

# Wetland Mitigation Banking Program

**Fiscal Year (FY) 2021**
**National Funding Opportunity (NFO)**

**No. USDA-NRCS-NHQ-WMBP-21-NOFO0001116**

USDA United States Department of Agriculture

## Notice of Funding Opportunity (NFO)

### SUMMARY INFORMATION

**Federal Awarding Agency Name:** U.S. Department of Agriculture – NRCS

**Notice of Funding Opportunity Title:** Notice of Funding Opportunity for NRCS's Wetland Mitigation Banking Program for Federal fiscal year (FY) 2022

**Notice of Funding Opportunity Number:** USDA-NRCS-NHQ-WMBP-21-NOFO0001116

**Catalog of Federal Domestic Assistance (CFDA):** This program is listed in the Assistance Listings under the Catalog of Federal Domestic Assistance number 10.933

### Notice of Funding Opportunity Summary

NRCS is announcing the availability of up to $5 million in Wetland Mitigation Banking Program (WMBP) grant funds for the development and establishment of mitigation banks and banking opportunities solely for agricultural producers with wetlands subject to the Wetland Conservation Compliance provisions of the 1985 Food Security Act (as amended). WMBP is a competitive grants program accepting proposals from qualified applicants with the expertise and capacity to operate and manage all aspects of a wetland mitigation bank. Eligible entities include Federally recognized Native American tribal governments, State and local units of government, for-profit entities, small businesses, special district governments, nonprofits with or without a 501(c)(3) status with the IRS other than institutions of higher education, private institutions of higher education, and public and State controlled institutions of higher education. Applications will be accepted from eligible entities to carry out projects in any of the 50 States, the District of Columbia, the Caribbean Area (Puerto Rico and the U.S. Virgin Islands), and the Pacific Islands Area (Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands). Priority will be given to banks based in locations with significant numbers of individual wetlands, wetland acres, and conservation compliance requests. According to NRCS data, these locations include the Prairie Pothole Region, Nebraska Rainwater Basin Region, and the states of Iowa, Nebraska, Michigan, Minnesota, Wisconsin, Indiana, Illinois, South Dakota, Georgia, and Ohio.

For new users of Grants.gov, see Section D.1. for information about steps required before submitting an application via Grants.gov.

### Key Dates

Applicants must submit their applications via Grants.gov by 11:59 pm Eastern Time on August 16, 2021. For technical issues with Grants.gov, contact Grants.gov Applicant Support at 1-800-518-4726 or support@grants.gov. Awarding agency staff cannot support applicants regarding Grants.gov accounts. Questions regarding this notice of funding opportunity (NFO) may be submitted until July 22, 2021. Responses to questions posed will be posted on Grants.gov

approximately two weeks before the application due date. A webinar for potential WMBP applicants is scheduled for 3:00 p.m. Eastern time on July 20, 2021. Participate in the webinar by using the coordinates below:

**Step 1:** Dial into the conference.
**Dial-in:** 888-251-2949 or 215-861-0694
**Access Code**: 2318215#
Need an international dial-in number?

**Step 2:** Join the conference on your computer.
**Entry Link:** https://ems8.intellor.com/login/839421

The agency anticipates making selections by October 1, 2021 and expects to execute awards by January 01, 2022.

**Federal Funding Floor and Ceiling Amounts**

The estimated funding floor for this opportunity is $400,000 and the estimated funding ceiling is $1,000,000. The funding floor means the minimum agreement funding amount for the Federal share per agreement awarded. The ceiling is the maximum agreement funding amount for the Federal share per agreement awarded. These numbers refer to the total agreement amount, not any specific budget period.

**Federal Financial Assistance Training**

The funding available through this NFO is Federal financial assistance. Grants 101 Training is highly recommended for those seeking knowledge about Federal financial assistance. The training is free and available to the public via https://www.cfo.gov/grants-training/. It consists of five modules covering each of the following topics: 1) laws, regulations, and guidance; 2) financial assistance mechanisms; 3) uniform guidance administrative requirements; 4) cost principles; and 5) risk management and single audit. FPAC agencies also apply Federal financial assistance regulations to certain non-assistance awards (e.g., non-assistance cooperative agreements).

## Table of Contents


A. PROGRAM DESCRIPTION ..... 5
B. FEDERAL AWARD INFORMATION ..... 5
1. Available Funding ..... 5
2. Type of Award ..... 6
C. ELIGIBILITY INFORMATION ..... 6
1. Eligible Applicants ..... 6
2. Other ..... 7
3. Cost Sharing or Matching ..... 8
D. APPLICATION AND SUBMISSION INFORMATION ..... 8
1. Information for New Users of Grants.gov ..... 8
2. Electronic Application Package ..... 11
3. Content and Form of Application Submission ..... 11
4. Submission Dates and Times and Correspondence ..... 15
5. Intergovernmental Review ..... 16
6. Funding Restrictions ..... 16
7. Indirect costs limitations ..... 18
E. APPLICATION REVIEW INFORMATION ..... 19
1. Review and Selection Process ..... 19
2. Merit/Technical Criteria ..... 19
3. Administrative and Risk Criteria ..... 20
4. Awards Over the Simplified Acquisition Threshold (if applicable) ..... 21
5. Anticipated Selection Announcement and Federal Award Dates ..... 22
F. FEDERAL AWARD ADMINISTRATION INFORMATION ..... 22
1. Federal Award Notices ..... 22
2. Administrative and National Policy Requirements ..... 22
3. Reporting ..... 23
G. FEDERAL AWARDING AGENCY CONTACT ..... 24
H. OTHER INFORMATION ..... 24

## A. PROGRAM DESCRIPTION

### 1. Legislative Authority

The Wetland Mitigation Banking Program (WMBP) is authorized by section 1222(k) of the Food Security Act of 1985, as amended by section 2609 of the Agricultural Act of 2014,16 U.S.C. 3822(k), and reauthorized under the Agricultural Improvement Act of 2018, Section 1222(k)(1)(B).

### 2. Overview

Purchasing credits from a wetland mitigation bank provides a legal mechanism for agricultural producers to maintain their eligibility for U.S. Department of Agriculture (USDA) program benefits if they convert agricultural wetlands. A producer may offset the loss of wetland functions and values resulting from a conversion activity by restoring, enhancing, or creating wetland functions and values on a different site. Through a mitigation bank, producers can purchase offsetting wetland credits generated from previously drained (prior to 1985) wetlands that have been restored and approved for wetland mitigation.

WMBP supports the establishment and development of wetland mitigation banks to make credits available for USDA program participants. WMBP awardees work with the Natural Resources Conservation Service (NRCS) to develop a mitigation banking instrument that provides details for development, establishment, and operation of a mitigation banking program. Mitigation banking instruments are developed in conjunction with national and State NRCS staff technical oversight and are subject to NRCS approval. Awardees must ensure the following wetland types receive priority for mitigation under the NRCS WMBP (note that the wetland designation labels are those used by NRCS for implementation of the wetland conservation provisions of the Food Security Act of 1985):

- Farmed Wetland (FW).
- Farmed Wetland Pasture (FWP).
- Wetland (W) less than 5 acres in size that is predominantly bordered by land that has been cropped 8 of the past 10 years when the wetland is designated as degraded according to a functional assessment tool.
- Converted Wetland (CW) that, prior to conversion, qualified under one of the types above, as determined by NRCS staff.

## B. FEDERAL AWARD INFORMATION

### 1. Available Funding

#### a. Estimated Funding

The total amount of Federal funding the agency expects to award through this opportunity is $5 million.

**b. Start Dates and Performance Periods**
Projects may be up to 4 years in duration. Applicants should plan their projects based on an estimated project start date of January 1, 2022.

