



**U.S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
NATIONAL ORGANIC PROGRAM**

ORGANIC CERTIFICATION COST SHARE PROGRAMS

www.ams.usda.gov/NOPCostSharing

NOP 6000: Policies and Procedures

Fiscal Year 2013

Current as of 11/15/2012

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I. PROGRAM AUTHORITY

The US Department of Agriculture (USDA)'s organic cost share programs, reimburse certified organic operations to defray the costs of organic certification. These programs are administered by the USDA Agricultural Marketing Service (AMS) National Organic Program (NOP). Only one organic cost share program is active for FY 2013 as of January 2013. This program is the Agricultural Management Assistance (AMA) Cost Share Program, which provides cost share reimbursements to producers in the states of Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. This program is in addition to and separate from the previous National Organic Certification Cost Share Program (NOCCSP), which is not currently active.

The AMA is authorized under Section 1524 of the Federal Crop Insurance Act (FCIA), as amended (7 U.S.C. 1501-1524). The Agricultural Marketing Service has allocated \$1.425 million for the AMA program in fiscal year 2012 for distribution through fiscal year 2013. The Act authorizes the Department to provide certification cost share assistance of no more than 75% of the costs of certification, up to a maximum of \$750 per year, to producers of organic agricultural products in the 16 eligible States who receive certification or continuation of certification from a USDA accredited certifying agent. Reimbursements to individual producers and handlers will be provided through participating States.

II. LEGAL AUTHORITY AND APPLICABLE REGULATIONS

A. ADMINISTRATIVE PROVISIONS.

This award, and subawards at any tier under this award, shall be governed to the extent applicable by the following provisions:

- 1) [7 CFR Part 3015](#), "Uniform Federal Assistance Regulations";
- 2) [7 CFR Part 3016](#), "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"; and
- 3) [7 CFR Part 3019](#), "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, Non-profit Organizations, and For-Profit Organizations."

The Code of Federal Regulations is accessible through the [National Archives and Records Administration](#).

B. FEDERAL COST PRINCIPLES.

Allowable costs will be determined in accordance with the applicable program legislation, the purpose of the award, the terms and conditions of award as contained herein, and, if this award is to a recipient other than a Federal agency, by the following Federal cost

principles that are applicable to the type of organization receiving the award, regardless of type of award or tier (i.e., prime awardee, subaward) as are in effect at the time of award:

- 1) [2 CFR Part 225 \(OMB Circular No. A-87\)](#), "Cost Principles for State, Local, and Indian Tribal Governments";
- 2) [2 CFR Part 220 \(OMB Circular No. A-21\)](#), "Cost Principles for Educational Institutions"; and
- 3) [2 CFR Part 230 \(OMB Circular No. A-122\)](#), "Cost Principles for Nonprofit Organizations."

A complete list of current OMB Circulars can be found on the [White House Web site](#).

III. DEFINITIONS

A. Federal Agency – National Organic Program (NOP), Agricultural Marketing Service (AMS), United States Department of Agriculture (USDA).

B. Grant – an award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the Federal Government to an eligible entity.

C. Data Universal Numbering System (DUNS) number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).

D. Entity – all of the following, as defined at 2 CFR part 25, subpart C:

- i. A Governmental organization, which is a State, local government, or Indian tribe;
- ii. A foreign public entity;
- iii. A domestic or foreign nonprofit organization;
- iv. A domestic or foreign for-profit organization; and
- v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

G. Grantee/State Agency – the government agency to which a grant is awarded and which is accountable for the use of the funds provided. The grantee is the entire legal entity even if only a particular component of the entity is designated in the grant award document.

H. State – any of the fifty States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, and American Samoa.

I. Subaward – an award of financial assistance in the form of money, or property in lieu of money, made under an award by a grantee to an eligible subrecipient. The term includes NOP 6000: USDA Agricultural Management Assistance Organic Certification Cost Share Programs Policies & Procedures, Fiscal Year 2013

financial assistance when provided by contractual legal agreement, but does not include procurement purchases or any form of assistance which is excluded from the definition of grant in this part. A subaward may be provided through any legal agreement, including an agreement that the State consider a contract.

H. Subrecipient – the government or other legal entity to which a subgrant is awarded and is accountable to the grantee for the use of the funds provided. A subrecipient receives a subaward from the State under this award and is accountable to the State for the use of the Federal funds provided by the subaward.

