

# Conservation Innovation Grants Missouri State Program

**Fiscal Year (FY) 2023**
**Conservation Innovation Grants State Program**
**Notice of Funding Opportunity (NFO)**

**No. USDA-NRCS-MO-CIG-23-NOFO0001252**

USDA United States Department of Agriculture

## Notice of Funding Opportunity (NFO)

### SUMMARY INFORMATION

**Federal Awarding Agency Name:** U.S. Department of Agriculture – Natural Resources Conservation Service (NRCS), Commodity Credit Corporation (CCC)

**Notice of Funding Opportunity Title:** Announcement for Program Funding for NRCS' Conservation Innovation Grants (CIG) for Federal fiscal year (FY) 2023 – Missouri

**Notice of Funding Opportunity Number:** *USDA-NRCS-MO-CIG-23-NOFO0001252*

**Assistance Listing:** This program is listed in the Assistance Listing numbers (previously referred to as the Catalog of Federal Financial Assistance (CFDA)) on Sam.gov under **10.912, Environmental Quality Incentives Program.**

**SAM** is a web-based, government-wide application that collects, validates, stores, and disseminates business information about the federal government's trading partners in support of the contract awards, grants, and electronic payment processes.

### Notice of Funding Opportunity Summary

NRCS is announcing the availability of Conservation Innovation Grants (CIG) State Program funding to stimulate the development and adoption of innovative conservation approaches and technologies. Applications are accepted from eligible entities (Section C) for projects carried out in the state of Missouri. A total of up to $500,000 is available for the Missouri CIG competition in FY 2023. All non-federal entities (NFE) and individuals are invited to apply, with the sole exception of federal agencies. Projects may be between one and three years in duration. The maximum award amount for a single award in FY 2023 is $300,000.00.

For new users of Grants.gov, see Section D. for information about steps required before submitting an application via Grants.gov. **Completing all steps required to start an application can take a significant amount of time, plan accordingly.**

### Key Dates

Applicants must submit their applications via Grants.gov by 11:59 pm Eastern Time on June 7, 2023. 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.

For inquiries specific to the content of the NFO requirements, contact the federal awarding agency contact (section G of this NFO). Please limit questions to those regarding specific information contained in this NFO (such as dates, page numbers, clarification of discrepancies, etc.). Questions related to eligibility, or the merits of a specific proposal will not be addressed.

A webinar for CIG applicants is scheduled for April 11, 2023 at 3:00 p.m. Central Standard Time. Information on how to participate in the webinar will be posted to the Missouri NRCS web site at: https://www.nrcs.usda.gov/nrcs/missouri. Additional information may be obtained by contacting Brad McCord or Amanda Zapien at 573-876-0901 or brad.mccord@usda.gov, or Amanda.zapien@usda.gov

The agency anticipates making selections by June 25, 2023, and expects to execute awards by September 1, 2023. These dates are estimates and are subject to change.

**Federal Funding Floor and Ceiling Amounts**

The estimated funding floor for this opportunity is $50,000.00, and the estimated funding ceiling is $300.000.00. 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 ..... 6
1) Legislative Authority ..... 6
2) Overview ..... 6
3) Innovative Conservation Projects or Activities ..... 6
4) State Component ..... 7
B. FEDERAL AWARD INFORMATION ..... 8
1. Available Funding ..... 8
2. Type of Award ..... 8
C. ELIGIBILITY INFORMATION ..... 8
1. Eligible Applicants ..... 8
2. Other ..... 9
3. Cost Sharing or Matching ..... 11
D. APPLICATION AND SUBMISSION INFORMATION ..... 11
1. How to submit an application ..... 11
2. Information for New Users of Grants.gov ..... 11
3. Electronic Application Package ..... 14
4. Content and Form of Application Submission ..... 14
5. Submission Dates and Times and Correspondence ..... 24
6. Intergovernmental Review ..... 24
7. Funding Restrictions ..... 24
E. APPLICATION REVIEW INFORMATION ..... 26
1. Review and Selection Process ..... 26
2. Merit/Technical Criteria ..... 26
3. Administrative and Risk Criteria ..... 27
4. Awards Over the Simplified Acquisition Threshold (if applicable) ..... 28
F. FEDERAL AWARD ADMINISTRATION INFORMATION ..... 29
1. Federal Award Notices ..... 29
2. Administrative and National Policy Requirements ..... 29
3. Patents, Inventions, and Copyrights ..... 30
3. Reporting ..... 30
G. FEDERAL AWARDING AGENCY CONTACT ..... 31
H. OTHER INFORMATION ..... 31

APPENDIX A - Instructions for Completing SF424
APPENDIX B – Instructions for Completing SF424A
APPENDIX C – Budget Narrative Guidance

## A. PROGRAM DESCRIPTION

### 1) Legislative Authority

The Conservation Innovation Grants (CIG) program is authorized as part of the Environmental Quality Incentives Program (EQIP) (16 U.S.C. 3839aa-8). The Secretary of Agriculture delegated the authority for the administration of EQIP, including CIG, to the Chief of the Natural Resources Conservation Service (NRCS). EQIP is funded and administered by NRCS under the authorities of Commodity Credit Corporation (CCC).

### 2) Overview

The purpose of CIG is to stimulate the development and adoption of innovative conservation approaches and technologies in conjunction with agricultural production. CIG projects are expected to lead to the transfer of conservation technologies, management systems, and innovative approaches (such as market-based systems) to agricultural producers, into government technical manuals and guides, or to the private sector. CIG generally funds pilot projects, field demonstrations, and on-farm conservation research. On-farm conservation research is defined as an investigation conducted to answer a specific applied conservation question using a statistically valid design while employing farm-scale equipment on farms, ranches or private forest lands.

### 3) Innovative Conservation Projects or Activities

CIG funds the development and field testing, on-farm research and demonstration, evaluation, or implementation of:

- Approaches to incentivizing conservation adoption, including market-based and conservation finance approaches; and
- Conservation technologies, practices, and systems.

Projects or activities under CIG must comply with all applicable federal, tribal, state, and local laws and regulations throughout the duration of the project; and

- Use a technology or approach that was studied sufficiently to indicate a high probability for success;
- Demonstrate, evaluate, and verify the effectiveness, utility, affordability, and usability of natural resource conservation technologies and approaches in the field;
- Adapt and transfer conservation technologies, management, practices, systems, approaches, and incentive systems to improve performance and encourage adoption;
- Introduce proven conservation technologies and approaches to a geographic area or agricultural sector where that technology or approach is not currently in use.

Technologies and approaches that are eligible for funding in a project's geographic area using an EQIP contract for an established conservation practice standard are ineligible for CIG funding, except where the use of those technologies and approaches demonstrates clear innovation.

**4) State Component**

For FY 2023, NRCS accepts proposals that address one or more of the State priorities listed below.

**CIG Priorities for FY 2023:**

**a. Urban Agricultural Production and Community Food Sources**

NRCS supports innovative proposals that can assist agricultural producers in urban settings. Urban producers can often face different challenges than rural producers. The availability and transportation of equipment, lack of healthy soils or contaminated soils, lack of water, access to land and opportunities to increase the production and sale of locally grown foods are examples of obstacles for urban agriculture. Urban producers may need assistance with business planning, technical assistance and extension support, environmental testing, and the development of innovative production and operation techniques. Long term soils compaction and contamination, and air quality concerns may also be concerns for urban producers. CIG proposals should identify production techniques, identify average costs, and economies of scale for urban producers, where applicable, which result in demonstrated and evaluated methods which may be adopted in the NRCS Field office technical Guide for use by other producers in similar settings.

Proposals should demonstrate and compare beneficial agricultural techniques and conservation practices unique to urban settings versus traditional production methods, develop new tools and technology to increase the availability of locally grown food and food systems to urban areas and community members, and/or develop unique outreach and awareness tools and partnerships to increase opportunities to reach urban residents with food and fiber grown from urban farms and gardens.

**b. Use of Drone Technology in Farming Systems**

NRCS recognizes that many producers are purchasing or considering purchasing advanced technology drones for use on their farming operation. There is a need to evaluate the uses and benefits of drone technology related to common farming practices such as seeding of cover crops and forages, application of pesticides, and crop scouting/monitoring. Proposals may demonstrate and compare the use of sprayer and spreader drones versus traditional on the ground methods of applying common climate smart conservation practices, such as 340 Cover Crop, 512 Pasture and Hay Planting, and 327 Conservation Cover, to determine effectiveness of low-level aerial application related to seeding rate / coverage / uniformity of different species in both harvested and harvested grain crops. Other possible evaluations may be pesticide application/coverage/efficacy for spot application within crop fields for difficult to control weeds or through dormant hardwood tree canopies for control of non-native invasive species such as bush honeysuckle.

