

FEDERAL-STATE MARKETING IMPROVEMENT PROGRAM

Catalog of Federal Domestic Assistance Number 10.156

FY 2010 GUIDELINES

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1. OVERVIEW AND LEGISLATIVE AUTHORITY

The Federal-State Marketing Improvement Program (FSMIP) provides matching funds to State Departments of Agriculture, State agricultural experiment stations, and other appropriate State agencies to assist in exploring new market opportunities for U.S. food and agricultural products and to encourage research and innovation aimed at improving the efficiency and performance of the U.S. marketing system. Legislative authority for FSMIP is provided under Section 204(b) of the Agricultural Marketing Act of 1946, (7 U.S.C. 1621 et seq.), and is funded by annual appropriations to the Agricultural Marketing Service (AMS), USDA. In fiscal year (FY) 2010, \$1.3 million will be available for FSMIP grants. Approximately 25 projects are funded each year, and the average grant is \$50,000. In recent years, grants have ranged from \$25,000 to \$135,000.

These guidelines are intended for use by applicants and their cooperators in developing proposals and carrying out the administrative and procedural requirements involved in applying for and conducting FSMIP projects. For the sections of this document that deal with pre-award and award activities, the term “State agency” refers to the eligible applicants: State Departments of Agriculture, State agricultural experiment stations, and other appropriate State agencies. For sections that deal with post-award activities, the term “grantee” refers to an eligible applicant who has been awarded a FSMIP grant.

2. PROGRAM SCOPE

FSMIP funds a wide range of applied research projects that address barriers, challenges, and opportunities in marketing, transporting, and distributing U.S. food and agricultural products domestically and internationally.

Eligible agricultural categories include livestock, livestock products, food and feed crops, fish and shellfish, horticulture, viticulture, apiary, and forest products and processed or manufactured products derived from such commodities. Applicants with proposals 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 consult the USDA energy Web site at www.energymatrix.usda.gov/ for information on how to submit those projects for consideration to energy grant programs supported by USDA.

Proposals may deal with barriers, challenges or opportunities manifesting at any stage of the marketing chain including direct, wholesale, and retail. Proposals may involve small, medium or large scale agricultural entities but should potentially benefit multiple producers or agribusinesses. Proprietary proposals that benefit one business or individual will not be considered.

Proposals that address issues of importance at the State, regional (multi-State) or national level are appropriate for FSMIP. FSMIP also seeks unique proposals on a smaller scale that may serve as pilot projects or case studies useful as a model for others. Of particular interest are proposals that reflect a collaborative approach

between the States, academia, the farm sector and other appropriate entities and stakeholders.

FSMIP's enabling legislation authorizes projects to:

- Determine the best methods for processing, preparing for market, packing, handling, transporting, storing, distributing, and marketing agricultural products.
- Determine the costs of marketing agricultural products in their various forms and through various channels.
- Assist in the development of more efficient marketing methods, practices and facilities to bring about more efficient and orderly marketing, and reduce the price spread between the producer and the consumer.
- Develop and improve standards of quality, condition, quantity, grade and packaging in order to encourage uniformity and consistency in commercial practices.
- Eliminate artificial barriers to the free movement of agricultural products in commercial channels.
- Foster new/expanded domestic/foreign markets and new/expanded uses of agricultural products.
- Collect and disseminate marketing information to anticipate and meet consumer requirements, maintain farm income, and balance production and utilization.

All proposals which fall within the FSMIP guidelines will be considered. FSMIP encourages States to submit proposals that address the following objectives:

- Creating wealth in rural communities through the development of local and regional food systems and value-added agriculture.
- Developing direct marketing opportunities for producers, or producer groups.

3. ELIGIBLE APPLICANTS

In accordance with authorizing legislation, FSMIP funds can be allotted to "...State departments of agriculture, State bureaus and departments of markets, State agricultural experiment stations, and other appropriate State agencies..." (7 U.S.C. 1623).