**c. Number of Awards**
The agency expects to make 5-10 awards.

### 2. Type of Award

**a. Type of Federal Award**
The agency plans to award a grant agreement pursuant to this opportunity.

**b. Procurement Contracts**
The agency does not expect to award procurement contracts associated with this NFO.

**c. Eligibility of Renewal or Supplemental Project Applications**

WMBP is designed to increase the availability of wetland mitigation credits for agricultural producers. Entities may apply to expand an existing mitigation bank or establish a new one(s), however, this notice does not provide for the extension of an existing award. For entities that have received WMBP funding through a previous award, a new proposal submitted under this announcement should clearly define new goals and deliverables and the project budget must be independent of any previous project(s).

## C. ELIGIBILITY INFORMATION

### 1. Eligible Applicants

Eligible applicants are qualified applicants with the expertise and capacity to operate and manage all aspects of a wetland mitigation bank.
Applicants and applications must meet eligibility criteria by the application deadline to be considered for award. Eligible applicant type is determined by the implementing program statute. Applicant entities identified in the SAM.gov exclusions database as ineligible, prohibited/restricted, or excluded from receiving Federal contracts and certain Federal assistance and benefits will not be considered for Federal funding, as applicable to the funding being requested under this Federal program (2 CFR 200.206(d)).

Eligibility for this opportunity is limited to the following entity types:

a. City or township governments
b. County governments
c. For profit organizations other than small businesses

d. Native American tribal governments (Federally recognized)
e. Native American tribal organizations (other than Federally recognized tribal governments)
f. Nonprofits having a 501(c)(3) status with the IRS (other than institutions of higher education)
g. Nonprofits that do not have a 501 (c)(3) status with the IRS (other than institutions of higher education)
h. Small businesses
i. Special district governments
j. State governments

**2. Other**

Any award made pursuant to this NFO will be made to a single entity. Applicants that apply as "partnerships" or other similar groupings must clearly describe the relationship between the applicant and the "partner" parties. In all but exceptional cases, it must be reflected in the award as an awardee/sub-awardee relationship.

An applicant organization may submit more than one application.

Awards made pursuant to this NFO are not Farm Bill incentive contracts; therefore, the awards in and of themselves are not limited by the payment limitation in Chapter 58 of 16 U.S.C. However, any agricultural producers receiving a payment through participation in a project awarded under this NFO must meet the eligibility requirements of 7 CFR Part 12 and 7 CFR Part 1400 and have control of the land involved for the term of the proposed award period.

WMBP funding can be used to develop and establish a wetland mitigation bank only for use by agricultural producers. Agricultural wetlands that have been converted or manipulated are ideal candidates for mitigation bank development under this program. Eligible entities must operate and manage all aspects of the wetland mitigation bank with technical oversight by NRCS.

### 3. Cost Sharing or Matching

This NFO requires applicants to share 20 percent of total project costs, or 25% of the Federal funding request. For example, if an applicant requests $1,000,000 in funding, at least $250,000 in non-federal matching funds must be committed by the applicant for a total project cost of $1,250,000. Applications that do not include the required level of cost-sharing will be ineligible for award. Cost sharing may be achieved with contributions of cash, services, materials, equipment, or third-party in-kind contributions, and may include costs associated with easement acquisition. Recipients with unrecovered indirect costs may also use those to meet cost-sharing obligations. Refer to section D of this NFO for information about any required submittals related to match or cost-share requirements. While the pace of cost-sharing/matching may vary throughout the award period, the agency will actively monitor cost-sharing/matching levels as it receives payment requests to ensure the total cost sharing/matching requirement is met by the award period of performance end date. Additional details about cost sharing or matching funds/contributions is located at 2 CFR 200.306.

## D. APPLICATION AND SUBMISSION INFORMATION

### 1. Information for New Users of Grants.gov

a. Overview

While a Grants.gov account is not required to download an NFO and related documents, it is required to submit an application. If your organization has never submitted an application via Grants.gov, please be aware that there are several steps you must take to register your organization before you can submit an application. **Completing those steps takes a significant amount of time.**

For information about the Grants.gov pre-award phase of the grant lifecycle see https://www.grants.gov/web/grants/learn-grants/grants-101/pre-award-phase.html.

b. Register to Apply through Grants.gov

Carefully review the registration steps and gather information requested prior to beginning the registration process to avoid last-minute searches for required information. For assistance with the registration process, contact Grants.gov Applicant Support at 1-800-518-4726 or support@grants.gov.

Organizations must complete all steps to register (steps i. through v. below). Complete organization instructions are included on Grants.gov here: https://www.grants.gov/web/grants/applicants/organization-registration.html.

Although creating a Grants.gov account online can take only minutes, DUNS and SAM registrations may take several weeks. Therefore, organizations should begin the process early to ensure they have sufficient time to complete registration and meet required application submission deadlines.

Individuals are not subject to the DUNS or SAM requirement and may begin with step iii., Create a Grants.gov Account, listed below. (Note: Individuals are not eligible for all opportunities.)

c. Steps to Register:

i. *Obtain a DUNS Number:* All entities applying for funding must have a Data Universal Numbering System (DUNS) Number from Dun & Bradstreet (D&B). Applicants must enter the DUNS Number in the data entry field labeled "Organizational DUNS" on the SF-424 form. For more detailed instructions for obtaining a DUNS Number, refer to: https://www.grants.gov/web/grants/applicants/organization-registration/step-1-obtain-duns-number.html

ii. *Register with SAM:* All organizations must register with System for Award Management (SAM) in order to apply online through Grants.gov. SAM registration must be renewed annually. Part of the SAM registration process includes designating an Electronic Business Point of Contact (EBiz POC). **The EBiz POC plays an integral part in the organization's Grants.gov registration and application process.** The individual in that role must authorize all other roles in Grants.gov. For more detailed instructions for registering with SAM, refer to: https://www.grants.gov/web/grants/applicants/organization-registration/step-2-register-with-sam.html

iii. *Create a Grants.gov Account:* From the Grants.gov webpage (https://www.grants.gov/), click "Register" in the top right-hand corner and follow the on-screen instructions or refer to the detailed instructions here: https://www.grants.gov/web/grants/applicants/registration.html

iv. *Add an Organization Applicant Profile to a Grants.gov Account:* A profile in Grants.gov corresponds to a single applicant organization the user represents (i.e., an applicant) or an individual applicant. If you work for or consult with multiple organizations and have a profile for each, you may log in to one Grants.gov account to access all of your grant applications. To add an organizational profile to your Grants.gov account, enter the DUNS Number for the organization in the UEI (Unique Entity Identifier) field while adding a profile. For more detailed instructions about creating a profile on Grants.gov, refer to: https://www.grants.gov/web/grants/applicants/registration/add-profile.html

v. *EBiz POC Authorized Profile Roles:* After you register with Grants.gov and create an Organization Applicant Profile, you must establish roles for individuals in the organization. The Authorized Organizational Representative (AOR) role is critical; it gives an individual permission to complete and submit applications on behalf of the organization. Without this role, the organization cannot submit any applications. The request for role assignment will be routed to the organization's EBiz POC for approval. Once approved, the AOR can submit an application online. For more

detailed instructions about creating a EBiz POC authorized profile on Grants.gov, refer to: https://www.grants.gov/web/grants/applicants/registration/authorize-roles.html

Track Role Status: To track your role request, refer to: https://www.grants.gov/web/grants/applicants/registration/track-role-status.html

d. *Electronic Signature*. When applications are submitted through Grants.gov, the name of the organization applicant with the AOR role that submitted the application is inserted into the signature line of the application, serving as the electronic signature. The EBiz POC **must** authorize people who are able to make legally binding commitments on behalf of the organization as a user with the AOR role. T**his step (step c.v. above) is often missed and it is crucial for valid and timely submissions.**

e. Workspace. Workspace is a shared, online environment where members of a grant team may simultaneously access and edit different webforms within an application. For each NFO, you can create individual instances of a workspace. An applicant can start an application in Workspace and return to work on it later within Workspace.

f. Apply for an Opportunity. Below is an overview of applying on Grants.gov. For complete instructions on how to apply for opportunities, refer to: https://www.grants.gov/web/grants/applicants/workspace-overview.html

   i. Create a Workspace: Creating a workspace allows you to complete an application online and route it through your organization for review before submitting.

   ii. Complete a Workspace: Add participants to the workspace to work on the application together, complete all the required forms online or by downloading PDF versions, and check for errors before submission. The Workspace progress bar will display the status of your application process as you apply. As you apply using Workspace, you may click the blue question mark icon near the upper-right corner of each page to access context-sensitive help.

