



**United States
Department of
Agriculture**

PROJECT NARRATIVE GUIDE

USDA REGIONAL FOOD BUSINESS CENTERS PROGRAM

PROJECT NARRATIVE GUIDE OVERVIEW

This document is to be used as a guide to help prepare applications for the USDA Regional Food Business Centers Program. Submission of the project narrative template is **MANDATORY**. All sections in the project narrative template must be completed. Applicants must review the Regional Food Business Center Request for Applications (RFA). The Project Narrative must comply with the specific instructions, format, and content defined in Section 4.2.4 of the RFA.

The project narrative must be typed and single-spaced in an 11-point font and must not exceed fifteen (15) 8.5 x 11 pages (excluding pre-existing form content). For example, if the form is 10 pages before you begin entering your project narrative information, your form may be up to 25 pages in length when completed (10 original pages + 15 pages of applicant content). **DO NOT** modify the margins of the Project Narrative form. Narrative forms over the page limit will not be considered and may cause the disqualification of your application. Supporting materials, such as resumes, letters of commitment from Key Partner organizations, letters of support from Collaborators, Key Partner Budget Forms, negotiated indirect cost rate agreements, and accounting system and financial capability forms can be submitted as attachments and do not count towards the 15-page limit.

You must submit the Project Narrative form as a PDF and attach it to the Grants.gov application package using the "Project Narrative Attachment Form" found within the application package. **Handwritten applications or applications submitted in MS Word will not be accepted.** Prior to submitting the application to Grants.gov, please make sure no tracked changes or mark-up edits and comments are visible.

The following definitions apply to this document:

Applicant refers to the Lead Applicant and Key Partners submitting the application.

Updated December 13, 2022

Collaborators are organizations that may provide a variety of kinds of training, technical assistance, or other services to the Centers. Collaborators do not need to be qualifying eligible entities and, in some cases, it is possible that they may not be located in the geographic regions that the Centers will serve. They should provide letters of support outlining the services it is anticipated that they will provide to the Centers and estimated cost of those services, when possible, included as attachments to the Narrative Form. These organizations do not have a role in overall planning, management and implementation of the Center. Resumes for staff of these groups are not required and their financial role is included in the contractual section of the budget.

Eligible Entities are Non-Federal Entities, which are defined in [2 CFR 200.1](#) as State, local governments, Indian tribes, Institutions of Higher Education (IHE), and nonprofit organizations. See Section 3.1.

Key Partners are the other eligible entities that with the Lead Applicant compose the partnership (Applicant) applying to operate the Regional Food Business Center. Key Partners must be located in and have a history of providing services necessary to the development of regional food systems in the region the Center will serve. Key Partners must provide Letters of Commitment with the application to operate a Regional Food Center. Key Partners must each also provide Budget Forms as attachments to the Narrative Form.

Lead Applicant is the lead eligible entity of the partnership applying to operate the Regional Food Business Center. The Lead Applicant is responsible for all financial management and reporting and must have demonstrated capacity and experience managing a high value and quantity of federal funds. They bear overall responsibility for program management and execution. The Lead Applicant must be located within and have a history of providing services necessary to regional food system development in the region the Center will serve. See Section 3.1.

The Partnership is composed of the Lead Applicant and the Key Partners applying to operate a Regional Food Business Center. The members of the Partnership must include at least three organizations, all of which must be eligible entities, and the Partnership must include organizations from at least two different categories of eligible entity. The Key Partners work closely with the Lead Applicant to form the Partnership and they share planning, implementation and reporting responsibilities. Lead Applicants and their Key Partners must sign Memorandums of Understanding (MOU) within 45 days of the signing of a Cooperative Agreement.

Project Team is the key staff from the Lead Applicant and Key Partner organizations who will be managing the Regional Food Business Center’s work. Resumes of the members of the Project Team should be included with the Narrative Form.

NOTE: There are two appendices to this document “Appendix A: Explanatory Lead Applicant Budget in Project Narrative Form” and “Appendix B: Explanatory Key Partner Budget Form.” These include examples that provide additional clarity and should not be used as a template for the application.

PROJECT NARRATIVE FORM INSTRUCTIONS

1. Lead Applicant Organization

This section must be the same as Box 8 of the SF-424. All applications to lead a Regional Food Center must come from an eligible entity (“the Lead Applicant”) representing a partnership and must be physically based in the region. A partnership is an agreement among three or more eligible entities representing at least two of the eligible entity types. The Lead Applicant must be the organization in the partnership that is responsible for receiving and managing the award. Applicants must meet the eligibility requirements as described in Section 3.1 of the RFA to be awarded a cooperative agreement.

2. Authorized Organization Representative (AOR)

This section must match Box 21 of the SF-424. The AOR is the individual who is authorized to sign any document on behalf of the organization. This is the member of the organization that authorizes the submission of the application to Grants.gov on behalf of an organization or institution. It is highly recommended that the AOR be different from the project coordinator or person designated by the organization to direct the project or activities being supported under the cooperative agreement.

3. Project Coordinator or Director

This person should be a different individual than the Authorized Organization Representative (AOR). This is a member of the organization that is dedicated to managing and executing key objectives of the proposed business center.

4. Lead Applicant Entity Type

Select the entity type that best represents the Lead Applicant organization. Section 3.1 of the RFA describes each entity type.

