



# MONTANA DEPARTMENT OF **AGRICULTURE**

## **2026 SCBG Request for Proposal Manual and Program Guidelines**

### **Specialty Crop Block Grant Program**

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*Federal Fiscal Year 2026 Funding Cycle*

#### **Grant Proposal Due Date:**

February 27, 2025, 5:00 p.m. MST

#### **Contact:**

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**STAKEHOLDER INPUT:** The Montana Department of Agriculture seeks your comments about this Grant Proposal Manual. We will consider the comments when we develop the next Manual for the Specialty Crop Block Grant Program. Submit written stakeholder comments via e-mail to: [scbg@mt.gov](mailto:scbg@mt.gov). In your comments, please state that you are responding to the Federal fiscal year (FFY) 2026 Specialty Crop Block Grant Program – Request for Proposal Manual.

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## Funding Opportunity Description

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### Mission Statement

The mission of the Montana Department of Agriculture (MDA) is to protect producers and consumers, and to enhance and develop agriculture and allied industries.

### Legislative Authority

The Specialty Crop Block Grant Program (SCBG) is authorized under section 101 of the Specialty Crops Competitiveness Act of 2004 ([7 U.S.C. 1621 note](#)) and amended under [section 10010 of the Agricultural Act of 2014, Public Law 113-79](#) (the Farm Bill). SCBG is currently implemented under [7 CFR part 1291](#) (published March 27, 2009; 74 FR 13313). The U.S. Department of Agriculture (USDA), Agricultural Marketing Service (AMS) administers the SCBG, sub-awarding funds to State departments of agriculture in the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

### Purpose

Montana's SCBG Program assists entities in enhancing the competitiveness of Montana specialty crops.

### Available Funds

**MDA anticipates funding available of approximately \$2,700,000.** MDA plans to award multiple grants from these funds.

### Critical Dates

Date	Time*	Event	Venue
January 5, 2026	5:00 PM	Post Notice of Funding	MDA Website
Jan 21, 2026	1:00 PM	Technical Assistance #1	Zoom Call**
Feb 18, 2026	3:00 PM	Technical Assistance #2	Zoom Call**
Feb 27, 2026	5:00 PM	Applications Due to MDA	WebGrants
TBD-Summer, 2026		Award Announcement	MT Dept. of Ag

\*All times in Mountain Standard Time

\*\*Call information will be posted on the [MDA website](#)

### General Compliance

Awarded grant projects must comply with all applicable federal and state laws and regulations and the terms of the grant award. The Grantee shall comply with the [Specialty Crop Competitiveness Act of 2004 of Public Law 108-465](#) as amended (7 U.S.C. § 1621 note); federal cost principles at [2 CFR Part 200](#) and excluded and disqualified participant requirements at [2 CFR Part 180, subpart C](#). For-profit applicants must also comply with Federal Acquisition Regulation (FAR) Subpart 31.2, Contracts with Commercial Organizations, codified at [48 CFR Subpart 31.2](#).

## Eligibility

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### Eligible & Ineligible Specialty Crops

A comprehensive definition of specialty crops can be found on the [USDA website](#).

Eligible specialty crops must be intensively cultivated and used by people for food, medicinal purposes, and/or aesthetic gratification to be eligible.

### Eligibility Requirements

#### Eligible Applicants

State and/or local organizations, government entities, producer associations, academia, community-based organizations, and other specialty crop stakeholders are eligible to apply either as single entities or in combined efforts. Regional or multi-state projects may be considered.

#### Enhance Specialty Crops

To be eligible for a grant, the project(s) **must enhance the competitiveness** of specialty crops in either domestic or foreign markets and benefit crops grown in Montana.

#### Multiple Beneficiaries

MDA will not award grant funds for projects that solely benefit a commercial product or provide a profit to a single organization, institution or individual. In addition, recipients and subrecipients cannot use grant funds to compete unfairly with private companies that provide equivalent products or services.

#### Limit on Active Projects, Past Performance Considered

The SCBG program reserves the right to limit the number of active projects for any grant recipient and project lead. Limiting the number of projects could be for practical reasons, such as the PI/project lead already determined to be at 1.0 FTE on current SCBG projects awarded. An applicant may also be removed from competition in the screening stage if they previously received funding from MDA and failed to adequately deliver on the conditions of that funding. Failure to perform may include, but is not limited to:

- Inability to responsibly manage funds
- Inability to adhere to reporting requirements
- Failure to provide agreed upon deliverables

#### Minimum & Maximum Amount

Funding amount requested must be a minimum of \$25,000; there is no maximum funding on a project.

#### UEI Number

In order to receive an award all applying entities (as defined in [2 CFR Part 25, subpart C](#)) must provide a Unique Entity Identifier (UEI) number. A UEI can be obtained for free through SAM.gov at <https://sam.gov/content/home>.

## **Debarment & Suspension**

Organizations or individuals that are suspended, debarred, declared ineligible, or voluntarily excluded from eligibility for covered transactions by any Federal or State department or agency cannot, during the period of suspension, debarment, or exclusion, receive MDA and/or USDA grants or be paid from MDA and/or USDA grant funds, whether under an award, subaward, or contract. Charges made to the SCBG for such individuals (e.g., salary) are unallowable. Regulations published in [2 CFR part 180](#), as adopted and supplemented by USDA at [2 CFR part 417](#); describe the government-wide debarment and suspension requirements.

Applicants and grantees are required to disclose if any of the following conditions apply to a Subrecipient or principals, including all key grant management personnel:

- Within the 3-year period preceding the application, the Applicant or its principals have been convicted of, or had a civil judgment rendered against them, for:
  - fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction;
  - violation of a Federal or State antitrust statute;
  - embezzlement, theft, forgery, bribery, falsification, or destruction of records; or
  - false statements or receipt of stolen property.
- The Applicant or its principals are presently indicted or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated above.
- Within a 3-year period preceding the application, the Applicant or its principals had any public transaction (Federal, State, or local) terminated for cause or default.

A variety of “lower tier” covered transactions are also subject to these requirements. Contracts (including individual consultants) under grants (where the contract requires the provision of goods or services that will equal or exceed \$25,000) and all subawards also are subject to these suspension and debarment rules. The requirements of [Subpart C of 2 CFR part 180](#) provide Subrecipient’s responsibilities when entering into a lower-tier transaction.

## **Delinquency on Federal Debt**

Any organization or individual that is indebted to the United States and has a judgment lien filed against it for a debt to the United States, is ineligible to receive a federal grant. Applicants are required to inform MDA if they are delinquent on any Federal debt. If an applicant discloses a delinquency, MDA may not award a grant until the debt is satisfied, or satisfactory arrangements are made with the agency to which the debt is owed.

Anyone who has been judged to be in default on a federal debt and who has had a judgment lien filed against him or her should not be a participant in an application for a SCBG grant until the judgment is paid in full or is otherwise satisfied. No funds may be re-budgeted following an award to pay such an individual. MDA will disallow costs charged to awards that provide funds to individuals in violation of this requirement.

## Eligible Projects

USDA encourages entities to develop projects pertaining to the following issues affecting the specialty crop industry:

- Investing in specialty crop research, including research to focus on conservation and environmental outcomes;
- Developing new and improved seed varieties and specialty crops;
- Pest and disease control;
- Increasing child and adult nutrition knowledge and consumption of specialty crops;
- Improving efficiency and reducing costs of distribution systems;
- Sustainability;
- Enhancing food safety; and
- Improving the capacity of all entities in the specialty crop distribution chain to comply with the requirements of the Food Safety Modernization Act (21 U.S.C. Chapter 27), for example, developing “Good Agricultural Practices,” “Good Handling Practices,” “Good Manufacturing Practices,” and in cost-share arrangements for funding audits of such systems (including USDA GroupGAP) for small farmers, packers and processors.

Projects that support the increased consumption of fruits and vegetables in the Supplemental Nutrition Assistance Program (SNAP) by providing incentives at the point of purchase and/or include technologies for benefit redemption systems should consider submitting those projects to the [Food Insecurity Nutrition Incentive Grant Program \(FINI\)](#).

Projects that support domestic farmers’ markets, roadside stands, community-supported agriculture programs, agritourism activities, other direct producer-to-consumer market opportunities, local and regional food business enterprises that process, distribute, aggregate, or store locally or regionally produced food products should consider submitting those projects to the [Farmers Market Promotion Program](#) and [Local Food Promotion Program](#).

Projects that support biobased products and bioenergy and energy programs, including biofuels and other alternative uses for agricultural and forestry commodities (development of biobased products) should see the USDA energy website at <https://www.rd.usda.gov/programs-services/energy-programs> for information on how to submit those projects for consideration to the energy programs supported by USDA. Please see the link for the [Rural Energy for America \(REAP\)](#) grant program.

### Examples of Acceptable Projects

- An eligible research entity requests funds to enhance soil amendments for a specialty crop, in coordination with producers from that industry.
- A single farmer erects high tunnels on his/her property to extend the growing season of tomatoes and lettuce and conducts a field day and farm tour to encourage other small family farmers to adopt the production methods.

### Examples of Unacceptable Projects

- An organization requests funding for a purpose other than Specialty Crop project-based development, or towards operation costs for the organization.
- A company requests grant funds to purchase starter plants or equipment used to plant, cultivate, and grow a specialty crop to make a profit, or to expand production of a single business or organization.

- A single specialty crop organization requests grant funds to market its organization so that it can increase its membership.

## Priorities

The following priorities have been adopted by MDA specific to the Specialty Crop Block Grant Program. These priorities are used to guide the MDA Director in making decisions on funding recommendations.

### Providing Farmer Education on Specialty Crop(s)

- Farm to institution practices
- Practical business skill building for SC producers
- Farm and food safety
- Organic production
- Soil health and conservation
- Industry promotion and marketing development
- Tribal sharing of traditional ecological knowledge of indigenous specialty crops

### Planning and Supporting Infrastructures that create or support Specialty Crop(s)

- Cost-sharing and cooperative models for storage
- Distribution system efficiency, cost-savings and resiliency
- Regional and state processing infrastructure planning
- Supporting small scale aggregation
- Farm to Institute
- Value-added production

### Supporting Research in the Areas of Specialty Crop(s)

- Supporting Farmer's interests with research
- Research in soil amendments
- Drought tolerant, Cold tolerant, and disease resistant varieties
- Low external-input growing methods
- Genetic resources for cultivar development
- Low-cost technology development for the producer
- Specialty crop training in production methods

### Building Consumer and Buyer Relationships

- Regional and statewide education and marketing efforts around specialty crop products
- Marketing opportunities to connect producers and buyers

### Strengthening Producer Networks and Associations

- Producer networking events
- Capacity building
- Use of available forums for producer connections
- Encourage consumer education

### Representing a Geographic Diversity of Projects across the State, with Rural and Tribal Consideration

## Multiple Grant Proposals

An entity may submit more than one grant proposal only if the proposals are for distinctly different projects, and the Primary Investigator or organization staff's work does not exceed 1.0 FTE.

## **Multi-State Partnerships**

A project is multi-state when an organization receives SCBG funding from more than one state to execute the same or multiple components of the same project. The project must be identified as a multi-state project in the Grant Proposal.

Applicants should specifically address how the funds requested benefit Montana Specialty Crops.

## **How to Apply**

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Applications for this grant should be completed on the provided forms in the appendices and submitted via the WebGrants website. Forms are also posted on the [Montana specialty crop webpage](#) in an open format.

**Applications will only be accepted on the forms provided and submitted through [WebGrants](#). Applications may not be submitted on paper or via email.**

## **Important Dates**

### **Final Grant Proposal Due Date**

Completed grant proposal packets must be uploaded and submitted via WebGrants no later than **5:00 p.m. Friday, February 27, 2026**. Late applications cannot be submitted in WebGrants after the end date and time.

### **Project Operating Dates**

Proposed projects should start no earlier than September 30, 2026 and end no later than September 29, 2029. No-cost extensions beyond September 29, 2029, are not allowable per USDA regulations.

## **Submission**

Requirements for submitting the grant are as follows:

### **Grant Proposal Packet Requirements**

Applicants must adhere to the instructions in this RFP to be eligible for grant funds. Grant Proposals must be submitted in their entirety. Applications should not contain any materials not requested in this packet.

### **Method**

Applications must be uploaded and submitted via WebGrants. If technical difficulties make applying impossible, the applicant must contact the SCBG Program Staff **prior to the application due date**.

## **Next Steps**

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After submitting the Grant Proposal Packet, the WebGrants system will notify the Applicant of receipt. MDA encourages all Applicants to submit proposals at least one week prior to the due date to ensure on-time

receipt. If you do not receive a notification of receipt within 24 hours of the due date, contact the SCBG Program Staff.

## Confidential Information

After grant awards have been made, all Grant Proposal packets and the associated evaluations will be available to the public. **PRIOR TO SUBMITTING a proposal to the Department, you must send a written description of the information you believe is subject to confidentiality (including trade secrets, as defined by Mont. Code Ann. 30-14-402).** Department legal staff will review the description to determine if the information is such that there is an individual privacy interest worthy of constitutional protection. If the privacy interest clearly exceeds the merits of public disclosure, the Department will work with the Applicant to determine what action may be taken. Information received pursuant to an approved confidentiality agreement will be available for review only by the SCBG Specialist and Manager, the evaluation committee members, the Department of Agriculture Director, and Department legal counsel. Applicants shall pay all legal costs associated with defending a claim for confidentiality should another person or entity submit a State of Montana, Article 2 "Right to Know" (open records) request.