I. System for Award Management (SAM) – the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at <https://www.sam.gov/>).

IV. ASSURANCES AND CERTIFICATIONS

A. ASSURANCES

As a condition of this grant award, the State Agency assures that it is in compliance with and will comply over the course of the grant performance period with all applicable laws, regulations, Executive Orders, and other generally applicable requirements, as prescribed by 7 CFR Part 3015, which hereby are incorporated in this grant award by reference, and such other provisions as are specified herein.

B. CERTIFICATIONS

In accepting this grant award, the State Agency specifically certifies that it:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial, and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management, and completion of the project(s) described in this application.
2. Will give the Federal Agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the Federal Agency.

5. Will comply with the Intergovernmental Personnel Act of 1970 (42 USC §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 CFR Part 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (PL 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 USC §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 USC §794), which prohibits discrimination on the basis of disabilities; (d) the Age Discrimination Act of 1975, as amended (42 USC §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (PL 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (PL 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 USC §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 USC §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (PL 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 USC §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 USC §§276a to 276a-7), the Copeland Act (40 USC §276c and 18 USC §874), and the Contract Work Hours and Safety Standards Act (40 USC §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (PL 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.

- 11.** Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (PL 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 USC §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 USC §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (PL 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (PL 93- 205).
- 12.** Will comply with the Wild and Scenic Rivers Act of 1968 (16 USC §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
- 13.** Will assist the Federal Agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 USC §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 USC §§469a-1 et seq.).
- 14.** Will comply with PL 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
- 15.** Will comply with the Laboratory Animal Welfare Act of 1966 (PL 89-544, as amended, 7 USC §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
- 16.** Will comply with the Lead-Based Paint Poisoning Prevention Act (42 USC §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
- 17.** Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
- 18.** Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
- 19.** Will make a good-faith effort to provide and maintain a drug-free environment by prohibiting illicit drugs in the workplace, providing employees with drug-free policy statements (including penalties for noncompliance), and establishing necessary awareness programs to keep employees informed about the availability of counseling, rehabilitation, and related services (§5151-5610 of the Drug-Free Workplace Act of 1988, as implemented by 7 CFR Part 3017, Subpart F, Section 3017.600, Purpose).
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20. Has not used and will not use Federal funds, other than profits from a Federal contract, for lobbying Congress or any Federal agency in connection with the award or modification of any contract, grant, cooperative agreement, or loan; will disclose the name, address, payment details, and purpose of any agreements with lobbyists for whom it or its contractors or grantees have paid or will pay with profits or non-appropriated funds on or after December 23, 1989, for any award action in excess of \$100,000 (or \$150,000 for loans); will file quarterly updates about the use of lobbyists if material changes occur; and will require its nonexempt contractors or grantees to certify and disclose accordingly [§319, PL 101-121 (31 USC 1352), as implemented by 7 CFR Part 3018].

21. It and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency; have not been convicted or indicted under criminal or civil statutes or had one or more public transactions terminated for cause or default within the past three years; will provide immediate written notice to the Authorized Departmental Officer if at any time it learns that this certification was erroneous when made or has become erroneous by reason of changed circumstances; and will require recipients of lower-tier covered transactions under this grant award to similarly certify (EO 12549, as implemented by 7 CFR Part 3017, Section 3017.510, Participants' responsibilities).

V. FEDERAL AGENCY AND STATE AGENCY RESPONSIBILITIES

A. THE FEDERAL AGENCY WILL:

- 1.** Provide guidance, technical assistance and appropriate instruction to the State Agency during implementation of this agreement.
- 2.** Monitor the performance of the State Agency in implementing this agreement and, when needed, recommend ways to improve the State Agency's performance.
- 3.** Provide a minimum of 45 days' notice to the State Agency for any change(s) which affects the performance of the State Agency under this agreement. Changes may be made at any time upon mutual consent of all parties to the agreement. All changes to the agreement will be in writing.

B. THE STATE AGENCY WILL:

- 1.** Assign qualified personnel, and provide office space, including utilities, office equipment and supplies, administrative support, and other items necessary to carry out the intent of this agreement.
- 2.** Establish policies and procedures sufficient to make cost-share funds available to eligible applicants, evaluate requests for cost-share funds, grant approval or denial of requested

funds, justify denial of a request, and distribute funds to eligible producers and handlers seeking cost share assistance.

a. States participating in the AMA program may only reimburse producers using AMA funds.