      - Adobe Reader: If you decide not to apply by filling out webforms you can download individual PDF forms in Workspace. The individual PDF forms can be downloaded and saved to your local device storage, network drive(s), or external drives, then accessed through Adobe Reader.

        NOTE: Visit the Adobe Software Compatibility page on Grants.gov to download the appropriate version of the software at: https://www.grants.gov/web/grants/applicants/adobe-software-compatibility.html

- Mandatory Fields in Forms: In the forms, you will note fields marked with an asterisk and a different background color. These fields are mandatory fields that must be completed to successfully submit your application.
- Complete SF-424 Fields First: The forms are designed to fill in common required fields across other forms, such as the applicant name, address, and DUNS Number. Once it is completed, the information will transfer (i.e., prepopulate) to the other forms.

iii. Submit a Workspace: An application may be submitted through workspace by clicking the Sign and Submit button on the Manage Workspace page, under the Forms tab. Grants.gov recommends submitting your application package at least 24-48 hours prior to the close date to provide you with time to correct any potential technical issues that may disrupt the application submission.

iv. Track a Workspace Submission: After successfully submitting a workspace application, a Grants.gov Tracking Number (GRANTXXXXXXXX) is automatically assigned to the application. The number will be listed on the Confirmation page that is generated after submission. Using the tracking number, access the Track My Application page under the Applicants tab or the Details tab in the submitted workspace.

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

**2. Electronic Application Package**

Applicants interested in submitting an application in response to this NFO must submit it via Grants.gov; the agency will not accept applications submitted via email or any other method. Applicants are urged to submit early to the Grants.gov system.

For technical issues with Grants.gov, contact Grants.gov Applicant Support at 1-800-518-4726 or support@grants.gov. Awarding agency staff cannot support applicants regarding Grants.gov accounts.

**Address to Request Application Package**
All information necessary to apply for this opportunity is included in the Grants.gov opportunity announcement.

**3. Content and Form of Application Submission**

The agency may choose not to consider applications that fail to comply with the required content, format, and page limits, or those that are incomplete.

To be considered for funding under this opportunity, an application must contain the documents in a-e below.

a. **Executive Summary** (1-page maximum)

On a single page, provide the following information:

- The applicant entity name.
- The lead contact for the project, with email address and phone number. NRCS will use the contact identified as the primary applicant contact.
- The duration of the project in months (maximum 48 months). This is the anticipated agreement length between NRCS and the awardee.
- The amount of Federal funding requested.
- A brief project description. Provide a summary of the activities to be accomplished under the WMBP grant.
- A brief description of project deliverables. The description should include the planned number of wetland bank site acres to be restored, enhanced, or created, and an estimate of the number of wetland credits to be offered through the bank.
- Geographic location. The region or area of the State or Tribal land impacted by the program.

**b. Project Narrative**

Each page must be numbered and have one-inch margins. The text of the project narrative must be single spaced and typed in a standard typeface (e.g., Times New Roman, Arial, Courier) with no smaller than 12-point font. The project narrative must not exceed 10 pages. This page limitation applies to the project narrative only.

The project description must include the information below in the following order:

(1) Project objectives and deliverables:
   - Describe how NRCS funding will be used to establish and develop a wetland mitigation bank site available to agricultural producers. Provide an estimate of the number of acres planned for restoration for inclusion in the mitigation bank. Include activities supported by partner funding (e.g., land or easement acquisition).
   - Describe the complexity of the planned restorations and the extent to which the project is "shovel ready."

(2) Project timeline:
   NRCS provides priority consideration to projects that can be completed and offering credits to landowners in a relatively short time frame. Provide a bulleted list of key project actions, milestones, and deliverables.

(3) Project management:
   List key personnel and describe their qualifications, experience, and anticipated contributions to the project.

(4) Project marketing:

- It is critical that agricultural producers in the mitigation bank's service area are aware that the bank offers a mitigation option. Describe how the project will be marketed to USDA program participants.
- NRCS gives priority consideration to applicants who provide outreach to historically underserved landowners. If applicable, describe these outreach activities. The definition of historically underserved and veteran producers is available on https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/people/outreach/slbfr/.

(5) Project evaluation:
Describe the methodology and procedures used to evaluate the success of the project.

(6) Assessment of environmental impacts:
- Please describe the environmental impacts of planned wetland restoration, enhancement, or creation and their extent. The description of the potential environmental impacts must address both beneficial and possible adverse impacts of the proposed action. The length of the description should be commensurate with the complexity of the project proposed and the natural resources impacted directly, indirectly, or cumulatively.
- Where possible, information on environmental impacts should be quantified, such as number of acres of wetlands impacted, volume of dredging needed, feet of ditch filled or tile drains plugged, etc. Natural resources include soil, water, air, plants, and animals, as well as other resources protected by law, regulation, Executive order, and agency policy. NRCS may choose not to approve funding for projects that may result in unacceptable adverse environmental impacts.

The following documents do not count toward the above stated page limit.

**c. Application Form**: (Standard Form 424 Application for Federal Assistance) See Instructions for Completing SF 424 located in the Related Documents tab of this opportunity on Grants.gov.

**d. Standard Form (SF) 424A, Budget Information - Non-Construction Programs**

Fill in all spaces as appropriate. Section B, Item 6, Column 1 should reflect the agency funds, and Column 2 should reflect the applicant's matching funds. This form is the summary budget for the project and should include the full project totals on pages one and two. See Instructions for Completing SF 424A located in the Related Documents tab of this opportunity on Grants.gov. Refer to Section D of this opportunity for information regarding indirect costs.

**e. Budget Narrative.**

1. In a separate document titled "Budget Narrative," explain and justify all requested budget items/costs. Detail how the totals on the SF-424A were determined and

demonstrate a clear connection between costs and the proposed project activities. For personnel salary costs, include the base-line salary figures and the estimates of time (as percentages) to be directly charged to the project. Describe any item that under the applicable Federal cost principles requires the agency's approval and estimate its cost. The pages included as the budget narrative to not count toward the page limit. Cost sharing/matching must be committed at the time of application submission. The budget narrative must show the amounts and sources of match or cost share (including both cash and in-kind contributions).

2. For third-party contributions, a letter is required for each contribution, signed by the authorized organizational representative of the contributing organization and the applicant organization, which must include: (1) the name, address, and telephone number of the contributor, (2) the name of the applicant organization, (3) the title of the project for which the contribution is made, (4) the dollar amount of the contribution, and (5) a statement that the contributor will pay the contribution no later than the end of the award period. The agency may conduct reference checks to ensure that organizations identified are supportive and involved with the project. Cost sharing/match letters should be addressed to the Federal Awarding Agency Contact in section G of this NFO and uploaded under Other Attachments in Grants.gov.]

3. As required in Title 2 of the Code of Federal Regulations Part 200, Subpart F Audit Requirements, all U.S. states, local governments, federally-recognized Indian tribal governments, and non-profit organizations expending $750,000 USD or more in Federal award funds in a fiscal year must submit a Single Audit report for that year through the Federal Audit Clearinghouse's Internet Data Entry System.