**c. Drainage Water Management Systems**

NRCS seeks proposals to install, demonstrate, and evaluate the effectiveness, cost, and limitations of intensive water management systems and improvement of water quality through adoption of planned practices. NRCS objective is to demonstrate and educate producers about the benefits of drainage water management practices. These practices help producers by reduced nitrogen loading to surface waters through controlled release at times of lesser pollutant concentrations. These management systems can contribute to lower nutrient loading in the Mississippi River Basin project area.

At least 10 percent of the total funds available for CIG in FY 2023 is set aside for proposals from Historically Underserved producers, veteran farmers or ranchers, or community-based organizations comprised of or representing these entities (see Section D. 4 (f)).

Proposed projects must be performed in Missouri.

## B. FEDERAL AWARD INFORMATION

### 1. Available Funding

#### a. Estimated Funding

NRCS Missouri expects to award approximately $500,000.00 through this opportunity. However, the agency retains the discretion to award a larger or lesser amount. This NFO is being released prior to appropriation and/or apportionment of funds for fiscal year 2023. Enactment of additional continuing resolutions or an appropriations act may affect the availability or level of funding for this program.

#### b. Start Dates and Performance Periods

Projects may be between 1 and 3 years in duration. Applicants should plan their projects based on an estimated project start date of October 1, 2023.

#### c. Number of Awards

The agency expects to make up to three award(s).

### 2. Type of Award

#### a. Type of Federal Award

The agency plans to award grant agreement(s) 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

Applications for renewal or supplementation of existing projects are not eligible to compete with applications for new Federal awards. An application for renewal means an application submitted to continue an existing agreement that meets the objectives and requirements of this NFO. An application for supplementation of an existing project means an application to add components to an existing agreement so that it would meet the objectives and requirements in this NFO.

## C. ELIGIBILITY INFORMATION

### 1. Eligible Applicants

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)). Neither foreign entities nor foreign individuals are eligible to apply for this opportunity.

All U.S. domestic, non-Federal entities and individuals are eligible to apply for projects carried out in Missouri. US Federal agencies are not eligible to apply to this opportunity or impart their work to non-federal portion of the budget.

**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 for different projects or proposing different approaches. In the case of applications submitted as revisions or corrections to a previously submitted application under this NFO, the agency will consider the last application submitted prior to the established deadline.

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 16 USC Chapter 58. 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.

**a. CIG Specific Eligibility and Technical Assistance for CIG Projects**

Conservation Innovation Grants are Grant Agreements and as such do not provide for substantial involvement between NRCS and the grantee in carrying out the activity contemplated by the federal award. The technical assistance required to carry out a project is the responsibility of the grantee. NRCS designates an NRCS employee as a Technical Contact for each grant award. Technical contacts provide oversight activities during the project, such as site visits, reviewing performance reports, financial reports, and audits to ensure that standards, objectives, terms, and conditions for the projects are accomplished, but will not be substantially involved in carrying out the activity contemplated by the federal award.

All CIG projects must involve EQIP-eligible producers that meet EQIP's eligibility requirements listed in 7 CFR § 1466.6(b)(1) through (3):

- Be in compliance with the highly erodible land and wetland conservation provisions (7 CFR Part 12).
- Be a person, legal entity, joint operation, Indian tribe, or native corporation who is engaged in agricultural production or forestry management or has an interest in the agricultural or forestry operation as defined in 7 CFR Part 1400.
- Have control of the land involved for the term of the proposed contract period.

**b. EQIP Payment Limitation and Duplicate Payments**

The following provisions apply to CIG funding:

- CIG funds are awarded through grant agreements. These grant agreements are not EQIP contracts; thus, CIG awards in and of themselves are not limited by the payment limitation found at section 1240G of the Food Security Act of 1985, 16 U.S.C. 3839aa-7, which imposes a $450,000 payment limitation for all payments made to persons or legal entities under an EQIP contract entered into between FY 2019 and FY 2023.
- All agricultural producers receiving a payment through participation in a CIG project must meet the eligibility requirements of 7 CFR § 1466.6(b)(1) through (3) noted above. In addition, all CIG payments are subject to the Adjusted Gross Income (AGI) limitation. All agricultural producers receiving a payment through participation in a CIG project must have an AGI that does not exceed $900,000. If awarded a grant, grantees must self-certify and maintain records showing that participating producers receiving payments using CIG funding meet the EQIP eligibility and AGI requirements. Section 1704 (a)(3) of the 2018 Farm Bill states the Secretary may waive the AGI limit on a case by case basis, if the Secretary determines that environmentally sensitive land of special significance would be protected as a result of such waiver. CIG grantees may request waivers once their project commences.
- Section 1240B of the Food Security Act of 1985, 16 U.S.C. 3839aa-2, prohibits duplicative payments. Accordingly, direct or indirect payments cannot be made for a practice for which an individual or legal entity has already received funds, or is contracted to receive funds through any USDA conservation program (e.g., Conservation Reserve Program, EQIP, Agricultural Management Assistance, Conservation Stewardship Program). If awarded a grant, grantees must self-certify that payments to producers using CIG funding are not duplicative.

### c. Historically Underserved Producers and Veteran Farmers or Ranchers

For the FY 2023 CIG award process, at least 10 percent of the total funds available for CIG are set aside for proposals from Historically Underserved producers, veteran farmers or ranchers, or community-based organizations comprised of or representing these entities. The regulatory definitions of a Historically Underserved producer and a veteran farmer or rancher may be found at 7 CFR 1466.3.

To compete for set-aside funds, the applicant must signal their intent by following the instructions in Section D. 4 (f). These applicants must meet all other requirements of this announcement, including addressing at least one CIG priority listed in this notice.

3. **Cost Sharing or Matching**

This NFO requires applicants to share at least 50 percent of total project costs. Total project costs include Federal and non-Federal shares of the project. Special considerations exist for some historically underserved applications. For these special circumstances, please see Section D. 4 (f). 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. Recipients with unrecovered indirect costs may also use those to meet cost-sharing obligations. Funds from another Federal award cannot be used as match except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing. 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 periods of performance end date. Additional details about cost sharing or matching funds/contributions are located at 2 CFR 200.306.

## D. APPLICATION AND SUBMISSION INFORMATION

### 1. How to submit an application

Applications must be submitted electronically through Grants.gov (see Section D.2.). Submissions must be received by the time and date due. Late submissions will not be reviewed or considered. The agency will rely on system generated date and time receipt documentation for submission made.

### 2. 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 can take a significant amount of time, plan accordingly.**

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 below to register (**c. Steps to Register i. through v.**). 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, 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 Unique Entity Identifier (UEI) 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 UEI:* All entities applying for funding must have a UEI issued by SAM.gov. Applicants must enter the UEI in the data entry field labeled "UEI" on the SF-424 form.

ii. *Register with SAM:* All organizations must register with System for Award Management (SAM) 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 your grant applications. To add an organizational profile to your Grants.gov account, enter the UEI 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. Please be aware that the EBiz POC and the person with AOR Role cannot be the same individual; they must be different people. 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. **This 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 UEI. 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

## 3. 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.

## 4. 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. Application Form

(Standard Form 424 Application for Federal Assistance) See Instructions for Completing SF 424 located in the appendices section.

### 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 17 pages, *including a mandatory 1-page Cover Page, described below*. This page limitation applies to the project narrative only.

The project narrative must cover all activities proposed to be carried out with both the Federal and non-Federal matching funds. Activities related but beyond the scope of the CIG project budget should be described in the background section only. A sample project description is posted to the CIG website a:t https://cig.sc.egov.usda.gov/.

**The project description must include the following information, in this order**:

i. Cover Page (1 page maximum) **Applications that fail to provide a cover page will be rejected in the first stage of screening**.