5. Key Partner Entity Types

Updated December 13, 2022

Select the entity type that best represents each of the Key Partner organizations. Please select all that apply. The Lead Applicant and the Key Partners that make up the Project Team must have a physical presence within, and have a history of serving, the region for which they are applying to serve as a Regional Food Center, and must be domestic entities owned and operated within the 50 United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, Commonwealth of the Northern Mariana Islands or Indian tribal lands in the geographic regions of the United States. Section 3.1 of the RFA describes each entity type. Note: Applicants must provide letters of commitment from all Key Partners (Section 4.2.5 of the RFA details letter of commitment requirements) as well as Key Partner Budget Forms. There is an explanation of how to fill out the form below, Appendix A.

6. Geographic Region and Priority Area(s)

This section must list states within the geographic region your proposal is supporting. For the purposes of this program, a geographic region is defined as reaching all, or part, of at least three states or territories or a 400-mile radius. While desired, regions do not need to be geographically contiguous. For example, multiple states and/or territories with similar needs, such as locations outside the lower 48 states, may propose a region serving noncontiguous areas of the United States or territories. Section 1.4 of the RFA provides details on regions and priority area(s).

Applicants should be as specific as possible about the geographic region they propose to serve. This should include a clear description of the area of a state that will participate if a whole state will not be served. Key Partners and Collaborating agencies may include a list of the counties in which they will be working in their letters of commitment and letters of support to provide full information without adding to the length of the application. The applicants must define priority areas that they will serve within their proposed region that would classify as high need, underserved communities that were particularly affected by the pandemic.

7. Does the Geographic Region include:

Select the Geographic Region in the High Priority Areas your application plans to serve if applicable.

8. Project Title

This section must match Box 15 of the SF-424. Provide a descriptive title that summarizes the main idea(s) of your project. The title should include “Regional Food Business Center” and also identify the region or states the center will serve. The title should also be concise and clearly describe the content and purpose of your project. If selected for funding, the title of your

Updated December 13, 2022

project and the executive summary will be made publicly available on our website. The title should be limited to 200 characters.

9. Requested USDA Regional Food Business Centers Funds

This section must match Line 18a of the SF-424. This is the total amount of federal funds the applicant is requesting. The amount of funds requested must not be less than the minimum amount (\$15 million) or exceed the maximum award amount (\$50 million). See section 2.5 on the RFA.

EXECUTIVE SUMMARY

The executive summary is the first impression of the project and is the opportunity to capture the reviewer’s attention. It must describe the project’s needs, purpose, goals, and expected outcomes. The executive summary must: 1) be no more than 250 words 2) be written in plain language for the general public to understand 3) use sentences; no bullets 4) briefly describe intended beneficiaries 5) briefly describe any subawards and 6) identify Key Partnerships and critical Collaborators and (7) briefly describe outreach activities. We recommend writing the summary after the rest of the proposal has been completed or is close to being done. The executive summary will be published on our website for public view. This summary should be the same as the one provided on the Project Abstract Summary form.

GEOGRAPHIC FOCUS

Describes the project’s proposed geographic region and priority area(s), why it is the most appropriate place and boundary for a Regional Food Center, the impact that the region would experience due to the geographic focus, and justification for the priority areas and their potential market connections within the region. This section should also include specific data showing why the region and priority areas were chosen. Applications should describe the degree of historic economic distress experienced in the project region, including the economic impact of the coronavirus pandemic. The application should describe the Lead Applicant and Key Partners’ prior history, collaborative efforts, commitment, and track record demonstrating why the Lead Applicant, Key Partners, and Collaborators are well-equipped to serve the selected region. You must articulate the reason behind the selected geographic region and demonstrate how the proposed plan will leverage existing assets and develop new assets to support the region’s food systems. *Note on Tribal Center:* The Tribal Center’s region is “national” in focus and should frame Indian Country food systems nationally and how the applicant/partnership intends to leverage resources in a culturally appropriate manner.

Updated December 13, 2022

ALIGNMENT AND INTENT

Clearly and concisely describe the project's proposed work to serve as a cornerstone in the development of the local and regional supply chains, including coordination, technical assistance, and capacity building support to small and mid-sized food and farm businesses, with the goal of creating a more resilient, diverse, and competitive food system. Provide a clear, well-conceived, and suitable Work Plan that describes how the Lead Applicant, Key Partners and Collaborators will achieve the goals and activities outlined in the RFA.

This section should align with the goals and activities described in the RFA and the sustainability section. It should provide a history of collaboration and engagement among partners to ensure high levels of participation from the surrounding community or provide a clear and concise plan for how such engagement will occur. The Lead Applicant should also describe plans for coordination, communication, data sharing, and reporting across the region, and with other USDA Regional Food Business Centers, USDA, and other stakeholder groups.

SUSTAINABILITY

Describe how the work, including that of the Lead Applicant, Key Partners and Collaborators, will be sustained beyond the cooperative agreement's period of performance (without federal funds) and/or how the project will lay the foundation for future resilience in the region after the project ends. This could include but is not limited to describing how the Regional Food Center plans to leverage and build on existing organizations, assets, and efforts to build capacity for this work within the region for future impact. The application should detail plans to collaborate with other federal, state, regional, tribal, and local initiatives that support complementary efforts, including the all-of-government Rural Partners Network led by USDA, to provide sustained support for the region.

PARTNERS AND EXPERTISE

Your description must include prior activities the Lead Applicant and Key Partners have engaged in that demonstrate their experience, expertise, and ability related to project responsibility and goals.

Applications must show a substantial, effective, and diverse array of Key Partners and Collaborators, including organizations operated by historically underserved groups and individuals, to accomplish the agreement's goals and objectives and meet the needs of the intended beneficiaries.