Applicants other than State Departments of Agriculture and State agricultural experiment stations may wish to include with their applications an explanation of how they meet the definition of "other appropriate State agency." State agencies should assume the lead role in FSMIP projects, and use cooperative or contractual linkages

with other agencies, universities, institutions, and producer, industry or community-based organizations, as appropriate. Multi-State (regional) projects are encouraged. In such projects, one State agency assumes the coordinating role, using appropriate cooperative arrangements with the other State agencies and entities involved in the project.

4. APPLICABLE REGULATIONS

Administrative provisions and cost principles provide the regulatory framework under which grantees and sub-grantees conduct Federal grants and may be consulted when developing proposals. All grantees and sub-grantees must follow 7 CFR Part 3015, “Uniform Federal Assistance Regulations.” Additional regulations apply depending on the type of organization. For example, if the grantee is a State department of agriculture, the administrative requirements contained in 7 CFR Part 3016 and the cost principles contained in 2 CFR Part 225 apply to the grant activities of the grantee. If a sub-grantee of the State department of agriculture is a non-profit organization, the administrative requirements contained in 7 CFR Part 3019 and the cost principles contained in 2 CFR Part 230 apply to the grant activities of the sub-grantee.

A. Administrative Provisions.

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

The Code of Federal Regulations (CFR) is accessible through the National Archives and Records Administration at <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=%2Findex.tpl> .

B. Federal Cost Principles.

- (1) 2 CFR Part 225 (OMB Circular No. A-87), “Cost Principles for State, Local, and Indian Tribal Governments.”
- (2) 2 CFR Part 220 (OMB Circular No. A-21), “Cost Principles for Educational Institutions.”
- (3) 2 CFR Part 230 (OMB Circular No. A-122), “Cost Principles for Nonprofit Organizations.”
- (4) Federal Acquisition Regulations (FAR) (48 CFR Part. 31.2), Principles for determining costs with profit making firms, “Contracts with Commercial Organizations.” The FAR regulations are accessible through the

Government Printing Office at:
www.access.gpo.gov/nara/cfr/waisidx_02/48cfr31_02.html

A complete list of current these documents are available at the White House Web site: www.whitehouse.gov/omb/circulars/

5. APPLICATION PROCEDURE AND REQUIREMENTS

A. Developing Proposals

State agencies bear the primary responsibility for formulating and overseeing projects. The proposal must be structured so that the State agency maintains control of the project's objectives, sets policy, and ensures that the project will be carried out in accordance with all applicable Federal statutes and regulations as well as the terms and conditions of the grant agreement. Following is guidance on developing proposals:

- If appropriate, and to the extent practicable, solicit input from other State or local organizations, producer groups, academia and/or other stakeholders when developing projects.
- If a proposal builds on a previously funded FSMIP project, be clear in the narrative as to what has been accomplished already and how the new proposal will further the ultimate goals of the project. Note that it is FSMIP's policy not to fund more than three related, successive projects submitted by the same State agency.
- If a proposal is similar to or replicates previous FSMIP-funded work done in another State or under another project, indicate how the new project will add to the general body of knowledge on this topic. (A search function for FSMIP final reports is available at www.ams.usda.gov/FSMIP.)
- If the FSMIP proposal represents part of a larger project, clarify within the narrative how the FSMIP proposal fits into the overall project.
- Ensure that the proposal is appropriate for FSMIP by reviewing the PROGRAM SCOPE (page 3). If unsure that the proposal qualifies for FSMIP, contact the FSMIP Staff Officer. Note that:
 - Proprietary proposals that benefit one business or individual will not be considered.
 - Applicants with proposals 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 consult the USDA energy Web at www.energymatrix.usda.gov/ for information on how to submit those projects for consideration to energy grant programs supported by USDA.