3. Conduct public outreach as necessary to ensure a general understanding and knowledge of the cost-share program among organic producers and handlers operating within the State.

4. Maintain financial records sufficient to fully disclose all activities and transactions performed under the agreement. All financial records must be in sufficient detail as to be readily understood and audited. The records shall be accessible to the Federal Agency at any time and a copy of any audits required under the Single Audit Act shall be furnished to the Federal Agency.

5. Obtain approval from the USDA prior to initiating or accepting any subawards to third parties for completion of the project requirements and responsibilities outlined herein, and for general consensual agreement of the scope of work.

6. Comply with and require subrecipients to comply with the requirements contained in:

a. Standard Form 424B, Assurances - Non-Construction Programs.

b. Form AD-1047, Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions.

c. Form AD-1048, Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions. Note: The recipient is responsible for obtaining the signatures and retaining the certificates, if warranted, from lower tier recipients or contractors as defined in 7 CFR 3017.

d. Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - For Grantees Other Than Individuals."

e. Certification Regarding Lobbying. Note: The appropriate lobbying disclosure report form, SF-LLL, is available from the Federal Agency if applicable. *Exception: Certification Regarding Lobbying is not required from recipients of a Federal contract, grant, or cooperative agreement of \$100,000 or less.*

7. Be responsible for, and assume liability for, any decisions made by such party pursuant to this agreement and any actions taken pursuant to such decisions. Neither party shall be responsible for, or assume liability for, decisions made by the other party under the terms of this agreement.

VI. PROGRAM PARTICIPANTS: ORGANIC OPERATIONS

In order to be eligible for reimbursement in the current fiscal year, applicants must successfully receive their first organic certification from a USDA accredited certifying agent or have incurred expenses related to the renewal of certification between October 1, 2012 and September 30, 2013. To receive cost share reimbursements, eligible organic producers and handlers must apply to their participating State agency. Producers and handlers must possess current USDA organic certification in good standing (defined as not under suspension or revocation) in order to be eligible to receive reimbursements. Suspended and/or revoked certifications are ineligible for reimbursement. An updated list of suspended and revoked operations is published monthly on the NOP website at <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5083817&acct=nopgeninfo>. The applicable NOP regulations and resources for certification are available on the NOP website at www.ams.usda.gov/nop. Certification may be verified through a copy of an organic certificate, verifiable communication from a USDA-accredited certifying agent, listing in the NOP's annual database of certified operations at apps.ams.usda.gov/nop/, or similar.

VII. ALLOWABLE COSTS: REIMBURSEMENTS

Payments are limited to 75% (seventy-five percent) of an individual producer's certification costs, up to a maximum of \$750 (seven-hundred and fifty dollars) per certificate or category of certification, per year. Three categories of certification are eligible for reimbursement under the AMA cost share program: crops, wild crops, and livestock. Operations may receive one reimbursement per year per certificate or category of certification (if one certificate includes multiple categories). For example, if an operation is certified for the crops category only, it is eligible for up to 75% of certification costs up to a maximum of \$750. If an operation is certified for crops and livestock, it is eligible for up to 75% of the certification costs for both of these categories combined up to a maximum of \$1,500, even if both categories are listed on the same certificate. Each certificate may be reimbursed separately. Likewise, each category of certification may be reimbursed separately. **For a sample list of allowable and unallowable expenses on reimbursement applications, see [Appendix A](#).** No other direct costs may be charged to this award. State agencies may assess 10% in indirect costs or overhead costs associated with conducting this agreement.

VIII. APPLICATION PROCEDURES AND REQUIREMENTS

A. STATE AGENCY (DEPARTMENTS OF AGRICULTURE) APPLICATION PROCESS

Each State will be invited by the Federal Agency to participate in the cost share programs. The Federal Agency will provide the application deadlines and send an application package to the State Agency. The application package shall include two hard copies of the cooperative agreement. To participate in the cost share programs, the State must submit the following documents:

1. One original, signed copy of the USDA/AMS-33 Face Page. This AMS-33 document must be sent to the NOP at the address listed at the end of this document. Because packages sent through the United States Postal Service may be damaged or delayed due to security procedures at USDA headquarters, express mail or courier service is recommended.
2. One copy of the [Standard Form 424](#), Application for Federal Assistance. **Electronic submission via Grants.Gov is required; paper copies will not be accepted.** For information on using Grants.Gov, please consult www.grants.gov/GetRegistered. Applicants may also contact the Grants.gov Contact Center at 1-800-518-4726 or www07.grants.gov/help/help.jsp for assistance.

