

Specialty Crop Block Grant Program

Fiscal Year 2016 Request for Applications

Funding Opportunity Number: USDA-AMS-TM-SCBGP-G-16-0003

Application Due Date: 11:59 PM Eastern Time on July 6, 2016

Program Solicitation Information

Funding Opportunity Title: Specialty Crop Block Grant Program – Farm Bill

Funding Opportunity Number: USDA-AMS-TM-SCBGP-G-16-0003

Announcement Type: Initial

Catalog of Federal Domestic Assistance (CFDA) Number: 10.170

Dates: Applications must be received by 11:59 p.m. Eastern Time on July 6, 2016 through Grants.gov. Applications received after this deadline will not be considered for funding.

Stakeholder Input: The Agricultural Marketing Service (AMS) seeks your comments about this Request for Applications (RFA). We will consider the comments when we develop the next RFA for the program. Submit written stakeholder comments by the deadline set forth in the DATES portion of this Notice via e-mail to: Scblockgrants@ams.usda.gov. (This e-mail address is intended only for receiving comments regarding this RFA and not requesting information or forms.) In your comments, please state that you are responding to the **Specialty Crop Block Grant Program** RFA**.**

Executive Summary: The U.S. Department of Agriculture (USDA), AMS, requests applications for the fiscal year (FY) 2016 Specialty Crop Block Grant Program (SCBGP) to award grants to eligible State departments of agriculture to carry out projects that solely enhance the competitiveness of specialty crops. Approximately $62.6 million, less USDA administrative costs, is available to fund applications under this solicitation.

This announcement identifies the eligibility criteria for SCBGP projects and applicants, and the application forms and associated instructions needed to apply for a SCBGP award.

2016 Highlights and Changes

It is important that applicants read and adhere to the guidance contained in this Request for Applications when preparing their applications. Below are highlights of major changes to the program since last year.

- Reference was added under section 3.5, Performance Measures, to account for the Office of Management and Budget approved Performance Measures, which are required for each project funded under the SCBGP.
- Section 4.7.2 Allowable and Unallowable Costs has been updated to include some clarification on the allowability and unallowability of costs.

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1.0 FUNDING OPPORTUNITY DESCRIPTION

1.1 LEGISLATIVE AUTHORITY

Legislative authority is provided under section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note) and amended under section 10010 of the Agricultural Act of 2014, Public Law 113-79 (the Farm Bill). SCBGP is currently implemented under 7 CFR part 1291 (published March 27, 2009; 74 FR 13313).

1.2 PURPOSE

The Specialty Crop Block Grant Program (SCBGP) assists State departments of agriculture (the State agencies responsible for agriculture) in the 50 States, the District of Columbia, American Samoa, Guam, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands in solely enhancing the competitiveness of U.S. grown specialty crops. Specialty crops are fruits and vegetables, dried fruit, tree nuts, horticulture, and nursery crops (including floriculture). A State department of agriculture is the agency, commission, or department of a State government responsible for agriculture within the State.

1.3 PROJECT TYPES

SCBGP encourages States to develop projects solely to enhance the competitiveness of specialty crops pertaining to the following issues affecting the specialty crop industry:

- enhancing food safety;
- improving the capacity of all entities in the specialty crop distribution chain to comply with the requirements of the Food Safety Modernization Act, for example, by developing "Good Agricultural Practices," "Good Handling Practices," "Good Manufacturing Practices," and in cost-share arrangements for funding audits of such systems for small farmers, packers and processors;
- investing in specialty crop research, including research to focus on conservation and environmental outcomes;
- developing adaptation and mitigation strategies for farmers in drought-stricken regions of the country;
- supporting the growth of organic specialty crops;
- developing new and improved seed varieties and specialty crops;
- pest and disease control;
- increasing child and adult nutrition knowledge and consumption of specialty crops;
- increasing opportunities for new and beginning farmers;
- improving efficiency and reducing costs of distribution systems;
- protecting and improving pollinator health;
- developing local and regional food systems; and
- improving food access in underserved communities and among veterans.

1.3.1 PROJECTS MORE RELEVANT FOR OTHER FEDERAL GRANT PROGRAMS

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

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

Projects that support biobased products and bioenergy and energy programs, including biofuels and other alternative uses for agricultural and forestry commodities (development of biobased products) should see the USDA energy website at http://www.usda.gov/energy/matrix/home for information on how to submit those projects for consideration to the energy programs supported by USDA.

1.4 DEVELOPMENT OF PROPOSALS

1.4.1 STATE DEPARTMENT OF AGRICULTURE RESPONSIBILITIES

State departments of agriculture are responsible for developing proposals and overseeing funded projects. Proposals must be structured so that the State department of agriculture maintains control of the project objectives, sets policy, and ensures that projects are carried out in accordance with all applicable Federal statutes and regulations as well as with the Grant Agreement and the Terms and Conditions of Award. State departments of agriculture are also responsible for ensuring that subrecipients maintain appropriate records and follow all applicable Federal statutes and regulations as well as the Grant Agreement and the Terms and Conditions of Award.

State departments of agriculture must ensure that proposals are appropriate for the SCBGP by reviewing ***1.2 Purpose***. Contact the Lead Grants Management Specialist if there is any question about whether or not the project qualifies for SCBGP.

1.4.2 GROWER-LEVEL PROJECTS

The SCBGP encourages State departments of agriculture to prioritize and expand funding to projects that are supported by and address the needs of U.S. specialty crop growers. For example, if the State department of agriculture receives multiple research or marketing project proposals, SCBGP encourages State departments of agriculture to prioritize the proposals supported by grower-level groups.

1.4.3 OUTREACH TO IDENTIFY FUNDING PRIORITIES

The SCBGP encourages State departments of agriculture to perform outreach prior to the development and release of the State's request for proposals or applications to interested parties, including socially disadvantaged and beginning farmers, through a transparent process of receiving and considering public comment to identify State SCBGP funding priorities in solely enhancing the competitiveness of specialty crops. The State department of agriculture should conduct this outreach to ensure that grant applications submitted to the SCBGP are developed with proven and justified public support.

> **Beginning Farmer or Rancher** is an individual or entity that has not operated a farm or ranch for more than 10 years and substantially participates in the operation.

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

1.4.4 COMPETITIVE GRANT APPLICATION REVIEW PROCESS

The SCBGP encourages State departments of agriculture to develop their State Plans through a competitive review process to ensure maximum public input and benefit. The competitive review process should follow State policies and procedures and include the use of an independent review panel of experts or qualified individuals, overseen by State department of agriculture officials, to evaluate and score applications and recommend project proposals for selection. The review panel should also provide a recommended award amount for project proposals.

This includes the factors and reasons for selecting an applicant and any changes in project proposal ranks/scores that may occur during the review process. All documentation affecting the decision to approve, disapprove, defer, or otherwise not fund an application should be maintained in an accessible, centralized program file.

Review panel members must be free from conflicts of interest and conduct fair and impartial reviews. The SCBGP encourages State departments of agriculture to require and keep on file written conflict of interest disclosures from their review panel members.

Individuals that have a conflict of interest may have:

- Served as advisors/advisees of the applicant;
- Collaborated with the applicant over a designated amount of time; currently affiliated with, previously employed by, or are being considered for employment at the institution(s) of the applicant(s);
- A personal/familial relationship with the applicant(s); or
- Participated in a consulting/financial arrangement with the applicant in recent years.

Program staff who are directly involved with the management of the grant program or who meet any of the criteria above should also not participate in the review panel. Conflicts of interest have the potential to diminish the credibility of the selection process and leave the State vulnerable to challenges about the fairness of their competitive review process.