## Screening

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### Screening Team

The first step in the Funding process is screening. MDA's Internal Screening Team reviews proposals according to the items in the Screening Criteria section below.

### Screening Criteria

#### Criteria

- Are all required materials included in the application?
- Are all sections of the proposal complete?
- Is the applicant's organization eligible to apply?
- Are the applicant and listed contractors eligible to receive federal funds (not suspended or debarred)?
- Is the application in compliance with applicable federal and state regulations and in alignment with this notice?
- If a current SCBG grantee, is the Grant Project Contact (or PI, staff, etc.) already working at 1.0 FTE?
- If a current SCBG grantee, are all current project invoicing and reporting periods current?
- If a previous grantee, has the organization successfully completed past projects?
- Does the proposed project enhance the competitiveness of specialty crops?
- Does the proposal clearly define a challenge that is facing today's specialty crop industry in Montana, and indicate a project which will assist in finding a solution?

If the screening team answers no to any of the above questions the application will be removed from competition.

## Screening Results

Grant Proposals passing Screening will proceed to Evaluation. Grant Proposals that do not pass screening will not receive further consideration for an award. Neither the Screening Team, nor MDA is required to recommend funding a project that does not sufficiently satisfy the screening criteria.

The SCBG Program Manager will notify all applicants of the results of the screening process within 30 days of the due date. Applicants may protest the screening decision of a rejected proposal as described in the Request for Reconsideration section of this RFP.

The second step in the funding decision process is Evaluation.

## Evaluation

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### Reviewers

MDA will send applications that pass screening to reviewers. MDA selects the reviewers based on expertise and geographic distribution. To ensure high quality and fair reviews, the reviewers will consist of technical experts from various fields.

### Conflict of Interest

Individuals selected to review SCBG applications are responsible for notifying MDA staff of any potential conflict of interest, real or apparent, with any applicant requesting funding. MDA Legal staff will review all disclosed conflicts of interest to determine whether a conflict of interest exists. If a conflict exists, the reviewer will be recused from participating in the decision process on the conflicted application.

Reviewers will disclose any conflict of interest and certify that they are otherwise free from any conflict of interest.

### Evaluation Criteria

Reviewers will use the Evaluation Criteria below to rate the Grant Proposal packets and make recommendations for funding to MDA's Director.

Category	Points possible	Assessment areas
Project purpose	30	<ul style="list-style-type: none"><li>• Does the applicant define the need for and purpose of the project?</li><li>• Does the project align with the determined priorities for the current RFP?</li><li>• Are the project objectives clear and appropriate?</li><li>• Do the objectives align adequately with the outcome(s) and indicator(s)?</li></ul>
Potential Impact	40	<ul style="list-style-type: none"><li>• Does the proposed project continue the efforts of a previously funded project?</li><li>• If so, what is the plan for the project to eventually become self-sustaining?</li><li>• Does the applicant define a specific group of specialty crop industry beneficiaries?</li><li>• Does the applicant provide a reasonable estimate of the number of beneficiaries that will be impacted?</li></ul>

		<ul style="list-style-type: none"> <li>• Does the applicant describe how beneficiaries will be impacted by the project?</li> <li>• Do they show that the project will improve upon the current conditions that are facing producers?</li> <li>• Does the applicant demonstrate that the project will have a significant economic impact for the specialty crop industry?</li> </ul>
Outreach	10	<ul style="list-style-type: none"> <li>• Does the applicant present a plan to share information from this project with specialty crop growers and stakeholders?</li> </ul>
Project Support	10	<ul style="list-style-type: none"> <li>• Does the applicant demonstrate that they have engaged critical stakeholders that will help to ensure the success and impact of the project?</li> </ul>
Budget	10	<ul style="list-style-type: none"> <li>• Is the amount requested reasonable?</li> <li>• Are line items reasonable and appropriate?</li> <li>• Does the budget narrative adequately explain the line items?</li> </ul>

## Scoring Matrix

Members of the grant review workgroup will be given the table below as guidance for scoring applications.

Points Possible	Unacceptable	Acceptable	Good	Excellent
40	<21	21-30	31-36	37-40
30	<16	16-23	24-27	28-30
10	<6	6-7	8-9	10

Applications will be ranked based on the consensus (not average) scores of the grant review workgroup. Rankings will be presented to the MDA Director who will make the final determination regarding which applications will be recommended to USDA-AMS for funding.

The third step in the funding decision process is review and recommendation by the MDA Director.

## Director's Recommendation

The MDA Director (or their designee) will make all final decisions on which applications are submitted to USDA. In making their decision, the Director will utilize the reviewer's ranking of applications, the funding priorities identified in this packet and any other materials the Director may deem pertinent.

The SCBG Program Manager will notify all Applicants of the results of the Evaluation process and inclusion in the Director's decision within 120 days of the application due date.

## USDA-AMS Approval

Applications selected by the Director for submission will be sent to USDA-AMS for final review. USDA-AMS will conduct a review to ensure proposals meet the statutory purpose of the program, are in

accordance with regulations and costs are allowable. USDA-AMS may require additional information from Applicants at this time; failure to provide the requested information in a timely manner may result in loss of funding.

Once all administrative and programmatic issues have been resolved, USDA-AMS will notify MDA and the SCBG Program Manager will notify Applicants of the results. MDA anticipates that grant awards and notifications will be made Summer, 2026.

The last step in the funding process is a formal grant contract agreement.

## **Grant Agreement**

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Once official notification of award is received from USDA-AMS, MDA staff will supply each grantee with a contract formalizing the relationship under which the project will be conducted. Grantees must sign and return the contract to MDA before funds can be drawn on the project. In signing the contract, the grantee agrees to complete the project as described in the final proposal accepted by USDA-AMS, this will include any agreed upon revisions between the grantee, MDA and USDA-AMS.

***Subaward opportunities published by the Grant recipient and the Montana Department of Agriculture must include acknowledgment that funding is from USDA AMS and use the USDA logo.***

## **Requests for Reconsideration**

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Applicants who wish to have the results of Screening or Evaluation reconsidered may make such request based on substantive issues of fact concerning bias, discrimination, conflicts of interest and/or non-compliance with procedures described in this Funding Notice.

The request for reconsideration must be submitted in writing to the Department of Agriculture SCGB Program Manager within 7 days following notification of the Screening or Evaluation results.

Requests for reconsideration must describe the substantive fact(s) concerning bias, discrimination, conflict of interest, or noncompliance that affected the screening or evaluation of their proposal.

MDA Legal Counsel and/or their designee will review the request for reconsideration to determine whether the claims made are substantiated and likely to have resulted in an inaccurate, inconsistent, or unfair assessment of their proposal.

The applicant will be notified of the results of Legal Counsel's review within 7 days of the receipt of their request.

Should MDA Legal Counsel find that claims are substantiated, all application materials and the accompanying request for reconsideration will be provided to the MDA Director prior to the selection of applications for inclusion in the state plan

# Specialty Crop Block Grant Program Guidelines

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*Program Guidelines Effective*

*January 5th, 2026*

## General Responsibilities

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The following is an outline of the duties and responsibilities of individuals involved in SCBG awards.

### SCBG Program Manager and Specialist

MDA's SCBG Program Manager and Specialist monitors Subrecipients' compliance with Federal and State statutes and regulations, grant terms and conditions, and reporting requirements. The SCBG Program Manager and Specialist also provide Subrecipients with technical assistance and consultation throughout the Grant Agreement term. For assistance with current SCBG grants, please contact SCBG Program Specialist Caitlin Hortert at [c.hortert@mt.gov](mailto:c.hortert@mt.gov).

### Subrecipient

MDA awards subrecipient grants to State and/or local organizations, government entities, producer associations, academia, community-based organizations, and other specialty crop stakeholders. The subrecipient is legally accountable for the performance of the award and the expenditure of funds. Subrecipients must:

- Be free of federal debarment and suspension;
- Have capacity to staff the project appropriately;
- Manage project resources efficiently;
- Use an adequate financial management system for tracking grant funds and source documentation;
- Ensure compliance with both Federal and State requirements; and
- Establish measurable program outcomes and conduct activities that will contribute to achieving those outcomes.

Roles and responsibilities of designated individuals who serve as agents of the Subrecipient are as follows:

## Grant Project Primary Investigator (PI)

The Grant Project PI is the individual, designated by Subrecipient, responsible for the technical and programmatic aspects of the grant and for day-to-day management of the project. This individual ensures that the project is administered as outlined in the approved grant proposal and monitors compliance with the terms and conditions of the award. The Grant Project PI should maintain contact with MDA SCBG staff with respect to business, administrative, technical, or programmatic aspects of the award. These responsibilities also include accountability both for the appropriate use of awarded funds and the performance of the grant-supported project or activities as specified in the approved application.

The Grant Project PI generally is an employee of the Subrecipient. If the Grant Project PI is not an employee of the Subrecipient, a formal written agreement with the Grant Project PI must be in place that specifies an official relationship between the parties.

## Grant Contract Signatory

The Contact Signatory is the designated representative of the Subrecipient with authority to act on the organization's behalf in matters related to the award and administration of grants. In signing a contract with MDA, this individual agrees that the organization will assume the obligations imposed by applicable Federal and State statutes and regulations and other terms and conditions of the award, including any assurances. These responsibilities include accountability both for the appropriate use of awarded funds and the performance of the grant-supported project or activities as specified in the approved application. Although MDA requires you to designate such an individual, MDA does not specify the organizational location or full set of responsibilities for this individual.

## Grant Agreement

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Upon USDA-AMS approval of Montana's State Plan, MDA will enter into a contract with the Subrecipient. The signature of an authorized representative of the Subrecipient on the Grant Agreement constitutes acceptance of an award and its associated terms and conditions.

MDA must receive a copy of Subrecipient's signed Grant Agreement prior to any payment being made on the project. Should the Subrecipient choose not to accept an award, the Subrecipient must notify MDA immediately.

The contents of the Grant Agreement are binding on the Subrecipient and MDA once the Subrecipient's authorized representative has accepted the Grant Agreement, unless and until modified.

Grant Award Agreements are intended to incorporate all provisions required by federal law. If MDA learns that a provision required by federal law has not been incorporated in the Agreement, the parties agree to promptly amend the Agreement to include the provision. If there is a perceived conflict between the statutory and regulatory requirements and the terms and conditions in this part, or if there are questions, Subrecipient may request written clarification from MDA at any time; however, if the inclusion of the term or condition would cause Subrecipient not to accept the award or to be unable to comply, Subrecipient must raise the question *before* award acceptance.

## Special Conditions

At any point prior to and/or during the contract period, the SCBG Program Manager may impose special conditions on Subrecipients who are considered moderate to high-risk, or those considered noncompliant with Federal and State laws and regulations, Grant Agreement terms and conditions, and the Grant Management Manual. Special condition examples include:

- More frequent submission of progress reports
- More frequent submission of invoices
- Submission of additional supporting documents to accompany each receipt
- Additional site visits, and/or desk reviews

Reasons for imposing special conditions include but are not limited to:

- Inadequate financial management systems
- Late invoices or progress reports
- Audit findings
- Poor performance on previous grants

## Assignments

The parties mutually agree that there will be no assignment, transfer, or other delegation of awarded projects, nor any interest in the awarded projects, unless prior agreement has been stipulated elsewhere in the agreement made between the two parties, or with the express written consent of both parties.

## Legal Relationship between the Parties

In performing proposal activities, Subrecipient is not an agent, employee, or independent contractor of the state.

The agents, employees, cooperators, and independent contractors, associated with or hired by the Subrecipient to perform or assist in performing proposal activities are not agents, employees, cooperators, or independent contractors of Montana Department of Agriculture.

The grant agreement does not create a partnership, joint venture, joint enterprise, or joint undertaking of any sort between Subrecipient, its agents, employees, cooperators, and independent contractors and the State of Montana, for the performance of proposal activities.

## Modifications

This grant contains the entire agreement between the parties, and no statements, promises or inducements made by either party or agents of either party, which are not contained in the contract, amendments, or revision request form, shall be valid or binding. The awarded project shall not be enlarged, modified, or otherwise altered without written agreement of both parties.

## Non-Discrimination

Subrecipients must agree to comply with [Montana Human Rights Act \(Title 49 of the MCA\)](#). Any hiring of employees under this agreement by the Subrecipient shall be on the basis of merit and qualification, and there shall be no discrimination in such hiring on the basis of race, color, religious creed, political ideas, sex, age, marital status, physical or mental disability, national origin, or ancestry. As used herein, "qualifications" means qualifications that are generally related to competent performance of the particular occupational task.

## Permitting

SCBG funded projects may involve conducting work that requires permits and clearances from various agencies. MDA does not determine which, if any, permits are required for specific projects, nor does it review permits for accuracy or appropriateness. Applicants are responsible for determining that all necessary permits that apply to their project are identified and obtained.

## Conflict of Interest or Other Violations of Governmental Ethics

Grant Award Agreements will be subject to cancellation for any violation of [MCA Title 2 Chapter 2](#).

## Arbitration

Subrecipients must agree to use arbitration, after exhausting all applicable administrative remedies, to resolve disputes arising out of the Grant Award Agreement to the extent required.