B. PRODUCER AND HANDLER APPLICATION PROCEDURES

In order to receive a cost share reimbursement, eligible producers and handlers (see Section III) should apply to the Department of Agriculture (or equivalent) of the State in which they are located. Entities operating in more than one State should apply to the State in which their taxes are filed. Such entities may only apply for reimbursements once per certificate or certification category, as verified by the certification documentation. State agency contact names and information can be found at www.ams.usda.gov/NOPCostShareProgramParticipants. States may set their application deadlines no earlier than October 31, 2013. At their discretion, States may continue to accept applications through December 2013. Producers and handlers should verify the application deadline of their state by visiting the website listed above.

1. APPLICATION PROCESS FOR FIRST-TIME APPLICANTS

Once a producer receives proof of organic certification from an [accredited certifying agent](#), then the operator may apply to the state agency for reimbursement. Applicants should keep records of all invoices and payments for certification-related expenses. Reimbursements may not be processed until the applicant is granted certification

Copies of following documents may be required:

- a. USDA organic certificate, or other proof of certification issued by a USDA-accredited certifying agent
- b. Application form (optional, may not be required by all States)
- c. Itemized invoice for certification-related expenses (see [Appendix A](#) for eligible expenses)
 - ii. Certification expenses may be verified by obtaining information from the producer or handler's Accredited Certifying Agent.
- d. IRS W-9 tax form (<http://www.irs.gov/pub/irs-pdf/fw9.pdf>) or State vendor form

2. PROCESS FOR RENEWAL APPLICANTS:

- a. Renewal applicants should submit one application for all certification expenses incurred from September 30, 2012 – September 29, 2013. The applicant must submit the paperwork required by the State agency, which may include an

application form, itemized invoice, and W-9 tax form. The State agency shall verify the applicant's name against the USDA's database of certified organic operations in order to obtain proof of certification. States may access this database online at apps.ams.usda.gov/nop/. Revoked or suspended operations may also be viewed online at <http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5083817&acct=nopgeninfo>.

- b. If the applicant is not listed in the NOP's database, then the applicant must provide proof of certification through a copy of a certificate or written confirmation from a USDA-accredited certifying agent. If the applicant is listed in the NOP's database, then the reimbursement may be issued.

Applicants may refer to the Cost Share website at www.ams.usda.gov/NOPCostSharing for more information. Answers to frequently asked questions can be found at www.ams.usda.gov/NOPCostShareQAs.

IX. REQUESTS FOR PAYMENT

Payments of grant funds must be requested by the State agency using Standard Form 270, "Request for Advance or Reimbursement," found at www.whitehouse.gov/omb/grants_forms/. Requests for payment should be scheduled so that all grant funds are obligated (encumbered) within 90 days after the end of the grant agreement. Any unobligated (unencumbered) balance of cash at the end of this period must immediately be refunded back to the Federal Agency. Late payments are subject to an interest charge of 18 percent per annum and all penalties and administrative charges as provided under the Debt Collection Act of 1996.

Advances shall be limited to the minimum amounts needed to meet current disbursement needs and shall be scheduled so the funds are available as close as is administratively feasible to the actual disbursements by the State agency. Cash advances made by the State agency to secondary recipient organizations or the State agency's field organizations shall conform substantially to the same standards. Payments will be made electronically to the bank account specified by the State agency.

The SF-270 should be signed by an authorized organizational representative and sent via e-mail to the Grants Management Specialist. See [Appendix B](#) for instructions on how to complete the SF-270.