In addition, the SCBGP encourages State departments of agriculture to notify successful and unsuccessful grant applicants about the outcome of the competitive process as it relates to the applicant's proposal.

Finally, the SCBGP encourages State departments of agriculture during their competitive review process to review funding requests carefully for activities funded previously to ensure:

- The projects are likely to become self-sustaining and not indefinitely dependent upon publicly and privately granted funds;
- Funding decisions are based on the applicant's/subrecipient's past performance; and
- Specialty crop stakeholders, other than the applicant, individuals and organizations involved in the project, support the continuation of the project. Examples include:

- If the applicant is a university and the research proposal will establish control techniques for a specific pecan disease, the proposal might identify that a pecan growers association supports the project because this was the organization's number one research priority.
- If the applicant is a non-profit association requesting funds to promote apples, the proposal might identify specific apple growers that support the project because they are interested in increasing their market share.

1.4.5 MULTI-STATE PARTNERSHIPS

State departments of agriculture with projects that solely enhance the competitiveness of specialty crops by funding collaborative, multi-state projects that address the following regional or national level specialty crop issues: food safety; plant pests and disease; research; crop-specific projects addressing common issues; and marketing and promotion can also consider submitting those projects to the Specialty Crop Multi-State Program.

Multi-state partnerships are encouraged and should provide solutions to problems that cross state boundaries such as, but not limited to, addressing good agricultural practices, food safety, research on crop productivity or quality, pest and disease management, or commodity-specific projects addressing common issues in multi-state regions.

A multi-state partnership is a project that implements activities with measureable outcomes that benefit two or more U.S. states and/or territories.

1.4.6 DEFINITION OF A PROJECT

A project is a set of interrelated tasks with a cohesive distinct, specified, and defined goal. It follows a planned, organized approach over a fixed period of time and within specific limitations (cost, performance/quality, etc.). Additionally, it uses resources that are specifically allocated to the work of the project and usually involves a team of people.

Projects are different from other ongoing operations in an organization because, unlike operations, projects have a definitive beginning and end - they have a limited duration. One way to think about this is that a project has an overarching goal that you want to accomplish through a series of individual activities or tasks. Examples of projects could include:

- Researching new cultivars
- Marketing apples through a targeted promotional campaign

Activities or tasks that could be a part of such projects might include:

- Hiring personnel
- Purchasing special purpose equipment
- Holding a workshop
- Planting specialty crops
- Distributing product promotional materials

2.0 AWARD INFORMATION

2.1 TYPE OF FEDERAL ASSISTANCE

SCBGP will use a Grant Agreement to provide support to successful SCBGP applications.

2.2 TYPE OF APPLICATIONS

New application. The SCBGP will review all new applications for conformance with the criteria in 5.0 Application Review Information and may require the applicant to provide additional information or clarification by a specified deadline.

2.3 AVAILABLE FUNDING

Approximately $62.6 million will be available to fund applications in fiscal year 2016.

2.4 FEDERAL AWARD PERIOD DURATION

SCBGP projects must be completed within three years. The grant period must begin no later than September 30, 2016 and end no later than September 29, 2019. The applicant must indicate the start and end dates on the SF-424, "Application for Federal Assistance" in box #17. SCBGP encourages State departments of agriculture to allow ample time for completion of all projects.

2.5 BLOCK GRANT AMOUNTS AVAILABLE TO EACH APPLICANT

Each eligible State department of agriculture applicant that submits an application that the SCBGP reviews and accepts is eligible to receive the available grant allocation to solely enhance the competiveness of specialty crops as indicated below. Each State department of agriculture is eligible to receive an estimated base grant of approximately $208,776.33 and an amount based on the average of the most recent available value of specialty crop cash receipts in the State (2014 calendar year estimates) and the acreage of specialty crop production in the State (2012 Census of Agriculture). The data source for specialty crop cash receipts and acreage is from the U.S. Department of Agriculture, Economic Research Service and National Agricultural Statistics Service.

State Department of Agriculture	Available Grant Allocation
Alabama	$ 337,282.42
Alaska	212,792.61
American Samoa	251,046.44
Arizona	916,705.61
Arkansas	294,436.89
California	22,338,749.72
Colorado	626,593.76
Connecticut	269,810.27
Delaware	302,856.05
District of Columbia	208,776.33
Florida	3,879,382.30
Georgia	1,070,978.39
Guam	210,935.95
Hawaii	422,661.60
Idaho	1,902,564.60
Illinois	521,570.34
Indiana	383,644.54
Iowa	244,352.23
Kansas	283,492.81
Kentucky	241,199.97
Louisiana	314,385.77

State Department of Agriculture	Available Grant Allocation
Maine	548,708.41
Maryland	376,230.65
Massachusetts	347,309.32
Michigan	1,885,064.31
Minnesota	1,184,822.50
Mississippi	336,946.96
Missouri	327,335.36
Montana	1,292,444.15
Nebraska	620,313.86
Nevada	250,342.69
New Hampshire	238,026.69
New Jersey	633,403.18
New Mexico	495,227.84
New York	1,153,198.65
North Carolina	1,042,727.16
North Dakota	2,560,312.23
Northern Mariana Islands	210,661.52
Ohio	527,624.47
Oklahoma	468,173.97
Oregon	1,613,440.74
Pennsylvania	923,726.51
Puerto Rico	490,055.63
Rhode Island	225,523.79
South Carolina	441,764.36
South Dakota	270,288.13
Tennessee	394,242.39
Texas	1,370,877.64
U.S. Virgin Islands	210,002.25
Utah	274,861.64
Vermont	256,872.73
Virginia	393,740.57
Washington	4,307,548.49
West Virginia	239,867.54
Wisconsin	1,183,236.61
Wyoming	302,994.31

3.0 ELIGIBILITY INFORMATION

3.1 ELIGIBLE APPLICANTS

Eligible applicants are State departments of agriculture in the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands. A State department of agriculture is the agency, commission, or department of a State government responsible for agriculture within the State.

SCBGP expects that State departments of agriculture will consult with specialty crop growers, processors, and/or distributors before developing SCBGP project applications to ensure maximum public input and benefit. These stakeholders should play an important role in development of project goals and objectives, in implementing the project plan, and in evaluating and disseminating project results and outcomes.

3.2 SOLELY ENHANCE THE COMPETITIVENESS OF U.S. OR U.S. TERRITORY GROWN SPECIALTY CROPS

Project(s) must **solely** enhance the competitiveness of U.S. or U.S. territory-grown specialty crops in either domestic or foreign markets. See the SCBGP website for a definition of specialty crops and processed products, including a list of eligible specialty crops and ineligible commodities. Each project must identify at least one expected measurable outcome that specifically demonstrates the project's impact in solely enhancing the competitiveness of eligible specialty crops.

3.3 BENEFIT MORE THAN ONE PRODUCT OR ORGANIZATION

Applications for grant funds should describe how the project potentially affects and produces measurable outcomes for the specialty crop industry and/or the public rather than a single organization, institution, or individual.

SCBGP will not award grant funds for projects that solely benefit a particular commercial product or provide a profit to a single organization, institution, or individual. In addition, recipients and subrecipients cannot use grant funds to compete unfairly with private companies that provide equivalent products or services. Single organizations, institutions, and individuals are encouraged to participate as project partners.

The following are some examples of acceptable and unacceptable projects:

Examples of Acceptable Projects

- A State requests funding to contract with a university to conduct research on the feasibility of planting, cultivating, and growing a specialty crop in a particular area, the results of which will be shared with many growers throughout the State during the project.
- A single grower requests funds to demonstrate the viability of organic small fruit production and partners with Cooperative Extension to publicize the working model of diversification to other regional growers.
- A single company requests funds to provide a viable pollination alternative to specialty crop stakeholders in a region that currently does not have one.
- A non-profit organization requests funds to conduct an advertising campaign that will benefit their specialty crop members.
- A single farmer erects high tunnels on his/her property to extend the growing season of tomatoes and lettuce and conducts a field day and farm tour to encourage other small family farmers to adopt the production methods.