## Indemnity & Liability

The Subrecipient shall protect, indemnify, defend, and save Montana Department of Agriculture and the State of Montana and its agents harmless from and against any and all claims, portions of claims, liabilities, demands, causes of actions, judgments, and settlements, including costs and reasonable attorney's fees arising in favor of or asserted by any person or entity; on account of personal injury, death, or damage to real or personal property which is, or alleged to be the result, in whole or in part of any acts or omissions of the Subrecipient, its employees, agents, or independent contractors, or cooperating landowners, their employees, agents, or independent contractors, in connection with the proposal activities described in the agreement made and attachments; on account of the failure of the Subrecipient to perform under and comply with "Purpose & Scope of Work" and "Contract Terms" of the awarded project.

The duty of Subrecipient to defend is not contingent upon an admission or jury determination that the Subrecipient committed any negligent acts or engaged in any willful misconduct. Subrecipient shall pay the reasonable cost and attorney's fees incurred by the State in establishing its right to defense or indemnification provided herein.

## Federal Requirements

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Subrecipients are responsible for identifying the Federal regulations appropriate to their organization and for the consistent application of these regulations to the SCBG grant funds. Subrecipients are also responsible for ensuring their contractors/consultants comply with applicable Federal regulations.

## Uniform Administrative Requirements

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are contained in the Code of Federal Regulations (CFR) at [2 CFR 200](#).

## Cost Principles

All recipients of federal funds should familiarize themselves with the [Cost Principles](#). The following general guideline is provided as a reference on determining the allowability of costs to be charged to a federal grant. All spending of grant funds should be accompanied by a thorough review of the 2 CFR 200 and the USDA Agricultural Marketing Service,

### **2 CFR 200.403 Factors affecting allowability of costs.**

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally- financed program in either the current or a prior period. See also §200.306 Cost sharing or matching paragraph (b).
- (g) Be adequately documented. See also §200.300 Statutory and national policy requirements through 200.309 Period of performance of this part.

The fact that the MDA awards a request for funds by an applicant does not indicate a determination of allowability.

## Cost Considerations

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Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Typically, examples of direct costs include compensation of employees who work directly on the award to include salaries and fringe benefits, travel, equipment, and supplies directly benefiting the grant-supported project or program.

Indirect (facilities & administrative (F&A)) costs mean 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. MDA allows indirect costs to be charged to SCBG awards up to a maximum of 5% of the award's personnel and fringe benefits.

## Allocation of Costs

The following is adapted from [2 CFR 200.405](#)

- (a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:
  - a. Is incurred specifically for the project;
  - b. Benefits both the project and other work of the subrecipient and can be distributed in proportions that may be approximated using reasonable methods; and
  - c. Is necessary to the overall project and is assignable in part to the project in accordance with the principles.
- (b) All activities which benefit from the non-Federal entity's indirect (F&A) cost, including unallowable activities and donated services by the subrecipient or third parties, will receive an appropriate allocation of indirect costs.
- (c) Any cost allocable to a particular Federal award under the cost principles may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.
- (d) Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also the following sections of [2 CFR 200.310 Insurance coverage](#) through 200.316. Property standards and [2 CFR 200.439 Equipment and other capital expenditures](#).

## Allowable Cost Activities

All costs must enhance the competitiveness of specialty crops. At a minimum, the costs of activities that benefit specialty crops must be readily distinguishable from other financial activities. If Subrecipient does not do this or it is impractical to segregate these costs, then the costs are not allowable.

The governing cost principles address selected items of cost; however, MDA mentions some costs in this subsection for emphasis. MDA does not intend for this subsection to be all-inclusive. Subrecipients should

consult the [Federal Cost Principles](#) for a complete explanation of the allowability of costs they address. If Subrecipients have questions concerning the allowability of costs after reviewing the associated Federal cost principles, contact MDA SCBG staff.

Subrecipient and contractors under grants are subject to the requirements of the cost principles otherwise applicable to their type of organization and to these terms and conditions of the award.

## Selected Cost Items

Subrecipients are encouraged to contact [MDA SCBG staff](#) to confirm allowability of costs.

Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
<b>Advisory Councils</b>	ALL with exceptions	<b>Unallowable</b> for costs incurred by advisory councils or committees, unless specifically fulfilling the purpose or approved activities of a grant program or project.
<b>Alcoholic Beverages</b>	ALL with exceptions	<b>Unallowable</b> for alcoholic beverages unless the cost is associated with fulfilling the purpose of the grant program and either approved in the application or with prior written approval.
<b>Buildings and Land – Construction</b>	ALL with exceptions	<b>Unallowable</b> for the acquisition of buildings, facilities, or land or to make new constructions, additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations of an existing building or facility (including site grading and improvement, and architecture fees), unless the cost is associated with fulfilling the purpose of the grant program or with prior written approval. This also includes construction-related materials, which may include, but are not limited to, the purchase of building materials such as wood, nails, concrete, asphalt, roofing, gravel, sand, paint, insulation, drywall, or plumbing. <b>Allowable</b> for rental costs of land and building space.
		However, lease agreements to own (i.e., lease-to-own or rent-to-own) are not allowable. The lease or rental agreement must terminate at the end of the grant cycle. A building is any permanent structure designed or intended for support, enclosure, shelter, or protection of people, animals, or property, and having a permanent roof supported by columns or walls.

<b>Conferences</b>	ALL with exceptions	<p><b>Allowable</b> if the conference fulfills the grant program's purpose. Allowable conference costs paid by the non-Federal recipient as a sponsor or host of the conference may include rental of facilities, speakers' fees, costs of meals (see <a href="#">Meals</a> for restrictions), and refreshments, local transportation, and other items incidental to such conferences with the exception of entertainment costs that are unallowable. If registration fees are collected, the recipient must report fees as program income (see <a href="#">Program Income</a>).</p> <p><b>Allowable</b> to rent a building or room for training; however, where appropriate, AMS encourages the use of technologies such as webinars, teleconferencing, or videoconferencing as an alternative to renting a building or a room. The recipient should use the most cost-effective facilities, such as State government conference rooms if renting a building or a room is necessary.</p>
<b>Contingency Provisions</b>	ALL	<p><b>Unallowable</b> for miscellaneous and similar rainy-day funds for events the occurrence of which cannot be foretold with certainty as to the time or intensity, or with an assurance of their happening. Unallowable for working capital for activities/items not already in place.</p>
<b>Contractual/Consultant Costs (Professional Services)</b>	ALL	<p><b>Allowable subject to limitations.</b> Contractual/consultant costs are expenses associated with purchasing goods and/or procuring services performed by an individual or organization other than the recipient in the form of a procurement relationship.</p> <p><b>Allowable</b> for contractor/consultant employee rates that do not exceed the salary of a GS-15 step 10 Federal employee in the area (for more information, visit the <a href="#">OPM</a> website) and travel that is reasonable and necessary. This does not include fringe benefits, indirect costs, or other expenses. If rates exceed this amount, the recipient is required to justify the allowability of the cost aligning with <a href="#">2 CFR §§ 200.317-327</a>.</p>
<b>Contributions or Donations</b>	ALL	<p><b>Unallowable</b> for contributions or donations, including cash, property, and services, made by the recipient to other entities. A nonfederal entity using grant funds to purchase food or services to donate to other entities and/or individuals is unallowable.</p>
<b>Electronic Benefit Transfer (EBT) Machines</b>	ALL	<p><b>Unallowable</b> for the purchase/lease of Supplemental Nutrition Assistance Program (SNAP) EBT equipment.</p>
<b>Entertainment Costs</b>	ALL with exceptions	<p><b>Unallowable</b> for entertainment costs including amusement, diversion, and social activities and any costs directly associated with such costs (such as bands, orchestras, dance groups, tickets to shows, meals, lodging, rentals, transportation, and gratuities). Entertainment costs are defined in <a href="#">2 CFR § 200.438</a>.</p> <p><b>Allowable</b> where the specific cost is considered to meet the requirements of the sponsored program and are authorized in the approved budget or with prior written approval.</p>

<b>Equipment – General Purpose</b>	ALL	<p><b>Unallowable</b> for acquisition costs of general purpose equipment or lease agreements to own (i.e., lease-to-own or rent-to-own).</p> <p><b>Allowable</b> for rental costs of general purpose equipment when provided in the approved budget or with prior written approval. ‘General Purpose’ vehicles may not be purchased and may only be leased with prior written approval (and only if specific to fulfilling the purpose of the grant). The lease or rental agreement must terminate at the end of the grant cycle.</p> <p>For vehicle and equipment leases or rentals with an acquisition cost that equals or exceeds \$10,000, rates should be in light of factors such as: rental costs of comparable vehicles and equipment, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the vehicle or equipment leased.</p> <p><b>Allowable if special purpose equipment (and NOT general purpose equipment). Special purpose equipment is defined below in this chart under “Equipment – Special Purpose.”</b></p>
<b>Equipment – Information Technology Systems and Telecommunications</b>	ALL	<p><b>Unallowable</b> for information technology systems having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established in accordance with GAAP by the recipient for financial statement purposes or \$10,000. Acquisition costs for software include those development costs capitalized in accordance with GAAP. Information technology systems include computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources.</p> <p>Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting, and receiving, or storing electronic information. Examples of unallowable information technology systems include service contracts, operating systems, printers, and computers that have an acquisition cost of \$10,000 or more. See also special prohibition on the purchase of certain telecommunications and video surveillance described in <a href="#">2 CFR § 200.216</a>.</p> <p><b>Allowable</b> for special purpose systems specific to the food and agricultural sectors and specific to the activities in the grant.</p>
		<p>Examples include food sales and traceability applications, systems and software that support specialized equipment by design and website development, mobile apps, etc.,</p>

<b>Equipment – Special Purpose</b>	ALL	<p><b>Allowable</b> when provided in the approved budget or with prior written approval for acquisition costs and rental costs of special purpose equipment provided the following criteria are met:</p> <ol style="list-style-type: none"> <li>1. Necessary for the research, scientific, or other technical activities of the grant agreement;</li> <li>2. Not otherwise reasonably available and accessible;</li> <li>3. The type of equipment is normally charged as a direct cost by the organization;</li> <li>4. Acquired in accordance with organizational practices;</li> <li>5. Must be used solely to meet the legislative purpose of the grant program and objectives of the grant agreement;</li> <li>6. More than one single commercial organization, commercial product, or individual must benefit from the use of the equipment;</li> <li>7. Must not use special purpose equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services; and</li> <li>8. Equipment is subject to the full range of acquisition, use, management, and disposition requirements under <a href="#">2 CFR § 200.313</a> as applicable.</li> </ol> <p>Examples of special purpose equipment in the agricultural sector include, but are not limited to: sorting equipment, packing and labeling equipment, food processing equipment essential to the grant-funded project, purpose specific vehicles or trailers, such as refrigerated vans that will not be used as personal vehicles.</p>
<b>Farm, Gardening, and Production Activities and Supplies</b>	ALL with exceptions	<p><b>Unallowable</b> for farm, gardening, and production activities, materials, supplies, and other related costs including but not limited to soil, seeds, shovels, gardening tools, greenhouses, and hoop houses.</p> <p><b>Allowable</b> where the specific cost is considered to meet the requirements of grant and is authorized in the approved budget or with prior written approval.</p>
<b>Fines, Penalties, Damages and Other Settlements</b>	ALL	<p><b>Unallowable</b> for costs resulting from violations of, alleged violations of, or failure to comply with, Federal, State, tribal, local, or foreign laws and regulations.</p>
<b>Fixed Amount Subawards</b>	ALL with exceptions	<p><b>Unallowable</b> for cost related to fixed amount subawards.</p> <p><b>Allowable</b> to meet the requirements of the grant award (noncompetitive) or with prior written approval. A recipient may provide subawards based on fixed amounts up to the simplified acquisition threshold, provided that the subawards meet the requirements for fixed amount awards in <a href="#">2 CFR § 200.201</a>.</p>