On a single page, provide the following information:

- The applicant entity name.
- The project title.
- The project duration in years.
- The amount of Federal funding requested.
- The amount of non-Federal cost-share committed.
- The name, phone number, and email address for the applicant's technical contact (usually project director), this is considered the primary contact for the project by NRCS.
- The name, phone number, and email address for the applicant's administrative contact (usually an individual in a grants office or project manager working under a project director).
- The geographic location of the project.
- The state priority that is addressed by the project. List only one priority from Section A. 4. If the proposal addresses more than one priority, **you must select a primary priority** for your application to be considered under.
- An estimated number of participating producers expected to be involved with the project.
- Include a declaration if the project is competing for the historically underserved set aside (see Section D. 4 (f) for further instructions and qualifications).
- A brief description (1–3 sentences) of the innovative conservation approach or approaches that is the focus of the project—please be concise!
- List any NRCS practice standards that this project could potentially inform (if multiple exist, select the top five), if relevant.

ii. Project Abstract (1 page maximum): Provide a concise project summary (in nontechnical language) that captures the issue or problem the project will address, the project goal, the innovative approach to be employed (including the role of participating partners), the anticipated project results and key deliverables, and the predicted impact to conservation more broadly.

iii. Project background: Describe the issue or problem driving the need for the proposed innovation. Provide evidence that the proposed innovation has been studied sufficiently to indicate a high probability for success.

iv. Project goal/objectives: State the main goal of the project and then outline the supporting objectives to reach this goal. Objectives should be specific, measurable, achievable, realistic, and time-bound (SMART[1]). Provide supporting information that describes the innovative nature of the project and how this innovation could advance the field of conservation. If the project is addressing innovation of an NRCS conservation practice standard, or proposing a new standard, state this explicitly and identify the standard.

v. Project design and methods: Describe clearly the methodology of the project and the tools or processes that will be used to implement the project. (We encourage new grant writers to consider using a logic model approach to improve clarity of this section.) For more on the logic model, see https://fyi.extension.wisc.edu/programdevelopment/logic-models/.

vi. Project evaluation: Describe the methodology used to evaluate the project and describe how results will be quantified. It should be clear to the reviewers how project objectives relate to the evaluation.

vii. Technology transfer: Describe how the results will be transferred to producers and stakeholders through communications and outreach activities.

viii. Project outcomes and benefits: Identify the expected results and outcomes of the project and the anticipated impact on conservation and society and any other benefits derived from the project. Forecast the lasting impact of project results. Identify project beneficiaries, (i.e., agricultural producers) by type, region, or sector; historically underserved producers and communities; rural communities; and/or municipalities.

ix. Project deliverables/products: Provide a list of specific deliverables and products that directly relate to the project objectives, outcomes, and benefits that will allow NRCS to monitor project progress and approve payments. The proposal must include a set of technical deliverables that reflect the performance and broader applicability of the project.

**Note:** In addition to project-specific deliverables, CIG grantees are responsible for:

a) Participating in at least one event (e.g., conference or workshop) during the grant period where the grantee presents on the activities of the project.
b) A final factsheet.
c) Closing event—this could be a webinar, field day, training event, etc., used to disseminate project results.

[1] SMART objectives are described by several organizations. Here is an example from the Centers for Disease Control: https://www.cdc.gov/phcommunities/resourcekit/evaluate/smart_objectives.html

x. Geographic location and size of project or project area: Identify the geographic location and the estimated size and scope (e.g., acres, farm types, demographics) of the project area. Maps are recommended.

xi. EQIP-eligible producer participation: Estimate the number of EQIP eligible producers involved in the project and describe the extent of their involvement. Describe whether these producers have been identified, and if not yet identified clearly articulate the process that will be carried out to identify and attract producer participation. If competing in the set aside for historically underserved projects, include an estimate on the number of historically underserved producers scheduled to participate in the project.

xii. Project action plan and timeline: Provide a bulleted list of project actions and deliverables relative to timeframes and associated project milestones through to project completion. Applicants should develop their timelines based on a project start date of October 1, 2023.

xiii. Project management: Give a description of how the project will be organized and managed, including a list/description of project partners. Include a description of how communication will be structured within the project team to ensure effective project management.

xiv. Graphics, including pictures, charts, graphs, and similar items count towards the 16-page maximum.

xv. References, bibliographies, and citations, if included, do not count towards the 16-page maximum.

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

**c. Team Qualifications**

Provide brief descriptions of key technical and administrative personnel qualifications, their experience managing Federal awards, and their anticipated contributions to the project. This does not count towards the 16-page maximum. *Do not include resumes or curriculum vitae* (CVs). Each individual's description should be no more than a ½ of page.

**d. Assessment of Environmental Impacts.**

If implementation of the proposal is anticipated to have physical, chemical, or biological impacts on the environment, please describe the impacts and their extent. The description of the potential environmental impacts must address both beneficial and adverse impacts of the proposed action. The length of the description should be commensurate with the complexity of the project proposed and the natural environmental resources impacted directly, indirectly, or cumulatively. Where possible, information on environmental impacts should be quantified, such as number of acres of wetlands impacted, amount of carbon sequestration estimated, etc. Natural environmental 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.

Every funded CIG project that involves ground disturbance activities is subject to the National Environmental Protection Act (NEPA). NRCS must complete an environmental review of each awarded project before project commencement. Applicants may be required to prepare and pay for preparation of an Environmental Assessment (EA) or Environmental Impact Statement (EIS), should the environmental review find that an EA or EIS is required.

In addition, a National Historic Preservation Act (NHPA) Section 106 review and consultation by 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 CIG project effects. More information on the applicants role in 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.

**e. Declaration of previous CIG projects involvement and past performance.**

*If the applicant has previously received a CIG award (either at the National or State levels),* list the following for each award and give a short summary of the completed project's results and impact. If the project is ongoing, provide the anticipated results. Each description should be no more than a half page:

- Project title
- CIG agreement number
- Award funding amount
- Year of award expiration

**f. Declaration of Historically Underserved and veteran farmers or ranchers.**

The CIG program provides special consideration to projects substantially involving or benefitting historically underserved (HU) producers or groups of producers. For the State CIG Classic component, at least 10 percent of the total funds available may be set aside for applications from:

i. An historically underserved producer;
ii. A community-based organization comprised of, representing, or exclusively working with historically underserved producers on a CIG project;

iii. An entity developing an innovative conservation approach or technology specifically targeting historically underserved producers' unique needs and limitations; or
iv. An 1890 or 1994 land grant institution (7 U.S.C. 3222 *et seq.*), Hispanic-serving institution (20 U.S.C. 1101a), or other minority-serving institution, such as an historically Black college or university (20 U.S.C. 1061), a tribally controlled college or university (25 U.S.C. 1801), or Asian American and Pacific Islander-serving institution (20 U.S.C. 1059g).

An applicant seeking to apply to the HU set aside must identify as such on the cover page of their application as well as identify which HU category (i - iv) applies to their proposal. In addition, within the project narrative the project should describe how the project is designed to target the unique needs and limitations of HU producers.

Any project that applies to the HU set aside and qualifies as an organization outlined in Section D4(f) i-iv will be required to meet a match of at least 50% of their federal funding request. This comes out to about 33% of the total budget. For instance, if the federal request is $50,000, a qualifying awardee would need to provide at least $25,000 in cost share.

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

Fill in all spaces as appropriate. Section B, Item 6, Column 1 should reflect the federal agency funds requested, and Column 2 should reflect the applicant's non-federal matching funds. This form is the summary budget for the project and should include the full project totals, with federal and non-federal funding separated, on pages one and two. See Instructions for Completing SF 424A located in the appendices section. Refer to Section D of this opportunity for information regarding indirect costs. Errors in the SF-424A with regard to classifying costs may be negotiated after selection.

**h. Budget Narrative**

In a separate document titled "Budget Narrative," explain and justify all requested budget items/costs. (Refer to the budget narrative guidance located in the appendices section.) 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 do not count toward the page limit. Errors in the budget narrative with regard to classifying costs may be negotiated after selection. Refer to the Budget Narrative Guidance located at the end of this document regarding procurement standards when including contracts for goods or services. **Sole-source contracting is prohibited without proper justification.** See Procurement Standards located at 2 CFR 200.317-327.

i. Build America, Buy American. "Buy America" preference applies to Federal financial assistance awards that include construction components, even if it is funded by both Federal and non-Federal funds under the award. Subawards

should conform to the terms and conditions of the Federal award from which they flow. A Buy America preference only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to a construction project. Refer to the General Terms and Conditions for additional information: https://www.fpacbc.usda.gov/about/grants-and-agreements/award-terms-and-conditions/index.html

ii. Indirect Costs Recovery. If requesting indirect costs, provide the calculation specifying the amounts used in applying the base (the base specified in the applicable rate agreement) by the applicable rate. The calculation can be displayed in different formats but must capture the components (i.e., amounts used in determining the base and the rate applied to the base).

A. To be eligible to recover any indirect costs 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) and described below. For-profit entities (if eligible to apply) must obtain a NICRA from their cognizant agency. USDA will not accept an indirect cost agreement negotiated or approved by the Defense Contract Audit Agency.