**f. Grants.gov Lobbying Form, Certification and Disclosure of Lobbying Activities.** Under Title 31 of the United States Code, Section 1352, an applicant or recipient must not use any federally appropriated funds (both annually appropriated and continuing appropriations) or matching funds under a grant or cooperative agreement award to pay any person for lobbying in connection with the award. Lobbying is defined as influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress connection with the award. Submission of an application also represents the applicant's certification of the statements in 2 CFR Part 418, Appendix A-Certification Regarding Lobbying. If you/your organization have/has made or agrees to make any payment using non-appropriated funds for lobbying, you must also complete and submit the SF LLL, Disclosure of Lobbying Activities located at 2 CFR 418, Appendix B. See 2 CFR, Subpart 418.110 for more information on when additional submission of this form is required.

**g. Negotiated Indirect Cost Rate Agreement** (if applicable). If charging indirect costs (including for cost share), upload the agreement under Other Attachments in the Grants.gov Opportunity Application Package. See Section D for information regarding indirect costs.

**h. Unique entity identifier/DUNS and System for Award Management (SAM).**Each applicant (unless the applicant is an individual excepted from those requirements under 2 CFR §25.110(b) or (c), or has an exception approved by the Federal awarding agency under 2 CFR §25.110(d)) is required to: (i) Be registered in SAM before submitting its application; (ii) provide a valid unique entity identifier (DUNS number) in its application; and (iii) continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency. The agency may not make a Federal award to an applicant until the applicant has complied with all applicable unique entity identifier and SAM requirements and, if an applicant has not fully complied with the requirements by the time the agency is ready to make an award, it may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.

Entities must obtain a DUNS and register in SAM prior to registering with Grants.gov. A description of each is below. Entities are strongly encouraged to apply early for their DUNS number and SAM registration.

DUNS Number: A Dun and Bradstreet DUNS number is a unique, nine-digit sequence recognized as the universal standard for identifying and keeping track of over 70 million businesses worldwide. Applicants must obtain a DUNS number. Information on how to obtain a DUNS number can be found at http://fedgov.dnb.com/webform or by calling 1-866-705-5711.

System for Award Management (SAM) Registration: SAM is the official Federal system that consolidated the capabilities of Central Contractor Registry, Federal Agency Registration, Online Representations and Certifications Application, and Excluded Parties List System. To register, go to: https://www.sam.gov. The Federal Service Desk is available for registration assistance and can be contacted via the Help tab at the website listed above.

Awarding agency staff cannot support applicants regarding DUNS or SAM issues.

The Government intends to replace the D-U-N-S® number with a "new, non-proprietary identifier" requested in, and assigned by SAM.gov. This new identifier is being called the Unique Entity Identifier (UEI), or the Entity ID. See Planned UEI Updates in Grant Application Forms for UEI updates.

### 4. Submission Dates and Times and Correspondence

Applicants must submit applications via Grants.gov. Applications must be received by 11:59 pm Eastern Time (ET) on August 16, 2021. An application submitted or resubmitted after the deadline is late (an application is considered on time at 11:59.59 pm ET, but it is late at 12:00 am ET). Late submissions will not be reviewed or considered.

Grants.gov will provide either an error or a successfully received transmission in the form of an email sent to the applicant with the Authorized Organizational Representative (AOR) role attempting to submit the application. The Grants.gov Support Center reports that some applicants end the transmission because they think that nothing is occurring during the transmission process; be patient and give the system time to process the application.

If you have trouble submitting an application to Grants.gov, you should FIRST contact the Grants.gov Help Desk to resolve any issues. Keep a record of any such correspondence. See Part G. for Grants.gov contact information.

For applications successfully transmitted to Grants.gov before the deadline: The applicant with the AOR role who submitted the application will receive:

- An acknowledgement of receipt and a tracking number (GRANTXXXXXXXX) from Grants.gov;
- An email with the official date/time stamp (this stamp is used to determine if the application was received prior to the deadline) and Grants.gov

When the agency successfully retrieves the application from Grants.gov and acknowledges the download of submissions, Grants.gov will also provide an electronic acknowledgment of receipt of the application to the applicant.

### 5. Intergovernmental Review

This funding opportunity is not subject to Executive Order 12372, "Intergovernmental Review of Federal Programs."

### 6. Funding Restrictions

Funds may not be used to pay any of the following costs unless otherwise permitted by law and approved in writing by the agency in advance of incurring such costs:

- Purchase of land or conservation easement(s). Note: these costs are allowable as cost-share;
- Costs incurred prior to the effective date of the award, including time spent applying for this opportunity;
- Expenses incurred after the grant agreement between NRCS and the awardee has expired;
- Expenses or activities that have already been funded by NRCS through another program;
- Purchase, rental, or installation of fixed equipment;
- Costs above the amount of funds authorized for the project;
- Costs which lie outside the scope of the approved project and amendments thereto;
- Entertainment costs, regardless of their apparent relationship to project objectives;
- Compensation for injuries to persons, or damage to property arising out of project

activities;

- Consulting services performed by a Federal employee during official duty hours when such consulting services result in the payment of additional compensation to the employee;
- Renovation or refurbishment of research or related spaces, the purchase or installation of fixed equipment in such spaces, and the planning, repair, rehabilitation, acquisition, or construction of buildings or facilities;
- Management fees and profit. Any funds awarded to for-profit entities must be used for reimbursement of award related direct and indirect costs only;
- Meals: Meals may be charged to an award only if they are necessary for the performance of the project. For instance, meals (normally only lunch) that are a necessary part of the costs of meetings and conferences (i.e., required attendance and continuity of a meeting), the primary purpose of which is the dissemination of information, are allowable, as are costs of transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences. Note: Meals consumed while in official travel status do not fall in this category. They are considered to be per diem expenses and should be reimbursed in accordance with the organization's established travel policies subject to statutory limitations or in accordance with Federal travel policies.
- Costs normally charged as indirect costs may not be charged as direct costs without proper justification and agency approval. Proper justification includes documentation that the costs meet the criteria for allowability (see 2 CFR 200.403). Examples of such costs include rent, utilities, depreciation on buildings and equipment, the costs of operating and maintaining facilities, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting.
- Salaries that are not commensurate with level of work: All costs must be reasonable to be allowable (CFR 200.403), and 2 CFR 200.404 defines a reasonable cost as one if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. Salaries determined not to be reasonable compared to the level of work will be unallowable.
- Program income earned during the period of performance must be used to support the project and can be used as cost share. Recipients may not keep program income earned during the POP including payments from producers for credits. Program income earned during the period of performance can be used as cost share. There are no Federal requirements governing the disposition of income earned after the end of the period of performance for the Federal award.

This list is not exhaustive. Questions regarding the allowances of particular items of cost should be directed to the administrative contact listed in this NFO.

**7. Indirect costs limitations**:

a. To be eligible to recover any indirect cost under a Federal award, recipients must either 1) have a current negotiated indirect cost rate agreement (NICRA) with a Federal agency that has not expired; or 2) qualify for use of the de minimis rate authorized by 2 CFR 200.414(f). A State, local, or tribal governmental department or agency unit that receives more than $35 million in direct Federal funding is not eligible for the de minimis rate.

b. Applicants not subject to a statutory limitation, which have a current NICRA must calculate indirect costs using the rate and base specified in their NICRA. A recipient may voluntarily reduce or waive recovery of indirect costs at its sole discretion and must not be encouraged or coerced in any way to do so by the agency. A copy of the applicant's current NICRA must be provided with the application. Indirect costs may not be recovered under an expired NICRA. However, if an applicant with a current NICRA is subject to the statutory limitation, indirect costs must be calculated as follows. First, multiply the NICRA rate by the base stated in the NICRA to arrive at Amount A. Next, multiply the statutory limit of 10 percent by the total of all direct costs to arrive at Amount B. The lower of Amount A and B is the amount of indirect cost to include on the budget.

c. Entities that are eligible for the *de minimis* rate who already have a *de minimis* rate agreement must use the rate and base specified in the agreement, which is modified total direct costs (MTDC) as defined by 2 CFR 200.68 and also excluding the amount of each subaward exceeding $25,000. Note that MTDC excludes certain costs from the base to which the rate is applied. A copy of the applicant's de minimis rate agreement must be provided with the application. If a recipient is eligible to use the de minimis rate, but does not have a de minimis rate agreement, use an indirect cost rate of no more than 10 percent of MTDC when preparing the budget. If selected for award, a de minimis rate agreement will be executed along with the award.

d. If voluntarily reduced or waived, the recipient may choose to apply any unrecovered indirect costs as part of their cost share or match. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the recipient's approved negotiated indirect cost rate (2 CFR 200.306(c)).

e. Applicants who are individuals applying for funds separate from a business or non-profit organization they may operate are not eligible to charge indirect costs to their award. If you are an individual applying for funding, do not include any indirect costs in your proposed budget.