Updated December 13, 2022

KEY PARTNER LIST

Individually list the name of the organization, the type of organization and the exact role of each organization that is a Key Partner of the Lead Applicant. These organizations must all be eligible entities and the Key Partners must include at least two different types of eligible entity. Feel free to add additional rows as needed. These organizations must submit Letters of Commitment with the application and will sign an MOU within 45 days of the awarding of the cooperative agreement.

KEY STAFF (LEAD APPLICANT AND KEY PARTNER PERSONNEL)

List all key project staff, including personnel from the Lead Applicant and Key Partner organizations (see Section 1.3.5 in the RFA for definitions) that comprise the Project Team, their role in the project and a one-page resume or summary of relevant experience and/or qualifications for each of the members of the Project Team. Key Staff Resumes should be included as attachments to the application.

DIVERSITY, EQUITY, AND INCLUSION

Applicants must demonstrate experience in food and agriculture business development services and an ability to support the wide-ranging needs of stakeholders in the region, including providing market development and value chain/supply chain coordination. The application should clearly outline past efforts and planned strategies to reach historically underserved populations, racial minorities, and women, as well as past experience which demonstrates cultural competencies to achieve such objectives within the region. Applicants must demonstrate how their project design meaningfully involves and serves historically underserved businesses and communities and is committed to engaging potential beneficiaries as active participants in Regional Food Business Center activities. Applicants must identify potential challenges to partner recruitment and engagement, and achievement of goals or outcomes, and describe possible strategies to address the challenges. The application should demonstrate evidence of consultation with and involvement of underserved individuals prior to or during the creation of the proposal.

MONITORING AND EVALUATION

Applicants must describe a monitoring and evaluation plan that identifies potential feedback mechanisms and metrics that evaluate and quantify the results of project activities and will

Updated December 13, 2022

meet USDA’s evaluation requirements, including submitting the required semi-annual report which will collect metrics on the objectives outlined in Section 1.2 of the RFA. The metrics must consider equity and diversity for technical assistance providers, businesses served, and subrecipients. The applicant must also discuss how they will coordinate with USDA to align metrics and reporting with other Federal equity-focused efforts and explain how the proposed metrics consider equity and diversity for technical assistance providers, businesses served, and subrecipients. In this section, the applicant must explain the methods, systems, and infrastructure that will be used to collect and compile data and reports from partners and subawards. The applicant must describe plans for coordination, communication, appropriate data sharing and necessary systems to monitor and collect evaluation data.

FISCAL PLAN AND FINANCIAL CONTROLS

Applicants must complete the Budget and Justification section described below. Provide a clear description for each line item and ensure that the budget is consistent with the size and scope of the agreement. In addition, please describe the Lead Applicant’s fiscal management plan including the commitment from organizational leadership, the key staff who will be responsible for managing the financial systems, the expertise and experience of the Project Team necessary to successfully manage the funds and implement the project, and a demonstrated successful financial audit history of the Lead Applicant. The Lead Applicant must also demonstrate the ability to manage the financial, reporting, and evaluation burdens of a large number of subagreements.

BUDGET AND JUSTIFICATION

The Lead Applicant will submit the Center’s proposed budget and the total should be equal to the amount the Lead Applicant is requesting in a cooperative agreement from USDA Agricultural Marketing Service. The budget must show the total cost for the project and describe how category costs listed in the budget are derived. The budget justification must provide enough detail for reviewers to easily understand how costs were determined and how they relate to the project objectives and expected outcomes. The budget must show a relationship between work planned and performed to the costs incurred.

The required Key Partner Budget Forms will allow reviewers to understand in more detail how the Center’s work will be allocated among the partners and what each will be doing. The total of each Key Partner’s Budget Form should equal the amount listed for them on the Lead Applicant’s budget in the Contractual section.

LEAD APPLICANTS

Remember to include a Key Partner Budget Form for each Key Partner as attachments to the Project Narrative.

EXPENSE CATEGORY AND PERCENTAGE OF FUNDS TABLE

Define the percentage of funds that will be used for administration, coordination, technical assistance, and capacity building. Describe how this breakdown best meets the needs of your defined region. All four sections should add up to 100%.

On the Lead Applicant Project Narrative Form, the percentages provided in this table should be based on the total amount of funds being requested by the Lead Applicant. This includes the cost for the Lead Applicant plus Key Partners, Collaborators, contracts, etc.

Note on Administration Category: This is the total administrative cost for the Center to provide Coordination, Technical Assistance and Capacity Building services. This should include Lead Applicant and Key Partner staff providing administrative support to the Centers and the Lead Applicant's indirect costs. It should not include the personnel costs of staff directly engaged in Coordination, Technical Assistance and Capacity Building work.

The section-by-section explanations below apply to the Lead Applicant budget included in the Narrative Form AND to the Key Partners' Budget Forms that are included as attachments to the application. Please remember that the Lead Applicant should only include the Personnel, Fringe, and Travel costs of its staff on the Narrative form budget and the Equipment, Supplies, and Other expenditures that it will be making for its' use during the term of the project. The total costs of each Key Partner, Collaborator, consultant, and other service providers are reported in the Lead Applicant's Contractual section.

A breakdown of each Key Partner's Personnel, Fringe, Travel, Contractual, Equipment, Supplies and Other costs are reported on their respective Key Partner Budget Forms. Key Partners should include the total anticipated costs for each Collaborator, consultant, etc. in the Contractual section on its' budget form. Explanations of what should be included in each budget section are provided below and explanatory forms are included in the Appendices at the end of this document.