Examples of Unacceptable Projects

- A company requests grant funds to purchase starter plants or equipment used to plant, cultivate, and grow a specialty crop to make a profit, or to expand production of a single business or organization.
- A State requests grant funds to make grants to individual specialty crop businesses or roadside stands to promote their individual business.
- A non-profit organization uses grant funds to purchase produce and then sells that produce to other entities at cost or a higher price than the purchase price while competing with other private companies who sell produce in the area.
- A sole proprietor requests grant funds to redesign her/his logo in order to make her/his specialty crop value-added product stand out at the local farmers' market.

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

3.4 COST-SHARING AND MATCHING

The SCBGP does not have a Federal cost-sharing or matching requirement. However, in some cases, an applicant or sub-applicant proposes cost-sharing or matching contributions as a mechanism to ensure all grant funds will solely enhance the competitiveness of eligible specialty crops. In this situation, the recipient or subrecipient of Federal funds must keep adequate records to identify and document the specific costs or contributions proposed to meet the match or cost-share, the source of funding or contributions, and document how the valuation was determined.

3.5 PERFORMANCE MEASURES

AMS is required to report on the outcomes of the SCBGP on a national scale to demonstrate the performance of this program. In an effort to fulfill this requirement, AMS collaborated with stakeholders, including the Office of Management and Budget (OMB), to develop a listing of measureable outcomes and indictators that quantifiably measure performance toward fulfilling the program's purpose of solely enhancing the competitiveness of specialty crops. By collecting, aggregating, and reporting performance data across all states and territories, AMS can share the impact of the SCBGP with all stakeholders, including OMB, U.S. Congress, the agricultural community, and the general public.

Each project submitted in the State Plan **must** include at least one of the eight outcomes listed in the SCBGP Evaluation Plan and at least one of the indicators listed in the selected outcome(s). The progress of the one or more outcomes and indicators selected will be reported on in the Annual Performance Report, and the results will be reported in the Final Performance Report. Please refer to the SCBGP's Evaluation Plan for more information.

3.6 PROJECTS ATTEMPTING TO DISPARAGE THE WORK OF ANOTHER ORGANIZATION

Projects where one organization specifically attempts to disparage the mission, goals, and/or actions of another organization are unallowable.

3.7 SUPPLANTING

SCBGP funds must supplement the expenditure of State funds in support of specialty crops grown in that State, rather than replace State funds. Additionally, Federal funding may not replace State funding that is required under 7 U.S.C. 1621(d)(3). In instances where a question of supplanting arises, the applicant or recipient will be required to substantiate that the reduction in non-Federal resources occurred for reasons other than the receipt or expected receipt of Federal funds.

General Supplanting Definition. A State organization reduces State funds for an activity specifically because Federal funds are available (or expected to be available) to fund that same activity.

- Example: State funds are appropriated for a stated purpose and Federal funds are awarded for that same purpose. (If a state has $50.00 budgeted for a specialty crop program and the Federal Government awards a $100.00 grant for the same specialty crop program, the total project must expend $150.00 – the State cannot remove the original $50.00 and use it for something else).

4.0 APPLICATION AND SUBMISSION INFORMATION

4.1 OBTAINING AN APPLICATION PACKAGE

Applicants must apply for the SCBGP at www.Grants.gov. Applicants may search for the SCBGP funding opportunity using the SCBGP CFDA number "10.170", or the SCBGP Funding Opportunity Number "USDA-AMS-TM-SCBGP-G-16-0003."

4.2 APPLICATION CHECKLIST

The application must include the following:

- ☐ SF-424 – Application for Federal Assistance
- ☐ SF-424B – Assurances for Non-Construction Programs
- ☐ State Plan Narrative

4.3 CONTENT AND FORM OF APPLICATION SUBMISSION

Those State departments of agriculture interested in submitting an application for the SCBGP must submit the following components and associated attachments via Grants.gov.

4.3.1 SF-424 APPLICATION FOR FEDERAL ASSISTANCE (REQUIRED)

Most information blocks on the required form are either self-explanatory or adequately explained in the instructions. However, for SCBGP applications, you must use the following supplemental instructions associated with specific blocks on form SF-424. See Sample SF-424 (PDF) to a view a completed form.

Block	Instruction
#1 Type of Submission	Check Application.
#2 Type of Application	Check New.
#4 and #5	Not applicable.
# 8c Organizational DUNS	Applicant DUNS# for the Organization submitting the application. See D&B Request a DUNS Number.
#8d Address	Enter the State department of agriculture street address as it appears in SAM.gov. P.O. Boxes will not be accepted. Enter a 9-digit zip code.
#10 Name of Federal Agency	AMS, USDA
#11 Catalog of Federal Domestic Assistance Number	Enter 10.170 – Specialty Crop Block Grant Program – Farm Bill.
#12 Funding Opportunity Number	Enter USDA-AMS-TM-SCBGP-G-16-0003.
#13Competition Identification Number	Not applicable.
#14 Areas Affected by Project	Enter cities, counties, states affected by project.
#15 Descriptive Title of Applicant's Project	A detailed description of each project is not necessary.
#16a Congressional Districts for Applicant	Enter the Congressional district where your main office is located.
#16b Congressional Districts for Program/Project	Enter the Congressional district where your project is performed. Write "All" if the projects will be performed in more than one location.
#17 Proposed Project Start Date and End Date	Your grant period cannot be more than 3 years in length. Start date must begin no later than September 30, 2016 and end no later than September 29, 2019.
#18 Estimated Funding	Federal =Total Specialty Crop Block Grant funds requested.
#19 Is Applicant Subject to Review by State Under Executive Order 12372 Process?	This initiative is not subject to intergovernmental review.

4.3.2 SF-424B ASSURANCES FOR NON-CONSTRUCTION PROGRAMS (REQUIRED)

The authorized certifying official must sign this form. See Sample SF-424B (PDF) to view a completed form.

4.3.3 STATE PLAN NARRATIVE (REQUIRED)

You are required to submit a State Plan that includes the content required in the Grant Administration Template and Project Profile Template. The Grant Administration Template will be provided once at the beginning of your State Plan; you will use the Project Profile Template for each project submitted through the State Plan.

Narrative Format

Page size for the narrative must be 8.5 inches (21.59 cm) by 11 inches (27.94 cm). The acceptable font size is 11 or 12 pitch with all margins at 1 inch (2.5 cm). The State Plan should include a series of project profiles that details the necessary information to fulfill the goals and objectives of the project. For examples of acceptable formats, please see Grant Administration, Project Profile, and the Sample State Plan.

4.4 SUBMISSION DATE AND TIME

State department of agriculture applicants must submit applications via www.Grants.gov by 11:59 p.m. Eastern Time on July 6, 2016. SCBGP cannot consider applications received after this deadline for funding.

4.5 INTERGOVERNMENTAL REVIEW

This initiative is not subject to intergovernmental review.

4.6 FUNDS NOT APPLIED FOR

State department of agriculture eligible applicants who do not apply for or do not request all available funding during the specified grant application period will forfeit all or that portion of available funding not requested. SCBGP will allocate funds not applied for, by a date determined by SCBGP, pro rata to the remaining State department of agriculture applicants who applied during the specified grant application period.