- 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. Any proposal involving foreign travel must be well justified.
- Ensure that program income generated during the project (such as conference registration fees), is reflected in the proposal budget. Note that program income may not be offered as a match.
- Ensure that sub-grantees are aware of their responsibilities to comply with applicable Federal statutes and regulations.
- Ensure that sub-grantees and project cooperators understand that any information obtained, data derived, and reports resulting from the FSMIP project, must be available to the public, and that the final report will be posted on the FSMIP website.
- Obtain, and submit with the application, written verification of commitment from any third party who will contribute cash and/or in-kind matching resources to the project (see C. Matching Requirement).
- Ensure that the application package is fully complete before submitting it to FSMIP. FSMIP will not accept letters of support from stakeholders or letters verifying commitment of matching resources after the application deadline.
- Ensure that the proposal contains sufficient detail as to the need, objectives, work plan, resource requirements, expected results, and performance measures.
- Provide complete contact information for both the State contact responsible for overseeing the project and for the principal investigator.
- In the case of multiple proposals, a State agency may include with the proposals a letter addressed to the FSMIP Staff Officer indicating a priority project, or ranking proposals in order of priority to the State agency.
- Inform FSMIP at the time of application if the proposal will be or has been submitted to another grant program. If so, and the proposal is later selected for funding by another grant program, the State agency must contact FSMIP immediately to withdraw the FSMIP proposal.

B. Project Length

FSMIP funds are awarded for proposals of from one to two years' duration. If contractual arrangements will be needed to carry out the project, be sure to factor that into the proposal timeline. FSMIP prefers that applicants request two years to

complete such projects in order to minimize requests for no-cost time extensions. It is acceptable to complete projects before the scheduled ending date.

C. Matching Requirement

FSMIP grants must be matched one-to-one with non-Federal resources. The match may consist of cash and/or properly valued in-kind resources. State appropriations, as well as funds or other resources contributed by project participants, can be used to satisfy the matching fund requirement. However, non-Federal grant funds that are expected to be or anticipated to be awarded by the time the project is expected to commence cannot be counted toward the match. Program income cannot be offered as a match. Applicants should contact the FSMIP Staff Officer if there are any questions about what constitutes a legitimate match.

Written verification of commitment from any third party who will contribute cash and or in-kind matching resources to the project must be submitted with the application. Written verification should be in the form of a letter addressed either to the State Agency or to the FSMIP Staff Officer, and must include: 1) name of organization, name and title of letter writer, address, telephone number and email address; 2) title of the project and name of the grant program applied for (FSMIP); 3) total dollar amount of cash contribution, if applicable; and 4) description of in-kind contribution (for example, if personnel time, include name, title, hourly rate, number of hours and total dollar amount). Unsigned letters will not be accepted.

D. Application Deadline

Funding decisions are made on the basis of one round of competition. The deadline for submitting FY 2010 applications is 11:59 pm Eastern Standard Time, Wednesday, February 10, 2010. For applications submitted electronically via the Federal grants website (www.grants.gov), the date and time that the proposal was received and accepted by that website will be considered the postmark date. Hard copy applications will meet the deadline if postmarked by an express mail service no later than 11:59 pm Eastern Standard Time, February 10, 2010. See below for further details.

E. Electronic Applications

State agencies may apply electronically through the Federal grants website: www.grants.gov. Applicants who submit electronic applications are not required to submit any hard copy documents to FSMIP. Applicants considering this option are strongly urged to familiarize themselves with the Federal grants website and begin the application process well before the application deadline. For information on how to apply electronically, click on www.grants.gov/applicants/apply_for_grants.jsp. The grants.gov Support Center is now available 24 hours a day at 1-800-518-4726 and by email at support@grants.gov. Remember to ask for a case number when you contact the Supports Center.

F. Hard Copy Applications

Applicants submitting hard copy applications should send one unstapled original and one unstapled copy of the fully complete application package via express mail. The SF 424 must be signed with an original signature by an official of the State agency who has authority to apply for Federal assistance and who can assure the availability of matching non-Federal resources. The application package must be fully complete before submitting it to FSMIP. FSMIP will not accept letters of support from stakeholders or letters verifying the commitment of matching resources by third parties after the application deadline.