All applicants are hereby notified of the following:

- Recipients without an approved indirect cost rate are prohibited from charging indirect costs to a Federal award. (Accepting the 10% de minimis rate as a condition of award constitutes establishing an approved rate.)

- Failure to establish an approved rate during the award period renders all costs otherwise allocable as indirect costs unallowable under the award.
- Recipients are prohibited from shifting unallowable indirect costs to another Federal award unless specifically authorized to do so by legislation.

## E. APPLICATION REVIEW INFORMATION

### 1. Review and Selection Process

Applications will be screened for completeness and compliance with the provisions of this notice. Incomplete, noncompliant, and/or applications not meeting the formatting criteria may be eliminated from competition. In that event, the agency will send notification of elimination to the applicant. The agency intends to make a selection and award without conducting any discussions or allowing applicants to correct deficiencies or omissions in their applications. Consequently, applicants must ensure their applications are complete and accurate. However, while the agency intends to make a selection without contacting applicants, it reserves the right to request applicants to revise their applications to correct deficiencies or omissions it identifies. If this occurs, the agency will conduct discussions with all applicants, identify deficiencies and omissions for all, and give applicants an opportunity to submit a revised application by a common cut-off date. The agency may also contact individual applicants to clarify certain components of their applications.

Merit/technical reviews will be conducted by a technical review board nominated by the approving official. Risk reviews will be conducted by the FPAC Business Center, Grants and Agreements Division. The approving official will make the final award decisions. The approving official for this opportunity is the NRCS Chief.

NRCS will use a grant agreement to provide program funds to each selected applicant. The project budget period, amount of Federal assistance, terms and conditions of the award, and reporting requirements will be described and provided to the selected applicants as a part of this process.

### 2. Merit/Technical Criteria

*a. Geographic Scope/Project Goals (30 points)*

- Priority will be given to banks based in locations with significant numbers of individual wetlands, wetland acres, and conservation compliance requests. According to NRCS data, these locations include the Prairie Pothole Region, Nebraska Rainwater Basin Region, and the states of Iowa, Nebraska, Michigan, Minnesota, Wisconsin, Indiana, Illinois, South Dakota, Georgia, and Ohio.
- The proposal identifies clear, measurable, and achievable goals and deliverables including the planned number of wetland acres to be restored, enhanced, or created for the inclusion in the wetland bank with an estimate of the number of credits to be made available through the bank.

*b. Project Management (30 points)*

- The applicant has a proven track record of establishing and operating wetland mitigation banks, including bank site establishment and success in selling bank credits to agricultural producers.
- The applicant describes a sound marketing plan for marketing the wetland bank to USDA program participants.
- The proposal describes the applicant's previous experience working with historically underserved (HU) producers, and includes a specific plan for marketing the wetland bank program to HU individuals and landowners. This plan should include:
  - A plan to conduct outreach to HU producers who might have restorable wetlands and/or mitigation bank sites on their land;
  - A plan to promote the availability of credits to historically underserved producers.
- Project staff has the necessary capacity, technical, and administrative expertise to restore wetlands and operate a wetland mitigation bank.
- The budget is fully explained and justified, and expenses are allowable.

*c. Bank Development and Operation (40 points)*

- The proposal has a specific plan for locating and securing potential wetland mitigation bank sites. Proposals that have already secured a mitigation site will receive priority consideration.
- The proposal describes a reasonable approach to ensure that the land to be restored, enhanced, or created is appropriate for wetland mitigation.
- The proposal includes a plan for accelerated development of a mitigation bank site(s) to make available mitigation credits within 24 months of project initiation.
- The application describes how, if applicable, NRCS conservation practice standards will be followed for wetland restoration activities.
- Bank description illustrates high potential for successful establishment and operation of a mitigation bank for agricultural producers seeking to comply with Farm Bill wetlands compliance provisions.

Applicant entities identified in the SAM.gov Exclusions database as ineligible, prohibited/restricted, or excluded from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits will not be considered for Federal funding, as applicable to the funding being requested under this Federal program (2 CFR 200.205(d)).

### 3. Administrative and Risk Criteria

Notice of selection after merit/technical evaluation does not guarantee that an applicant will receive an award. Following notification of selection for funding (see section F), the FPAC Business Center, Grants and Agreements Division's staff conducts a final administrative and risk review of those applications. The administrative review includes, but is not limited to, a check to ensure that NFO requirements were met (e.g., applicant meets eligibility criteria, application was submitted via Grants.gov by the established

deadline), and proposed costs are allowable, allocable and necessary. During this process, it may be necessary to request further documentation from the applicant (e.g., organizational information as part of the risk assessment, more detail regarding proposed costs).

In addition, to comply with the requirements at 2 CFR 200.205, the agency will follow, at a minimum, the risk review process described below (additional steps may be taken).

The awarding agency will check SAM to ensure the applicant is not suspended or debarred, which would preclude receiving an award. In addition, prior to making a Federal award with a total Federal share greater than the simplified acquisition threshold ($250,000), the agency must review and consider any information about the applicant that is in the designated integrity and performance system accessible through SAM (the Federal Awardee Performance Integrity Information System, FAPIIS) (see 41 U.S.C. 2313 and 2 CFR 200.205(a)).

An applicant must meet the following standards to be considered for award:

a. Financial Stability. The applicant maintains an adequate financial resources or cash flow to meet its financial obligations on a routine basis in order to successfully complete any agreement it may be awarded.
b. Quality of Management Systems and Ability to meet Management Standards prescribed in 2 CFR Part 200. The applicant has a financial management system adequate to segregate and track federal funds. It has adequate systems in place for proper agreement administration; compliance with the standards outlined in 2 CFR Part 200 Section D for procurement, property, and records management; and required financial and performance reporting.
c. History of Performance. If the applicant has previously obtained Federal financial assistance award, it has never failed to materially comply with the Federal award terms and conditions and further that it has never had an award terminated on that basis.

Submission of an application constitutes certification that an applicant meets these standards (items a through c. above). The agency may request documentation to substantiate the certification. Based on risk assessment, the agency may impose specific award conditions in accordance with 2 CFR 200.207.

**4. Awards Over the Simplified Acquisition Threshold**

a. Prior to making a Federal award with a total Federal share greater than the simplified acquisition threshold ($250,000), the agency must review and consider any information about the applicant that is in the designated integrity and performance system accessible through SAM (the Federal Awardee Performance Integrity Information System, FAPIIS) (see 41 U.S.C. 2313 and 2 CFR 200.205(a));

b. An applicant may review information in FAPIIS accessible through SAM and comment on any information about it that a Federal awarding agency previously entered;

c. The agency will consider any comments by the applicant, in addition to the other information in the designated integrity and performance system, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants as described in 2 CFR 200.205, Federal awarding agency review of risk posed by applicants.

### 5. Anticipated Selection Announcement and Federal Award Dates

The agency anticipates announcing or notifying successful and unsuccessful applicants by October 30, 2021 and expects to have Federal awards in place by January 1, 2022.

## F. FEDERAL AWARD ADMINISTRATION INFORMATION

### 1. Federal Award Notices

The agency will provide notice that an application has been selected before it actually makes the Federal award. As such, the selection notification is not an authorization to begin performance. Any pre-award costs incurred by the awardee will not be reimbursed. The Notice of Grant and Agreement Award (ADS-093) signed by the authorized agency official is the only authorizing document and will be provided electronically to the entity's authorized official for signature.