X. REPORTING REQUIREMENTS

Each State must file mid-year and final reports. Mid-year reports are due on April 30 and report the first 6 months of the award. Final reports are due 90 days after the expiration of the grant, or December 30th, 2013, and report on the full period of the award. Both reports

are to include a Federal Financial Report using the Standard Form 425 and a spreadsheet of operations reimbursed, including the amount of each reimbursement. Final reports are to also include a narrative report, as described below. The State agency must liquidate all obligations incurred under the award by December 30, 2013 and immediately refund to the Federal agency any balance of unobligated cash advanced.

A. SF-425, “FEDERAL FINANCIAL REPORT.”

The form may be downloaded from www.whitehouse.gov/omb/grants_forms/. Instructions can be found in [Appendix B](#).

B. SPREADSHEET OF OPERATIONS REIMBURSED.

This spreadsheet should list the producers receiving cost-share payments within the reporting time period, including the name of the operation, the total cost of their certification expenses, and the amount paid.

C. NARRATIVE REPORT.

This document should describe program activities undertaken by the State agency and/or any subrecipients throughout the funding period. The following items should be addressed:

1. Outreach activities carried out by the State and/or subrecipients, including the methods used to identify potential applicants, means of contact with potential applicants, and outreach materials for distribution, i.e. publications, announcements press releases, etc.
2. Problems or obstacles related to reimbursement, program administration, outreach, etc. during the reporting period.
3. Explanation for any denial of requests for reimbursement.

XI. CENTRAL CONTRACTOR REGISTRATION AND UNIVERSAL IDENTIFIER REQUIREMENTS

A. REQUIREMENT FOR THE SYSTEM FOR AWARD MANAGEMENT (SAM) As the recipient, the State must maintain the currency of its information in the SAM until it submits the final financial report required under this award or receives its final payment, whichever is later. This requires that the responsible party review and update the information at least annually after the initial registration, and more frequently if required by changes in information or another award term.

B. REQUIREMENT FOR DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBERS.

If the State makes a subaward under this award, the responsible party:

1. Must notify potential subrecipients that no entity (see definition in paragraph C of this award term) may receive a subaward from the State unless the entity has provided its DUNS number to the State.

2. May not make a subaward to an entity unless the entity has provided its DUNS number to the State.

XII. AUDIT REQUIREMENTS

The State is responsible for conducting an annual financial audit of the expenditures from all AMA funds. This may be done using the Single Audit Act or a program-specific audit.

SINGLE AUDIT ACT

If the Single Audit Act applies, the State shall submit the annual audit results to AMS within 30 days after completion of the audit. See OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," at www.whitehouse.gov/omb/circulars/default/ for guidance on if the Single Audit Act applies.

PROGRAM-SPECIFIC AUDIT

If the Single Audit Act does not apply, the State shall conduct an audit no later than 60 days after the end date of the grant agreement. The State shall submit a copy of the audit results to the Federal Agency not later than 30 days after completion of the audit.

XIII. RECORDS RETENTION

In accordance with 7 CFR 3016.42, grant recipients must retain all records relating to the grant for a period of three years after the final Federal Financial Report been submitted to the Federal Agency, or until final resolution of any audit finding or litigation, whichever is later. Electronic records retention is acceptable.

XIV. USDA EQUAL EMPLOYMENT OPPORTUNITY & CIVIL RIGHTS

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities 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 part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400

Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

In support of the Department's policy, equal employment opportunity and civil rights for all employees and clients are an essential part of all programs administered by AMS. Cooperators are strongly encouraged to develop and support an equal employment opportunity and civil rights program in carrying out the partnership created with this cooperative agreement.

APPENDIX A: ALLOWABLE AND UNALLOWABLE COSTS

I. CHART OF ALLOWABLE AND UNALLOWABLE COSTS

Below is a list with a sample of costs which may be reimbursed, as well as those which are ineligible. This list is meant to be demonstrative, not exhaustive. Questions about allowable costs should be directed to the Cost Share Program Manager.

<i>Allowable Costs</i>	<i>Unallowable Costs</i>
<ul style="list-style-type: none"> • Application fees • Inspection costs • First-time USDA National Organic Program certification fees • Travel costs/per diem for organic inspectors • User fees/ sales assessments • Postage 	<ul style="list-style-type: none"> • Late fees • Inspections due to violations of NOP regulations • Any charges related to certifications other than USDA organic • Transitional certifications • Materials and supplies • Equipment

APPENDIX B: INSTRUCTIONS FOR FEDERAL GRANT FORMS

I. INSTRUCTIONS FOR COMPLETING THE SF-424, “APPLICATION FOR FEDERAL ASSISTANCE.”

In addition to the instructions provided on the SF-424, “Application for Federal Assistance,” the following supplemental instructions apply to the cost share programs.