B. Any non-Federal entity (except State and local governments that receive more than $35 million per year in Federal funding) that does not have a current negotiated (including provisional) rate may elect to charge a de minimis rate of 10 percent of modified total direct costs (MTDC) which may be used indefinitely. No documentation is required to justify the 10 percent de minimis indirect cost rate, simply indicate in your budget narrative that the recipient elects to use the de minimis rate. Modified Total Direct Cost (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 (regardless of the period of performance of the subawards under the award). 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. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

C. As described in 2 CFR 200.403, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time.

iii. Indirect Costs Limitations.

A. In accordance with USDA's annual appropriations act, indirect costs will be limited to no more than 10 percent of total direct costs for non-profit

organizations or institutions of higher education that receive a cooperative or contribution agreement. The 10 percent indirect cost rate applies to both federal and non-federal funds. Other types of entities are not subject to this statutory limitation.

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. Recipients are prohibited from shifting unallowable indirect costs to another Federal award unless specifically authorized to do so by legislation.

D. 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.

iv. Cost Share or Matching.

Selected applicants may receive CIG grants of up to 50 percent of their total project cost. CIG recipients must provide a non-federal funding match or cost-share amount at least equal to the amount of federal funding requested. For example, if an applicant requests $50,000 in CIG funding, at least $50,000 in non-federal cost-share or matching funds must be committed by the applicant.

Applicants applying and qualifying for the historically underserved set aside are only required to contribute 50 percent of the federal request as in-kind or cash match, this comes out to about 33 percent of the total budget. So, for instance, if the federal request is $50,000, a qualifying awardee would need to provide at least $25,000 in cost share.

Matching funds may be committed by the applicant, project partners, or both and can be a combination of cash and in-kind contributions. Examples of in-kind contributions include work done by unpaid volunteers and donations of supplies, facilities, or equipment. In-kind contributions identified in the project budget must be quantifiable, verifiable, and necessary to accomplish program activities.

Cost sharing/matching must be committed at the time of application submission. Cost sharing or matching funds must meet the criteria stated at 2 CFR 200.306 and be valued in accordance with 2 CFR 200.306(d). Additional details about cost sharing or matching funds/contributions is located at 2 CFR 200.306.

All matching funds must be identified in both the SF-424A and budget narrative components of the application. Project partners (other than the applicant) must provide commitment letters for all cash and in-kind matching contributions. A separate, dated, commitment letter is required for each cash and/or in-kind match contribution. Commitment letters must be signed by the authorized organizational representative of the contributing organization and must include: (1) the name, address, and telephone number of the project partner; (2) the name of the applicant organization; (3) the title of the project for which the contribution is made, (4) the dollar value of the contribution; (5) a statement that the contributor commits to furnish a set amount of contribution during the grant period, and (6) and a description of how this contribution will add value to the project. A sample commitment letter is included as part of the application package on grants.gov.

Applications without signed written commitments covering the full value of the matching contribution are deemed incomplete.

The value of applicant contributions to the project is established according to federal cost principles. Applicants should refer to 2 CFR 200.306 for additional guidance on matching funds, in-kind contributions, and allowable costs.

**i. Grants.gov Lobbying Form**

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.

**j. Statement of Current and Pending Support.**

Submit a Statement of Current and Pending Support for each key personnel who will participate in the project. Use the template located in the Related Documents tab of the opportunity.

**k. SF-LLL, Disclosure of Lobbying Activities**

SF-LLL, Disclosure of Lobbying Activities, must be submitted **only** if you/your organization have/has made or agrees to make any payment using non-appropriated

funds for lobbying. See 2 CFR 418.110 for more information on when additional submission of this form is required.

**l. Negotiated Indirect Cost Rate Agreement** (NICRA), if applicable

If charging indirect costs using a NICRA (including for cost share), upload the NICRA under Other Attachments (listed as an Optional Form) in the Grants.gov Opportunity Application Package.

**m. Disclosure of Potential Conflict of Interest**

In accordance with 2 CFR 400.2, applicants must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees in the selection, award, and administration of Federal awards. No employee, officer, or agent may participate in the selection, award, or administration of a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties referenced, has a financial or other interest in, or a tangible personal benefit from, an applicant considered for a Federal award. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the applicant.

If the applicant has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the applicant must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflict of interest means that because of the relationships with a parent company, affiliate, or subsidiary organization, the applicant is unable or appears to be unable to be impartial in conducting a Federal award action involving a related organization.

Applicants must disclose in writing any potential conflicts of interest to the USDA awarding agency or pass-through entity. Include the name of the individual, the name of the entity with which the individual has a conflict, the nature of the financial or other interest, the value of the interest, a description of how the interest relates to your application. Upload disclosures under Other Attachments (listed separately under Optional Forms) in Grants.gov. **If no conflict exists, no submission is required.**

**n. Post Award Documentation**: N/A

**o. Unique entity identifier (UEI) 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 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 UEI 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 SAM registration.

System for Award Management (SAM) Registration: 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 UEI or SAM issues.

**5. 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 June 7, 2023. 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 Section D. 2. 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.

**6. Intergovernmental Review**

This funding opportunity is not subject to Executive Order 12372, "Intergovernmental Review of Federal Programs." When completing the SF-424, check block c, "Program is not covered by E.O. 13272."

**7. 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:

a. Profit and management fees. Any funds awarded to for-profit entities must be used for reimbursement of award related direct and indirect costs only.
b. Costs above the amount of funds authorized for the project.
c. Costs incurred prior to the effective date of the award, including time spent applying for this opportunity.
d. Costs which lie outside the scope of the approved project and amendments thereto.
e. Entertainment costs, regardless of their apparent relationship to project objectives.
f. Compensation for injuries to persons, or damage to property arising out of project activities.
g. 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.
h. Capital expenditures for general purpose equipment, buildings, and land and for improvements to land, buildings, or equipment which materially increase their value or useful life. See 2 CFR 200.439 for additional information.
i. 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.
j. 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.
k. Salaries that are not commensurate with level of work. All costs must be reasonable to be allowable (2 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.
l. Software produced by non-domestic entities. Project budgets must not include costs (both Federal costs and cost-share) for software developed by non-domestic entities if it will be utilized by the Federal government or hosted on Federal systems.
m. Refer to Section D for applicable indirect cost restrictions, if any.

This list is not exhaustive. For additional information please refer to 2 CFR Part 200, subpart E, Cost Principals.

## 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 select 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 select 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.

Proposals that pass the initial screening are then evaluated using a two-part process:

- Technical peer review panels composed of subject matter experts evaluate the proposals. Proposals are evaluated against the CIG Proposal Merit Criteria. The technical peer review panels forward their recommendations to the State Conservationist.
- The State Conservationist makes the final award selections based on the recommendations of the peer review panels.

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 State Conservationist.

### 2. Merit/Technical Criteria

The technical peer review panels use the following criteria, using a 100-point scale, to evaluate applications. These criteria will be applied to the whole project, including federal and non-federally funded parts:

**a.** Purpose, Approach, and Goals (25 points)

i. The purpose of the project is clearly explained, the goals and objectives are clearly stated, and the rationale is explicit for why the innovative approach or technology is needed.

ii. The design and implementation of the project is based on sound methodology and demonstrated technology;

iii. The project outcomes are stated, measurable, and likely to be achieved; and

iv. Both beneficial and adverse impacts are considered, and a significant level of improvement will be achieved.

**b.** Innovative Technology or Approach (25 points)

i. The project is regionally or locally innovative to the criteria for innovation (see section A. 3; and

ii. The application describes the compelling need for the innovative technology or approach.

**c.** Project Management (25 points)

i. Timeline and milestones are clear and reasonable;
ii. Project staff has necessary technical and administrative expertise;
iii. The budget is adequately explained and justified, and expenses are allowable, allocable, and reasonable; and
iv. Proposal includes robust partnership with entities that can substantially assist with delivery of project outcomes with clear project management structure and team communication laid out.

**d.** Benefits and Transferability (25 points)

i. An evaluation plan is documented that clearly lays out how project work will be assessed, and the results transferred:
ii. There is potential for producers and landowners to use or participate in the innovative technology(s) or approach(s);
iii. There is potential for organizations to benefit from the innovative approach or methods, including (if appropriate) the development of materials such as technical standards, technical notes, handbooks, technology tools, etc.;
iv. There is potential to transfer the approach or technology to a broader audience or to other geographic areas or agricultural sectors; and
v. There is potential for successful transfer, through planned project activities, to historically underserved producers and communities; rural communities; and/or municipalities.