NRCS will notify successful applicants by email.

NRCS will also notify unsuccessful applicants by email Applicants not selected for funding will also receive feedback on their proposal. This evaluation will be emailed to the lead contact listed in the Executive Summary within 90 days of the announcement of WMBP selections. Please do not contact NRCS requesting feedback prior to the end of this 90-day period.

### 2. Administrative and National Policy Requirements

All project funds will be used in accordance with 2 CFR 200 and the General Terms and Conditions, which are included in the Related Documents tab of the opportunity on Grants.gov.

The wetlands and other natural resources that are part of a mitigation bank developed with NRCS funding must be protected by a conservation easement. The WMBP website contains a set of minimum easement deed terms that must be included in a conservation

easement associated with the program. These terms can be found at: https://www.nrcs.usda.gov/wps/portal/nrcs/detailfull/national/programs/farmbill/?cid=nrcseprd362686. The applicant is responsible for enforcing all easements.

Projects performed pursuant to this opportunity may be subject to the National Environmental Policy Act (NEPA). If applicable, NRCS must work with awardees to complete an environmental review of each awarded project before project commencement. In addition, prior to any ground-disturbing activities related to NRCS funding, the awardee must work with NRCS staff to complete an environmental evaluation (EE) related to those activities. Awardees may be required to prepare or pay for preparation of an environmental assessment (EA) or environmental impact statement (EIS), should any environmental review find that an EA or EIS is required.

In addition, a National Historic Preservation Act (NHPA), Section 106 review and consultation by an NRCS State or area office with consulting parties (such as the pertinent State Historic Preservation Officer and federally recognized Indian Tribes) may be required prior to the implementation of project activities that have the potential to impact cultural resources. NHPA Section 106, its implementing regulations (36 CFR Part 800), and other related authorities, require Federal agencies to determine if a project has the potential to cause an effect to historic properties and, if so, if they are adverse and how the effects may be addressed. The NHPA review and compliance in accordance with section 106 of NHPA and implementing regulations at 36 CFR Part 800 must be completed by NRCS and applicants may be required to pay for any cultural resource surveys needed for NRCS to assess project effects. More information on the applicant's role in the NHPA Section 106 process can be found on the Advisory Council on Historic Preservation website at https://www.achp.gov/digital-library-section-106-landing/section-106-applicant-toolkit.

Consultation with the U.S. Fish & Wildlife Service and/or the National Marine Fisheries Service under the section 7 of the Endangered Species Act (ESA) is also required for projects that may affect listed or proposed species or destroy or modify critical habitat. The ESA consultation in accordance with section 7 of the ESA and implementing regulations at 50 CFR Part 402 must be completed by NRCS prior to the implementation of project activities that have the potential to impact species or habitat protected under the ESA. More information on the section 7 consultation process can be found at https://www.fws.gov/endangered/what-we-do/consultations-overview.html.

### 3. Reporting

Project reporting requirements will generally include electronic submission of semiannual progress reports, annual financial status reports, and a final report.

If the Federal share of any agreement awarded under this opportunity notice may include more than $500,000 over the period of performance, recipients must also comply with the post award reporting requirements reflected in Appendix XII of 2 CFR Part 200 —Award Term and Condition for Recipient Integrity and Performance Matters.

Applicants that receive awards pursuant to this opportunity and any subawardees must comply with the reporting requirements described at 2 CFR Part 170, unless an exception applies. Applicants must ensure they have the necessary processes and systems in place to comply with those requirements. A list of exceptions can be found at 2 CFR 170.110(b).

## G. FEDERAL AWARDING AGENCY CONTACT

For questions regarding this opportunity, please contact the following individual with the NFO number in the subject line:

Name: Havala Schumacher, Management Analyst
Email: wmbp@usda.gov

## H. OTHER INFORMATION

1. Questions regarding this opportunity must be submitted to the Federal Awarding Agency Contact identified above via email with the NFO number in the subject line. Questions must be submitted by July 22, 2021. A summary of questions and answers will be posted to the Related Documents tab of this NFO in Grants.gov approximately two weeks before the application due date.

2. For technical issues with Grants.gov, please contact Grants.gov Applicant Support at 1-800-518-4726 or support@grants.gov. Awarding agency staff cannot support applicants regarding Grants.gov accounts.

3. **Freedom of Information Act (FOIA)**
   Applications are considered confidential information. Applications are not shared with individuals or entities seeking public disclosure through the Freedom of Information Act (FOIA) without the consent of the applicant. More specifically, Executive Order 12600 and USDA FOIA regulation 7 CFR Part 1, Subpart A requires the awarding agency to provide notice to applicants that a third party has requested copies of their business information, and requires the awarding agency to consult with applicants regarding the releasing their records.

4. **Government Obligation**
   The Federal Government is not obligated to make any Federal award as a result of this opportunity. Only authorized federal officials can bind the Federal Government to the expenditure of funds.

**U.S. Department of Agriculture Non-Discrimination Statement**
In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at https://www.ascr.usda.gov/filing-program-discrimination-complaint-usda-customer and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call

(866) 632-9992. Submit your completed form or letter to USDA by:

(1) mail: U.S. Department of Agriculture

Office of the Assistant Secretary for Civil Rights

1400 Independence Avenue, SW

Washington, D.C. 20250-9410;

(2) fax: (202) 690-7442; or

(3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.

## APPENDIX A

### Budget Narrative Guidance

All costs must comply with the cost principles of 2 CFR Part 200, Subpart E – Cost Principles. All costs (both Federal andany required non-Federal cost-sharing/match) that are part of an award must be:

- allowable (2 CFR 200.403),
- allocable to the agreement (2 CFR 200.405), and
- reasonable in amount (2 CFR 200.404).

A thorough budget narrative will aid the administrative review and processing of a recommended award. Amounts included in a budget and budget narrative are estimates; in the event of an award, payments will be based on actual expenditures. The following is guidance for your use in preparing a thorough budget narrative. The guidance follows the order of the budget items.

**COST-SHARING/MATCHING:** If required, you must provide the information below for the Federal portion of costs and *separately* provide the information below with the same level of detail for the cost-sharing/matching portion, asapplicable, as part of the budget narrative.

**PERSONNEL – Only include employees of applicant organization**
This category includes salaries and wages of personnel of the applicant organization (i.e., employees) that will be working directly on the project. For each individual, identify their role and describe their contributions to the project. Also include their annual salary, percent of effort, and the period of time they will contribute to the project along with the associated funds requested for support. The following format is an appropriate way to provide the information.

Mr. Jones – Project Director. Accountable for assuring that all project activities are carried out in a timely, cost- efficient and responsible manner. He will provide oversight of daily activities and lead and direct the project toward accomplishment of the objectives of the project. He is responsible for the submission of the required reports.

| Salary | % effort | Project Duration | Funds Requested |
|---|---|---|---|
| $50,000 | 25% | 12 months | $12,500 |

**FRINGE BENEFITS – Only related to salaries identified under Personnel**
Fringe benefits include, but are not limited to, the costs of leave (e.g., vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Also, see 2 CFR 200.431, Compensation-Fringe Benefits. Provideinformation about how fringe benefits are determined along with the amount requested.

For instance:
Amt. Requested: Fringe benefits - 25% of salaries and wages ($12,500 @ 25%). $3,125

**TRAVEL**

Refer to your organization's travel policy for guidance on how to arrange travel. If your organization lacks a policy, it isexpected that you follow the U.S. federal government policy, see http://www.gsa.gov/federaltravelregulation.

For the budget narrative, identify the total funds requested for travel. Provide as much detail as possible including purpose, destination, dates of travel, and number of individuals for each trip. If the dates of travel are not known, specifyestimated length of trip. Identify what will be followed (e.g., organizational travel policies or government per diem rates).The following are a few examples of how to provide the information.

