note:** Objectives will be added by FNS and should not be altered. Additionally, note that indicator values vary by Indicator Type selected.

Program Activities

Objective 1

	Activity	Type	Anticipated Completion Date	Actual Completion Date	Optional		
					Location	Beneficiaries/ Audience	Topic (if training)
- 1 +							

	Indicator Description	Indicator Type	Target	Actual (Cumulative)	Comments
- 1 +					

Add Objective | Remove Objective

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