Partner matching contributions are considered an eligibility criterion as described in Section C 3 of this notice and therefore are not listed in the merit criteria.

### 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 200.206, 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 USC 2313 and 2 CFR 200.206(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 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 200.208.

**4. Awards Over the Simplified Acquisition Threshold (if applicable)**

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. FAPIIS is a federal database intended to serve as a government-wide source of information about the prior performance and compliance of federal procurement contractors, grantees, and cooperative agreement holders (see 41 U.S.C. 2313 and 2 CFR 200.206(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 FAPIIS, 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 200.206, Federal awarding agency review of risk posed by applicants.

## 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.

Both successful and unsuccessful applicants will be notified of the award decision via email.

### 2. Administrative and National Policy Requirements

All project funds will be used in accordance with 2 CFR Part 200 and the General Terms and Conditions, which are available at the following website: https://www.fpacbc.usda.gov/about/grants-and-agreements/award-terms-and-conditions/index.html.

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. Patents, Inventions, and Copyrights

Allocation of rights to patents, inventions, and copyrights shall be in accordance with 2 CFR Part 200. This regulation provides that small businesses normally may retain the principal worldwide patent rights to any invention developed with USDA support. In accordance with 2 CFR Part 200, this provision will also apply to commercial organizations for the purposes of CIG. USDA receives a royalty-free license for federal use, reserves the right to require the patentee to license others in certain circumstances, and requires that anyone exclusively licensed to sell the invention in the United States must normally manufacture it domestically. With regard to copyright, the grant recipient may copyright any work that is subject to copyright and was developed, or for which ownership was acquired, under an award. USDA reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the work for federal purposes and to authorize others to do so.

All tools produced must meet the accessibility of Electronic and Information Technology (EIT) requirements as specified in Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d) as amended by the Workforce Investment Act of 1998 (P.L. 105-220). Specifically, subsection 508(a)(1) requires that when the federal government procures EIT, it must allow federal employees and individuals of the public with disabilities comparable access to and use of information and data that is provided to federal employees and individuals of the public without disabilities. All EIT that is subject to the 36 CFR 1194 standards will have a Section 508 acceptance test and will be validated upon acceptance. All maintenance for EIT that requires upgrades, modifications, installations, and purchases will adhere to the Section 508 standards and 36 CFR 1194. Get in touch with the administrative contact of this NFO with specific questions with regard to the applicability of this section.

### 3. Reporting

Reporting will follow the guidelines included in the agency's General Terms and Conditions, which are available at the following website: https://www.fpacbc.usda.gov/about/grants-and-agreements/award-terms-and-conditions/index.html

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 sub awardees 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).

Reporting details are included in the fully executed grant agreement. Reporting will generally include electronic submission of semiannual progress reports, annual financial status reports, and final reports.

### 4. Audit Requirements

As required in 2 CFR Part 200, Subpart F Audit Requirements, all U.S. states, local governments, Federally recognized Indian tribal governments, and non-profit organizations expending $750,000 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.

## G. FEDERAL AWARDING AGENCY CONTACT

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

Name: *Karla Cisneros*
Grants Management Specialist
FPAC Business Center

Email: *karla.cisneros@usda.gov* with a copy to FPAC.BC.GAD@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.
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.

5. **National Component**
   The USDA NRCS CIG program has two components – the "National Competition" and the "State Competition." This announcement is for the "State Competition" component. More information about the National Competition is available here.

6. Any award made pursuant to this NFO may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**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.

# Contents

1. SF-424 PREPARATION ..... 1
2. SF-424A PREPARATION ..... 9

ATTACHMENT 1: SF424A SAMPLE

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If applying to an opportunity on Grants.gov, complete the forms in the opportunity package. For all other applications, use the forms available on Grants.gov: https://www.grants.gov/web/grants/forms/sf-424-family.html

FBAC-BC GRANTS AND AGREEEMENTS WEBSITE
https://www.fpacbc.usda.gov/about/grants-and-agreements/apply-to-a-funding-opportunity/index.html

## 1. SF-424 PREPARATION

Instructions for new agreement applications only. Separate instructions apply to amendments.

Applicants must review these instructions to ensure that the form is completed correctly. This will reduce the likelihood that the form will need to be returned for correction and potentially delay execution of any resultant agreement.

Columns one and two below correlate to the blocks on the Form SF-425. Column 3 includes the Office of Management and Budget (OMB) Standard Form instructions, and the final column includes FPAC Agency specific guidance to be used to complete the form.

| Block | Field Name | SF-424 Instructions (V4.0) | FPAC Agency Guidance |
|---|---|---|---|
| 1 | Type of Submission | Select one type of submission in accordance with agency instructions.<br>• Pre-application<br>• Application<br>• Changed/Corrected Application - Check if this submission is to change or correct a previously submitted application. Unless requested by the agency, applicants may not use this form to submit changes after the closing date.<br>Required. | Select "Application" if this is the first application submitted. If updating an application recently submitted, choose Changed/Corrected Application. |
| 2 | Type of Application | Select one type of application in accordance with agency instructions. | Applicants should generally select "New". If, however, the applicable Notice of Funding Opportunity (NFO) allows the |

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| | | • New - An application that is being submitted to an agency for the first time.<br>• Continuation - An extension for an additional funding/budget period for a project with a projected completion date. This can include renewals.<br>• Revision - Any change in the federal government's financial obligation or contingent liability from an existing obligation. If a revision, enter the appropriate letter(s). More than one may be selected.<br>A: Increase Award<br>B: Decrease Award<br>C: Increase Duration<br>D: Decrease Duration<br>E: Other (specify)<br>AC: Increase Award, Increase Duration<br>AD: Increase Award, Decrease Duration<br>BC: Decrease Award, Increase Duration<br>BD: Decrease Award, Decrease Duration<br>Required. | submission of renewals or supplements (see section B of the NFO) and the application meets the NFO description of one of these categories, then choose "Continuation or Revision" and the appropriate letter(s). |
| 3 | Date Received | Enter date if form is submitted through other means as instructed by the Federal agency. The date received is completed electronically if submitted via Grants.gov.<br>Required. | Not completed by applicant. This is a required field and will be populated automatically by Grants.gov. |
| 4 | Applicant Identifier | Enter the entity identifier assigned by the Federal agency, if any, or the applicant's control number if applicable.<br>Optional. | Optional/not required. |
| 5a | Federal Entity Identifier | Enter the number assigned to your organization by the federal agency, if any.<br>Optional. | Leave blank. |
| 5b | Federal Award Identifier | For new applications, leave blank. For a continuation or revision to an existing award, enter the previously assigned federal award identifier number. If a changed/corrected application, enter the federal identifier in accordance with agency instructions. | Leave blank if you are submitting a new application (item 2). If submitting another type (e.g., renewal or supplement), enter the assigned Award Identifying Number (block 1 on the Notice of Grant and Agreement Award). If submitting a changed/corrected application in Grants.gov, include the Grants.gov tracking number for previously submitted |

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| | | Optional. | application. |
| 6 | Date Received by State | Leave this field blank. This date will be assigned by the state, if applicable.<br>Optional. | Leave blank. |
| 7 | State Application Identifier | Leave this field blank. This identifier will be assigned by the state, if applicable.<br>Optional. | Leave blank. |
| 8a | Applicant Legal Name | Enter the legal name of the applicant that will undertake the assistance activity. This is the organization that has registered with the System for Award Management (SAM). Information on registering with SAM may be obtained by visiting SAM.gov.<br>Required. | This name must be consistent with the name as registered in the System for Award Management (SAM). If the name in SAM is not correct, update it accordingly. If you are applying as an individual, use your legal name as in the Social Security system. |
| 8b | Applicant Employer/Taxpayer Identification Number (EIN/TIN) | Enter the employer or taxpayer identification number (EIN or TIN) as assigned by the Internal Revenue Service. If your organization is not in the US, enter 44-4444444.<br>Required. | This number must be consistent with the number in the applicant's SAM registration. If you are applying as an individual, use your Social Security number. |
| 8c | Unique Entity Identifier (UEI) | Enter the organization's UEI received from SAM. The UEI is a unique 12-character organization identifier. Information on registering with System for Award Management (SAM.gov) may be obtained by visiting the Grants.gov website.<br>Required. | As of April 2022, the SAM-assigned UEI replaces the DUNS. If you are applying as an individual, this field must be 00000000INDV. |
| 8d | Applicant Address | Enter address: Street 1 (required); City (required); County/Parish, State (required if country is US); Province; Country (required); 9-digit ZIP/Postal Code (required if country is US). If +4 does not exist for the address, enter "0000".<br>Required. | This address must be consistent with the address in the applicant's SAM registration. |
| 8e | Applicant Organizational Unit | Enter the name of the primary organizational unit, department, or division that will undertake the assistance activity.<br>Optional. | Not required. |
| 8f | Applicant Contact Information | Enter the first and last name (required), prefix, middle name, suffix, and title. Enter organizational affiliation if affiliated with an organization other than that in 7.a. Telephone | This does not necessarily need to be the person with authority to sign the application. It is a point of contact for agency staff to contact regarding the application. |