<b>Fundraising and Investment Management Costs</b>	ALL	<b>Unallowable</b> for organized fundraising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions, regardless of the purpose for which the funds will be used. This includes salaries of personnel involved in activities to raise capital.
<b>General Costs of Government</b>	ALL	<b>Unallowable</b> for: Salaries and expenses of the Office of the Governor of a State or the chief executive of a local government or the chief executive of an Indian tribe; Salaries and other expenses of a State legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction; Costs of the judicial branch of a government; Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General as described in <a href="#">2 CFR § 200.435 Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements</a> ); and Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.
<b>Goods or Services for Personal Use</b>	ALL	<b>Unallowable</b> for costs of goods or services for personal use of the recipient's employees regardless of whether the cost is reported as taxable income to the employees.
<b>Indirect Costs – Unrecovered</b>	ALL with exceptions	<b>Unallowable</b> for unrecovered indirect costs. <b>Allowable</b> for projects with match requirements to use unrecovered indirect costs as part of cost sharing or matching.
<b>Insurance and Indemnification</b>	ALL	<b>Allowable</b> when provided in the approved budget or with prior written approval as indirect costs for insurance and indemnification.
<b>Lobbying</b>	ALL	<b>Unallowable</b> as defined in <a href="#">2 CFR § 200.450</a> .
<b>Meals</b>	ALL	<b>Unallowable</b> for business meals when individuals go to lunch or dine together although no need exists for continuity of a meeting. Such activity is considered an entertainment cost. <b>Unallowable</b> for conference attendee breakfasts. It is expected attendees will have adequate time to obtain this meal on their own before a conference begins. <b>Unallowable</b> for meal costs that duplicate a meeting participant's per diem or subsistence allowances. <b>Allowable</b> for lunch or dinner meals if the costs are

		reasonable, and a justification is provided that such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants. <b>Allowable</b> for meals consumed while in official travel status. They are considered per diem expenses and should be reimbursed in accordance with the organization's established written travel policies.
<b>Memberships, Subscriptions, and Professional Activity Costs</b>	ALL	<b>Unallowable</b> for costs of membership in any civic or community organization. <b>Allowable</b> for costs of membership in business, technical, and professional organizations when provided in the approved budget or with prior written approval.
<b>Organization Costs</b>	ALL	<b>Unallowable</b> for costs of investment counsel and staff and similar expenses incurred to enhance income from investments. <b>Allowable</b> with prior approval for organization costs <a href="#">per 2 CFR § 200.455</a> .
<b>Participant Support Costs</b>	ALL	<b>Allowable</b> when provided in the approved budget or with prior written approval for such items as stipends or subsistence allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with approved conferences, training projects, surveys, and focus groups.
<b>Political Activities</b>	ALL	<b>Unallowable</b> for development or participation in political activities, in accordance with provisions of the Hatch Act ( <a href="#">5 U.S.C. §§ 1501-1508</a> and <a href="#">§§ 7324-7326</a> ).
<b>Pre-Award Costs (see also <a href="#">section 9.5</a> below)</b>	ALL	<b>Allowable</b> when provided in the approved budget or with prior written approval of such costs are necessary for efficient and timely performance of the project's scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award. If charged to the award, these costs must be charged to the initial budget period of the award, unless otherwise specified by AMS. A recipient may incur pre-award costs 90 calendar days before the award. Expenses more than 90 calendar days pre-award require prior approval. These costs and associated activities must be included in the recipient's project narrative and budget justification. All costs incurred before the award are at the potential recipient's risk. The incurrence of pre-award costs in anticipation of an award imposes no obligation on AMS to award funds for such costs.
<b>Printing and Publications</b>	ALL	<b>Allowable</b> to pay the cost of preparing informational leaflets, reports, manuals, and publications relating to the project; however, the printing of hard copies is discouraged given the prevalence of electronic/virtual publication means. If charged to the award, these costs must be charged to the final budget period of the award, unless otherwise specified by AMS.
<b>Salaries and Wages</b>	ALL	<b>Allowable</b> as part of employee compensation for personnel services in proportion to the amount of time or effort an

		<p>employee devotes to the grant-supported project or program during the period of performance under the Federal award, including salaries, wages, and fringe benefits. Such costs must be incurred under formally established policies of the organization, be consistently applied, be reasonable for the services rendered, and be supported with adequate documentation.</p> <p>Salary and wage amounts charged to grant-supported projects or programs for personal services must be based on an adequate payroll distribution system that documents such distribution in accordance with generally accepted practices of like organizations. Standards for payroll distribution systems are contained in the applicable cost principles (other than those for for-profit organizations).</p> <p><b>Unallowable</b> for salaries, wages, and fringe benefits for project staff who devote time and effort to activities that do not meet the purpose of the grant program.</p>
<b>Selling and Marketing Costs – Promotion of an Organization’s Image, Logo, or Brand Name</b>	ALL	<p><b>Unallowable</b> for costs designed solely to promote the image, logo, or brand for a specific organization or business, unless specifically to fulfill the purpose of the program or grant project.</p> <p><b>Allowable</b> for more general branding that aligns with the purpose of the grant. For example, in Specialty Crop Block Grant, promotional items could say “Buy STATE/COUNTY Grown Apples” but not “XYZ Grown”, which promotes XYZ generically, to ensure funds are supporting specialty crop stakeholders. Similarly, a promotional campaign to increase producer sales of “STATE/COUNTY Grown fruits and vegetables” is acceptable while increasing membership in “STATE/COUNTY Grown” generally is not.</p>
<b>Selling and Marketing Costs – Promotion of Venues that do not Align with Grant Program Purpose</b>	ALL	<p><b>Unallowable</b> for costs for promotion of specific venues, tradeshows, events, meetings, programs, conventions, symposia, seminars, etc. that do not align with the purpose of the grant program as stated in the RFA.</p>
<b>Selling and Marketing Costs – Promotional Items, Gifts, Prizes, etc.</b>	ALL with exceptions	<p><b>Unallowable</b> for promotional items, swag, gifts, prizes, memorabilia, and souvenirs.</p> <p><b>Allowable with conditions</b> to meet the requirements of the grant, in the approved application or with prior approval for marketing activities directly related to the funded project. Promotional items include point-of-sale materials, promotional kits, signs or streamers, automobile stickers, table tents, and placemats, or promotional items of a personal nature (e.g., t-shirt, hats, etc.).</p>
<b>Selling and Marketing Costs – Coupons, Incentives or Other Price Discounts</b>	ALL	<p><b>Unallowable</b> for costs of the value of coupon/incentive redemptions or price discounts (e.g., the \$5.00 value for a \$5.00 clip-out coupon).</p> <p><b>Allowable</b> for costs associated with printing, distribution, or promotion of coupons/tokens or price discounts (e.g., a print</p>

		advertisement that contains a clip-out coupon) as long as they benefit more than a single program or organization.
<b>Selling and Marketing Costs – Food for Displays, Tastings, Cooking Demonstrations</b>	ALL with exceptions	<b>Unallowable</b> for purchasing food for displays, tastings, and cooking demonstrations. <b>Allowable</b> where the specific cost is considered to meet the programmatic purpose of the grant and is authorized in the approved budget or with prior written approval.
<b>Selling and Marketing Costs – General Marketing Costs</b>	ALL with exceptions	<b>Unallowable</b> for costs designed solely to promote the image of an organization, general logo, or general brand. <b>Allowable</b> for costs designed to promote products that align with the purpose of the grant program.
<b>Selling and Marketing Costs – Sponsorships</b>	ALL	<b>Unallowable</b> for costs associated with sponsorships. A sponsorship is a form of advertising in which an organization uses grant funds to have its name and/or logo associated with certain events and where the organization does not necessarily know how the funds associated with sponsorship costs will be used. These costs also benefit only the organization offering funding, limiting the beneficiaries to the sponsor organization.
<b>Selling and Marketing Costs – Use of Meeting Rooms, Space, exhibits that do not Align with Grant Program Purpose</b>	ALL	<b>Unallowable</b> for costs associated with trade show attendance/displays, meeting room reservations, and/or any other displays, demonstrations, exhibits, or rental of space where activities do not specifically align with the purpose of the grant program. See <a href="#">Conferences</a> for more information.
<b>Supplies and Materials, Including Costs of Computing Devices</b>	ALL	<b>Allowable</b> for costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award. Purchased materials and supplies must be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs. Only materials and supplies used for the performance of a Federal award may be charged as direct costs. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the recipient for financial statement purposes or \$10,000, regardless of the length of its useful life. In the specific case of computing devices, charging as a direct cost is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award. Where Federally donated or furnished materials are used in performing the Federal award, such materials will be used without charge.
<b>Training</b>	ALL	<b>Allowable</b> when the training is required to meet the objectives of the project or program, including training that is related to Federal grants management.
<b>Travel – Domestic and Foreign</b>	ALL	<b>Allowable</b> for travel, when provided in the approved budget or with prior written approval when costs are limited to

		<p>those allowed by formal organizational policy and the purpose aligns with the purpose of the program. The allowable travel cost of recipients that do not have formal travel policies and for-profit entities may not exceed those established by the Federal Travel Regulation, issued by <a href="#">General Services Administration (GSA)</a>, including the maximum per diem and subsistence rates prescribed in those regulations. If a recipient does not have a formal travel policy, those regulations will be used to determine the amount that may be charged for travel costs.</p>
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## Financial Management

### **Financial Management System**

Subrecipient is required to meet the standards and requirements for financial management systems set forth or referenced in [2 CFR 200.302](#), as applicable. Subrecipients must use Federal funds in a responsible manner that includes adequate internal controls and cash management consistent with Department of the Treasury requirements.

Subrecipient must expend and account for grant funds in accordance with State and Federal laws and procedures for expending and accounting for funds. Subrecipient's financial management systems, including records documenting compliance with this award, must be sufficient to permit: 1) preparation of required reports; and 2) traceability of expenditures to establish that award funds were used in accordance with all applicable terms, conditions, and restriction. These financial management systems must provide:

- Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received.
- Accurate, current, and complete disclosure of the financial results of each Federal award;
- Records that adequately identify the sources of funds for Federally-funded activities and the purposes for which the funds were used, including authorizations, obligations, unobligated balances, assets, expenditures, program income, and interest. Accounting records must be supported by easily accessible source documentation such as canceled checks, paid bills, payrolls, time and attendance records, contracts, and subgrant award documents;
- Effective control over and accountability for all funds, property, and other assets to assure they are adequately safeguarded and used only for authorized purposes. In cases where projects are not 100% federally funded, effective internal controls must be in place to assure that expenditures financed with Federal funds are appropriately allocated to the grant-supported project.
- Comparison of actual to budgeted expenditures for each approved subgrant
- Written procedures for determining the allowability of costs in accordance with the applicable Federal cost principles, program regulations, and other requirements cited in applicable award terms and conditions

- Written procedures to minimize the time elapsing between the transfer of Federal funds to Subrecipient and the disbursement of the funds for direct program costs and the proportionate share of any allowable indirect or facilities and administrative costs; and
- All grant funds must be obligated (encumbered) by the expiration date of the grant agreement and liquidated within 30 days after the expiration date.

The subrecipient must notify MDA when financial management problems are discovered. Deficiencies in Subrecipient's financial management system, whether Subrecipients report them, or they are identified by MDA, may result in the imposition of special award conditions or other increased monitoring by MDA.

## Prior Approval on Project Changes

The recipient may need to make modifications, such as budget, personnel, or contracts, to accomplish the objectives prior to **completion of the project**. Requested project changes are not guaranteed to be approved. Modifications such as budget changes that do not involve the addition of expenses, project extensions, and PI changes, must be requested no later than 10 days prior to closing out. Modifications such as contractor changes, equipment addition, changes in scope, and budget expense additions must be requested no later than **6 months prior to closing out**. Recipients are required to request prior written approval of the following items in advance of a change or obligation of funds. Modifications will be requested using the **revision request form** and emailed to the SCBG program staff. Every request for a prior written approval must include the following information:

1. Grant agreement number;
2. Project title;
3. Name of the recipient organization; and
4. Project point of contact name

## Change in Key Personnel/Time Devoted to the Project

Prior approval is required for changes in key personnel or if key personnel disengages from the project for a period of more than three months, reduces the time devoted to managing the project by 25 percent (25%) or more, or severs his/her connection to the activities of the grant agreement. Key personnel include the recipient project coordinator or other key project contributors. The request must include the following as detailed out in the revision request form:

1. The name of the individual(s) being replaced and the new individual name and contact information;
2. The qualifications of the new individual(s);
3. The capacity in which the new individual will serve;
4. Written notification from the new individual signifying his/her willingness to serve on the project;
5. The effective date.

A change in key personnel may affect the project narrative, budget, or timeline. If it does, the recipient must include this in their request by following the applicable guidance in this section.

## Change in Scope or Objective

A Scope of Work (SOW) change is defined as any modification to the project purpose, expected measurable outcomes,

or substantial change to the proposed work plan activities of an award. To change the scope of work, the subgrantee must submit a request for amendment using the revision request form. After review by the SCBG specialist the subgrantee will complete a revision of the project profile. Any added changes must be highlighted, and any removed changes must be stricken through. Examples of project changes that require a SOW amendment include but are not limited to:

- Transfer of project work to a third party through a contract, sub-grant, or any other means;
- Replacement or changes in the status of the Principal Investigator or Grant Project Signatory such as withdrawing from the project entirely, being absent during any continuous period of three months or more, or reducing the time base by 25% or more;
- The addition or deletion of activities, deliverables, or a contractor/consultant; or
- Change of Subrecipient, Subrecipient organization name, or Subrecipient organizational status.

The request must include the following as detailed out in the revision request form:

1. A description of the change in the scope or objective including what activities the new work replaces;
2. A revised narrative for the relevant portion of the approved project; and
3. The proposed dates of implementation (MM/YYYY – MM/YYYY).

## One-Time Extension

Research proposals are awarded on a three-year contract basis, and therefore are not eligible for a one-time no cost extension. For other projects, If the grant activities cannot be completed within the grant agreement's period of performance, the recipient must request written approval to extend the grant agreement's end date (no-cost extension of time) prior to the grant's expiration. This extension cannot exceed the USDA maximum of 3 years without MDA specified conditions. The request must be submitted no later than 10 days prior to the ending date of the grant agreement. The request must include the following as detailed out in the revision request form:

1. The length of additional time requested, and the new ending date requested;
2. A justification for the extension;
3. A summary of progress to date in terms of the project timeline and objectives. The summary may reference the most recent Performance Report and indicate how circumstances have changed since then;
4. An estimate of the amount of remaining funds, and if applicable, the amount of matching resources yet to be expended, and a description of how they will be used in the remaining time; and
5. A new timetable for completing the project.

Unused or unobligated funds at the end of the award are not in themselves justification to receive a no-cost time extension. AMS will provide case-by-case extension approval, based on the written justification provided. If an extension is approved, the period of performance will be amended to end at the completion of the extension.