BUDGET SUMMARY TABLE

The Budget Summary should list how much in federal funds each line item will equal. The total budget should include both direct and indirect funds. Refer to RFA Section 4.6, the [Program Specific Terms and Conditions](#), and the [AMS General Terms and Conditions](#) for more information on allowable and unallowable expenses.

Updated December 13, 2022

The Contractual line on the Lead Applicant budget summary table should include the total amount spent by each Key Partner as reflected on its Key Partner Budget Form as well as other contractual spending by the Lead Applicant.

PERSONNEL

List each person from the Lead Applicant/Key Partner organization who will have a substantive role or will perform work directly for the project and the amount of funding requested. Also list anticipated hires (specific people do not need to be identified, just type of position, the anticipated role, and estimated salary).

Personnel salaries should be reasonable for the services rendered, conform to the organization's established written policy, and consistently apply to both federal and non-federal activities. These should include cost of living increases or other increases to ensure that the budget is adequate to pay for those staff in later years of the project if the staff are anticipated to work throughout the life of the agreement. Personnel salaries are considered reasonable to the extent that is consistent with what is paid for similar work within the organizations or comparable to the labor market in which the organization competes for the kind of employees involved. The [U.S Bureau of Labor Statistics](#) contains wage data available by area and occupation that can be used as the basis for your personnel salary. Refer to [2 CFR § 200.430](#) for more information. Personnel costs only apply to the staff of the Lead Applicant/Key Partner and do not include the cost for the services of Collaborators, consultants and contractors. Those should be listed as totals in the Contractual section.

FRINGE BENEFITS

The fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to the cost of leave, employee insurance, pension, and unemployment benefits. Provide the fringe benefit rates for each of the project's salaried employees listed above. The costs of fringe benefits should be reasonable and in line with the established policies of your organization. If the fringe is higher than 35% you must provide a justification. Refer to [2 CFR § 200.431](#) for more information. Include any anticipated cost increases in fringe benefits over the course of the project.

As with Personnel costs, the Lead Applicant/Key Partner budgets should include only the fringe benefits of their staff.

TRAVEL

Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the non-federal entities. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of

Updated December 13, 2022

actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip and results in charges consistent with those normally allowed in like circumstances in accordance with non-federal entity's written travel reimbursement policies. Travel must be integral to the purpose of the project, necessary for the individual(s) from the applicant organizations participating in the project and costs must be reasonable and consistent with the organizations' travel policies.

Explain the purpose of each Trip Request and the funds requested. Estimate the costs of all trips planned over the course of the 5-year program, even if exact details are unknown. Conferences that occur each year can be grouped together on one line. Please note that travel costs are limited to those allowed by formal organizational policy and for employees working directly on the project and 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 Regulations, issued by GSA, including the maximum per diem and subsistence rates prescribed in those regulations. This information is available at <http://www.gsa.gov>. Refer to [2 CFR § 200.475](#) for more information.

EQUIPMENT

Describe and justify any general or special purpose equipment to be rented or purchased under the cooperative agreement. Equipment purchases that support producer access to new markets and/or benefit local and regional supply chains are generally allowable as special purpose equipment, for both Regional Food Business Centers and subrecipients. Special purpose equipment in subawards purchases may include transportation, processing, aggregation, or storage investments specific to the operation of the Center; value chain/supply chain innovation or upgrades, including equipment or technology upgrades or investments to support process adaptations; and product development, packaging, and marketing of agricultural products.

Equipment must be necessary for the research, scientific, or other technical activities of the cooperative agreement. It may not be otherwise reasonably available and accessible and must be acquired in accordance with organizational practices. Purchases over \$5,000 should be included in this section and must be approved and the purchased equipment monitored by AMS, as required by 2 CFR § 200.313. Regional Food Business Center funds may not be used for construction and property acquisition, per uniform guidance on federal financial assistance. All AMS awards are subject to the terms and conditions, cost principles, and other considerations described in the [Program Specific](#) and [AMS General Terms and Conditions](#).

If funded, the Lead Applicant and/or Key Partners must maintain records and perform a physical inventory every two years of the equipment acquired with grant funds. The equipment

Updated December 13, 2022

also includes accessories necessary to make the equipment operational. These types of items with a unit cost of less than \$5,000 should be categorized as supplies, pursuant to 2 CFR Part 200. Refer to [2 CFR § 200.313](#), RFA section 4.6.1, and the Program Specific Terms and Conditions for more information.

SUPPLIES

Supplies mean all tangible personal property other than those listed under the equipment section. List the materials, supplies, and fabricated parts costing less than \$5,000 per unit and describe concisely how they will support the purpose and goal of the proposal. Refer to [2 CFR § 200.314](#) for more information.

CONTRACTUAL

The Contractual section for the Lead Applicant Budget includes the costs of Key Partners and Collaborators and any other contractual, consultant, and subaward agreements that are part of the completion of the project. The Key Partner Budget Form includes the cost of each Collaborator and any other contractual, consultant and subaward agreements. A subaward is an award provided by the non-federal entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the non-federal entity. Contractual/consultant costs are 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 or subaward, each must be described separately. Selecting the “Type” in this section (Contract or Subaward) is optional and it is understood that it is subject to change based on the identified needs of the project.

The Lead Applicant and Key Partners should provide a preference for acquisition of goods, products, and services produced in the United States, per [2 CFR § 200.322](#). The Lead Applicant/Key Partners must provide a concise description of the scope of work or services to be provided. The organization must award contracts or subawards only to responsible contractors or individuals that can perform successfully under the terms and conditions of the proposed agreement. The Lead Applicant/Key Partner and NOT AMS is responsible for the settlement of all contractual or subaward issues such as disputed, protests, and claims unless it is primarily a federal concern. AMS reserves the right to request organization’s procurement policies and final executed contracts at any time. Refer to [2 CFR § 200.317](#) through [2 CFR § 200.327](#) for more information.