Hard copy applications must be sent via express mail rather than through ‘regular mail’ (USPS) to the address listed at the end of this document. USPS mail sent to Washington D.C. headquarters is sanitized offsite, which may result in delays, loss, and physical damage to enclosures. Applicants must also submit an electronic version of their entire proposal directly to FSMIP via email in Word (*.doc or *.docx) or Adobe Acrobat (*.pdf). Alternatively, a standard 3.5” HD diskette or a CD may be enclosed with the hard copy application. Email confirmations will be sent as applications arrive at the FSMIP office.

G. Application Checklist

- 1) SF 424 – Application for Federal Assistance
- 2) SF 424A – Budget Information – Non-Construction Programs
- 3) Narrative summary, including a supplemental budget summary
- 4) Supporting documents including letters of support from stakeholders and letters verifying the commitment of matching resources by third parties.

H. Application Forms

The required application forms (SF 424 and SF 424A) are available at www.grants.gov. Most information blocks on the required forms are either self-explanatory or adequately explained in the instructions. Following is guidance for specific blocks on the SF 424 and SF 424A for FSMIP proposals.

SF 424

- NAME OF FEDERAL AGENCY – **USDA/AMS.**
- CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER – **10.156**; TITLE – **FSMIP.**
- DESCRIPTIVE TITLE OF APPLICANT’S PROJECT – ***Provide only the project title, not a detailed description.***
- START DATE – ***September 1, 2010.***
ENDING DATE – ***no later than August 31, 2012.***
- ESTIMATED FUNDING Categories:
 - a. Federal – ***Total FSMIP funds requested.***
 - b. Applicant – ***State Agency match.***
 - c. State – ***match from other State Agency (ies) or institution (s), if applicable.***

- d. Local – *match from local governments (example: county, municipality), if applicable.*
- e. Other – *match from non-government sources (example: non-profits, trade associations, and academia), if applicable.*

- EXECUTIVE ORDER 12372: consult the following website to find out if this is applicable in your state: www.whitehouse.gov/omb/grants/spoc.html

SF 424A, Section B

- Column (1) – *show distribution of FSMIP funds requested among cost categories.*
- Columns (2)-(4) – *identify each source of matching funds (a separate column for each source as identified in the SF 424 ESTIMATED FUNDING categories) and the distribution of funds by category.*

I. Narrative Summary

A narrative description of the proposal is required. Narratives generally range from 10-12 single-spaced pages, exclusive of supporting documents. The required format is 12-pitch font with 1 inch margins. The narrative should include the following sections, in this order:

- **Cover Page** – Include Proposal Title and contact information for the State Agency and other principle participants.
- **Abstract** – Express the essence of the project in 200 words or less.
- **Background and Justification** – Clearly identify the marketing issue, problem, barrier, challenge or opportunity to be addressed and explain why the proposal is important and timely. Provide a brief literature review, if relevant. Include data that demonstrate the extent of the problem, the number of people or operations affected, and/or the potential economic impact if such information is available and relevant. If a proposal builds on a previously funded FSMIP project, be clear in the narrative as to what has been accomplished already and how the new proposal will further the ultimate goals of the project. If a proposal is similar to or replicates previous FSMIP-funded work done in another State or under another project, indicate how the new project will add to the general body of knowledge on this topic. (A search function for FSMIP final reports is available at www.ams.usda.gov/FSMIP.) If the FSMIP proposal represents part of a larger project, clarify within the narrative how the FSMIP proposal fits into the overall project.
- **Other Grant Programs** - Indicate if the proposal will be or has been submitted to another grant program.