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| | | number and email (required); fax number. Required. | |
| 9 | Type of Applicant 1 | Select a minimum of one applicant type or select up to three applicant types in accordance with agency instructions. If "Other" is selected, then specify Other Type of Applicant in text box.<br>A. State Government<br>B. County Government<br>C. City or Township Government<br>D. Special District Government<br>E. Regional Organization<br>F. U.S. Territory or Possession<br>G. Independent School District<br>H. Public/State Controlled Institution of Higher Education<br>I. Indian/Native American Tribal Government (Federally Recognized)<br>J. Indian/Native American Tribal Government (Other than Federally Recognized)<br>K. Indian/Native American Tribally Designated Organization<br>L. Public/Indian Housing<br>M. Nonprofit<br>N. Private Institution of Higher Education<br>O. Individual<br>P. For-Profit Organization (Other than Small Business)<br>Q. Small Business<br>R. Hispanic-serving Institution<br>S. Historically Black Colleges and Universities (HBCUs)<br>T. Tribally Controlled Colleges and Universities (TCCUs)<br>U. Alaska Native and Native Hawaiian Serving Institutions<br>V. Non-US Entity<br>W. Other (specify)<br>Required. | The selection must be consistent with the entity type listed in the applicant's SAM registration. |

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| 10 | Name of Federal Agency | Enter the name of the federal agency from which assistance is being requested with this application. This information is pre-populated if submitting through Grants.gov.<br>Required. | Enter the applicable agency if not automatically populated:<br>• FSA-Farm Service Agency<br>• RMA-Risk Management Agency<br>• NRCS-Natural Resource Conservation Service<br>• FBC-Farm Production and Conservation Business Center |
| 11 | Catalog of Federal Domestic Assistance Number/Federal Assistance Listing and Title a.k.a. Federal Assistance Listing | Enter the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested, as found in the program announcement, if applicable. This information is pre-populated if using Grants.gov.<br>Required. | If not automatically populated, leave blank. |
| 12 | Funding Opportunity Number and Title | Enter the Funding Opportunity Number and title of the opportunity under which assistance is requested as found in the program announcement. This information is pre-populated if using Grants.gov.<br>Required. | If not automatically populated, enter the opportunity number and title. If unknown leave blank. |
| 13 | Competition Identification Number and Title | Enter the competition identification number and title of the competition under which assistance is requested, if applicable. These fields are pre-populated by Grants.gov if provided by the federal agency.<br>Optional. | Leave blank. |
| 14 | Areas Affected by Project (Cities, Counties, States, etc.) | This data element is intended for use only by programs for which the area(s) affected are likely to be different from the place(s) of performance reported on the SF-424 Project/Performance Site Location(s) Form. Add attachment to enter additional areas, if needed.<br>Optional. | Leave blank. |
| 15 | Descriptive Title of Applicant's Project | Enter a brief descriptive title of the project. Supporting documents may be attached if specified in agency instructions.<br>Optional. | Enter a concise but informative title for the project (maximum of 200 characters). |
| 16a | Congressional District of Applicant | 16a. Enter the applicant's congressional district.<br>Required. | Enter the Congressional district based on the physical address of the applicant as listed in the applicant's SAM registration. District numbers can be found at |

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| | | | http://www.house.gov/representatives/find/. |
| 16b | Congressional District(s) of Program/Project | 16b. Enter the primary district affected by the program or project. Enter in the following format: 2-character state abbreviation – 3 characters district number, e.g., CA-005 for California 5th district, CA-012 for California 12th district, NC-103 for North Carolina's 103rd district. If all congressional districts in a state are affected, enter "all" for the district number, e.g., MD-all for all congressional districts in Maryland. If nationwide, i.e., all districts within all states are affected, enter US-all. If the program/project is outside the US, enter 00.000. This optional data element is intended for use only by programs for which the area(s) affected are likely to be different than place(s) of performance reported on the SF-424 Project/Performance Site Location(s) form. Attach an additional list of program/project congressional districts, if needed.<br>Required. | District numbers can be found at http://www.house.gov/representatives/find/.<br>If an additional list of program/project congressional districts is to be attached to a Grants.gov opportunity, upload it under Other Attachments (listed as an Optional Form) in the Grants.gov Opportunity Package. |
| 17a | Proposed Project Start Date | Enter the proposed start date of the project.<br>Required. | If applying in response to a Grants.gov opportunity, refer to section B of the NFO. |
| 17b | Proposed Project End Date | Enter the proposed end date of the project.<br>Required. | If applying in response to a Grants.gov opportunity, refer to section B of the NFO. |
| 18a-g | Estimated Funding | Enter the amount requested, or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines, as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses. For zero funding, enter 0.<br>Required. | Enter the project's total amount of funding for each category below. These values must be consistent with the values on the SF-424A and the Budget Narrative. Only include amounts for items b. through f. to meet the required cost-share/match, if any, identified in the NFO.<br>a. Federal: enter the amount of Federal funds being requested.<br>b. Applicant: enter cost share/match being provided by the applicant itself. Do not include cost share/match being provided by commitments from other sources; those amounts are to be included in items c., d., and e, as applicable.<br>c. State: enter the amount of any cost share/match |

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| | | | being provided by a State government entity.<br>d. Local: enter the amount of any cost share/match being provided by a Local government entity.<br>e. Other: enter the amount of any cost share/match being provided by a source other than those listed above.<br>f. Program Income: enter the amount of program income (if any) used for meeting cost share/match requirements (see 2 CFR 200.80 and 200.307).<br>g. Total: This field is automatically calculated. It is the sum of all amounts in the categories (items a. through f.) above. |
| 19 | Executive Order 12372 | Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process. Select the appropriate box. If "A." is selected, enter the date the application was submitted to the State.<br>Required. | Select the applicable response as to whether or not the application is subject to State review under state laws or procedures. Executive Order 12372 can be found athttps://www.archives.gov/federal-register/codification/executive-order/12372.html.<br>The Intergovernmental Review Single Point of Contact list can be found at https://www.whitehouse.gov/wp-content/uploads/2020/04/SPOC-4-13-20.pdf. |
| 20 | Federal Debt Delinquency | Select the appropriate box. This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of federal debt include but may not be limited to delinquent audit disallowances, loans, and taxes. If yes, include an explanation in an attachment.<br>Required. | No additional instructions |
| 21 | Certification and Signature | To be signed and dated by the authorized representative of the applicant organization. Enter the first and last name (required), prefix, middle name, and suffix. Enter title, telephone number, fax number, and email. Fax number is not required. A copy of the governing body's authorization for you to sign this application as the official representative must be on file in the applicant's office. (Certain federal agencies may require that this authorization be submitted as part of the application.) If the application is submitted via Grants.gov, the | If not submitted through Grants.gov, the authorized representative must click the box. and provide either an ink signature or digital signature/digital certificate (cannot be a script font). |

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| | | signature of the authorized representative and the date signed are completed upon submission.<br>Required. | |

## 2. SF-424A PREPARATION

Applicants must review these instructions to ensure the form is completed correctly. This will reduce the likelihood that the form will need to be returned for correction and potentially delay execution of any resultant agreement.