## Budget Change

Changes in budget must be documented for MDA use. Minor budget changes should be requested through the revision request form and, on approval by SCBG staff, updated in the WebGrants system. Some situations will require an MDA or USDA amendment. The distinctions are as follows:

- MDA Amendment
  - Budget deviations between categories that equals out to greater than 20% of the awarded project budget.
  - When the budget deviation is the result of a change in the PI (principal investigator) or other named Personnel.
- USDA Amendment
  - A budget deviation that represents the purchase of a piece of equipment that was not included in the USDA approved budget.
  - A budget deviation that represents a significant change in the Objectives of the project. (See Change in Scope).
  - A budget deviation that represents an additional contractor that was not included in the USDA approved budget.
  - A budget deviation that represents a travel trip that was not included in the USDA approved budget.
  - A budget deviation that represents the addition of funds in an expenses category that was not previously approved.
  - A budget deviation that represents the addition of an expense in any category that was not previously approved.

Additionally, any budget change that would result in an increase in the total awarded amount to the project must be approved by MDA and subrecipient in a contract amendment signed by both parties.

The request must include the following as detailed out in the revision request form:

1. A justification for the change; and
2. A description of the requested change that includes:
  - a. The proposed budget changes;
  - b. The last approved budget;
  - c. An updated budget for the affected cost categories; and
  - d. For changes that require a USDA amendment, an accompanying project plan with revisions included is necessary.

## Contracting or Subawarding for Activities Central to the Award's Purpose(s)

Prior approval is required for a change that involves subawarding, transferring, or contracting out of any work under an award. This provision does not apply to the acquisition of supplies, materials, equipment, or general support services. The request must include:

1. A brief description of and justification for the change;
2. A brief description of the contractor's qualifications, and how their work will fulfill the project goals;
3. If a modification to the budget is required:
  - a. A description of the proposed modification,
  - b. The last approved budget
4. If the third party was not identified in the original application, a description of the third party's qualifications, how its work will fulfill the project goals, and an itemized budget (if applicable) showing cost categories with appropriate justification.

## Changes to Recipient Name or Address

MDA should be notified in a timely manner of any changes to key staff or address change on the grant. Grantees must submit a revision request form to the SCBG staff should a key staff member meet any of the following:

- The disengagement from the project for more than three months; or
- A 25% reduction in time devoted to the project, by the approved project director or principal investigator.

**NOTE:** A request to have a new recipient organization (that has a new UEI number) assume responsibility for the project is not allowable.

## Request for Payment

Each payment is conditioned upon receipt and approval by MDA SCBG staff and must be accompanied by reasonable assurance (documentation, receipts, invoices, etc.) that the goods and services for which payment is requested were actually received and performed. MDA has the right to disallow costs determined inappropriate or unreasonable. The Program Manager shall have a minimum of thirty (30) working days to approve or request clarification on a submitted request for payment. In the case that clarification is requested, the Program Manager may withhold payment until all questions on the request are adequately addressed. Requests must be submitted using the online Webgrants system.

There are two payment methods for allowable costs incurred – advance payments and reimbursement payments.

## Advance Payments

Requests for fund advances will be considered on a case-by-case basis. Funding advances shall **not exceed 25%** of the total grant award. During the period under which the advance payment is being expended, source documentation must be submitted to MDA by the final day of each month until funds are expended. The subrecipient may not request an additional disbursal of funds, either as advance or reimbursement, until source documentation has been received to account for the entirety of the previous advance. Advance payment requests will not be accepted in the final three months of a grant.

### *Interest Earned*

Subrecipients must follow sound financial management practices that minimize the potential for excessive Federal cash on hand and to comply with the cash management requirements of [2 CFR 200.305](#).

Interest earned in amounts up to \$500 per year may be retained by the sub-recipient for administrative expense. Any additional interest earned in advance payments deposited in interest-bearing accounts must be remitted annually.

## Reimbursement Payments

Subrecipients are required to submit requests for reimbursement via the Webgrants system. Reimbursements must be based on actual expenditures. Source documentation of expenditures is required to accompany each reimbursement request and must clearly show the expense to be reimbursed. Source documentation includes, but is not limited to canceled checks, paid bills, payrolls, time and attendance records, contracts, and subgrant award documents.

Requests are processed through a 5-step approval chain within MDA.

Failure to draw down funds in a timely manner may result in the suspension or termination of obligation of funds without further cause.

**Final invoices are due no later than 30 calendar days** following the expiration date of the Grant Agreement term or the project is complete, whichever comes first.

MDA will make payments to Subrecipient via Electronic Fund Transfer (EFT) to the bank account specified in [W-9 form](#) submitted with first payment request. If Subrecipient's banking information is not correct or changes at any time prior to the end of the agreement, verbally notify the SCBG Program Manager as soon as possible via phone to discuss MDA policy process. If EFT is not an option, MDA can provide additional payment options, such as mailed checks.

All obligated (encumbered) grant funds must be liquidated within 30 calendar days after the close of the grant. Any unobligated (unencumbered) balance of cash at the end of the grant period must be repaid to MDA.

## Cost Transfers

Transfers of funds between grant agreements are unallowable without MDA approval. In the case that a cumulative transfer of subrecipient funds represents more than 20% of MDAs overall SCBG budget, USDA approval may be needed as well.

## Unexpended Awarded Funds

If the Subrecipient anticipates that a significant amount of awarded grant funds will not be expended, they should notify MDA at least two months before the grant closes. MDA reserves the right to re-allocate unexpended funds at the discretion of the Director of MDA or their delegated official.

## Non-Availability of Funds

Every payment obligation under the Grant Agreement will be conditioned upon the availability of funds. If funds become unavailable, the Agreement may be terminated by the State. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

## Program Income

Program income is gross income earned during the grant period resulting from activity supported by the grant award. Program income includes, but is not limited to, income from fees for services performed; the sale of commodities or items fabricated under an award (this includes items sold at cost if the cost of producing the item was funded in whole or partially with grant funds); registration fees for conferences, workshops, etc. Royalties or equivalent income earned from patents, inventions, trademarks, and copyrighted works is not subject to this section.

The Grantee must add the program income accrued during the period of performance to the project or program and use these funds to further the purpose of the applicable grant program.

A subgrantee earning program income will be required to reconcile program income balances with Montana Department of Agriculture at the close of the grant.

## Reporting Requirements

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Subrecipients are required to submit the following:

1. Performance Reports, semi-annually;
2. Final Reports, at the end of the project; and
3. Problems and delays, as they occur.

Subrecipients are responsible for timely submission of reports. Failure to submit timely reports may result in forfeiture of funds or corrective actions.

MDA SCBG staff will review performance reports to ensure the reports meet the required criteria and that substantial progress is being made toward meeting the project objectives and measurable outcomes. MDA SCBG staff will notify the Subrecipient if additional information is required after the initial review of the report.

## Performance Reports

Subrecipients are required to submit a performance report after each reporting period ends, to MDA SCBG staff by email to [scbg@mt.gov](mailto:scbg@mt.gov):

Reporting Periods	Report Due on or before
October 1- March 31	April 30
April 1- September 30	October 31

Performance reports should not include language that disparages the mission, goals and/or actions of another organization or individual or include protected personally identifiable information (Protected

PII). Protected PII is an individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to, social security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date and place of birth, mother's maiden name, criminal, medical and financial records, educational transcripts, etc.

Requests for project revisions should not be requested within the performance reports. Any and all revisions requested must be requested through a Revision Request form sent to the SCBG program specialist.

## Final Report

Subrecipients are required to submit a Final Report by October 31 of the year in which the project was completed. Reports must be submitted to MDA SCBG staff by email to [c.hortert@mt.gov](mailto:c.hortert@mt.gov) or [scbg@mt.gov](mailto:scbg@mt.gov), and the report will be made available to the public. The final report must be approved by MDA. MDA will not disburse final payment until all requirements of the Agreement have been fulfilled. All remaining grant funds or outstanding grant funds must be reconciled.

USDA-AMS will post the Final Performance Report on the USDA-AMS SCBG website to share project findings with Federal and State agencies and the public. Final Performance Reports to USDA-AMS, as accumulated from Subrecipients and submitted by MDA SCBG staff, must illustrate the completion of the activities, outcomes and successful metrics associated with each project and should be free of grammatical and spelling errors.

## Problems and Delays

Subrecipient must immediately notify the MDA SCBG Program Manager of any problems, delays and/or adverse conditions that will materially affect the project. Examples include but are not limited to: inability to collect data, conduct research, or complete any planned activity; substituting commodities; inability to fill vacant positions so activities are delayed or eliminated. Some problems and delays may require a revised scope of work.

## Monitoring and Site Visits

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Monitoring and Site visits are conducted on a basis determined by the risk evaluation matrix tool. The risk evaluation matrix is a tool used by MDA to quantify the risk factors demonstrated by a grantee and is completed by staff at the start of each grant year. The purpose of monitoring and site visits are to determine whether measurable outcomes are being met, evaluate accomplishments, and review financial practices and documentation to ensure that necessary policies and procedures are in place to comply with Federal cost principles and grant terms and conditions.

Site visits are generally conducted during the term of the Grant Agreement but may be conducted after the Grant Agreement has ended. Financial and PI Subrecipients must allow access to records and documentation relevant to the Grant Agreement, as well as any employees who may reasonably have information related to the Grant Agreement.

Subrecipients are required to submit supporting documentation for in-person or desk review by MDA. Documentation may include but is not limited to policy and procedure manuals, organizational flow charts, timesheets and payroll records, travel logs that document mileage and per diem, invoices/receipts for operating costs, lodging receipts, and meals, and contractor/consultant contracts and invoices, etc. At least one claim review will take place for each grant the Subrecipient PI oversees.

## Audit Requirements

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Subrecipients are responsible to obtain audits in accordance with the requirements of [2 CFR Subpart F – Audit Requirements](#). The standards require any non-Federal entity that expends \$1,000,000 or more in Federal awards during their fiscal year to have a single or program-specific audit conducted.

The audit must meet the standards specified in Generally Accepted Government Auditing Standards (GAGAS). Subrecipients must follow a systematic method to ensure timely and appropriate resolution of audit findings and recommendations, whether discovered because of a Federal audit or an audit initiated by the pass-through entity.

## Other Policy Requirements

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Grantee agrees to comply with the following Federal statutes and regulations as applicable to the award. These include but are not limited to the ones listed below. The full text of Code Federal Regulations references can be found at: [eCFR-Code of Federal Regulations](#).

Federal statutes and regulations found on the SF-424B “Assurances –Non-Construction Programs.” [2 CFR § 25 – System for Award Management and Universal Identifier Requirements](#)

[2 CFR § 170 – Reporting Subaward and Executive Compensation Information](#)

[2 CFR § 175 – Award Term for Trafficking in Persons](#)

[2 CFR §§ 180](#) and [417 – OMB Guidelines to Agencies on Government-Wide Debarment and Suspension \(Nonprocurement\)](#) and [USDA Nonprocurement Debarment and Suspension](#)

[2 CFR § 182 – Governmentwide Requirements for Drug-Free Workplace \(Financial Assistance\)](#)

[2 CFR § 183 – Never Contract with the Enemy](#)

[2 CFR § 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) [2 CFR § 400 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) [2 CFR § 415 – General Program Administrative Regulations](#)

[2 CFR § 416 – General Program Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments](#)

[2 CFR § 418 – New Restrictions on Lobbying](#)

[2 CFR § 421 – Requirements for Drug-Free Workplace \(Financial Assistance\)](#)

[2 CFR § 422 – Research Institutions Conducting USDA-Funded Extramural Research; Research Misconduct](#)

[7 CFR § 1, subpart A – Official Records \(Freedom of Information Act\)](#)

[7 CFR § 1\(b\) – National Environmental Policy Act](#)

[7 CFR § 3 – Debt Management \(OMB Circular No. A-129\)](#)

[7 CFR § 15, subpart A – Nondiscrimination in Federally-Assisted Programs of the Department of Agriculture—Effectuation of Title VI of the Civil Rights Act of 1964](#)

[7 CFR § 331 and 9 CFR § 121](#)—USDA implementation of the [Agricultural Bioterrorism Protection Act of 2002](#)

[37 CFR § 401 – Rights to Inventions made by Nonprofit Organizations and Small Business Firms under Government Grants, Contracts, and Cooperative Agreements](#)

[41 CFR §§ 301-10.131 to 301-10.143 – Use of United States Flag Air Carriers](#), which implements the [Fly America Act](#)

(49 U.S.C. 40118). For more information see

<http://www.gsa.gov/portal/content/103191>. [48 CFR subpart 31.2 – Contracts with Commercial Organizations](#)

[8 U.S.C. § 1324a – Unlawful employment of aliens](#)

[29 U.S.C. § 794 – Nondiscrimination under Federal grants and programs](#)

[41 U.S.C. § 22 – Interest of Member of Congress](#)

[41 U.S.C. § 4712 – Pilot program for enhancement of contractor protection from reprisal for disclosure of certain information](#)

[44 U.S.C. § 3551 et seq. \(P.L. 107-347\) – Federal Information System Security Management Act of 2002 \(FISMA\)](#)

[EO 13166, Improving Access to Services for Persons with Limited English Proficiency](#), take reasonable steps to ensure that LEP persons have meaningful access to programs in accordance with [LEP Implementation Strategy for AMS' Federally-Assisted Programs](#).