- **Goal(s) and Objectives** – Describe the overall goal(s) in one or two sentences. List and describe the essential objectives of the project.
- **Work Plan** – Explain how each objective will be accomplished. Be clear about who will do the work. Provide an explanation if the proposal entails any of the following:
 - **Collaborative arrangements or subcontracts** – Specify the role and responsibilities of each party that will be involved in the project. If a third party will be hired to complete the project, provide a brief description of the qualifications to be sought.
 - **Surveys** – Briefly discuss the nature of the questions that will be asked, the methodology to be used and the population to be surveyed. If available, include a draft questionnaire as an attachment (not required).
 - **International Projects** – Include evidence that the information sought is not available already from the USDA Foreign Agricultural Service data base, or from other public sources. Provide a solid justification for any foreign travel
 - **Conferences/Workshops**– Clearly indicate the purpose, target audience, and how the activity will be paid for. Indicate if registration fees will be collected and if so, ensure the budget reflects the fees as program income.
- **Timeline** – Include a timeline for completing the project. If contractual arrangements will be needed to carry out the project, be sure to factor that in to the timeline. (The timeline may be incorporated into the narrative or it may be attached as a supporting document).
- **Outputs, Expected Outcomes and Project Evaluation** – Describe what the project is expected to accomplish and how it will be evaluated while in progress and upon conclusion. Outputs describe the activities to be completed and the target audience whereas the outcomes describe the learning, knowledge gained or actions implemented as a result of the activities. See Appendix 1 for examples.
- **Project Deliverable** – Briefly describe the project deliverable.
- **Supplemental Budget (see Appendix 2 for sample format)** – Demonstrate that the budget is reasonable and adequate for the proposed work, and expand on the budget categories listed on the SF 424A to provide enough detail for both grant funds and matching. Clearly delineate who will contribute what to the project in terms of the match and be clear about what FSMIP will pay for. Following is guidance on some of the more common expenditures associated with FSMIP projects.

- **Personnel** – Show hourly rates and estimated number of hours to be spent on the project. If hourly rates exceed the salary of a GS-14 step 10 Federal employee in your area provide a justification (see <http://opm.gov/oca/09tables/indexgs.asp>). Provide brief summaries of relevant experience or qualifications of principal project investigators. Do not include lengthy resumes.
- **Travel** – Indicate what the travel includes (mode of travel, how many people, how many days, destination, lodging, meals, etc. as applicable).
- **Contracts** – Indicate if the expense represents a flat fee for services, or an hourly rate. If the latter, indicate the hourly rate to be applied. List general categories of items the contract covers such as professional services, travel, lodging, administrative expenses, etc. If hourly rates exceed the salary of a GS-14 step 10 Federal employee in your area, provide a brief justification (see <http://opm.gov/oca/09tables/indexgs.asp>.)
- **Indirect Cost** – Indicate the rate used to calculate the indirect cost and the source of the rate. The indirect cost rate can be applied to the total cost of the project (grant + match). Indirect cost cannot be paid for with FSMIP funds, but it can be applied toward the match.

J. Supporting Documents

If the application includes the following supporting documents, they must accompany the proposal at the time of application. They will not be accepted if submitted after the application deadline.

Required

- Written verification regarding matching contributions. Unsigned letters will not be accepted.
- A separate project timeline, if not already incorporated into the narrative.

Optional

- Letters from stakeholders or others who support the project but are not providing matching resources. Unsigned letters will not be accepted.
- A letter from the State agency indicating priorities if more than one proposal is submitted.

6. RESTRICTIONS AND LIMITATIONS ON PROGRAM ACTIVITIES AND EXPENDITURES

Unless otherwise specified in these guidelines or in the grant terms and conditions (for applicants whose projects are selected for funding), all expenditures and accounting shall be done in accordance with applicable parts of USDA's Uniform Federal Assistance Regulations (7 CFR 3015 et seq. or as later revised), applicable Cost Principles, and with successive published regulations, as appropriate. Following are restrictions specific to FSMIP:

Advertising and Promotion

FSMIP will not approve the use of grant funds for the following activities:

- Product advertising through any media, either directly or indirectly, through an advertising agency or other firm.
- General publicity or information programs designed to build the image of the State's agriculture, State Department of Agriculture, or other State agency.
- Costs associated with County and State fair exhibits, or promotion of commodity months or weeks.
- Purchase of:
 - Products or samples of products to give away to the public. However, such products or samples may be purchased with grant funds or brought as a match, if they are used in a study that assesses consumer acceptance or has a similar evaluative objective;
 - Promotional pieces such as point-of-sale materials, promotional kits, billboard space, signs or streamers, automobile stickers, table tents, and place mats; or
 - Promotion items of a personal gift nature.