4.7 FUNDING RESTRICTIONS

4.7.1 LIMIT ON ADMINISTRATION COSTS

Administration costs are defined as indirect costs and are limited to 8 percent of the total Federal funds provided under the award per section 10010(4) of the Agricultural Act of 2014, Public Law 113-79. The State department of agriculture must notify their sub-applicants of the limit on indirect costs in their requests for proposals/applications so that indirect costs requested by sub-applicants plus indirect administration costs requested by the State department of agriculture do not exceed 8 percent of the state's grant request. If the State takes indirect costs up to eight (8) percent, individual subapplicant project budgets may at the discretion of the State department of agriculture, claim the remaining portion of the indirect costs not to exceed eight percent of that project's budget. See the information below on presenting direct and indirect costs consistently.

Presenting Direct and Indirect Costs Consistently

Applicants and subapplicants are responsible for presenting direct and indirect costs appropriately and consistently and must not include costs associated with their organization's indirect cost rate agreement as direct costs. In

addition, a cost may not be allocated as an indirect cost if it is also incurred as a direct cost for the same purpose and vice versa. For further information on how to determine if a cost is indirect or direct, please see the *Indirect Cost Decision Tree*.

Direct costs are costs that can be identified specifically with a particular award, project or program, service, or other organizational activity or that can be directly assigned to such an activity relatively easily with a high degree of accuracy. Typically direct costs include, but are not limited to, compensation of employees who work directly on the award to include salaries and fringe benefits, travel, equipment, and supplies directly benefiting the grant-supported project or program.

Indirect costs (also known as "facilities and administrative costs") defined at 2 CFR §200.56 are 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. Refer to 2 CFR §200.413 and 414 for additional information on determining if costs charged to the award are direct or indirect.

The salaries of administrative and clerical staff should typically be treated as indirect costs. Direct charging of these costs may be appropriate where all of the following conditions are met:

(1) administrative or clerical services are integral to a project or activity;

(2) individuals involved can be specifically identified with the project or activity;

(3) such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and

(4) the costs are not also recovered as indirect costs.

Typical Indirect Costs by Organization Type

Type of Organization	Typical Indirect Costs
Non-Profits	General administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting, depreciation or use allowances on buildings and equipment, and the costs of operating and maintaining facilities.
Colleges and Universities	Equipment and capital improvements, operation and maintenance expenses, library expenses, general administration and general expenses, departmental administration, sponsored projects administration, student administration and services, depreciation and use allowances, and interest on debt associated with certain buildings.
State and Local Governments	State/local-wide central service costs, general administration of the applicant department or agency, accounting and personnel services performed within the applicant department or agency, depreciation or use allowances on buildings and equipment, and the costs of operating and maintaining facilities.

4.7.2 ALLOWABLE AND UNALLOWABLE COSTS AND ACTIVITIES

All SCBGP awards are subject to the most recent award terms and conditions, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR part 200), and other laws and regulations affecting Federal assistance.

All costs must be allowable in accordance with the Federal cost principles outlined in 2 CFR part 200 Subpart E.

The following list describes specific funding restrictions under the SCBGP. This section is not intended to be all-inclusive. The applicant should consult the Federal cost principles for the applicable organization for the complete explanation of the allowability of costs they address. State department of agriculture applicants that have questions concerning the allowability of costs after reviewing the associated Federal cost principles should contact the SCBGP.

Item	Description
Alcoholic Beverages	*Unallowable* for alcoholic beverages except when the costs are associated with enhancing the competitiveness of an eligible processed product (products prepared or created for the purposes of promoting a specialty crop but that require other ingredients are considered a processed product). A processed product is defined as a product that constitutes greater than 50% of the specialty crop by weight, exclusive of added water.
Aquaponics	*Allowable* as long as the cultivated crops are eligible specialty crops and the focus of the project is on the specialty crops and not the fish. Projects that are Acceptable • A project to determine whether carp, catfish, or tilapia are best for growing lettuce is acceptable. • A project to market broccoli grown through aquaponics is acceptable. • A project to compare the quality of lettuce grown in water to lettuce grown in a greenhouse is acceptable. Projects that are NOT Acceptable • A project to study whether lettuce or tomato produced the highest yield of tilapia is not acceptable. • A project to farm fish using an aquaponics system and then sell the fish is not acceptable. • A project to grow specialty crops where both the specialty crops and the fish are sold is not acceptable. For more information on constructing or purchasing an aquaponics system, see Equipment-General Purpose and Equipment – Special Purpose.
Conferences	*Allowable* for costs of conferences as defined in 2 CFR 200.432. Allowable conference costs paid by the non-Federal applicant or subapplicant as a sponsor or host of the conference may include rental of facilities, speakers' fees, costs of meals (see Meals for restrictions), and refreshments, local transportation, and other items incidental to such conferences with the exception of entertainment costs that are unallowable. If

Item	Description
	registration fees are collected, the applicant or subapplicant must report fees as program income (See Program Income). The SCBGP encourages the use of technologies such as webinars, teleconferencing, or videoconferencing as an alternative to renting a building or a room.
Construction and Renovation and Land or Building Acquisition	*Unallowable* for the acquisition of buildings, facilities, or land or to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations of an existing building or facility (including site grading and improvement, and architecture fees). Building means any permanent structure that is designed or intended for support, enclosure, shelter or protection of person, animals or property having a permanent roof that is supported by columns or walls.
Contractual/Consultant Costs (Professional Services)	*Allowable subject to limitations below*. Contractual/consultant costs are the expenses associated with purchasing goods and/or procuring services performed by an individual or organization other than the applicant in the form of a procurement relationship. *Allowable* for contractor/consultant employee rates that do not exceed the salary of a GS-15 step 10 Federal employee in your area (for more information please go to http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2016/general-schedule/). This does not include fringe benefits, travel, indirect costs, or other expenses. Please note that any statutory limitations on indirect costs also apply to contractors and consultants. If rates exceed this amount, one of the following justifications must be provided: • A description of the steps you took to hire a contractor, which includes obtaining a cost/price analysis. The purpose of the analysis is to review and evaluate each element of cost to determine reasonableness, allocability, and allowability. **OR** • Due to the complexity or uniqueness of the project, the pool of available and qualified contractors is limited. Therefore, the selected contractor's specialized qualifications necessitate hiring at a rate beyond a GS-15 step 10. (Please outline the unique qualifications of the contractor.)
Contributions and Donations	*Unallowable* for contributions or donations, including cash, property, and services, from the applicant or subapplicant to other entities. • A non-profit entity using grant funds to purchase produce to donate to other entities and individuals is unallowable.
Entertainment	*Unallowable*. Entertainment costs include amusement, diversion, and social activities and any costs directly associated with such costs (such as bands, orchestras, dance groups, tickets to shows, meals, lodging, rentals, transportation, and gratuities).

Item	Description
Equipment, Buildings, and Land	*Unallowable* for acquisition costs of general purpose equipment, vehicles, buildings and land. *Allowable with conditions* for renting or leasing of general purpose equipment, buildings, vehicles, and with prior approval for land. Vehicles may be leased, but not purchased. The lease or rental agreement must terminate at the end of the grant cycle. *Unallowable* for lease agreements to own (i.e., lease-to-own or rent-to-own). The lease or rental agreement must terminate at the end of the grant cycle. For vehicle and equipment leases or rentals with an acquisition cost that equals or exceeds $5,000, rates should be in light of such factors as: rental costs of comparable vehicles and equipment, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the vehicle or equipment leased. *Allowable* with prior approval for acquisition costs and rental costs of special purpose equipment provided the following criterion is met: 1) Necessary for the research, scientific, or other technical activities of the grant award; 2) Not otherwise reasonably available and accessible; 3) The type of equipment is normally charged as a direct cost by the organization; 4) Acquired in accordance with organizational practices; 5) Must only be used to solely enhance the competitiveness of specialty crops; 6) More than one single commercial organization, commercial product, or individual must benefit from the use of the equipment; 7) Must not use special purpose equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services; and 8) Equipment is subject to the full range of acquisition, use, management, and disposition requirements under 2 CFR part 200.313 as applicable. **Equipment Definitions** Equipment is defined as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5,000. Acquisition cost means the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. General Purpose Equipment means equipment that is not limited to technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles. Special Purpose Equipment is equipment used only for research or technical activities. Examples include grape harvesters, high tunnels, fruit or vegetable coolers, vegetable washing machines, fruit or vegetable processing equipment, etc.