OTHER

Include any expenses not covered in any of the previous budget categories. All **Business Builder subawards** should be included in this category. Be sure to break down costs into cost/unit. Other expenses in this section include but are not limited to, meetings and conferences,

Updated December 13, 2022

communications, rental expenses, advertisements, publication costs, participant support costs, and data collection. The Lead Applicant (Project Narrative Form) and Key Partners (Key Partner Budget) must describe how the items listed fit the project activities. Business Builder subawards made by the Lead Applicant should be listed on its' budget. Business Builder subawards made by individual Key Partner organizations should be included in this section of each Key Partner's Budget Form.

INDIRECT (UPDATED FROM ORIGINAL VERSION ON 12/9/22. SEE FAQs FOR ANY ADDITIONAL INFORMATION THAT WILL BE UPDATED AS WE RECEIVE QUESTIONS ON THE CHANGE.)

Indirect costs (also known as “facilities and administrative costs”—defined at [2 CFR § 200.1](#)) are 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.

As stated in [2 CFR § 200.413](#) and [414](#) any non-Federal entity that does not have a current negotiated (including provisional) indirect cost rate, except State and Local Government and Indian Tribe Indirect Cost Proposals, may elect to charge a de minimis rate of 10 percent of modified total direct costs (MTDC) that may be used indefinitely. No documentation is required to justify the 10% de minimis indirect cost rate. As described in [2 CFR § 200.403](#), costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a recipient chooses to negotiate for a rate, which the recipient may apply to do at any time.

All applicants who elect to charge a de minimis rate of 10 percent must use the MTDC as the base. MTDC are defined in [2 CFR § 200.1](#) as all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDCs exclude equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$25,000. Other items may be excluded only when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

If an applicant has a negotiated indirect cost rate approved by its cognizant agency, the applicant must submit a copy of its approved NICRA with its application. Entities that would like to negotiate an indirect cost rate must contact their cognizant agency. For assignments of cognizant agencies, see [2 CFR § 200.1](#). Allowable and Unallowable Costs and Activities.

All AMS awards are subject to the terms and conditions, cost principles, and other considerations described in the [AMS General Terms and Conditions](#) and the [Program Specific Terms and Conditions](#).

Eligible entities may propose direct costs for outreach, education, application evaluation & processing, and system improvements to properly implement the program.

Updated December 13, 2022

Applicants that have questions concerning the allowability of costs after reviewing this document should contact AMS staff using the contact information listed under **Section 7.0** of the RFA.

PROGRAM INCOME

Program income is gross income earned by a recipient (in this case the Lead Applicant) or subrecipient (in this case a Key Partner or other subrecipient of funds through subaward or contract) under a cooperative agreement—directly generated by award-supported activity or earned only because of the cooperative agreement during the 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. AMS authorizes the use of program income through the additive method as described in [2 CFR § 200.307\(e\)\(2\)](#). Any program income generated during the period of performance must be used to further the objectives of the project. If the project is expected to generate income as part of the award activities, you must include the estimated amount and explain how it will be reinvested in the project. If awarded, you will have to record any program income and report to AMS using the Federal Financial Report (SF-425). Refer to [2 CFR § 200.307](#) for more information. Applicants are not required or expected to have Program Income. Please write Not Applicable in the Program Income Total area if Program Income is not expected to be earned throughout the duration of the agreement.

APPENDIX A: EXPLANATORY LEAD APPLICANT BUDGET IN PROJECT NARRATIVE FORM

(This is meant to be an example to provide additional clarity and should not be used as a template for the application).

BUDGET AND JUSTIFICATION

The budget must show the total cost for the project and describe how category costs listed in the budget are derived. The budget justification must provide enough detail for reviewers to easily understand how costs were determined and how they relate to the Project Objectives and Expected Outcomes. The budget must show a relationship between work planned and performed to the costs incurred. Add additional rows to a table as needed.

Refer to RFA Section 4.6, the Program Specific Terms and Conditions, and the AMS General Terms and Conditions for more information on allowable and unallowable expenses.

Define what percentage of funds will be used for agreement administration, coordination, technical assistance, and capacity building. Describe how this breakdown meets the region’s needs.

Expense category	Percentage of funds
Administration	% This is the total administrative cost for the Center to provide Coordination, Technical Assistance and Capacity Building services. This should include Lead Applicant and Key Partner staff providing administrative support to the Centers and the Lead Applicant indirect costs. It should not include the personnel costs of staff directly engaged in Coordination, Technical Assistance and Capacity Building work.
Coordination	%
Technical Assistance	%

Updated December 13, 2022

Expense category	Percentage of funds
Capacity Building	%
	100%

BUDGET SUMMARY (LEAD APPLICANT)

Expense category	Federal funds
Personnel	Lead Applicant's personnel
Fringe benefits	Lead Applicant's fringe
Travel	Lead Applicant's travel
Equipment	Lead Applicant's equipment
Supplies	Lead Applicant's supplies
Contractual/subawards	This is the total amount of funds the Lead Applicant will provide to Key Partners, Collaborators, service providers, and others, to carry out activities as part of the Center's overall activities. This includes subawards, contracts, or agreements. This should include the total reported on each Key Partner Budget form.
Other (specify)	Business Builder subawards and other expenses not previously listed.