Field No.	Field Title	Instruction
#3	Applicant Identifier & 4a Federal Entity Identifier	Leave Blank
#4b	Federal Award Identifier	Enter the cooperative agreement number, per USDA communication
# 7 c	Organizational DUNS	Enter the Dun & Bradstreet DUNS number for your agency.
#7 d	Address	Enter the State agency street address. P.O. Boxes will not be accepted. Enter a 9-digit zip code.
#9	Name of Federal Agency	USDA AMS NOP
#10	Catalog of Federal Domestic Assistance	Number: 10.171. Title: “Organic Certification Cost Share Program.”
#15	Is Applicant Subject to Review by State Under Executive Order 12372 Process?	To determine if your State plan is subject to review under State Executive order 12372, consult the following website: www.whitehouse.gov/omb/grants/spoc.html

II. INSTRUCTIONS FOR COMPLETING THE SF-270, “REQUEST FOR ADVANCE OR REIMBURSEMENT”

In addition to the instructions provided on the SF-270, “Request for Advance or Reimbursement,” the following supplemental instructions are listed for the cost share programs.

Field No.	Field Name	Instruction
#3	Federal Agency	Enter USDA, AMS, NOP
#4	Federal Grant Number	Enter the Agreement No. found on the right hand corner of your Cooperative Agreement.
#5		Not applicable
#7	Recipient’s Account Number	This space is optional and is reserved for an account number or other identifying number that may be assigned by your organization.
#9	Recipient Organization	Enter full, official name and street address of the State agency of agriculture. PO boxes are not acceptable.
#11(a)		Enter the number of participants reimbursed during the period covered by this reimbursement/advance.
Section 11, column a		Enter the direct expenses on lines a-j
Section 12, column b		Enter indirect costs charged to date on lines a-j
#13	Certification	Authorizing official must sign and date the form

II. INSTRUCTIONS FOR COMPLETING THE SF-425, “FEDERAL FINANCIAL REPORT”

In addition to the instructions provided on the SF-425, “Federal Financial Report,” the following supplemental instructions are listed for the cost share programs.

Field No.	Field Name	Instruction
#1	Federal Agency	USDA, AMS, NOP
#2	Federal Grant or Other Identifying Number	Enter the Agreement number found on the right-hand corner of your Cooperative Agreement, which will begin with 12-12-A
#7	Basis of Accounting	Refers to the State agency accounting system
#8	Project/Grant Period	Include the correct beginning date and end date of the grant period.
#9	Reporting Period End Date	Enter the end date of the quarter on which you are reporting, or the final end date of December 30 th .
#10a	Cash Receipts	Cash received by the State from the USDA
#10b	Cash Disbursements	Amount disbursed to cost-share recipients
#10c	Cash on Hand	10a minus 10b
#10d	Total Federal funds authorized	Total annual budget for the agreement in question
#10e	Federal share of expenditures	Amount expended to date
#10f	Federal share of unliquidated obligations	Amount of obligations not reimbursed by the Federal government (should equal 10c)
#10g	Total Federal share	Sum of lines 10e and 10f
#10i	Unobligated Balance of Federal Funds	Enter the unobligated balance of federal funds (subtract line g from line d)
#11a	Type	Fixed
#11b	Rate	Enter 10%
#11c	Period From, Period To	Enter reporting dates
#11d	Base	Enter the direct costs incurred during the reporting period, or the total reimbursements to date (line 10g)
#11e	Amount Charged	Multiply line 11d by 10%
#12	Remarks	List the total number of applicants reimbursed during the reporting period
#13	Certification	Authorizing official must sign and date the form

CONTACT INFORMATION:

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APPLICABLE REGULATIONS:

Agreements between the NOP and State or Local governments shall be executed according to all applicable parts of the Department's (USDA) Uniform Federal Assistance Regulations (7CFR 3016 *et seq.*) or as they may be later revised, and successive published regulations as appropriate, incorporated by reference and included as part of an agreement. Current regulations may be found at www.gpoaccess.gov/cfr.