Item	Description
Fines, Penalties, Damages and Other Settlements	*Unallowable* for costs resulting from violations of, alleged violations of, or failure to comply with, Federal, state, tribal, local or foreign laws and regulations.
Fixed Amount Subawards	*Allowable* with prior written approval from AMS, a pass-through entity may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold, provided that the subawards meet the requirements for fixed amount awards in 2 CFR 200.201.
Foreign Travel	For purposes of this provision, ''foreign travel'' includes any travel outside Canada, Mexico, the United States, and any United States territories and possessions. However, the term ''foreign travel'' for a governmental unit located in a foreign country means travel outside that country. An applicant with a proposal that involves foreign market development must determine if the project is more appropriate for grant programs administered by the Foreign Agricultural Service or funded through the State-Regional Trade Groups. SCBGP recommends that applicants search the Foreign Agricultural Service database of GAIN reports (http://gain.fas.usda.gov/Pages/Default.aspx) to ensure that proposals will not duplicate information that already exists. Any proposal involving foreign travel must be well justified. See Travel in this table for more information on travel costs.
Fundraising	*Unallowable* for organized fundraising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions, regardless of the purpose for which the funds will be used. This includes salaries of personnel involved in activities to raise capital.
General Costs of Government	*Unallowable* for: 1) Salaries and expenses of the Office of the Governor of a state or the chief executive of a local government or the chief executive of an Indian tribe; 2) Salaries and other expenses of a state legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction; 3) Costs of the judicial branch of a government; 4) Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General as described in §200.435 Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements); and 5) Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.

Item	Description
Goods or Services for Personal Use	*Unallowable* for costs of goods or services for personal use of the applicant's or subapplicant's employees regardless of whether the cost is reported as taxable income to the employees.
Health and Nutrition Messaging	*Allowable* when health and nutrition information complies with regulations and policies of the: *Federal Trade Commission* http://www.ftc.gov/about-ftc/bureaus-offices/bureau-consumer-protection AND *U.S. Food and Drug Administration* http://www.fda.gov/Food/IngredientsPackagingLabeling/LabelingNutrition/default.htm. Nutrition and health claims must be truthful, not misleading or deceptive, and include adequate disclaimers if appropriate. Health and nutrition information should align with the most up-to-date Dietary Guidelines.
Information Technology Systems	*Unallowable* for information technology systems having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established in accordance by generally accepted accounting principles (GAAP) by the non-Federal applicant or subapplicant for financial statement purposes or $5,000. Acquisition cost means the cost of the asset including the cost to ready the asset for its intended use. Acquisition costs for software includes those development costs capitalized in accordance with GAAP. Information technology systems include computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information. Examples of unallowable information technology systems include service contracts, operating systems, printers, and computers that have an acquisition cost of $5,000 or more. *Allowable* for website development, mobile apps, etc.
Insurance and Indemnification	*Allowable* as indirect costs for insurance and indemnification.
Lobbying	The applicant should consult with the SCBGP to ensure that it is in compliance with Federal assistance regulations and laws if it intends to engage in certain activities intended to influence Federal, State or local government entities.

Item	Description
	Unallowable for: (1) Attempts to influence the outcomes of any Federal, state, or local election, referendum, initiative, or similar procedure, through in-kind or cash contributions, endorsements, publicity, or similar activity; (2) Establishing, administering, contributing to, or paying the expenses of a political party, campaign, political action committee, or other organization established for the purpose of influencing the outcomes of elections in the United States; (3) Any attempt to influence: a)The introduction of Federal or state legislation; b) The enactment or modification of any pending Federal or state legislation through communication with any member or employee of the Congress or state legislature (including efforts to influence state or local officials to engage in similar lobbying activity); c) The enactment or modification of any pending Federal or state legislation by preparing, distributing, or using publicity or propaganda, or by urging members of the general public, or any segment thereof, to contribute to or participate in any mass demonstration, march, rally, fund raising drive, lobbying campaign or letter writing or telephone campaign; or d) Any government official or employee in connection with a decision to sign or veto enrolled legislation; (4) Legislative liaison activities, including attendance at legislative sessions or committee hearings, gathering information regarding legislation, and analyzing the effect of legislation, when such activities are carried on in support of or in knowing preparation for an effort to engage in unallowable lobbying. *Allowable* activities directly related to the performance of a grant include: (1) Technical and factual presentations on topics directly related to the performance of a grant, contract, or other agreement (through hearing testimony, statements, or letters to the Congress or a state legislature, or subdivision, member, or cognizant staff member thereof), in response to a documented request (including a Congressional Record notice requesting testimony or statements for the record at a regularly scheduled hearing) made by the non-Federal entity's member of congress, legislative body or a subdivision, or a cognizant staff member thereof, provided such information is readily obtainable and can be readily put in deliverable form, and further provided that costs under this section for travel, lodging or meals are unallowable unless incurred to offer testimony at a regularly scheduled Congressional hearing pursuant to a written request for such presentation made by the Chairman or Ranking Minority Member of the Committee or Subcommittee conducting such hearings;

Item	Description
	(2) Any lobbying made unallowable by 2 CFR 200.450(c)(1)(iii) to influence state legislation in order to directly reduce the cost, or to avoid material impairment of the non-Federal entity's authority to perform the grant, contract, or other agreement; or (3) Any activity specifically authorized by statute to be undertaken with funds from the Federal award. (4) Any activity excepted from the definitions of "lobbying" or "influencing legislation" by the Internal Revenue Code provisions that require nonprofit organizations to limit their participation in direct and "grass roots" lobbying activities in order to retain their charitable deduction status and avoid punitive excise taxes, I.R.C. §§501(c)(3), 501(h), 4911(a), including: a) Nonpartisan analysis, study, or research reports; b) Examinations and discussions of broad social, economic, and similar problems; and c) Information provided upon request by a legislator for technical advice and assistance, as defined by I.R.C. §4911(d)(2) and 26 CFR 56.4911-2(c)(1)-(c)(3).
Meals	*Unallowable* for business meals when individuals decide to go to lunch or dinner together when no need exists for continuity of a meeting. Such activity is considered an entertainment cost. *Allowable* for lunch or dinner meals if the costs are reasonable and a justification is provided that such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants. *Unallowable* for breakfasts for conference attendees because it is expected these individuals will have sufficient time to obtain this meal on their own before the conference begins in the morning. *Unallowable* for meal costs that are duplicated in meeting participant's per diem or subsistence allowances. *Allowable* for meals consumed while in official travel status. They are considered per diem expenses and should be reimbursed in accordance with the organization's established written travel policies.
Memberships, Subscriptions, and Professional Activity Costs	*Unallowable* for costs of membership in any civic or community organization. *Allowable* for costs of membership in business, technical, and professional organizations.
Organization Costs	*Allowable* with prior approval for organization costs per 2 CFR 200.455. *Unallowable* for costs of investment counsel and staff and similar expenses incurred to enhance income from investments.