Equipment and Facilities

FSMIP will not approve the use of grant funds for the construction of facilities. Grant funds may be used to rent a building or room and to purchase supplies and other materials. Equipment rental costs may be charged to the project account. Once a proposal has been selected for funding, prior approval is necessary for any purchases of equipment costing more than \$500 that were not included in the approved proposal.

Salary and Travel

If State employees work part-time on FSMIP projects, appropriate records must be maintained to document all salary and travel expenses charged against the project account. FSMIP funds cannot be used to pay salary and travel of employees of trade associations, cooperatives, commodity groups, and other industry organizations, or of State personnel while engaged in managing market orders, cooperatives, or other group endeavors. Commissioners, Directors, and Secretaries of State departments of agriculture should not charge their salaries and travel to the project account. The only exception is travel to workshops or conferences relating to FSMIP. If they are not working full time on a FSMIP project, marketing directors and other individuals responsible for FSMIP activities can charge the project account for the *pro rata* share of their salary and travel devoted to the FSMIP project. Such charges must be fully documented.

Printing

Grant funds may be used to pay the cost of printing informational leaflets, reports, manuals, and publications relating to the project. All such publications should acknowledge AMS as a cooperator in the project and bear a statement that credits the grant program such as the following: “*State funds for this project were matched with Federal funds under the Federal-State Marketing Improvement Program of the Agricultural Marketing Service, U.S. Department of Agriculture.*” A similar acknowledgment is required on other media products of the grant such as audio-visuals unless the grantee received a waiver from FSMIP.

Administrative Costs

Administrative costs directly attributable to the project may be charged, on a shared basis, to both the Federal and matching funds allocated to the project or they may be credited entirely toward the matching funds requirement.

Indirect Costs

FSMIP retains the long-held policy of prohibiting use of grant funds to pay overhead or indirect costs of either the State agency or its contractors or project partners. It is permissible, however, for the State agency to include such costs as part of the matching funds requirement, provided that the rates are established in accordance with appropriate cost principles for Federal grant programs. The indirect cost rate can be applied to the total project cost (grant + match).

Political Activity

Provisions of the Hatch Act (5 U.S.C., pages 1501-1508 and 7324-7328), which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds, apply to FSMIP projects.

Program Income

Program income is gross income earned by a grant recipient resulting from activities supported by a grant. It includes income in the form of fees for services performed during the grant period, real property, usage or rental fees, or patent or copyright royalties.

FSMIP projects may involve program income such as registration fees for a conference held under a FSMIP project. Federal regulations require that the total grant award be reduced by an amount equal to the program income unless written permission is obtained from the grant agency. Once a proposal has been selected for funding, prior approval is required for any program income that was not documented in the approved proposal. Program income cannot be used to meet the matching fund requirement.

Acceptable uses of program income that FSMIP may approve include:

- 1) Expanding the project or program;
- 2) Continuing the project or program after the grant or sub-grant support ends;

- 3) Supporting other projects or programs that further the broad objectives of the statute; or
- 4) Obtaining equipment or other assets needed for the project or program or for other activities that further the statute's objectives.

7. SELECTION CRITERIA

Proposals are reviewed and evaluated by subject matter specialists from AMS and elsewhere in USDA. Reviews from other Federal agencies may be sought depending on the subject matter and scope of the proposal. After the initial review process is complete, FSMIP may contact applicants for additional information about their proposals. As a basis for awarding FSMIP funds, AMS is guided by the following criteria:

- The relative need for the proposed activity or the relative importance of the problem or opportunity to be addressed.
- The benefits likely to be derived from the project in relation to the amount of FSMIP funds requested.
- The level and nature of State and other non-Federal support (including, but not limited to, the required matching funds or in-kind resources) pledged to the project or activity.
- The potential impact of an individual project on other States or issues of regional or national importance.
- Unique and innovative features of the project, particularly if the project is similar to others funded in the past or if the project is below the State level in scope.
- Evidence provided in a clearly written narrative that the proposal brings together the appropriate resources in terms of people, budget, time, and other resources to meet the project objectives.
- The adequacy and appropriateness of measures to be used to evaluate the project outcome.