| SECTION A – BUDGET SUMMARY | | | |
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| **Column** | **Field Name** | **Form SF-424A Instructions (V1.0)** | **FPAC Agency Guidance** |
| 1(a) | Grant Program Function or Activity | Enter the name of the activity or function.<br>At least one is required. | FPAC agencies do not require the project budget be broken down into separate programs, functions, or activities on this form. That level of detail, if desired, is reserved for the Budget Narrative which is a related, but separate document. Enter "Federal" in 1(a) and, if cost-share/match is required, enter "Non-Federal" in 2(a). Leave the remaining rows blank. |
| 1(b) | Catalog of Federal Domestic Assistance Number | Enter the Catalog of Federal Domestic Assistance Number.<br>At least one is required. | If not automatically populated, leave blank. Leave the remaining rows blank. |
| 1(c-d) | Estimated Unobligated Funds: Federal and Non-Federal | For new applications, leave Column (c) and (d) blank. For each line entry in Columns (a) and (b), enter in Columns (e), (f), and (g) the appropriate amounts of funds needed to support the project for the first funding period (usually a year).<br>For continuing grant program applications, submit these forms before the end of each funding period as required by the grantor agency. Enter in Columns (c) and (d) the estimated amounts of funds which will remain unobligated at the end of the grant funding period only if the federal grantor agency instructions provide for this. Otherwise, leave these columns blank. Enter in columns (e) and (f) the amounts of funds needed for the upcoming period. The amount(s) in Column (g) should be the sum of the amounts in Columns (e) and (f).<br>For supplemental grants and changes to existing grants, do not use Columns (c) and (d). Enter in Column (e) the amount of the increase or | Leave all rows of columns (c) and (d) blank. |

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| | | decrease of federal funds and enter in Column (f) the amount of the increase or decrease of non-federal funds. In Column (g) enter the new total budgeted amounts plus or minus, as appropriate, the amounts shown in Columns (e) and (f). The amount(s) in Column (go) should not equal the sum of the amounts in Columns (e) and (f). Conditionally required. | |
| 1(e) | New or Revised Budget: Federal | For new applications, leave Column (c) and (d) blank. For each line entry in Columns (a) and (b), enter in Columns (e), (f), and (g) the appropriate amounts of funds needed to support the project for the first funding period (usually a year).<br>For continuing grant program applications, submit these forms before the end of each funding period as required by the grantor agency. Enter in Columns (c) and (d) the estimated amounts of funds which will remain unobligated at the end of the grant funding period only if the federal grantor agency instructions provide for this. Otherwise, leave these columns blank. Enter in columns (e) and (f) the amounts of funds needed for the upcoming period. The amount(s) in Column (g) should be the sum of the amounts in Columns (e) and (f).<br>For supplemental grants and changes to existing grants, do not use Columns (c) and (d). Enter in Column (e) the amount of the increase or decrease of federal funds and enter in Column (f) the amount of the increase or decrease of non-federal funds. In Column (g) enter the new total budgeted amounts plus or minus, as appropriate, the amounts shown in Columns (e) and (f). The amount(s) in Column (g) should not equal the sum of the amounts in Columns (e) and (f). Conditionally required. | Enter the total amount of the Federal funds requested in Row 1, column (e). Leave the remaining rows column (e) blank. This amount must be consistent with the amount in Block 18a of the SF-424. |
| 1(f) | New or Revised Budget: Non-Federal | For new applications, leave Column (c) and (d) blank. For each line entry in Columns (a) and (b), enter in Columns (e), (f), and (g) the appropriate amounts of funds needed to support the project for the first funding period (usually a year). | Enter the total amount of the required Non-Federal cost share/match, if applicable, in Row 2, column (f) and leave the remaining rows of column (f) blank. This amount must be consistent with the total amount of Blocks 18b through 18f of the SF-424. |

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| | | For continuing grant program applications, submit these forms before the end of each funding period as required by the grantor agency. Enter in Columns (c) and (d) the estimated amounts of funds which will remain unobligated at the end of the grant funding period only if the federal grantor agency instructions provide for this. Otherwise, leave these columns blank. Enter in columns (e) and (f) the amounts of funds needed for the upcoming period. The amount(s) in Column (g) should be the sum of the amounts in Columns (e) and (f).<br>For supplemental grants and changes to existing grants, do not use Columns (c) and (d). Enter in Column (e) the amount of the increase or decrease of federal funds and enter in Column (f) the amount of the increase or decrease of non-federal funds. In Column (g) enter the new total budgeted amounts plus or minus, as appropriate, the amounts shown in Columns (e) and (f). The amount(s) in Column (go) should not equal the sum of the amounts in Columns (e) and (f). Conditionally required. | |
| 1(g) | Total | Total for Row 1(a) – 1(f). If using electronic form, these numbers are auto calculated.<br>Required. | This auto-calculates and must be consistent with the total amount in Block 18(a) of the SF424. |
| 5 | Totals | Total for each column. IF using electronic form, these numbers are auto calculated.<br>Required. | This auto-calculates. Block 5(g) is the total proposed application budget. |
| **SECTION B – BUDGET CATEGORIES** | | | |
| 6(1-2) | Grant Program Function or Activity 1 - 2 | In the column headings (1) through (4), enter the titles of the same programs, functions, and activities shown on Lines 1-4, column (a), Section A. When additional sheets are prepared for Section A, provide similar column headings on each sheet. For each Grant Program, Function or Activity, fill in the total requirements for funds (both federal and non-federal) by object class categories. If using the Budget Information form through Grants.gov, the Grant Program, Function, | The form will auto-populate "Federal" in the heading of Column 1. See the Budget Narrative Guidance https://www.fpacbc.usda.gov/about/grants-and-agreements/apply-to-a-funding-opportunity/index.html for guidance on what types of costs to include in each category.<br><br>The form will auto-populate "Non-Federal" in the heading of Column 2. See the Budget Narrative Guidance https://www.fpacbc.usda.gov/about/grants-and- |

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| | | or Activity is pre-populated by the Grant Program Function or Activity from column (A) in Section A – Budget Summary.<br>Required. | agreements/apply-to-a-funding-opportunity/index.html for guidance on what types of costs to include in each category. |
| 6(3-4) | Grant Program Function or Activity 3 - 4 | In the column headings (3) through (4), enter the titles of the same programs, functions, and activities shown on Lines 3-4, column (a), Section A. When additional sheets are prepared for Section A, provide similar column headings on each sheet. For each Grant Program, Function or Activity, fill in the total requirements for funds (both federal and non-federal) by object class categories. If using the Budget Information form through Grants.gov, the Grant Program, Function, or Activity is pre-populated by the Grant Program Function or Activity from column (A) in Section A – Budget Summary.<br>Required. | Leave all rows of this entire column blank. |
| 6(a) | Personnel | Enter funds required for purpose/column heading from the selected program. If not applicable, leave blank.<br>Optional. | Refer to Budget Narrative Guidance. This is an attachment to the NFO or is available at https://www.fpacbc.usda.gov/about/grants-and-agreements/apply-to-a-funding-opportunity/index.html. |
| 6(b) | Fringe Benefits | | |
| 6(c) | Travel | | |
| 6(d) | Equipment | | |
| 6(e) | Supplies | | |
| 6(f) | Contractual | | |
| 6(g) | Construction | | |
| 6(h) | Other | | |
| 6(i) | Total Direct Charges (sum of 6(a) thru 6(h)) | Sum of 6(a) thru 6(h). If using electronic form, these numbers are auto calculated.<br>Required. | This auto-calculates. |
| 6(j) | Indirect Charges | Enter the amount of indirect costs. If not applicable, leave blank.<br>Optional. | Refer to Budget Narrative Guidance, which is included as an attachment to the NFO or is available at https://www.fpacbc.usda.gov/about/grants-and-agreements/apply-to-a-funding-opportunity/index.html . |

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| 6(k) | TOTALS (sum of 6(i) thru 6(j)) | Enter the total of amounts on Lines 6i and 6j. (This amount is auto calculated if using Grants.gov.) For all applications for new grants and continuation grants, the total amount in column (5), Line 6k, should be the same as the total amount shown in Section A, Column (g), Line 5. For supplemental grants and changes to grants, the total amount of the increase or decrease as shown in Columns (1)-(4), Line 6k should be the same as the sum of the amounts in Section A, Columns (e) and (f) on Line 5. If using electronic form, these numbers are auto calculated.<br>Required. | Row 6(k) of Columns (1) and (2) will auto-populate; all other columns should be blank.<br><br>The total must be consistent with the Federal total in Section A (row 5 columns (e) and (f).<br><br>All costs must comply with the cost principles of 2 CFR Part 200, Subpart E – Cost Principles. All costs must be allowable (2 CFR 200.403), allocable to the agreement (2 CFR 200.405), and reasonable in amount (2 CFR 200.404). |
| 7 | Program Income | Enter the estimated amount of total income, if any, expected to be generated from this project. If not applicable, leave blank.<br>Optional. | If your project does not expect program income to be generated, leave this blank.<br><br>Program income (see 2 CFR 200.1) means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance except as provided in § 200.307(f). Program income includes but is not limited to income from fees for services performed, the use or rental or real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds.<br><br>This is the amount expected but may not necessarily be what is achievable under a resultant agreement. |
| **SECTION C – NON-FEDERAL RESOURCES** | | | |
| 8(a) | Grant Program Function or Activity 1 | Name of the grant program from which funds will be derived. Defaults to the corresponding program name in section A; but may be overwritten if called for by the instructions for this funding opportunity.<br>Required. | This will auto-populate. |
| 8(b-d) | Grant Program Function or Activity 2 - 4 | Enter resources provided by the applicant for the selected program. If not applicable, leave blank.<br>Optional. | Leave blank. |