Updated December 13, 2022

Expense category	Federal funds
Direct costs subtotal	
Indirect costs	The Lead Applicant should include only their indirect costs here, and not those in contracts or subawards. Pursuant to 2 CFR 200.414(c)(1), USDA is required to accept the NICRA from those entities that have one. As stated in 2 CFR § 200.413 and 414 any non-Federal entity that does not have a current negotiated (including provisional) indirect cost rate, except State and Local Government and Indian Tribe Indirect Cost Proposals, may elect to charge a de minimis rate of 10 percent of modified total direct costs (MTDC) that may be used indefinitely.
Total budget (direct + indirect)	

PERSONNEL

List each person at the **Lead Applicant** organization who has a substantive role in the project and the amount of the request.

Personnel costs should be reasonable for the services rendered, conform to the established written policy of your organization, and consistently applied to both Federal and non-Federal activities.

Name, title	Justification for requesting funds	Level of effort (# of hours OR % FTE)	Annual salary requested
Current staff	Activities/Role this staff member will perform for this project.		Year 1: \$ Year 2: \$ Year 3: \$ Year 4: \$ Year 5: \$
Anticipated hire	Activities/Role the anticipated hire will perform for this project.		Year 1: \$ Year 2: \$ Year 3: \$ Year 4: \$ Year 5: \$
Anticipated hire	Activities/Role the anticipated hire will perform for this project.		Year 1: \$ Year 2: \$ Year 3: \$ Year 4: \$ Year 5: \$

Updated December 13, 2022

Add additional rows as needed

Personnel subtotals: \$

FRINGE BENEFITS

Provide the fringe benefit rates for each of the salaried employees listed above. The costs of fringe benefits should be reasonable and in line with established policies of your organization. If the fringe is higher than 35% you must provide a justification.

Name, Title	Fringe Benefit Rate	Funds Requested
		\$
		\$

Add additional rows as needed

Fringe benefits subtotal: \$

TRAVEL

Explain the purpose for each Trip Request for Lead Applicant personnel. 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 Regulations, issued by GSA, including the maximum per diem and subsistence rates prescribed in those regulations. This information is available at <https://www.gsa.gov/>.

Travel Description (Justification)	Expense type (airfare, car rental, etc.)	Unit of Measure (days, miles, etc)	# of Units over 5 Years	Costs/unit	# of Travelers	Funds Requested
<i>Ex. Annual conference that is important to the work of the Center that Lead Applicant staff will be attending each year.</i>	<i>Airfare, vehicle transportation (rental car or taxi), hotel, per diem</i>	<i>Flights + ground transport+ lodging + MI&E</i>	<i>Total number of trips that will be taken to/from conference over 5 years</i>	<i>Estimated cost of each trip</i>	<i>Total number of staff attending the conference over 5 years</i>	<i>Total # of trips x # of attendees x estimated cost of each trip</i>
<i>Ex. Lead Applicant staff doing multiple trips within state to provide technical assistance to Business Builder Grantees</i>	<i>Personal car, hotel, and per diem</i>	<i>Daily Mileage + Per Diem + Lodging</i>	<i>Total days travel per year x 5 years</i>	<i>Average total daily cost</i>	<i># staff traveling</i>	<i>Total # of days travelled x # of staff x average travel cost per day</i>

Add additional rows as needed

Travel subtotal: \$

By checking this box, I affirm that my organization’s established travel policies will be adhered to when completing the above-mentioned trips in accordance with 2 CFR § 200.475 or 48 CFR subpart 31.2, as applicable.

EQUIPMENT

Describe any special purpose equipment to be purchased or rented by the Lead Applicant under the Cooperative Agreement. “Special purpose equipment” is tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost

Updated December 13, 2022

that equals or exceeds \$5,000 per unit and is used only for research, medical, scientific, or other technical activities. Equipment purchases up to and including \$5000 is allowable. **Purchases over \$5,000 must be approved and the purchased equipment monitored by AMS, as required by 2 CFR § 200.313.** Rental of "general purpose equipment" must also be described in this section. Purchase of general purpose equipment is not allowable under this grant. See RFA Section 4.6.1 and the Program Specific Terms and Conditions for more information on equipment.

Item #	Description and funds justification	Rental or purchase?	Quantity	Price Per Unit	Date acquired?	Funds requested
1	Ex. Freezer being rented for the exclusive use of Regional Food Center activities.	Rental	1	\$8,000 Cost of rental for period	Date	\$8,000
2						

Add additional rows as needed

Equipment subtotal: \$

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.

Description and funds justification	Cost/unit	# of units	Date acquired?	Funds requested
<i>Laptop computers for Center staff to use when providing technical assistance</i>	\$3,000	8	Date	\$24,000
				\$

Add additional rows as needed

Supplies subtotal: \$

CONTRACTUAL

The Contractual section includes the costs of **Key Partners and Collaborators** and any other contractual, consultant, and subaward agreements that are part of the completion of the project. A subaward is an award provided by the non –federal entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the non-federal entity. Contractual/consultant costs are 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 or subaward, each must be described separately.