[EO 13798, Promoting Free Speech and Religious Liberty](#). A recipient must not discriminate against sub recipients on the basis of their religious character.

[EO 13858, Strengthening Buy-American Preferences for Infrastructure Project](#) (Except for Section 5, revoked by EO 14005)

[EO 13864, Improving Free Inquiry, Transparency, and Accountability at Colleges and Universities](#)

[EO 13933, Protecting American Monuments, Memorials, and Statues and Combating Recent Criminal Violence](#) [EO 13988, Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation](#)

[EO 13991](#), Protecting the Federal Workforce and Requiring Mask-

Wearing [EO 13999](#), Protecting Worker Health and Safety

[EO 14005](#), Ensuring the Future Is Made in All of America by All of America's Workers

Motor Vehicle Safety – *Highway Safety Act of 1966*, as amended ([23 U.S.C. §§ 402 & 403](#)); *Government Organization and Employees Act*, as amended ([5 U.S.C. § 7902 \(c\)](#)); *Occupational Safety and Health Act of 1970*, as amended ([29 U.S.C. § 668](#)); *Federal Property and Administrative Services Act of 1949*, as amended ([40 U.S.C. § 101, et seq.](#)); *Increasing Seat Belt Use in the United States* ([EO 13043](#)); *Federal Leadership on Reducing Text Messaging While Driving* ([EO 13513](#))

Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012, [P.L. No. 112-55](#), Division A, Sections 738 and 739 regarding corporate felony convictions and corporate Federal tax delinquencies.

## Property Management

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A title to special purpose equipment and supplies acquired will vest, upon acquisition, to the subrecipient. Non-federal subrecipients must provide the equivalent insurance coverage for equipment acquired with Federal funds.

State recipients will use, manage, and dispose of special purpose equipment acquired under a grant in accordance with State laws and procedures and supplies in accordance with [2 CFR §200.314 \(b\)](#).

Subrecipients are subject to the full range of acquisition, use, management, and disposition requirements of [2 CFR §§200.313 \(c\) through \(e\)](#) and [200.314 \(b\)](#). Subrecipients must meet the following property management standards for equipment acquired in whole or in part under a grant:

- Use the equipment for the authorized purposes of the project until funding for the project ceases, or until no longer needed for the purposes of the project
- Must not encumber the equipment without prior approval
- When the equipment is no longer needed for the original program or project, the equipment may be used in other activities supported by a Federal agency, in the following order of priority:
  - (i) activities under a Federal award from the Federal awarding agency that funded the original projects; then (ii) activities under Federal awards from other Federal awarding agencies. [SF-428-C](#) may be used at any time during the grant award, except at close out, to request disposition instructions
- Must make the equipment available for use on other projects or programs currently or previously supported by the Federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired
- Must not use equipment or supplies acquired with grant funds to provide services for a fee that is less than private companies charge for equivalent services and use fees in accordance with program income requirements

- May use the equipment to be replaced as a trade-in or sell the equipment and use the proceeds to offset the cost of replacement equipment
- Maintain property records that include a description of the property, a serial number or other identification number, the source of funding for the property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property
- Take a physical inventory of the equipment, at least once every two years, and reconcile the results with the property records
- Develop control procedures and safeguards to prevent loss, damage, and theft
- Develop adequate maintenance procedures to keep the equipment in good condition
- Establish proper sales procedures when the subrecipient is authorized to sell the equipment to ensure highest rate of return

Subrecipients must obtain prior written approval to acquire special purpose equipment.

## Final Disposition of Equipment and Supplies upon Closeout

If the special purpose equipment or supplies have a per-unit fair market value of \$10,000 or more, and the equipment or supplies are no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, Subrecipient may retain the equipment and supplies, or they may be sold. In this case, the Subrecipient must report to MDA SCBG staff the sale of the equipment within 30 days of the transaction, and MDA must complete a Tangible Personal Property Final Report (SF-428-B).

If the equipment and/or supplies are sold, Subrecipient is permitted to deduct and retain from the Federal share \$500 or 10 percent of the proceeds, whichever is less, for its sale and handling expenses.

## Procurement Management

Subrecipients may acquire commercially available goods or services in connection with a grant project. In doing so, the grantee must use their own documented procurement procedures which may reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards [2 CFR§200.318 GENERAL PROCUREMENT STANDARDS](#) through [§ 200.326 CONTRACT PROVISIONS](#).

- State recipients must follow the same policies and procedures the State uses for procurements from non-Federal funds. The State will comply with [2 CFR §200.322 PROCUREMENT OF RECOVERED MATERIALS](#) and ensure that every purchase order or other contract includes any applicable provisions described in [Appendix II of 2 CFR §200](#).

- All other non-Federal recipients and subrecipients, including subrecipients of a state, must follow [2 CFR](#)
- [§200.318 GENERAL PROCUREMENT STANDARDS](#) through [§200.326 CONTRACT PROVISIONS](#).
- The requirements of the Federal award also apply to any subcontract. You are responsible to ensure that all of your contracts made in connection with the project contain the applicable provisions described in [Appendix II of 2 CFR §200](#).

## Inventions, Patents & Copyright

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If the outcomes of experimental, developmental, or research work funded in whole or in part by the AMS SCBGP under a grant, contract, or cooperative agreement result in inventions, the provisions of the Bayh-Dole Act and the Technology Transfer Commercialization Act of 2000, as implemented in [37 CFR part 401](#) apply.

The regulations apply to any subject invention—defined as any invention either conceived of or first actually reduced to practice in the performance of work under the Federal award—and to all types of recipients of Federal funding. This includes nonprofit entities and small businesses or large businesses receiving funding through grants, cooperative agreements, or contracts as direct recipients of funds or as Subrecipient or subcontractors under those awards. The term invention means any invention or discovery which is or may be patentable or otherwise protectable under [Title 35 of the United States Code](#), or any novel variety of plant which is or may be protectable under the Plant Variety Protection Act ([7 U.S.C. 2321 et seq.](#)).

Subrecipient and contractors may retain title to any invention conceived of or first actually reduced to practice using SCBG funds provided they do the following:

- Report all subject inventions to MDA
- Make efforts to commercialize the subject invention through patent or licensing
- Formally [acknowledge the Federal government's support](#) in all patents that arise from the subject invention
- Formally grant the Federal government a limited use license to the subject invention

Subawards and contracts under an award must reflect the objectives of the Bayh-Dole Act and the Technology Transfer Commercialization Act of 2000, as implemented in [37 CFR part 401](#), to ensure that inventions made are used in a manner to promote free competition and enterprise without unduly encumbering future research and discovery.

In general, Subrecipient and contractors own the rights to data resulting from a grant-supported project. Any publications, data, or other copyrightable works developed under an SCBG may be copyrighted without prior approval from MDA.

In all cases, whether SCBG funded all or part of the project or program resulting in the data, USDA-AMS and MDA reserve a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise

use and to authorize others to use for government purposes (i) the copyright in any work developed under a grant and (ii) any rights of copyright to which a grantee purchases ownership with grant support.

Subrecipient and contractor has no obligation to the Federal Government with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award.

## Publicity and Acknowledgement

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Subrecipients may acknowledge MDA's SCBG support whenever projects funded, in whole or in part, are publicized in any news media, brochures, publications, audio visuals, or other types of promotional material. A copy of the publication acknowledging MDA's SCBG support should be submitted to MDA for its files.

### State Acknowledgement

The statements below contain suggested language for recognition:

- "This project is funded, in part (if applicable) by the Montana Department of Agriculture's Specialty Crop Block Grant Program."

### Federal Acknowledgement

As required in [2 CFR § 415.2](#), grant recipients and subrecipients must acknowledge USDA AMS support in all publications written or published with USDA AMS grant or cooperative agreement support. This includes reports, pamphlets, posters, and brochures, and, if feasible, any publication reporting the results of, or describing, a grant- supported activity. Recipients must also acknowledge USDA AMS support on any audio or video product including live or prerecorded radio or television programs, audio recordings and multimedia presentations.

The following acknowledgment of USDA funding must appear in all published materials or products, in any format (web sites, audiovisuals, etc.), that are substantially based upon or developed under an AMS award:

*Funding for [Project or Publication] was made possible by a grant/cooperative agreement from the U.S. Department of Agriculture (USDA) Agricultural Marketing Service. Its contents are solely the responsibility of the authors and do not necessarily represent the official views of the USDA.*

Subrecipients are encouraged to use the USDA logo in their financial acknowledgment. Any other logo use requires approval in writing from AMS prior to finalizing documents for publication or printing. When using the USDA logo, please use the <https://www.usda.gov/style-guide/logo> provided by USDA AMS.

The recipient is responsible for ensuring that an acknowledgment of USDA is made during media

interviews, including popular media such as radio, television, and news magazines, that discuss work funded by USDA AMS in a substantial way.

## Remedies for Non-Compliance

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Subrecipient's failure to comply with the terms and conditions of an award may cause MDA to take one or more remedies for non-compliance, depending on the severity and duration of the non-compliance. MDA will undertake any such action in accordance with applicable statutes, regulations, and policies. MDA generally will afford the Subrecipient an opportunity to correct the deficiencies before taking enforcement action unless public health or welfare concerns require immediate action. However, even if Subrecipient is taking corrective action, MDA may take proactive steps to protect the Federal government and State of Montana's interests.

When the special conditions are imposed, MDA will notify the Subrecipient of the nature of the additional requirements, the reason why they are being imposed, the type of corrective action needed to remove the additional requirement, the time allowed for completing corrective actions, and the method for requesting reconsideration of the additional requirements imposed. MDA will promptly remove any additional requirements once Subrecipient corrects the conditions that prompted them.

The decision to modify the terms of an award—by imposing special conditions, by withdrawing approval of the Grant Project Contact or other key personnel, or otherwise—is discretionary on the part of MDA and not subject to appeal.

If MDA determines that noncompliance by Subrecipient cannot be remedied by imposing specific conditions, MDA may take one of more of the remedies for noncompliance as outlined in [2 CFR 200.338](#).

- (a) Temporarily withhold payments pending correction of the deficiency by the Subrecipient or more severe enforcement action by the Federal awarding agency or pass-through-entity.
- (b) Disallow (This is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.
- (d) Recommend suspension or debarment proceedings be initiated, as authorized under 2 CFR part 180, by Federal awarding agency.
- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available.

## Withholding of Support

MDA may decide not to make an award within the current award cycle for one or more of the following reasons:

- Subrecipient failed to meet the terms and conditions of a previous award;
- Subrecipient failed to submit an application by the published application deadline; and/or
- For whatever reason, continued funding would not be in the best interests of the Federal or State government.

If an award is withheld (denied) because a Subrecipient failed to comply with the terms and conditions of a previous award, Subrecipient may appeal that determination, by submitting a written request to MDA.

## Suspension or Termination

The regulatory procedures that pertain to suspension and termination are specified in [2 CFR 200.338-342](#)

### ***Suspension***

Department may suspend a grant and allow Subrecipient an opportunity to take appropriate corrective action before making a termination decision.

### ***Termination***

Department may terminate the awarded Grant Agreement for the following causes:

1. **Failure to Drawdown:** MDA may terminate obligation of funds without further cause unless Subrecipient commences the timely drawdown of funds.
2. **Failure to Comply:** MDA may terminate an agreement at any time for non-compliance with any contract terms or requirements set forth in the current SCBG Grant Management Manual. In the event the agreement is terminated, the Subrecipient, at the discretion of Department, shall return to the Department all funds awarded and all results of the project to date.
3. **Failure to Perform:** Except as otherwise provided in this section, either party may terminate the agreement for failure of the other party to perform after giving thirty (30) days' written notice by registered mail or personal delivery to the other party. The written notice must demand performance of the stated failure within a specified time period of not less than thirty (30) days. If the demanded performance is not completed within the specified time period, the termination is effective at the end of that specified time period.

4. **Payment for Work Performed:** Except as provided in the sections entitled "Failure to Comply" and "Failure to Perform", in the event of termination, the Subrecipient shall be paid for the work performed and expenses incurred pursuant to the agreement through the date of termination, and all results of the project to the date of termination including, but not limited to, the original copies of all forms, notes, maps, specimens, photographs, and data prepared by the Subrecipient prior to termination shall become the property of Department and shall be delivered to Department.

## Closeout

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Award closeout is the process by which Subrecipient and MDA determine that all required work of the award and all necessary administrative actions have been completed. All awards must be closed out as soon as possible after the end date of the grant agreement, but not later than **30 days** after receipt and acceptance of all required final reports. Closeout includes ensuring timely submission of all required reports and adjustments for amounts due to MDA.

Subrecipient must submit the documents described in the Closeout Checklist section below. Failure to submit timely and accurate final reports may affect Subrecipient's future funding.

### Closeout Checklist

Subrecipients must liquidate all obligations incurred under the award not later than **30 calendar days** after the grant ending date.

Due to MDA within **30 calendar days** following the grant ending date:

1. Final Performance Report;
2. Final Reimbursement Request in Webgrants;
3. Refund payment of any balances of unobligated cash if applicable;
4. Audit Report, if applicable; and
5. A report of any equipment or residual supplies valued at more than \$5,000, if applicable.