- 2 people - travel to Washington D.C. once per year for a two-day meeting [identify purpose of meeting].Airfare $800 x 2 for airfare = $1,600; Airport parking = $64 Hotel for 3 nights x 2 @ $200 = $1,200;Meals for 2 days x 2 = $245; Rental car for 3 days @ $110/day = $330. Total for trip: $3,439
- Local travel for project manager is calculated at .50 per mile throughout primary service area x 326 miles/month x12 months = $1,956.

**EQUIPMENT**

Equipment is defined as an item of property that has an acquisition cost of $5,000 or more (unless the organization hasestablished lower levels) and an expected service life of more than one year. List each item of equipment along with theapplicable cost. Include justification of its need in accomplishing the goals of the project.

Example: To complete objectives #1 and #2, Refrigerated Trailer is required. XYZ Refrigerated Trailer,Model #123, at $5,555

These costs should only include the costs to purchase new equipment. The cost of renting or leasing equipment is not tobe included in this category but instead, include under the Contractual category. If equipment is costly, include a lease vspurchase comparison in the budget narrative in support of route chosen.

**SUPPLIES**

Supplies is defined in 2 CFR 200.94 as all tangible personal property other than those described in 2 CFR 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or $5,000, regardless of the length of its useful life.Suggest also viewing 2 CFR 200.453, Materials and Supplies Costs, Including Costs of Computing Devices, regarding theallowability of costs.

Indicate general categories of expendable supplies including an amount for each category. Caution: If a category is viewedas too general or the associated amount is too high, further itemization may be requested. Therefore, use good judgementin determining the level of detail to provide.

Example: General office supplies

$50/mo. x 12 mo. = $600Postage $37/mo. x
8 mo. = $296

| | |
|---|---|
| Laptop Computer 1 x $900 = | $900 |
| Printer 1 x $300 = | $300 |
| Projector 1 x $900 = | $900 |
| Copies 8000 copies x .10/copy = | $800 |

**CONTRACTUAL**

This category includes consultants, subcontracts, etc.

Consultants -- List the total costs for all consultant services. Identify each consultant, the services he/she will perform,total number of days, rate of pay, travel costs, per diem, and total estimated costs.

Contract -- A contract is defined in 2 CFR 200.22 as a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this part does not includea legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward (see §200.92 Subaward).

Explain the need for each agreement and how their use will support the purpose and goals of the project. For each contract, describe the associated activities, scope of work or services to be provided and how the costs were estimated. Ifbudgeting for a procurement action, document if a solicitation process has occurred or if the contract will be a sole source. Example:

- ABC Company: Training $250/individual x 3 staff 5 days = $750
- Amy White to provide Technical Assistant Services

| | |
|---|---|
| 1FTE @ $25,000 + 20% Fringe Benefits of $5,000 = | $30,000 |
| Travel at 2,000 miles @ .50 per mile = | $ 1,000 |
| Training course | $ 175 |
| Supplies @ $42.50 x 12 months = | $ 510 |
| Telephone @ $40 x 12 months = | $ 480 |
| | $32,165 |

- John Doe, Consultant $40 per hour x 220 hours for 12 month period = $ 8,800
- To Be Announced Outreach Coordinator Annual salary $30,000 x 10% level of effort/12 mths = $ 3,000

**CONSTRUCTION**

Construction efforts are to be included under this category with the same level of detail as described under the"Other" category below.

**OTHER**

Costs not fitting under one of the other categories are to be included under this category. The level of detail is to be commensurate with other categories. Subawards should be included in this category. Per 2 CFR 200.92, a subaward is an award provided by a pass-through entity

to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Example: Outreach Workshop
Rental of facilities ($750/2 days) $1,500
Information technology services $ 400
Training packets (approx 125/$40 each) $5,000Total $6,900
Note: Percentage for contingencies is not an allowable cost.

**INDIRECT**

2 CFR 200.56 defines *Indirect (F&A) costs* as those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionateto the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.
This cost category guidance includes several components:

- Calculation (This is to be included as part of the budget narrative)
- Indirect Cost Rates
  - Negotiated Rate
  - 10% De Minimis Rate
- Limitation (i.e., indirect cost cap)
- Unrecovered Indirect Costs for Cost-sharing/Match
- Voluntarily Reduce/Waive

**Calculation.**

If indirect costs are requested as part of the proposed budget, you must provide details used in determining the indirectcosts requested. For instance, provide the calculation specifying the amounts used in applying the base (the base specified in the applicable rate agreement) by the applicable rate (see indirect cost rate info below as well as Limitationsection). The calculation can be displayed in different formats but must capture the components (i.e., amounts used in applying the base and the applicable rate).

**EXAMPLE 1:** For purposes of this example, the recipient uses the 10% de minimis indirect cost rate (10% ofModified Total Direct Cost (MTDC)). MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each subaward. MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000.

Budget Indirect Eligible Amounts

| | | |
|---|---|---|
| Salaries and wages | $50,000 | $50,000 |
| Materials and supplies | 3,000 | 3,000 |
| Equipment | 5,500 | -0- |
| Subaward | 30,000 | 25,000 |
| | | $78,000 x 10% = $7,800 Indirect Costs |

**EXAMPLE 2:** For purposes of this example, the recipient has a Negotiated Indirect Cost Rate Agreement(NICRA) of 20% with a base of salaries and fringe benefits.

| | Budget | Indirect Eligible Amounts |
|---|---|---|
| Salaries and wages | $50,000 | $50,000 |
| Fringe Benefits | 10,000 | 10,000 |
| Materials and supplies | 3,000 | -0- |
| Equipment | 5,500 | -0- |
| Subaward | 30,000 | -0- |
| | | $60,000 x 20% = $12,000 Indirect Costs |

**Indirect costs may only be recovered if the non-Federal entity has one of the following indirect cost rates.**

**1. Negotiated Rate:** If the organization has a *current* NICRA established with the cognizant Federal agency (the agency that provides the most funds to the organization), then provide a copy of the NICRA; expired rates are notacceptable. If unable to obtain a current negotiated rate from the cognizant agency, you are permitted to opt to use the 10% de minimis cost rate (you may only be reimbursed for allowable direct cost). Violation of cost accounting principles is not permitted when re-budgeting or charging costs to awards. Rather, costs must be consistently charged as either indirect or direct costs. Along with a copy of the NICRA, include the rate and base as part of the budget narrative.

Example: Rate 24.87% of MTDC - 24.87% applied to the following items: $97,300 of Personnel, $23,352 ofFringe, $110,000 of other, and the first $25,000 of three (3) subawards = $76,015.65 indirect costs

**2. 10% De Minimis Cost Rate:** In accordance with 2 CFR 200.414(f), any non-Federal entities, unless excepted, may elect to forgo calculation of an indirect cost rate and request a 10% de minimis indirect cost rate. The 10% deminimis rate is applied to modified total direct costs (MTDC). For this purpose, MTDC means total direct costs related to the award, such as direct labor, fringe benefits, materials and supplies, publications, consultant services and travel costs. MTDC excludes the following costs: equipment, capital expenditures, participant support costs and the portion of each subaward and subcontract in excess of $25,000. Violation of cost accounting principles is not permitted when charging costs to awards. Rather, costs must be consistently charged as either indirect or direct costs.

If the 10% de minimis option is chosen, it must be used consistently for all Federal awards until such time you choose to negotiate for a rate, which you may apply to do at any time. If the organization previously opted for thede minimis rate, a copy of the rate agreement must be provided. If the organization is currently electing the de minimis rate, use an indirect cost rate of no more than 10% of MTDC when preparing the budget. If selected for award, a de minimis rate agreement will be executed along with the award, as appropriate.