Item	Description
Participant Support Costs	*Allowable* for such items as stipends or subsistence allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with approved conferences, training projects, and focus groups. See also Selling and Marketing - Coupons, Incentives or Other Price Discounts.
Political Activities	*Unallowable* for development or participation in political activities in accordance with provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7324-7326).
Pre-Award (Pre-Agreement Costs)	*Allowable*, if such costs are necessary to conduct the project or program, and would be allowable under the grant, if awarded. An applicant may incur pre-award costs 90 calendar days before SCBGP makes the award without prior approval from SCBGP. Expenses more than 90 calendar days pre-award require SCBGP prior approval. All costs incurred before SCBGP makes the award are at the applicant's risk. The incurrence of pre-award costs in anticipation of an award imposes no obligation on SCBGP to award funds for such costs.
Rearrangement and Reconversion Costs	Rearrangement and reconversion costs are those incurred in restoring or rehabilitating the non-Federal entity's facilities to approximately the same condition existing immediately before the start of the grant agreement, less costs related to normal wear and tear. *Allowable* as indirect costs incurred for ordinary and normal rearrangement and alteration of facilities. *Allowable* as direct costs with prior approval for special arrangements and alterations costs incurred specifically for the award.
Salaries and Wages	*Allowable* as part of employee compensation for personnel services in proportion to the amount of time or effort an employee devotes to the grant-supported project or program during the period of performance under the Federal award, including salaries, wages, and fringe benefits. Such costs must be incurred under formally established policies of the organization, be consistently applied, be reasonable for the services rendered, and be supported with adequate documentation. Salary and wage amounts charged to grant-supported projects or programs for personal services must be based on an adequate payroll distribution system that documents such distribution in accordance with generally accepted practices of like organizations. Standards for payroll distribution systems are contained in the applicable cost principles (other than those for for-profit organizations). *Unallowable* for salaries, wages and fringe benefits for project staff that devote time and effort to non-specialty crop specific venues, tradeshows, events, meetings, programs, conventions, symposia, seminars, etc. where costs cannot be specifically identified and

Item	Description
	easily and accurately traced to activities that solely enhance the competitiveness of specialty crops. • Example: Salaries and wages for a farmers' market manager to manage and advertise a farmers market that includes non-specialty crop items is unallowable, while salaries and wages for personnel to conduct a cooking demonstration on how to prepare fruits and vegetables is allowable.
Selling and Marketing Costs	*Allowable with conditions (see specific costs below)* if the primary purpose is to promote the sale of an eligible specialty crop by either stimulating interest in a particular specialty crop or disseminating technical information or messages for the purpose of increasing market share for the specialty crops.
Selling and Marketing Costs – Promotion of an Organization's Image, Logo, or Brand Name	*Unallowable* for costs designed solely to promote the image of an organization, general logo, or general brand rather than eligible specialty crops. • A promotional campaign to increase sales of "STATE/COUNTY Grown" Watermelon is acceptable while increasing brand awareness of "XYZ Grown" generically is not. • Promoting tomatoes while including an organization's logo in the promotion is acceptable, while generally promoting an organization's logo is not. • Promotional items could say "Buy STATE/COUNTY Grown Apples" but not "XYZ Grown", which promotes XYZ generically. • A promotional campaign to increase producer sales of "STATE/COUNTY Grown fruits and vegetables" is acceptable while increasing membership in "STATE/COUNTY Grown" generally is not.
Selling and Marketing Costs – Promotion of Non-Specialty Crop Activities	*Unallowable* for costs for promotion at non-specialty crop specific venues, tradeshows, events, meetings, programs, conventions, symposia, seminars, etc. • Advertisements could say "Buy Sweet Corn! It is the Best!" but not "Buy Local!" • Advertising educational sessions at a conference that solely benefits specialty crop growers are acceptable, while advertising a non-specialty crop specific local food conference is not.
Selling and Marketing Costs – Promotional Items, Gifts, Prizes, etc.	*Unallowable* for promotional items, swag, gifts, prizes, memorabilia, and souvenirs.
Selling and Marketing Costs – Sponsorships	*Unallowable* for costs associated with sponsorships. A sponsorship is a form of advertising in which an organization uses grant funds to have its name and/or logo associated with certain events and where the organization does not necessarily know how the funds associated with sponsorship costs will be used. These costs are considered a contribution or donation and only benefit the organization offering funding. This limits the beneficiaries to the sponsor organization, which conflicts with the restriction that projects affect and produce measurable outcomes for the specialty crop industry and/or the public rather than a single organization, institution, or individual.

Item	Description
Selling and Marketing Costs – Coupons, Incentives or Other Price Discounts	*Unallowable* for costs of coupon/incentive redemptions or price discounts. Costs associated with printing, distribution, or promotion of coupons/tokens or price discounts (i.e., a print advertisement that contains a clip-out coupon) are allowable only if they solely promote the specialty crop rather than promote or benefit a program or single organization. See also Participant Support Costs.
Selling and Marketing Costs – Use of Meeting Rooms, Space, Exhibits for Non-Specialty Crop Activities	*Unallowable* for costs associated with the use of trade shows, meeting rooms, displays, demonstrations, exhibits, and the rental of space for activities that do not solely promote specialty crops. • Supporting the participation of raspberry and blueberry producers at a non-specialty crop specific international trade show to promote berries to an international audience is allowable, while renting a booth space for berry producers as well as wheat producers at an international trade show is not allowable. • Supporting the participation of farmers' market managers at a national conference that is not specific to specialty crops is not allowable. • Supporting a portion of a national conference that is not specific to specialty crops is not allowable, while supporting a session on specialty crops at a national conference that is not specific to specialty crops is allowable. • Funding an "XYZ State Grown" booth at a specialty crop-specific venue where all exhibitors in the booth are specialty crop producers is allowable, but funding an "XYZ Grown" booth at a non-specialty crop specific venue is not allowable.
Selling and Marketing Costs – Cookbooks, Cooking Demonstrations, Recipe Cards, Food Pairings	*Allowable* for costs promoting the specialty crops in processed products (products prepared or created for the purposes of promoting a specialty crop but that require other ingredients are considered a processed product). A processed product is defined as a product that constitutes greater than 50% of the specialty crop by weight, exclusive of added water. *Unallowable* for costs of separate complementary non-specialty crop products. A separate complementary non-specialty crop product means a product closely associated with a specialty crop product, the purchase of one encouraging consumers to buy the other (i.e., cheese and wine).
Supplies and Materials, Including Costs of Computing Devices	*Allowable* for costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award. Purchased materials and supplies must be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a

Item	Description
	proper part of materials and supplies costs. Only materials and supplies actually used for the performance of a Federal award may be charged as direct costs. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the applicant or subapplicant for financial statement purposes or $5,000, regardless of the length of its useful life. In the specific case of computing devices, charging as direct cost is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award. Where federally-donated or furnished materials are used in performing the Federal award, such materials will be used without charge.
Training	*Allowable* for the State department of agriculture applicant when training is directly related to Federal grants management in proportion to the amount of time and effort expended by the trainee on the grant program. *Allowable* when the training is required to meet the objectives of the project or program.
Travel	*Allowable* when travel costs are limited to those allowed by formal organizational policy; in the case of air travel, the lowest reasonable commercial airfares must be used. *Allowable* with prior approval for government officials per 2 CFR part 200.444. Applicants and subapplicants that do not have formal travel policies and for-profit subapplicants' allowable travel costs may not exceed those established by the Federal Travel Regulation, issued by GSA, including the maximum per diem and subsistence rates prescribed in those regulations. This information is available at http://www.gsa.gov. If a applicant or subapplicant organization has no formal travel policy, those regulations will be used to determine the amount that may be charged for travel costs. Applicants and subapplicants are strongly encouraged to take advantage of discount fares for airline travel through advance purchase of tickets if travel schedules can be planned in advance. Consideration should be given to the use of alternative technologies such as teleconferencing or videoconferencing if they are available, appropriate for the project, and less costly. *Unallowable* for travel costs for conferences, venues, tradeshows, events, meetings, programs, conventions, symposia, workshops seminars, etc. that include non-specialty crop activities such as farmers' market annual conferences and general marketing tradeshows where these costs cannot be specifically identified and easily and accurately traced to activities that solely enhance the competitiveness of specialty crops. • Example: Travel costs for personnel to travel to a farmers' market conference is unallowable, while travel to a vegetable food safety educational session is allowable.