8. ANNOUNCEMENT OF AWARDS

In the remainder of this document, the term "grantee" refers to the State Department of Agriculture, State agricultural experiment station or appropriate State agency that was awarded a FSMIP grant. The term "sub-grantee" refers to a third party who will receive grant funds in the course of carrying out the project.

Grant Amount

Grants will be awarded at or close to the requested amount, or, if mutually agreed upon, at a reduced level.

Grant Agreement

Upon announcement of the grant awards, FSMIP will prepare and send grant agreements to grantees for signature by the appropriate official. The grant agreement will consist of a 1-page Agreement Face Sheet plus an attachment with detailed grant terms and conditions.

Start and Ending Dates

The FY 2010 grant period will begin September 1, 2010. If the project must begin before the official September 1 start date, the grantee should contact the FSMIP Staff Officer upon notification of the award. Written approval by FSMIP will ensure that the grantee will be reimbursed for any pre-award costs incurred, and that any matching resources expended during the pre-award period count toward the one-to-one match requirement.

Unsuccessful Applicants

Unsuccessful applicants will be contacted by FSMIP via email as soon as possible after the awards are announced to inform them of the results. Upon request, unsuccessful applicants will receive feedback on their proposals from the FSMIP Staff Officer.

9. POST-AWARD MANAGEMENT

Grantees are responsible for:

- Monitoring the performance of all project activities, ensuring that the work is completed within the required time frame, maintaining control of the project's objectives, and setting policy for all aspects of the project.
- Serving as the contact with FSMIP and any sub-grantees about all grant and project matters. Sub-grantees should be instructed to communicate directly with the grantee, not with FSMIP, on matters relating to the project.
- Contacting FSMIP immediately if problems arise that will interfere with or delay the project.
- Informing FSMIP immediately if the contact person for the grantee changes.
- Ensuring that both FSMIP funds and matching funds are used only for activities outlined in the approved project and work plan. Use of grant and matching funds must conform to the budget submitted with the application as accepted or as modified by mutual consent at the time the proposal was selected for funding. However, once a project is underway, it is FSMIP's policy to allow

grantees to shift expenditures from any one cost category or project element to another without obtaining prior approval from FSMIP, provided that the budget for cost categories or project elements is not increased or decreased by more than 20 percent of the total FSMIP grant amount.

- Ensuring that proper accounting procedures are followed for grant and matching funds, both by the grantee institution and any sub-grantees and project partners. Records of receipts and expenditures of Federal funds, matching funds and in-kind resources must be identifiable within the grantee's accounting system.
- Furnishing any records or reports relating to the project if requested by AMS.
- Sending FSMIP a copy of any contract or secondary agreement relating to the project.
- Submitting progress reports at 6-month intervals, and a final report no later than 90 days after the grant ending date. Grantees must review and approve any documents prepared by a third party before forwarding them to FSMIP.
- Submitting financial reports (SF 270) in a timely manner, and, no later than 90 days after the grant ending date, submitting a final financial report (SF 425).
- Requesting grant funds at reasonable intervals and providing a justification if the initial drawdown is not made in the first year of the grant period.
- Seeking written approval from FSMIP under the following circumstances:
 - Changes in project leadership;
 - Shifts of expenditures from any one cost category or project element to another if the budget for cost categories or project elements is increased or decreased by more than 20 percent of the total FSMIP grant amount;
 - Changes in the project scope or objectives;
 - Need for a no-cost time extension (see below); and
 - Appropriate use of any program income generated by the project that was not outlined in the approved proposal.
- Contacting the FSMIP office no later than 60 days before the grant ending date to request a no-cost time extension if for any reason the project cannot be completed within the time frame established in the grant agreement. A letter on letterhead from the grantee contact or an appropriate official must include the following information:
 - The number of additional months needed and the new ending date.
 - A justification for the request for more time.

- A summary of progress to date in terms of the project timeline and objectives.
- An estimate of the remaining grant and matching funds.
- A projected timetable to complete the project.