### Post-Closeout Continuing Responsibilities

The closeout of a grant does not affect any of the following:

- The right of MDA to disallow costs and recover funds because of a later audit or other review. Any cost disallowance determinations and notifications made by MDA must be made within the record retention period.
- The obligation of Subrecipient to return any funds as a result of later refunds, corrections, or other transactions.

- Audit requirements.
- Property management requirements.
- Records retention requirements.

## Debt Collection

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MDA may administratively recover funds paid to Subrecipient in excess of the amount to which Subrecipient is finally determined to be entitled under the terms and conditions of the award, including misspent funds or unallowable costs incurred. If Subrecipient does not pay back the funds in accordance with the demand by MDA, which specifies the period of time for repayment, MDA may collect the debt by:

- making an administrative offset against payments that would be due under other grant awards,
- withholding payments that would otherwise be due, or
- taking any other action permitted by statute.

Several Federal statutes governing debt collection and the [Federal Claims Collection Standards \(31 CFR parts 900- 904\)](#), as implemented by USDA at [7 CFR part 3](#), require the MDA to collect debts due to the Federal government and, except where prohibited by law, to charge interest on all delinquent debts owed to MDA by Subrecipients. Per [7 CFR part 3.11\(e\)](#), MDA must respond promptly to communications from debtors, within 30 days whenever feasible, and should advise debtors who dispute debts to furnish available evidence to support their contentions. Debts may result from cost disallowances, recovery of funds, unobligated balances, or other circumstances.

## Record Retention & Access Requirements

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In accordance with Federal regulations, Subrecipient must retain all records relating to the grant for a period of 3 years after the final report is accepted by USDA or until final resolution of any audit finding or litigation. See [2 CFR 200.333-337](#) for exceptions and qualifications to the 3-year retention requirement (e.g., if any litigation, claim, financial management review, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken). Those sections also specify the retention period for other types of grant-related records, including property records.

## Methods for Collection, Transmission, & Storage of Information

In accordance with the [May 2013 Executive Order on Making Open and Machine Readable the New Default for Government Information](#), Subrecipient should, whenever practicable, collect, transmit, and store Federal award- related information in electronic formats rather than on paper.

## Access to Records

The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and MDA, or any of their authorized representatives, shall have the right of access to any pertinent documents, papers, or other records of Subrecipient which are pertinent to the award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the Subrecipient's personnel for the purpose of interview and discussion related to such documents.

## Limit of State Liability

The maximum obligation of the MDA to Subrecipient is the amount indicated in the award as obligated by MDA. Nothing in these award terms and conditions or in the other requirements of this award requires MDA to make any additional award of funds or limits its discretion with respect to the amount of funding provided for the same or any other purpose. However, in the event that an erroneous amount is stated in the award, the approved budget, or any supporting documentation relating to the award, MDA must have unilateral right to make the correction and to make an appropriate adjustment in MDA share of the award to align with the Federal amount authorized.

## Civil Rights Under Federal Law

Pursuant to CFR 15.6 Subpart A, any person who believes himself/herself or any specific class of individuals to be subjected to discrimination prohibited by the regulations in this part may by himself/herself or by an authorized representative file with the Secretary or any Agency a written complaint. A complaint must be filed not later than 180 days from the date of the alleged discrimination unless the time for filing is extended by the Agency or by the Secretary. Such complaint shall be promptly referred to the Assistant Secretary for Civil Rights. The complaint shall be investigated in the manner determined by the Assistant Secretary for Civil Rights and such further action taken by the Agency or the Secretary as may be warranted.

The Montana Department of Agriculture provides outreach to all of Montana's diverse groups, through state and tribal press releases, coordination with applicable state agencies, and consideration of stakeholders from all regions and reservations during SCBG programmatic development.

## Fraud, Waste & Abuse

Anyone who becomes aware of the existence (or apparent existence) of fraud, waste, or abuse related to SCBG program grants or use of grant funds should report this information to USDA. The USDA Office of the Inspector General (OIG) provides several means, including toll-free numbers, for this purpose. You may reach the OIG hotline by:

**Office of the Inspector General, United States Department of Agriculture,**

Attn: HOTLINE Po Box

23399

Washington, DC 20026-3399

**Telephone:** 1-800-424-9121 (toll free) or 202-690-1202 (TDD)

**Fax:** 202-690-2474

**E-mail:** [usda.hotline@oig.usda.gov](mailto:usda.hotline@oig.usda.gov)

**Internet:** <http://www.usda.gov/oig/hotline.htm>

Fraud, waste, and abuse includes, but is not limited to, embezzlement, misuse, or misappropriation of grant funds or property, and false statements, whether by organizations or individuals. Examples are theft of grant funds for personal use; using funds for non-grant-related purposes; theft of federally owned property or property acquired or leased under a grant; charging inflated building rental fees for a building owned by the recipient; submitting false financial reports; and submitting false financial data in bids submitted to the recipient (for eventual payment under the grant). Callers are not required to give their names and, if they do, OIG keeps their identities confidential.

The Federal government may pursue administrative, civil, or criminal action under a variety of statutes that relate to fraud and false statements or claims. Even if the Federal government does not award a grant, the applicant may be subject to penalties if the information contained in or submitted as part of an application, including its certifications and assurances, is found to be false, fictitious, or fraudulent.

## Appendix A Applicant Self-Assessment

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### *Applicant Self-Assessment of Internal Controls and Risks*

Montana Department of Agriculture will use this form to assess the risk of awarding a grant for each applicant. Answers will determine eligibility to qualify for funding and the extent to which special conditions may be applied (such as reporting frequency, site visits, etc.) should a grant be awarded. This form will not be provided to the SCBG grant reviewers and does not affect grant scoring.

<b>Company/Organization Name</b>	
<b>Grant Project Contact</b>	
<b>Project Title</b>	
<b>Date Prepared</b>	

### **Staff Qualifications**

<b>3 or more</b>	<b>1-3</b>	<b>Less than 1</b>	<b>Internal Control</b>
			How many years of experience managing projects of this type does the Grant Project Contact have?
			How many years of experience does the Grant Project Contact have in working with federal grants?
<b>Comments:</b>			

### **Control Environment**

*Answer “yes” if activity in question applies to your organization. Each “no” answer indicates a potential weakness of internal controls. All “no” answers require an explanation.*

### **Organizational Structure**

<b>Yes</b>	<b>N/A</b>	<b>No</b>	<b>Internal Control</b>
			Do organizational policies exist delegating grant/financial management responsibilities among staff?
			In addition to program staff, are financial and management personnel involved in the day-to-day implementation of grant funded projects?
<b>Comments:</b>			

### **Internal Controls**

<b>Yes</b>	<b>N/A</b>	<b>No</b>	<b>Internal Control</b>
			Are written personnel policies maintained?
			Are processes in place to ensure that wages charged to the grant are reviewed and based on actual time and effort?

		Are policies in place that clearly delegate authority within the organization and identify staff responsibilities?
		Are procedures in place to ensure supervisors, financial staff and managers receive adequate training on federal grant management practices?
		Is a list of authorized check signers maintained?
		Are accounting policies in place to ensure that expenses are accompanied by source documentation?
		Does your organization have a written travel policy?
		Are written procurement policies maintained and followed by your organization?
		Do policies exist to separate accounting duties, such as the preparing and signing of checks?
		Are all records, checks, and supporting documents retained according to a written policy complying with state and federal regulations?
		Are periodic (monthly, quarterly) reports of budget to actual spending prepared and reviewed by both accounting and grant staff?
		Does your accounting system track the receipt and disbursal of funds by each grant or source of funding?
		Are there policies and procedures to provide for the appropriate use of program income?
<b>Comments:</b>		

### Allowable Activities & Costs

Yes	N/A	No	Internal Control
			Are procedures in place to ensure that all expenditures are allowable prior to the outlay of funds?
			Have personnel responsible for coding expenditures been trained on federal grant management?
			Are all grant documents made available to grant staff to ensure their ability to adequately review for the allowability of expenditures?
			Are periodic (monthly, quarterly) reviews of the status of actual to planned program performance prepared and reviewed by staff?
<b>Comments:</b>			

### Equipment Management

*This section is required only if you requested funds for Special Purpose Equipment in your proposal.*

Yes	N/A	No	Internal Control
			Are fixed asset records maintained that adequately classify and identify individual items, as well as detailing their location?
			Is someone assigned responsibility to ensure that all equipment is properly maintained?
			Is insurance coverage maintained for grant purchased equipment?

<b>Comments:</b>	
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*Matching Funds or Program Income in your proposal.*

### **Program Income**

*This section is required only if you indicated Program Income in your proposal.*

<b>Yes</b>	<b>N/A</b>	<b>No</b>	<b>Internal Control</b>
			Are cash/check receipt policies and procedures clearly documented and communicated to personnel?
			Are there policies and procedures to provide for the appropriate use of program income?
<b>Comments:</b>			

### **Audit**

<b>Yes</b>	<b>N/A</b>	<b>No</b>	<b>Internal Control</b>
			Does your organization expend \$750,000 or more during the non-Federal entity's fiscal year in Federal awards?
			Does our organization engage in audits compliant with 2 CFR 200?
			Was your previous audit free of significant findings?
			Have audits been conducted by a CPA or Licensed Public Accountant
			Are past audit reports kept on file?
<b>Comments:</b>			

## Appendix B Application Narrative

ORGANIZATION INFORMATION									
Company/Organization Name <i>Must match the legal name registered for the provided Tax ID#.</i>									
DBA (if applicable)									
Business/Organization Type (select one only)	Agricultural producer or processor			Local government agency					
	Non-profit			College or university					
	State government			Other:					
Tax ID #									
UEI # <i>This can be obtained at SAM.gov <a href="https://sam.gov/content/home">https://sam.gov/content/home</a></i>									
Grant Project Contact <i>For daily operations-PI, technician, or coordinator</i>									
Mailing Address									
Physical Address									
Phone									
Email									
Grant Management Contact <i>For Signatory Authority/Contract</i>									
Phone				Email					
PROJECT INFORMATION									
Project Title <i>Limited to twelve words</i>									
Project Start Date <i>No earlier than September 30, 2025</i>				Project End Date <i>No later than September 29, 2028</i>					
Crop(s) benefitting from project <a href="#">AMS Site</a> for more info									
Will project benefit beginning farmers? *	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Will project benefit socially disadvantaged farmers?**	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Is this a multi-state project?***	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	List partnering state(s)				

\***Beginning farmers** - individuals or entities who have not operated a farm for more than 10 years and substantially participates in the operation.

\*\***Socially disadvantaged farmers** - means a farmer who is a member of a socially disadvantaged group. A “Socially Disadvantaged Group” is a group whose members have been subject to discrimination on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program.

\*\*\***Multi-state** - A multi-state partnership is a project that implements activities with measurable outcomes that benefit two or more U.S. States and/or Territories.

# SCBG PRODUCER CONNECTION FORM

## PRODUCER ISSUE

*Please identify the producer need(s) your project hopes to address.*

## PRODUCER ENGAGEMENT

*Please explain how your project will work with producers to address the above needs.*

## PRODUCER OUTREACH

*Please explain how your project will spread the information gained from this project to Montana producers.*

## Appendix C Application Project Profile Template Example

\*Please use form on WebGrants or agr.gov\*



Agricultural Marketing Service  
U.S. DEPARTMENT OF AGRICULTURE

### SPECIALTY CROP BLOCK GRANT PROGRAM PROJECT PROFILE TEMPLATE

AWARD YEARS 2022 FORWARD

The State Plan should include a series of project profiles that detail the necessary information to fulfill the goals and objectives of each project. The following information must be included in each project profile.

#### ORGANIZATION DETAIL

Organization Name	<input type="text"/>
Organization Contact Name Phone	<input type="text"/>
Organization Email	<input type="text"/>
Organization Fax	<input type="text"/>

#### Mailing Address

Street:

City:  State:  Zip:

#### PROJECT TITLE

#### DURATION OF PROJECT

Start Date

End Date

#### PROJECT PARTNER AND SUMMARY

Include a project summary of 250 words or less suitable for dissemination to the public. A Project Summary provides a very brief (one sentence, if possible) description of your project. A Project Summary includes:

1. The name of the applicant organization that if awarded a grant will establish an agreement or contractual relationship with the State Department of Agriculture to lead and execute the project;
2. The project's purpose, deliverables, and expected outcomes; and
3. A description of the general tasks/activities to be completed during the project period to fulfill this goal.

**FOR EXAMPLE:** The ABC University will mitigate the spread of citrus greening (Huanglongbing) by developing scientifically- based practical measures to implement in a quarantine area and disseminating results to stakeholders through grower meetings and field days.

## PROJECT PURPOSE

PROVIDE THE SPECIFIC ISSUE, PROBLEM, OR NEED THAT THE PROJECT WILL ADDRESS (5000 Character Limit)

## PROVIDE A LISTING OF THE OBJECTIVES THAT THIS PROJECT HOPES TO ACHIEVE

Include as many objectives as needed. To add another objective, use the "+" button. To delete, use the "-" button.

+	#	Objective
-		
-		

## PROJECT BENEFICIARIES

Estimate the number of project beneficiaries.

Does this project directly benefit underserved farmers as defined in the RFA? Does

this project directly benefit beginning farmers as defined in the RFA?

## STATEMENT OF ENHANCING SPECIALTY CROPS

By checking the box to the right, I confirm that this project enhances the competitiveness of specialty crops in accordance with and defined by the Farm Bill. Further information regarding the definition of a specialty crop can be found at [www.ams.usda.gov/services/grants/scbpg](http://www.ams.usda.gov/services/grants/scbpg).