4.8 OTHER SUBMISSION REQUIREMENTS

SCBGP requires State departments of agriculture to submit SCBGP applications electronically through the central Federal grants website, www.Grants.gov instead of mailing hard copy documents. When applying through www.Grants.gov, applicants are not required to submit any paper documents to AMS. Applicants should familiarize themselves with the Federal grants website and begin the application process well in advance of the application deadline (between 3 and 6 months). The SCBGP will send an e-mail confirmation to the applicant upon receipt of the application. Applicants who do not receive an acknowledgement within 5 days of the submission deadline should notify the program contact.

For information on how to apply electronically, please consult the Grants.gov Get Registered webpage. Applicants experiencing problems in electronic preparation or submission of documentation should contact www.Grants.gov, the Grants.gov Contact Center at 1-800-518-4726, or visit their Troubleshooting Tips webpage for troubleshooting tips. The hours of operation are Monday-Friday, 7 a.m. to 9 p.m., Eastern Time; and they are closed on Federal Holidays.

When submitting through www.Grants.gov, please use only the following UTF-8 characters when naming your attachments: A-Z, a-z, 0-9, underscore (_), hyphen (-), space, period and limit the file name to 50 or fewer characters. For more information on UTF-8 characters, please refer to this link. Attachments that do not follow this rule may cause the entire application to be rejected or cause issues during processing.

5.0 APPLICATION REVIEW INFORMATION

SCBGP will review grant applications to ensure the State Plan meets the statutory purpose of the program, all application criteria are fulfilled in accordance with 4.0 Application and Submission Information, and that costs are allowable. If applicants request to extend funding for previously funded projects, SCBGP will review expected measurable outcomes from the previously funded projects to ensure they ultimately led the applicant organization and/or project beneficiaries to continued improvement, effectiveness, and success.

The SCBGP office will notify the individual listed on the SF-424 “Application for Federal Assistance” in block f. if additional information is required after the initial review of the application. The State department of agriculture applicant should ensure that all sub-applicants are aware that additional information may be required from them because of the SCBGP review of their grant proposal. Failure to provide requested information in a timely manner may result in a project not receiving funding.

The individual listed on the SF-424 is responsible for adequately addressing all application comments and questions from the SCBGP prior to sending the SCBGP the revised application. This individual should review the answers and follow up with the sub-applicant if more information is required prior to submitting the revised State Plan to the SCBGP. This will help facilitate the approval of the application and reduce the number of revisions.

6.0 AWARD ADMINISTRATION INFORMATION

6.1 AWARD NOTICES

Once all administrative and programmatic issues have been resolved, the SCBGP will provide the State department of agriculture applicant with a formal notification in the form of an electronic Grant Agreement.

The Grant Agreement shows the amount of Federal funds authorized for obligation for the approved period of performance. Until the SCBGP has issued a signed Grant Agreement, the State department of agriculture applicant incurs any pre-award costs at its own risk.

The Grant Agreement sets forth pertinent information about the grant, including, but not limited to, the following:

- Federal Agreement Identification Number (FAIN) or "agreement number;"
- Statutory authority for the award and any applicable program regulations;
- Name of recipient organization;
- Name of the Recipient Project Coordinator;
- Approved period of performance start and end dates;
- Amount of Federal funds authorized for obligation by the recipient;
- Name of the Federal Agency Project Manager; and
- Applicable terms and conditions of award, by either reference or inclusion.

Projects do not have to be initiated on the grant effective date, but should be initiated as soon thereafter as practical so that project goals may be achieved within the funded project period.

6.2 ADMINISTRATIVE AND NATIONAL POLICY REQUIREMENTS

6.2.1 USDA ADMINISTRATIVE REQUIREMENTS

Awards issued under this announcement are subject to the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* of 2 CFR part 200 as implemented by the USDA under 2 CFR part 400 and the most recent SCBGP General Award Terms and Conditions. An application funded with the release of Federal funds through a grant award does not constitute, or imply, compliance with Federal regulations. Grant recipients and subrecipients are responsible for ensuring that their activities comply with all applicable Federal regulations.

6.2.2 DATA UNIVERSAL NUMBER SYSTEM (DUNS) NUMBER

The State department of agriculture must ensure that it and its sub-applicants, with the exception of individuals, have a Data Universal Number System (DUNS) number at the time of application. A DUNS number is a unique number established and assigned by Dun and Bradstreet, Inc. (D&B) to identify organizations. A DUNS number is required for every application. Potential applicants and sub-applicants may acquire a DUNS number at no cost online at http://fedgov.dnb.com/webform. To acquire a DUNS number by phone, contact the D&B Government Customer Response Center:

U.S. and U.S. Virgin Islands: 1-866-705-5711

Alaska and Puerto Rico: 1-800-234-3867 (Select option 2, then option 1)

Monday – Friday 7 a.m. to 8 p.m., CST

6.2.3 SYSTEM FOR AWARD MANAGEMENT

To receive an award under the SCBGP, applicants are required to register with System for Award Management (SAM) and, in doing so, to designate an e-Business Point of Contact (e-Business POC). SAM registration must be updated annually and be active and maintained with current information at all times during which the State department of agriculture has an active award or an application under consideration.

The e-Business POC authorizes individuals to submit grant and cooperative agreement applications on behalf of the organization and creates a special password called a Marketing Partner ID Number (M-PIN) to verify individuals authorized to submit grant applications for the organization.

Organizations that need to register in SAM for the first time or need to update their SAM registration will visit https://www.sam.gov/. Questions about SAM may be directed to askSAM@gsa.gov.

6.2.4 SUBAWARD AND EXECUTIVE REPORTING

To comply with the Federal Funding and Transparency Act of 2006 (FFATA) and 2 CFR part 170, Reporting Subaward and Executive Compensation Information, State department of agriculture recipients must register with the FSRS database and report the required data on their first tier subrecipients. See Appendix A to part 170 – Award Term for Reporting Subawards and Executive Compensation requirements.

6.2.5 DEBARMENT AND SUSPENSION

Regulations published in 2 CFR part 180 and 2 CFR part 417 describe the government-wide debarment and suspension requirements for non-procurement programs and activities. "Non-procurement" transactions include, among other things, grant agreements. SCBGP implements these regulations as a term and condition of award. State department of agriculture recipients must check the System for Award Management located at https://www.sam.gov/portal/public/SAM/ prior to entering into a "lower-tier" transaction. "Lower tier" transactions include contracts (including individual consultants) under grants (where the contract requires the provision of goods or services that will equal or exceed $25,000) and all subawards.

SAM is a centrally maintained government-wide database that includes the names of organizations and individuals that have been debarred, suspended, declared ineligible, or been voluntarily excluded; the reasons for that status; and the duration of that status. You can search exclusion records on SAM at www.sam.gov to identify those parties excluded from receiving federal funds. The State department of agriculture must document the results of the search and must disclose unfavorable information to the SCBGP before awarding funds. The SCBGP will consider the information as part of the determination of whether the State department of agriculture may award funds to that particular sub-applicant.