Example: Rate 10% of MTDC – 10% applied to the following items: $45,000 of Personnel, $10,800 ofFringe, and $59,000 of Other = $11,480 indirect costs

**Limitation:** Some programs may not allow the recovery of indirect costs. In such instances, the limitation flows down tosubcontractors. Refer to the applicable notice of funding opportunity to determine if indirect costs are unallowable.
USDA appropriation acts limit indirect costs to 10 percent for cooperative and contribution agreements with nonprofit entities; for purposes of this limitation "nonprofit entities" includes institutions of higher education. For agreements subjectto this limitation first apply the 10 percent indirect cost rate to the agreement's total direct costs; this is shown on line 6.i ofthe SF424A. Then calculate indirect costs using the rate and the direct cost application base specified in the recipient's NICRA. Use whichever rate results in the lower amount.
If the organization has a NICRA, both the NICRA calculation and the 10% TDC must be completed in order to determinethe lesser (i.e., maximum allowed indirect costs) for the applicable project.
Calculation instructions: First, multiply the NICRA rate by the base stated in the NICRA to arrive at Amount A.Next, multiply the statutory limit of 10% by TDC to arrive at Amount B. The lower of Amount A and B is the maximum amount of allowable indirect cost, therefore include this amount on the budget.

**Unrecovered Indirect Costs for Cost-sharing/Match:** 2 CFR 200.306(c) provides, "Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the priorapproval of the Federal awarding agency. Unrecovered indirect cost means the difference between the amount charged tothe Federal award and the amount which could have been charged to the Federal award under the non-Federal entity's approved negotiated indirect cost rate."

**Voluntarily Reduce/Waive:** A recipient may voluntarily reduce or waive recovery of indirect costs at its sole discretion and must not be encouraged or coerced in any way to do so by the agency. If organizations waive indirect cost recovery and request only direct costs, the organization is required to include in the award budget only those types of costs consistentlytreated as direct costs by the organization.

**Sample Budget Table**

| FEDERAL BUDGET | | | | | |
|---|---|---|---|---|---|
| | Year 1 | Year 2 | Year 3 | Total | |
| Personnel | $60,000 | $60,000 | $60,000 | $180,000 | |
| Name of team member | $45,000 | $45,000 | $45,000 | $135,000 | |
| Name of team member | $15,000 | $15,000 | $15,000 | $45,000 | |
| Fringe | $21,000 | $21,000 | $21,000 | $63,000 | |
| Permanent staff | $21,000 | $21,000 | $21,000 | $63,000 | |
| Travel | $3,360 | $3,360 | $3,360 | $10,080 | |
| Bank site visits | $3,000 | $3,000 | $3,000 | $9,000 | |
| Overnight trips | $360 | $360 | $360 | $1,080 | |
| Equipment | $0 | $30,000 | $0 | $30,000 | |
| GPS handheld units | $0 | $15,000 | $0 | $15,000 | |
| Monitoring wells | $0 | $15,000 | $0 | $15,000 | |
| Contractual | $25,000 | $100,000 | $50,000 | $175,000 | |
| Contractor Name | $25,000 | $75,000 | $50,000 | $150,000 | |
| Contractor Name | $0 | $25,000 | $0 | $25,000 | |
| Construction | $0 | $80,000 | $0 | $80,000 | |
| Structure installation | $0 | $50,000 | $0 | $50,000 | |
| Vegetation planting | $0 | $30,000 | $0 | $30,000 | |
| TOTAL | $109,360 | $294,360 | $134,360 | $538,080 | 68% |

| NON-FEDERAL BUDGET | | | | | |
|---|---|---|---|---|---|
| | Year 1 | Year 2 | Year 3 | Total | |
| Personnel | $60,000 | $60,000 | $60,000 | $180,000 | |
| Name of team member | $45,000 | $45,000 | $45,000 | $135,000 | |
| Name of team member | $15,000 | $15,000 | $15,000 | $45,000 | |
| Fringe | $21,000 | $21,000 | $21,000 | $63,000 | |
| Permanent staff | $21,000 | $21,000 | $21,000 | $63,000 | |
| Other | $5,000 | $5,000 | $5,000 | $15,000 | |
| Property maintenance | $5,000 | $5,000 | $5,000 | $15,000 | |
| TOTAL | $86,000 | $86,000 | $86,000 | $258,000 | 32% |

## SAMPLE BUDGET NARRATIVE

APPLICANT NAME
Project Title
PROJECT TOTAL: $XXX
Federal Portion: $XXX
Non-Federal Contribution: $XXX

### A. FEDERAL BUDGET:

### b. Personnel

Tom Smith, Project Director, full time, 50 percent paid by Federal funds, will manage the project and complete all project reporting and reimbursement requests, lead development of the banking instrument, assist with contract management, baseline data collection and assessment, wetland design and modeling.
Year 1: $45,000; Year 2: $45,000; Year 3: $45,000.

Mary Johnson, Project Coordinator, 50 percent time (6 calendar months) for 3 years, 50 percent paid by Federal funds. Responsibilities will include construction plan preparation, construction stakeout & oversight.
Year 1: $15,000; Year 2: $15,000; Year 3: $15,000.

Total Personnel: Year 1: $60,000; Year 2: $60,000; Year 3: $60,000.

### c. Fringe Benefits

Fringe benefits paid by Federal funds is 50 percent. Fringe benefits rate is 35 percent for permanent staff.

### d. Travel

Funds are requested to support personnel travel to bank sites. Estimated 5,000 miles (mi) per year at the Federal travel rate. .
Year 1: $3,000; Year 2: $3,000; Year 3: $3,000.

Funds are requested for overnight hotel stays near the bank sites at the State hotel rate of $90 per night, 4 times per year (yr) ($360/yr).
Year 1: $360; Year 2: $360; Year 3: $360.

Total Travel: Year 1: $3,360; Year 2: $3,360; Year 3: $3,360.

### e. Equipment

Funds are requested for the equipment required for the development of a sites. This includes the purchase of GPS handheld units ($15,000). Funds are also requested for ground water monitoring wells ($15,000). Total Equipment: Year 1: $0; Year 2: $30,000; Year 3: $0.

**f. Supplies– none**

**g. Contractual**

Contract with Company XYZ ($150,000). Contractor will deliver topographic surveys, boundary surveys, cultural resources assessments, and legal services.
Year 1: $25,000; Year 2: $75,000; Year 3: $50,000.

Contract with Attorney Jane Doe, Esq. ($25,000)
Attorney will assist with execution of conservation easement for mitigation banking site(s).
Year 1: $0; Year 2: $25,000; Year 3: $0.

Total Contractual: Year 1: $25,000; Year 2: $100,000; Year 3: $50,000.

**h. Construction**

Funds are requested to cover construction for wetland restoration activities on a minimum of 50 acres. Construction expenses include structure installation and vegetation planting.
Total Construction: Year 1: $0; Year 2: $80,000; Year 3: $0.

i. **Other –** Subaward for $5,000 to organization XYZ to conduct outreach to historically underserved landowners

**B. NON-FEDERAL BUDGET:**

**1. Personnel**

Tom Smith, Project Director, full time, 50 percent paid by non-Federal funds, will advise the project team, assist with baseline data collection and assessment, wetland design and model.
Year 1: $45,000; Year 2: $45,000; Year 3: $45,000.

Mary Johnson, research biologist, 50 percent time (6 calendar months) for 3 years, 50 percent paid by non-Federal funds. Responsibilities will include construction plan preparation, construction stakeout and oversight.
Year 1: $15,000; Year 2: $15,000; Year 3: $15,000.

Total Personnel: Year 1: $60,000; Year 2: $60,000; Year 3: $60,000.

**2. Fringe benefits**

Fringe benefits paid by non-Federal funds, 50 percent. Fringe benefits rate is 35 percent for permanent staff.

3. **Equipment - None**

4. **Supplies - None**

5. **Contractual - None**

6. **Construction - None**

7. **Other Costs**

Other costs include general property maintenance that will be performed on the bank.
Total Other: Year 1: $10,000;  Year 2: $11,000; Year 3: $11,000.

Subaward for $5,000 to organization XYZ to conduct outreach to historically underserved landowners