## CONTINUATION PROJECT INFORMATION

Does this project continue the efforts of a previously funded SCBGP project?

***If you have selected "yes", please address the following:***

PROVIDE THE AWARD NUMBER(S) AND PROJECT TITLES PREVIOUSLY FUNDED (1000 Character Limit)

DESCRIBE HOW THIS PROJECT WILL DIFFER FROM AND BUILD ON THE PREVIOUS EFFORTS (*2500 Character Limit*)

PROVIDE A SUMMARY (3 TO 5 SENTENCES) OF THE OUTCOMES OF THE PREVIOUS EFFORTS (*1500 Character Limit*)

PROVIDE LESSONS LEARNED ON POTENTIAL PROJECT IMPROVEMENTS (*1500 Character Limit for each question*)

What was previously learned from implementing this project, including potential improvements?

How are the lessons learned and improvements being incorporated into the project to make the ongoing project more effective and successful at meeting goals and outcomes?

DESCRIBE THE LIKELIHOOD OF THE PROJECT BECOMING SELF-SUSTAINING AND NOT INDEFINITELY DEPENDENT ON GRANT FUNDS (*1500 Character Limit*)

## OTHER SUPPORT FROM FEDERAL OR STATE GRANT PROGRAMS

The SCBGP will not fund duplicative projects. Did you submit this project to a Federal or State grant program other than the SCBGP for funding and/or is a Federal or State grant program other than the SCBGP funding the project currently?

**IF YOUR PROJECT IS RECEIVING OR WILL POTENTIALLY RECEIVE FUNDS FROM ANOTHER FEDERAL OR STATE GRANT PROGRAM** (*1500 Character Limit for each question*)

Identify the Federal or State grant program(s).

Describe how the SCBGP project differs from or supplements the other grant program(s) efforts.

## EXTERNAL PROJECT SUPPORT

Describe the specialty crop stakeholders who support this project and why (other than the applicant and organizations involved in the project). (*1500 Character Limit*)

## EXPECTED MEASURABLE OUTCOMES

### SELECT THE APPROPRIATE OUTCOME(S) AND INDICATOR(S)/SUB-INDICATOR(S)

You must choose at least one of the seven outcomes listed in the SCBGP Performance Measures, which were approved by the Office of Management and Budget (OMB) to evaluate the performance of the SCBGP on a national level.

#### OUTCOME MEASURE(S)

1. INCREASING CONSUMPTION AND CONSUMER PURCHASING OF SPECIALTY CROPS

2. INCREASING ACCESS TO SPECIALTY CROPS AND EXPANDING SPECIALTY CROP PRODUCTION AND DISTRIBUTION

3. INCREASE FOOD SAFETY KNOWLEDGE AND PROCESSES

4. IMPROVE PEST AND DISEASE CONTROL PROCESSES

5. DEVELOP NEW SEED VARIETIES AND SPECIALTY CROPS

6. EXPAND SPECIALTY CROP RESEARCH AND DEVELOPMENT

7. IMPROVE ENVIRONMENTAL SUSTAINABILITY OF SPECIALTY CROPS

ADDITIONAL APPROVED OUTCOME (IF APPLICABLE)

#### MISCELLANEOUS OUTCOME MEASURE (1500 Character Limit)

In the unlikely event that the outcomes and indicators above the selected outcomes are not relevant to your project, you must develop a project-specific outcome(s) and indicator(s) which will be subject to approval by AMS.

#### DATA COLLECTION TO REPORT ON OUTCOMES AND INDICATORS (2000 Character Limit)

Explain how you will collect the required data to report on the outcome and indicator in the space below. Please refer to SCBGP Performance Measures for information on data collection tips for each outcome indicator selected.

## BUDGET NARRATIVE

All expenses described in this Budget Narrative must be associated with expenses that will be covered by the SCBGP. If any matching funds will be used and a description of their use is required by the State department of agriculture, the expenses to be covered with matching funds must be described separately. Applicants should review the Request for Applications (RFA) section on *Funding Considerations* prior to developing their budget narrative.

Expense Category	Funds Requested
Personnel	
Fringe Benefits	
Travel	
Equipment	
Supplies	
Contractual	
Other	
<b>Direct Costs Sub-Total</b>	
Indirect Costs	
<b>Total Budget</b>	

## PERSONNEL

List the organization's employees whose time and effort can be specifically identified and easily and accurately traced to project activities that enhance the competitiveness of specialty crops. If the listed employee's salary/position will not be paid with SCBGP funds list \$0.00 in the Funds Requested column. See the RFA section on *Presenting Direct and Indirect Costs Consistently and Allowable and Unallowable Costs and Activities* for further guidance. Fill personnel information in space below as needed.

+	#	Personnel Name/Title	Level of Effort (# of hours OR % FTE)	Funds Requested
-				
<b>Personnel Subtotal</b>				

## PERSONNEL JUSTIFICATION (2000 Character Limit)

For each individual listed in the above table, describe the activities to be completed by name/title including approximately when activities will occur. Add more personnel by copying and pasting the existing listing or deleting personnel that aren't necessary.

### FOR EXAMPLE:

Personnel 1: Description and justification  
Personnel 2: Description and justification

--	--

## FRINGE BENEFITS

Provide the fringe benefit rates, in percentages, for each of the employees described in the Personnel section that will be paid with SCBGP funds.

+	#	Fringe Benefits Name/Title	Fringe Benefit Rate	Funds Requested
-				
<b>Fringe Subtotal</b>				

## TRAVEL

Explain the purpose for each Trip Request. Please note that travel costs are limited to those allowed by formal organizational policy; in the case of air travel, project participants must use the lowest reasonable commercial airfares. For recipient organizations that have no formal travel policy and for-profit recipients, allowable travel costs may not exceed those established by the Federal Travel Regulation, issued by GSA, including the maximum per diem for lodging and meals and incidental expenses (M&IE) and mileage rates prescribed in those regulations. This information is available at <http://www.gsa.gov/travel>. See the RFA section on *Allowable and Unallowable Costs and Activities* for further guidance. For all trips, please list each cost item (airfare, car rental, meals, hotel, etc.) associated with that trip number on a separate line. Please do not combine costs like airfare and hotels on the same line.

+	#	Trip Destination	Type of Expense (e.g., airfare, car rental, hotel, etc.)	Unit of Measure (e.g., days, nights, miles)	Number of Units	Cost per Unit	Number of Travelers Claiming Expense	Funds Requested
-								
<b>Travel Subtotal</b>								

## TRAVEL JUSTIFICATION (2000 Character Limit)

For each trip listed in the above table, describe the purpose of this trip and how it will achieve the objectives and outcomes of the project. Be sure to include approximately when and where the trip will occur and who will be traveling. If the location is not yet known, please use "to be determined (TBD)". If you are not using GSA rates, please include how you arrived at the rate numbers. For example, it might be including tax for the hotel or University travel policy. Add more trips by copying and pasting the existing listing or delete trips that aren't necessary.

### FOR EXAMPLE:

Trip 1: (Approximate Date of Travel MM/YYYY), justification

Trip 2: (Approximate Date of Travel MM/YYYY), justification

## CONFORMING WITH YOUR TRAVEL POLICY

By checking the box to the right, I confirm that my organization's established travel policies will be adhered to when completing the above-mentioned trips in accordance with [2 CFR 200.474](#) or [48 CFR subpart 31.2](#) as applicable.

## EQUIPMENT

Describe any special purpose equipment to be purchased or rented under the grant. "Special purpose equipment" is tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost that equals or exceeds \$5,000 per unit and is used only for research, medical, scientific, or other technical activities. If the acquisition cost of the item is less than \$5,000 then the item is considered a supply and should be listed in that section. Rental of "general purpose equipment" must also be described in this section. Purchase of general purpose equipment is not allowable under this grant. See the RFA section on *Allowable and Unallowable Costs and Activities* for further guidance.

+	#	Equipment Item Description	Rental or Purchase	Acquisition Date	Funds Requested
-					
<b>Equipment Subtotal</b>					

## EQUIPMENT JUSTIFICATION (2500 Character Limit)

For each Equipment item listed in the above table describe how this equipment will be used to achieve the objectives and outcomes of the project. Please be sure to address the allowability criteria for each equipment item as indicated in the [AMS Terms and Conditions](#).

### FOR EXAMPLE:

Equipment 1: Description and justification

Equipment 2: Description and justification

## SUPPLIES

List the materials, supplies, and fabricated parts costing less than \$5,000 per unit, and describe how they will support the purpose and goal of the proposal and enhance the competitiveness of specialty crops. If the actual cost per unit or number of units is not known, please use your best estimate. This will assist Grants Management Specialists to better determine allowability. See the RFA section on *Allowable and Unallowable Costs and Activities*, for further guidance.

+	#	Supplies Item Description	Cost per Unit	Number of Units	Acquisition Date	Funds Requested
-						
<b>Supplies Subtotal</b>						

## SUPPLIES JUSTIFICATION (3000 Character Limit)

Describe the purpose of each supply listed in the table above and how it is necessary for the completion of the project's objective(s) and outcome(s). If it comes as a set, please include that in the justification. If you are combining costs (for example combining 15 items into one cost, you will need to provide a breakdown of items and how you arrived at the price listed in the table above).

### FOR EXAMPLE:

Supply 1: Description and justification

Supply 2: Description and justification

## CONTRACTUAL/CONSULTANT

Contractual/consultant costs are the expenses associated with purchasing goods and/or procuring services performed by an individual or organization other than the applicant in the form of a procurement relationship. If there is more than one contractor or consultant, each must be described separately.

Create a new line for each contractor/consultant. Provide a list of contractors/consultants, detailing out the name, hourly or flat rate, and overall cost of the services performed. Please note that any statutory limitations on indirect costs also apply to contractors and consultants.

+	#	Contractual Name/Organization	Hourly Rate/Flat Rate	Rate Value	Funds Requested
-					
<b>Contractual/Consultant Subtotal</b>					

## CONTRACTUAL JUSTIFICATION (2000 Character Limit)

Provide for each of your real or anticipated contractors listed above a description of the project activities each will accomplish to meet the objectives and outcomes of the project. Each section should also include a justification for why contractual/consultant services are to be used to meet the anticipated outcomes and objectives. Include timelines for each activity. If contractor employee and consultant hourly rates of pay exceed the salary of a GS-15 step 10 Federal employee in your area, provide a justification for the expenses. This limit does not include fringe benefits, travel, indirect costs, or other expenses. See the RFA section on *Allowable and Unallowable Costs and Activities* for acceptable justifications. If the Contractor has not yet been identified or is TBD, please indicate how you will announce the opportunity, evaluate candidates, and select the contractor for the position/work to be completed.

### FOR EXAMPLE:

Contractual 1: Description and justification  
Contractual 2: Description and justification

## CONFORMING WITH YOUR PROCUREMENT STANDARDS

By checking the box to the right, I confirm that my organization followed the same policies and procedures used for procurements from non-federal sources, which reflect applicable State and local laws and regulations and conform to the Federal laws and standards identified in [2 CFR Part 200.317 through.326](#), as applicable. If the contractor(s)/consultant(s) are not already selected, my organization will follow the same requirements.

## OTHER

Include any expenses not covered in any of the previous budget categories. Be sure to break down costs into cost per unit and number of units. Expenses in this section include, but are not limited to, meetings and conferences, communications, rental expenses, advertisements, publication costs, and data collection.

+	#	Other Item Description	Cost per Unit	Number of Units	Acquisition Date	Funds Requested
-						
<b>Other Subtotal</b>						

## OTHER JUSTIFICATION (2000 Character Limit)

Describe the purpose of each item listed in the table above purchased and how it is necessary for the completion of the project's objective(s) and outcome(s). For meals the costs must be reasonable, and a justification must be included to show that such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants.

### FOR EXAMPLE:

Other 1: Description and justification

Other 2: Description and justification

## INDIRECT COSTS

The indirect cost rate must not exceed 8 percent of the total Federal funds provided under the award per section 101(k)(2) of the Specialty Crops Competitiveness Act of 2004 ([7 U.S.C. § 1621 note](#)), as amended by section 10107 of the Farm Bill. Indirect costs are any costs that are incurred for common or joint objectives which cannot be readily identified with an individual project, program, or organizational activity. They generally include facilities operation and maintenance costs, depreciation, and administrative expenses. See the RFA section on *Limit on Administrative Costs and Presenting Direct and Indirect Costs Consistently* for further guidance.

Indirect Cost Rate	Funds Requested
<b>Indirect Subtotal</b>	

## PROGRAM INCOME

Program income is gross income --earned by a recipient or subrecipient under a grant --directly generated by the grant-supported activity or earned only because of the grant agreement during the grant period of performance. Program income includes, but is not limited to, income from fees for services performed; the sale of commodities or items fabricated under an award (this includes items sold at cost if the cost of producing the item was funded in whole or partially with grant funds); registration fees for conferences, etc.

Describe how program income will be used to further the objectives of this project during the performance period. Any income generated must be reinvested back into the project and not set aside or reserved for future expenses after the grant ends.

<b>+</b>	<b>Source/Nature of Program Income</b>	<b>Description of how you will reinvest the program income into the project to enhance the competitiveness of specialty crops</b>	<b>Estimated Income</b>
<b>-</b>			
<b>Program Income Total</b>			