Type	Name/organization and funds justification	Hourly/flat rate	Funds requested
Contract <input type="checkbox"/> Subaward <input type="checkbox"/> <i>This is optional</i>	Key Partner #1 Partner organization whose staff participates in the Project Team and who are actively engaged in planning, implementation, monitoring and evaluation of the Center’s work over the course of 5 years.		\$X – 5-year total (this amount should match the total on each Key Partner’s Budget Form)

Updated December 13, 2022

Type	Name/organization and funds justification	Hourly/flat rate	Funds requested
Contract <input type="checkbox"/> Subaward <input type="checkbox"/> <i>This is optional</i>	Key Partner #2		\$X – 5-year total
Contract <input type="checkbox"/> Subaward <input type="checkbox"/> <i>This is optional</i>	Collaborator #1 Organization that provides specific kinds of business training regularly across the region over the course of 5 years.		\$X – 5-year total
Contract <input type="checkbox"/> Subaward <input type="checkbox"/> <i>This is optional</i>	Ex. Design of Center website		\$X – 5-year total
Contract <input type="checkbox"/> Subaward <input type="checkbox"/> <i>This is optional</i>	Ex. Market Research		\$X – 5-year total

Add additional rows as needed

Contractual subtotal: \$

Updated December 13, 2022

By checking this box, I affirm 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 §§ 200.317 through 200.327, as applicable. If the contractor(s)/consultant(s) is/are not already selected, I affirm that my organization will follow the same requirements.

Remember to include a Key Partner Budget Form for each Key Partner as attachments to this Project Narrative.

OTHER

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

Description and funds justification	Cost/unit	# Units/pieces purchased	Date acquired?	Funds requested
Business Builder subawards made by Lead Applicant				\$
<i>Ex. Stipends for Steering Committee</i>				\$
<i>Ex. Publication costs</i>				\$

Add additional rows as needed

Other subtotal: \$

INDIRECT

Indirect costs (also known as “facilities and administrative costs”—defined at 2 CFR § 200.1 are 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. For the indirect cost formula and additional information, refer to Section 4.6.3 of the RFA.

Indirect cost rate requested (%)	Funds requested
	\$

PROGRAM INCOME

Program income is gross income—earned by a recipient or subrecipient under a federal award—directly generated by the project-supported activity or earned only because of the cooperative agreement during the 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.

Income source	Description of how income is reinvested	Funds expected
		\$
		\$

Program income total: \$

EQUAL OPPORTUNITY STATEMENT

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

PAPERWORK BURDEN STATEMENT

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0581-0240. Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reading and utilizing this document to prepare an application, reviewing which items are allowable, and understanding the terms and conditions of the grant award.

Upon completion, save this form as a PDF and attach it to the application package within Grants.gov using the "Project Narrative Attachment Form" on the application package. Ensure that Partner Budget Forms for each Key Partner are included as attachments.

APPENDIX B: EXPLANATORY KEY PARTNER BUDGET FORM

(This is meant to be an example to provide additional clarity and should not be used as a template for the application).

KEY PARTNER BUDGET

A Key Partner Budget Form for each Key Partner must be included as an attachment to the Project Narrative.

Organization Name

Key Contact

Email

Phone

BUDGET AND JUSTIFICATION

The budget must show the total cost for the project and describe how category costs listed in the budget are derived. The budget justification must provide enough detail for reviewers to easily understand how costs were determined and how they relate to the Project Objectives and Expected Outcomes. The budget must show a relationship between work planned and performed to the costs incurred. Add additional rows to a table as needed.

Refer to RFA Section 4.6, the Program Specific Terms and Conditions, and the AMS General Terms and Conditions for more information on allowable and unallowable expenses.

Define what percentage of funds will be used for agreement administration, coordination, technical assistance, and capacity building. Describe how this breakdown meets the region's needs.

Updated December 13, 2022

BUDGET SUMMARY (KEY PARTNER)

Expense category	Federal funds
Personnel	Key Partner's personnel
Fringe benefits	Key Partner's fringe
Travel	Key Partner's travel
Equipment	Key Partner's equipment
Supplies	Key Partner's supplies
Contractual/subawards	Total amount of funds the Key Partner will provide to Collaborators, service providers, and others, to carry out activities as part of the Center's overall activities. This includes subawards, contracts, or agreements.
Other (specify)	Includes the cost of Business Builder subawards made by the Key Partner and other expenses described below.
Direct costs subtotal	
Indirect costs	The Key Partner should include only their indirect costs here, and not those in contracts or subawards. Pursuant to 2 CFR 200.414(c)(1), USDA is required to accept the NICRA from those entities that have one. If a Key Partner has a Negotiated Indirect Cost Rate Agreement (NICRA), their NICRA is honored and applied to their Key Partner budget. If a Key Partner does not have a NICRA in place, they are to use the 10% on MTDC de minimus rate.
Total budget (direct + indirect)	

Updated December 13, 2022

PERSONNEL

List each person who has a substantive role in the project and the amount of the request. Personnel costs should be reasonable for the services rendered, conform to the established written policy of your organization, and consistently applied to both Federal and non-Federal activities.

Name, title	Justification for requesting funds	Level of effort (# of hours OR % FTE)	Annual salary requested
Current staff	Activities/Role this staff member will perform for this project.		Year 1: \$ Year 2: \$ Year 3: \$ Year 4: \$ Year 5: \$
Anticipated hire	Activities/Role the anticipated hire will perform in this project.		Year 1: \$ Year 2: \$ Year 3: \$ Year 4: \$ Year 5: \$

Name, title	Justification for requesting funds	Level of effort (# of hours OR % FTE)	Annual salary requested
Anticipated hire	Activities/Role the anticipated hire will perform in this project.		Year 1: \$ Year 2: \$ Year 3: \$ Year 4: \$ Year 5: \$

Add additional rows as needed

Personnel subtotals: \$

FRINGE BENEFITS

Provide the fringe benefit rates for each of the salaried employees listed above. The costs of fringe benefits should be reasonable and in line with established policies of your organization. If the fringe is higher than 35% you must provide a justification.

