

Q&A from FMLFPP Grant Chat Session December 2, 2015

1. If we spend \$50 less on a computer than we were budgeted for, and also \$50 more on a different piece of equipment; does that count as a \$50 budget change or a \$100 budget change?

This change is for less than 20% of the total project budget so prior approval is not required. However, you need to make note in the AMS Program Worksheet when you request a payment for it, notifying that you want to switch funds between categories.

2. Should I be keeping an excel sheet documenting each expenditure, compared to its original budget allocation, to compile our cumulative budget shifts?

Definitely, you should keep a record of all expenses and incomes related to your FMLFPP Projects and you have to retain that information for 3 years after the completion of the project. However, each organization has the discretion to use the accounting systems that works best for them to track this information.

3. I am the Market Coordinator for our project, not the official awardee or authorized representative of my organization. I prepare the drawdown requests for my boss to submit. May I call or email the grant management specialist myself with questions?

Yes, you can contact the grant managements specialist assigned to your state with general questions. However, all budget changes, changes in personnel or any other changes that required prior approval, and signatures in the SF-270 and SF-425 should come from the authorized representative of your organization.

4. The terms and conditions mentioned that we need to complete the Grant Recipient Accounting System Questionnaire. Where can I find this questionnaire?

The questionnaires were sent to all possible applicants during the budget negotiation period. All 2015 FMLFPP grantees have submitted the questionnaires. If you need a copy, please contact your grants management specialist.

5. Can you explain the difference between a subrecipient and a contractor?

Under FMLFPP a subrecipient would be an organization who is responsible to doing part of the project activities. A contractor would only provide certain services such as a consultant, or media organization to do advertising.

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6. If we use FMPP funds to help hold an event, do ticket sales count as program income? What if the event is funded by others as well, does all the ticket money count as program income?

Any program income that is made as a result of the FMLFPP grants counts. You will report any program income as a result of the FMLFPP grant on the Federal Financial Report (SF-425).

7. We need to make some modifications to our project budget as a result of vendor costs exceeding estimates, associated indirect costs, and other changes resulting from implementation. Is there a threshold under which we can reallocate budget line items without USDA approval, or should we contact our program officer for all modifications?

Yes. For any modifications that are equal or greater than 20% of your total budget, prior approval is required. On the other hand, prior approval is not required for changes that are less than 20%. However, you should notify your specialist about the changes and to verify that your changes are for allowable items.

8. Is it possible to get contact information for other LFPP recipients, in order to synergize efforts regionally and nationally?

We do not provide specific contact information for our grantees unless an individual submits a Freedom of Information Act request (this protects our grantees from random solicitations, etc.). However, on the [LFPP](#) and [FMPP](#) websites you can find public lists of the organizations that has been awarded through both programs. These lists contain organization names, their states, and a description of their projects.

9. What is a budget change?

Changes in the same budget category are not considered a budget change—you are only switching funds between line items. If you want to move funds between different categories, this is considered a budget change. In both cases you should notify your specialist about the changes. However, if you are including a new line item that was not originally approved in your budget, you need prior approval.

10. What is the recipient account number?

Any internal number that your organization uses to identify the grant. It is not mandatory for your organization to complete this field on the SF-270. You DO need to complete the agreement number field in box 4 “Federal grant of other identifying number assigned by agency”. Instructions and examples of how to complete the SF-270 are posted in our website.

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11. If we make a request for "prior approval" for work hours used 60 days (August) pre-award, should the justification appear in an email or on a form?

You may send this request through e-mail to your grants management specialist. Please remember that the approval of pre-award cost is up to the discretion of the grant program.

12. Are modifications to indirect costs subject to any additional restrictions?

Please contact your grants management specialist to discuss the modifications to your indirect costs. There would be restrictions if you submitted a negotiated cost rate agreement.

13. Does the documentation of expenses (receipts for travel, staff time, etc.) need to be submitted with reports?

No. However, you should retain this information in your records in case of any audits or site visits. This information should be retained for a period of 3 years.

14. Where can we find the budget change forms?

To request a budget change, send an email with a justification for the changes along with the Budget Spreadsheet that was originally approved. The budget Spreadsheet should be submitted pointing out the desired changes (NOTE: you can use red font to show the new line item that you are including).

15. Can I purchase a software program to aid with program evaluation?

You may purchase software for program evaluation. However, if this was not previously approved on your budget you would have to contact your grants specialist for approval.

16. Can you please discuss how we have to use program income earned from an event partially funded by an FMPP grant?

Any program income earned must be used towards the project activities. Funds cannot be used for organization cost not related to the project.

17. How often do we need to submit invoices? Would it be ok to submit quarterly within 30 days of the end of the quarter?

Yes, you can submit invoices whenever is needed.

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18. Can you talk about the difference between upfront vs. reimbursement? Is it best to be reimbursed as you go along, or request funds in advance?

Advances are to submit requests for invoices or receipts that have not been paid. Reimbursements are for invoices and receipts that have been paid already. It is at your discretion and depends your situation to decide how you should request your payment. If you choose an advancement, in most cases, you cannot request all of your funding up front. Instead, you should request funds at reasonable intervals (e.g. quarterly).

19. Can the grant include locally prepared food in addition to locally grown?

Yes, this would be allowable. For LFPP projects, this would be covered under the "processing" component. LFPP recipients can purchase equipment to do the processing, but they cannot market the specific product.

20. Do I have to get special approval to move the funds to other items?

Yes, you should contact to your specialist to inform them of your changes.

21. Whose responsibility is it to manage contractors and subrecipients?

It is up to your organization to put contracts in place with your contractors. You just need to provide us with a copy of the signed agreement for our files.

22. When are the performance reports due?

Performance reports cover every 6 months of a project, and then at the conclusion of the performance period. They are due within 30 days of the 6-month marks, in the case of interim reports, and within 90 days of the project's termination when it comes to filing final reports.

23. Can I purchase a food truck with grant funds?

It depends. If the food truck is a specialized vehicle that is not like any other leasable food truck available today, it may be allowable. However, FMPP and LFPP grants must benefit more than one individual. It is difficult to see how a food truck would not just benefit the owner of the food truck but rather add value to a larger community, as stated in the Farm Bill regulations: The purposes of the FMLFPP Program are to increase domestic consumption of and access to locally and regionally produced agricultural products, and to develop new market opportunities for farm and ranch operations serving local markets. If you need to purchase a food truck to accomplish the goals of your grant, contact your grant specialist to discuss allowability.

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24. How long will it take USDA to process a payment for an advance?

It will take up to 5-10 business days to process a payment. If you do not receive a payment within that time frame, contact your assigned grant specialist.

25. Can I request all of my grant funds at one time?

It depends. If you are requesting funds for an expensive piece of equipment, for example, your project received \$25,000 to purchase a vegetable processor and the piece of equipment is \$25,000, we would allow this because it is necessary for the project to continue. However, if you are requesting personnel and basic supply costs, for example, we prefer that you submit requests on a reasonable basis, such as quarterly. If there's a specific need for a large amount of your funding, call your grant specialist to discuss the issue.