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| 8(e) | (e) Total of Non-Federal Resources for Grant Program sum of line (a) through (d) | Total Sum of 8(b) thru 8(d).<br>Required. | Leave blank. |
| 12(b) thru 12(e) | Total (sum of lines 8-11) | Total for each column. If using electronic form, these numbers are auto calculated.<br>Required. | |
| **SECTION D – FORECASTED CASH NEEDS** | | | |
| 13 | Federal Total for 1st Year | Sum of Federal 1st Quarter – 4th Quarter Forecasted Cash Needs. If using electronic form, these numbers are auto calculated.<br>Required. | Per agency guidance leave blank. |
| | Federal Forecasted Cash Needs for 1st Quarter – 4th Quarter | Enter the forecasted cash needs from federal sources for each quarter of the first program year. If not applicable, leave blank.<br>Optional. | Leave blank. |
| 14 | Non-Federal for 1st Year | Sum of Non-Federal 1st Quarter – 4th Quarter Forecasted Cash Needs. If using electronic form, these numbers are auto calculated.<br>Required. | Per agency guidance leave blank. |
| | Non-Federal Forecasted Cash Needs for 1st Quarter – 4th Quarter | Enter the forecasted cash needs from non-federal sources for each quarter of the first program year. If not applicable, leave blank.<br>Optional. | Leave blank. |
| 15 | TOTAL (sum of lines 13 and 14) | Total for each column. If using electronic form, these numbers are auto calculated.<br>Required. | Per agency guidance leave blank. |
| | Total Forecasted 1st Year | Total Sum of 1st Year Federal and Non-Federal Forecasted Cash Needs. If using electronic form, these numbers are auto calculated.<br>Required. | |
| | Total Forecasted 1st Quarter – 4th Quarter | Total each Quarter Federal and Non-Federal Forecasted Cash Needs. If using electronic form, these numbers are auto calculated.<br>Optional. | Leave blank. |
| **SECTION E – BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT** | | | |
| 16(a) | Grant Program | Name of the grant program from which funds will be derived. Defaults to the corresponding program name in section A; but may be | This will auto-populate. |

| | | | |
|---|---|---|---|
| | | overwritten if called for by the instructions for this funding opportunity. Required. | |
| 16(b-d) | First Future Funding Period (year) – Third Future Funding Period (year) | Enter the estimated federal funds that will be required in each of the additional funding years for the selected program.<br>Optional. | Leave blank. |
| 16(e) | Fourth Future Funding Period (year) | Enter the estimated federal funds that will be required in the fourth funding year for the selected program.<br>Optional. | Leave blank. |
| 20 | Total (sum of lines 16-19) | Total Sum of Estimated Federal Funds needed for balance of project per year. Auto calculated. Required. | Leave blank. |
| **SECTION F – OTHER BUDGET INFORMATION** | | | |
| 21 | Direct Charges | Use this space to explain amounts for individual direct object class cost categories that may appear to be out of the ordinary or to explain the details as required by the Federal grantor agency. | Leave blank. |
| 22 | Indirect Charges | Enter the type of indirect rate (provisional, predetermined, final or fixed) that will be in effect during the funding period, the estimated amount of the base to which the rate is applied, and the total indirect expense. | |
| 23 | Remarks | Provide any other explanations or comments deemed necessary. | |

ATTACHMENT 1: SF424A SAMPLE

# BUDGET INFORMATION - Non-Construction Programs

OMB Number: 4040-0006
Expiration Date: 02/28/2022

## SECTION A - BUDGET SUMMARY

| Grant Program Function or Activity (a) | Catalog of Federal Domestic Assistance Number (b) | Estimated Unobligated Funds | | New or Revised Budget | | |
|---|---|---|---|---|---|---|
| | | Federal (c) | Non-Federal (d) | Federal (e) | Non-Federal (f) | Total (g) |
| 1. Federal | | $ | $ | $ 113,850.00 | $ | $ 113,850.00 |
| 2. Non-Federal | | | | | 38,500.00 | 38,500.00 |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. Totals | | $ | $ | $ 113,850.00 | $ 38,500.00 | $ 152,350.00 |

## SECTION B - BUDGET CATEGORIES

| 6. Object Class Categories | GRANT PROGRAM, FUNCTION OR ACTIVITY (1) Federal | (2) Non-Federal | (3) | (4) | Total (5) |
|---|---|---|---|---|---|
| a. Personnel | $ 80,000.00 | $ 28,000.00 | $ | $ | $ 108,000.00 |
| b. Fringe Benefits | 20,000.00 | 7,000.00 | | | 27,000.00 |
| c. Travel | 3,000.00 | | | | 3,000.00 |
| d. Equipment | | | | | |
| e. Supplies | 500.00 | | | | 500.00 |
| f. Contractual | | | | | |
| g. Construction | | | | | |
| h. Other | | | | | |
| i. Total Direct Charges (sum of 6a-6h) | 103,500.00 | 35,000.00 | | | $ 138,500.00 |
| j. Indirect Charges | 10,350.00 | 3,500.00 | | | $ 13,850.00 |
| k. TOTALS (sum of 6i and 6j) | $ 113,850.00 | $ 38,500.00 | $ | $ | $ 152,350.00 |
| | | | | | |
| 7. Program Income | $ | $ | $ | $ | $ |

## SECTION C - NON-FEDERAL RESOURCES

| (a) Grant Program | (b) Applicant | (c) State | (d) Other Sources | (e)TOTALS |
|---|---|---|---|---|
| 8. Federal | $ | $ | $ | $ |
| 9. Non-Federal | | | | |
| 10. | | | | |
| 11. | | | | |
| 12. TOTAL (sum of lines 8-11) | $ | $ | $ | $ |

## SECTION D - FORECASTED CASH NEEDS

| | Total for 1st Year | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
|---|---|---|---|---|---|
| 13. Federal | $ | $ | $ | $ | $ |
| 14. Non-Federal | $ | | | | |
| 15. TOTAL (sum of lines 13 and 14) | $ | $ | $ | $ | $ |

## SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

| (a) Grant Program | FUTURE FUNDING PERIODS (YEARS) | | | |
|---|---|---|---|---|
| | (b)First | (c) Second | (d) Third | (e) Fourth |
| 16. Federal | $ | $ | $ | $ |
| 17. Non-Federal | | | | |
| 18. | | | | |
| 19. | | | | |
| 20. TOTAL (sum of lines 16 - 19) | $ | $ | $ | $ |

## SECTION F - OTHER BUDGET INFORMATION

21. Direct Charges:

22. Indirect Charges:

23. Remarks:

## APPENDIX C - Budget Narrative Guidance

All costs must comply with the cost principles of 2 CFR Part 200, Subpart E – Cost Principles. All costs (both Federal and any 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, as applicable, 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. Provide information 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 is expected 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, specify estimated 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 = $24;
  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 x 12 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 has established lower levels) and an expected service life of more than one year. List each item of equipment along with the applicable 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 to be included in this category but instead, include under the Contractual category. If equipment is costly, include a lease vs purchase comparison in the budget narrative in support of route chosen.

**SUPPLIES**

Supplies is defined in 2 CFR 200.1 as all tangible personal property other than those described in 2 CFR 200.1 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 the allowability of costs.

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

| | | |
|---|---|---|
| Example: | General office supplies $50/mo. x 12 mo. = | $600 |
| | Postage $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 200.1 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 include a 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 §200.1 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. If budgeting 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 months = $ 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 200.1, 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) | $5,000 |
| Total | $6,900 |

Note: Percentage for contingencies is not an allowable cost.

**INDIRECT**

2 CFR 200.1 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 disproportionate to 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 indirect costs 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 Limitation section). 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% of Modified 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 not acceptable. 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 of Fringe, $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% de minimis 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 the de 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 of Fringe, 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 to subcontractors. 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 subject to this limitation first apply the 10 percent indirect cost rate to the agreement's total direct costs; this is shown on line 6.i of the 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 determine the 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 prior approval of the Federal awarding agency. 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 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 consistently treated as direct costs by the organization.