Name, title	Fringe benefit rate	Funds requested
		\$
		\$

Add additional rows as needed

Fringe benefits subtotal: \$

Updated December 13, 2022

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 Regulations, issued by GSA, including the maximum per diem and subsistence rates prescribed in those regulations. This information is available at <https://www.gsa.gov/>.

Travel description (<i>Justification</i>)	Expense type (<i>airfare, car rental, etc.</i>)	Unit of measure (<i>days, miles, etc</i>)	# of units over 5 years	Costs/unit	# of travelers	Funds requested
<i>Ex. Annual conference important to the work of the Center that Key Partner staff will be attending each year.</i>	<i>Airfare, vehicle transportation (rental car or taxi), hotel, per diem</i>	<i>Flights + ground transport+ lodging + MI&E</i>	<i>Total number of trips that will be taken to/from conference over 5 years</i>	<i>Estimated cost of each trip</i>	<i>Total number of staff attending the conference over 5 years</i>	<i>Total # of trips x # of attendees x estimated cost of each trip</i>
<i>Ex. Key Partner staff doing multiple trips within state to provide technical assistance to Business Builder Grantees</i>	<i>Personal car, hotel, and per diem</i>	<i>Daily Mileage + Per Diem + Lodging</i>	<i>Total days travel per year x 5 years</i>	<i>Average total daily cost</i>	<i># staff traveling</i>	<i>Total # of days x # of staff x average travel cost per day</i>

Add additional rows as needed

Travel subtotal: \$

By checking this box, I affirm that my organization's established travel policies will be adhered to when completing the above-mentioned trips in accordance with 2 CFR § 200.475 or 48 CFR subpart 31.2, as applicable.

Updated December 13, 2022

EQUIPMENT

Describe any special purpose equipment to be purchased or rented under the Cooperative Agreement. “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. Equipment purchases up to and including \$5000 is allowable. **Purchases over \$5,000 must be approved and the purchased equipment monitored by AMS, as required by 2 CFR § 200.313.** Rental of "general purpose equipment" must also be described in this section. Purchase of general purpose equipment is not allowable under this grant. See RFA Section 4.6.1 and the Program Specific Terms and Conditions for more information on equipment.

Item #	Description and funds justification	Rental or purchase?	Quantity	Price per unit	Date acquired?	Funds requested
1	<i>Ex. Freezer being rented for the exclusive use of Regional Food Center activities.</i>	<i>Rental</i>	<i>1</i>	<i>\$8,000 Cost of rental for period</i>	<i>Date</i>	<i>\$8,000</i>
2						

Add additional rows as needed

Equipment subtotal: \$

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.

Description and funds justification	Cost/unit	# of units	Date acquired?	Funds requested
<i>Laptop computers for Key Partner staff to use when providing technical assistance</i>	<i>\$3,000</i>	<i>8</i>	<i>Date</i>	<i>\$24,000</i>
				\$
				\$

Add additional rows as needed

Supplies subtotal: \$

CONTRACTUAL

The Contractual section includes the costs of Collaborators and any other contractual, consultant, and subaward agreements that are part of the completion of the project. A subaward is an award provided by the non –federal entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the non-federal entity. Contractual/consultant costs are 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 or subaward, each must be described separately.

Type	Name/organization and funds justification	Hourly/flat rate	Funds requested
Contract <input type="checkbox"/> Subaward <input type="checkbox"/> <i>This is optional</i>	<i>Ex. Collaborator #1 Organization that provides specific kinds of business training regularly across the region over the course of 5 years.</i>		<i>\$X – 5-year total</i>
Contract <input type="checkbox"/> Subaward <input type="checkbox"/> <i>This is optional</i>	<i>Ex. Collaborator #2 to provide trainings on developing business feasibility studies</i>		<i>\$X – 5-year total</i>
Contract <input type="checkbox"/> Subaward <input type="checkbox"/> <i>This is optional</i>	<i>Ex. Market Research study</i>		<i>\$X – 5-year total</i>

Add additional rows as needed

Contractual subtotal: \$

By checking this box, I affirm 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 §§ 200.317 through 200.327, as applicable. If the contractor(s)/consultant(s) is/are not already selected, I affirm that 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/unit. Expenses in this section include, but are not limited to, meetings and conferences, communications, rental expenses, advertisements, publication costs, and data collection.

Description and funds justification	Cost/unit	# Units/pieces purchased	Date acquired	Funds requested
<i>Business Builder subawards made by Key Partner</i>				\$
<i>Meeting costs for regional stakeholder gathering if paid from Key Partner budget and not Lead Applicant budget</i>				\$
<i>Publication Costs if paid from Key Partner budget and not Lead Applicant budget</i>				\$

Add additional rows as needed

Other subtotal: \$

INDIRECT

Indirect costs (also known as “facilities and administrative costs”—defined at 2 CFR § 200.1 are 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. For the indirect cost formula and additional information, refer to Section 4.6.3 of the RFA.

Indirect cost rate requested (%)	Funds requested
	\$

PROGRAM INCOME

Program income is gross income—earned by a recipient or subrecipient under a federal award—directly generated by the project-supported activity or earned only because of the cooperative agreement during the 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.

Income source	Description of how income is reinvested	Funds expected
		\$
		\$
		\$

Program income total: \$

EQUAL OPPORTUNITY STATEMENT

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

PAPERWORK BURDEN STATEMENT

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0581-0240. Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reading and utilizing this document to prepare an application, reviewing which items are allowable, and understanding the terms and conditions of the grant award.

Upon completion, save this form as a PDF and attach it to the application package within Grants.gov using the "Project Narrative Attachment Form" on the application package. Ensure that Partner Budget Forms for each Key Partner are included as attachments.