6.2.6 DELINQUENCY ON FEDERAL DEBT

Any organization or individual that is indebted to the United States, and has a judgment lien filed against it for a debt to the United States, is ineligible to receive a Federal grant. Applicants are required to indicate in their applications (on the SF-424 "Application for Federal Assistance") if they are delinquent on any Federal debt. If the applicant discloses a delinquency, the SCBGP may not award the grant until the debt is satisfied or satisfactory arrangements are made with the agency to which the debt is owed.

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

6.2.7 OTHER APPLICABLE NATIONAL POLICY REQUIREMENTS

In addition to the above mentioned federal statutes and regulations that apply to grant applications considered for review and to project grants awarded under this program there are additional national policy requirements including, but are not limited to the ones listed below.

2 CFR part 25 – *System for Award Management and Universal Identifier Requirements*

2 CFR part 175 – *Award Term for Trafficking in Persons*, which is the implementation of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104(g))

2 CFR part 415 – *USDA General Program Administrative Regulations*

2 CFR part 416 – *USDA General Program Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*

2 CFR part 418 – *USDA implementation of Restrictions on Lobbying*

Imposes prohibitions and requirements for disclosure and certification related to lobbying on recipients of federal contracts, grants, cooperative agreements, and loans.

2 CFR part 421 – *USDA Implementation of Government-wide Requirements for Drug-Free Workplace (Financial Assistance)*

2 CFR part 422 – *Research Institutions Conducting USDA-Funded Extramural Research; Research Misconduct*

7 CFR part 1, subpart A – USDA implementation of the *Freedom of Information Act*

7 CFR part 1b – USDA procedures to implement the *National Environmental Policy Act of 1969*, as amended

7 CFR part 3 – USDA implementation of *OMB Circular No. A-129* regarding debt collection

7 CFR part 15, subpart A – USDA implementation of Title VI of the *Civil Rights Act of 1964*, as amended

7 CFR part 331 and 9 CFR part 121—USDA implementation of the *Agricultural Bioterrorism Protection Act of 2002*

37 CFR part 401 – *Rights to Inventions made by Nonprofit Organizations and Small Business Firms under Government Grants, Contracts, and Cooperative Agreements*

The implementation of the *Bayh Dole Act* (35 U.S.C. 200 et seq.) controlling allocation of rights to inventions made by employees of small business firms and domestic nonprofit organizations, including universities, in federally-assisted programs (implementing regulations are contained in).

41 CFR part 301-10.131 to 301-10.143 – *Use of United States Flag Air Carriers*, which implements the *Fly America Act* (49 U.S.C. 40118)

48 CFR part 25 – *Foreign Acquisition*, which implements the *Buy American Act* (41 U.S.C. Ch. 83)

48 CFR subpart 31.2 – *Contracts with Commercial Organizations*

44 U.S.C. 3541 et seq. (Pub. L. 107-347) – *Federal Information System Security Management Act of 2002* (FISMA)

An Act designed to improve computer and network security within the Federal Government. Applies to awardees if it will collect, store, process, transmit, or use information on behalf of AMS.

Motor Vehicle Safety –

- *Highway Safety Act of 1966*, as amended (23 U.S.C. 402 & 403);
- *Government Organization and Employees Act,* as amended (5 U.S.C. 7902 (c));
- *Occupational Safety and Health Act of 1970*, as amended (29 U.S.C. 668);

- *Federal Property and Administrative Services Act of 1949*, as amended (40 U.S.C. 101, et seq.);
- *Increasing Seat Belt Use in the United States* (E.O. 13043); and
- *Federal Leadership on Reducing Text Messaging While Driving* (E.O. 13513)

Federal statutes and regulations found on the SF-424B "Assurances –Non-Construction Programs" (this form is submitted through Grants.gov with your application package)

6.3 ACCEPTANCE OF AN AWARD

A signature by an authorized representative of the State department of agriculture on the Grant Agreement constitutes acceptance of an award and its associated terms and conditions. The SCBGP must receive a scanned or faxed copy of the signed Grant Agreement. If a recipient cannot accept the award, including the legal obligation to perform in accordance with award terms and conditions, the recipient should notify the Federal Agency Project Manager immediately upon receipt of the Grant Agreement. Once the recipient accepts the award, the contents of the Grant Agreement are binding on the recipient.

6.4 REPORTING

State department of agriculture recipients are required to submit annual performance reports and Federal Financial Reports (SF-425) within 90 calendar days after the award's anniversary date (i.e., one year following the month and day on which the grant agreement period of performance begins and each year thereafter up until a Final Performance Report is required).

The following reports are due within 90 days following the grant ending date:

1) Final Performance Report
2) Final Payment Request (SF-270), if applicable
3) Final SF-425, "Federal Financial Report" and if applicable, payment of unobligated balance
4) Audit Report, if applicable
5) Tangible Personal Property Report, if applicable

The grantee should submit the reports to SCBGP electronically as required in the most recent SCBGP General Award Terms and Conditions.

7.0 AGENCY CONTACTS

Applicants and other interested parties are encouraged to contact:

7.1 SCBGP LEAD GRANTS MANAGEMENT SPECIALIST

Mr. John Miklozek

Phone: (202) 720-1403
E-Mail: John.Miklozek@ams.usda.gov

7.2 GRANTS MANAGEMENT SPECIALISTS

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Mr. Evan Hughes

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Mr. Garland Robertson

Phone: (202) 260-8701
E-Mail: Garland.Robertson@ams.usda.gov

7.3 ADDRESS

Specialty Crop Block Grant Program
USDA, Agricultural Marketing Service
1400 Independence Avenue, SW
Stop 0267
Room 4534 South Building
Washington, DC 20250-0269

8.0 OTHER INFORMATION

8.1 RELEASE OF APPLICATION INFORMATION

The Freedom of Information Act (FOIA) of 1966 (5 U.S.C. 552) and the Privacy Act of 1974 (5 U.S.C. 552a), as implemented by USDA's regulations (7 CFR part 1, Subpart A) govern the release or withholding of information to the public in connection with this Federal award. The release of information under these laws and regulations applies only to records held by AMS and imposes no requirement on the recipient or any subrecipient to permit or deny public access to their records.

FOIA requests for records relating to this federal award may be directed to USDA, Agricultural Marketing Service, FOIA/PA Officer, Room 3943-S, Mail Stop 0202, 1400 Independence Ave., SW, Washington, DC 20250-0273, Telephone: (202) 720-2498; or email: AMS.FOIA@usda.gov.

8.2 EQUAL OPPORTUNITY STATEMENT

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs).

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at How to File a Program Discrimination Complaint and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

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

8.3 PROHIBITION ON USING FUNDS UNDER GRANTS AND COOPERATIVE AGREEMENTS WITH ENTITIES THAT REQUIRE CERTAIN INTERNAL CONFIDENTIALITY AGREEMENTS

By submission of its proposal or application, the applicant represents that it does not require any of its employees, contractors, or subrecipients seeking to report fraud, waste, or abuse to sign or comply with internal confidentiality agreements or statements prohibiting or otherwise restricting those employees, contractors, or subrecipients from lawfully reporting that waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information. Note that: (1) the basis for this representation is a prohibition in sections 743, 744 of the Consolidated Appropriations Act, 2016, Pub. L. 114-113, (Division E, Title VII, General Provisions Government-wide) and any successor provisions of law on making funds available through grants and cooperative agreements to entities with certain internal confidentiality agreements or statements; and (2) section 744 states that it does not contravene requirements applicable to Standard Form 312, Form 4414, or any other form issued by a Federal department or agency governing the nondisclosure of classified information.