10. REPORTING REQUIREMENTS

If the grantee does not prepare the progress or final reports, it is nevertheless the grantee's responsibility to review and approve any reports prepared by a third party before forwarding them to FSMIP.

Progress Reports

Progress reports are required at the midpoint of projects approved for one year and at six-month intervals for projects of longer duration. Progress reports should:

- Briefly summarize activities performed and milestones achieved for each objective or sub-element of the narrative.
- Note unexpected delays or impediments as well as favorable or unusual developments.
- Outline work to be performed during the succeeding period.
- Comment on the level of grant funds and matching contributions expended to date on the project.

Final Report

A final report of results and accomplishments is due no later than 90 days after the grant ending date. Final reports are required to fulfill the terms of the grant agreement, and they represent an important vehicle for sharing research findings with Federal and State agencies and the public. The final report will be posted on the FSMIP website. It must include:

- An outline of the issue or problem. Provide enough background information for the reader to understand the importance of the project. This section may draw from the background and justification contained in the approved project proposal.
- A description of how the issue or problem was approached via the project. Reference the project objectives and work plan.
- A description of the contribution of public or private agency cooperators and partners in terms of the work performed.
- A summary of results, conclusions, and lessons learned. Lessons learned should cover both positive and negative aspects. Include a discussion of

how the project was evaluated and whether or not it met project objectives. To the extent possible, include measurable results.

- A discussion of current or future benefits to be derived from the project.
- Recommendations for future research and, if applicable, an outline of next steps or additional research that might advance the project goals.
- A description of the project beneficiaries including the number, type and scale of producers, processors, and other businesses.
- Additional information generated by the grant project such as publications, presentations, and websites.
- A contact person for the project with telephone number and email address.

Sometimes, a project will result in a large study completed by a third party. If the report completed by a third party does not address the points listed above, the grantee is responsible for providing a document that discusses each of those points. One hard copy as well as the electronic version of the final report and supporting documents should be provided to FSMIP. The electronic files may be e-mailed or sent to FSMIP via express mail on diskette or CD.

11. REQUESTS FOR PAYMENT AND FINANCIAL STATUS REPORTS

It is the responsibility of grantees, to prepare, sign and submit requests for payment and financial status reports. If third parties contributed matching resources, it is the grantee's responsibility to obtain from them the necessary financial data to complete requests for payment and financial status reports. Copies of the appropriate standard forms (SFs) are available at: www.whitehouse.gov/omb/grants/grants_forms.html.

Requests for Payment – SF 270

Grant funds must be requested using the SF 270. Grant funds will be paid electronically to the bank account specified by the grantee. In addition to the request for grant funds, the SF 270 should indicate the value of any matching funds expended on the project for the period covered by the payment request.

The SF 270 should be scanned and emailed to FSMIP, and the original form should be retained in the grantee's project file. Grant funds should be requested at reasonable intervals during the project. FSMIP will require a justification in any case where the initial drawdown of grant funds is not made in the first year of the grant period and at reasonable intervals thereafter.

Advances are limited to the minimum amount needed to meet current disbursement needs and should be scheduled so that the funds are available to the recipient as close as possible to the actual disbursements.

Requests for payment should be scheduled so that grant funds are obligated no later than the grant ending date, and disbursed no later than 90 days after the grant ending date. Grant funds already paid to the grantee, but not used, must be refunded to USDA, AMS immediately. Contact the FSMIP Staff Officer to obtain instructions for handling the refund.

Federal Financial Reports – SF 425

The SF 269 and SF 269A are obsolete. A new form, the SF 425 *Federal Financial Report*, replaces those forms. The final SF 425 is required not later than 90 days after the grant ending date. The SF 425 should reflect the cumulative financial activity, including both grant and matching funds, over the entire grant period. The SF 425 should be scanned and emailed to FSMIP, and the original form should be retained in the grantee's project file.

12. RECORD RETENTION AND CLOSEOUT

Record Retention

In accordance with Federal regulations, grantees and sub-grantees must retain all records relating to the grant for a period of 3 years from the date of the final SF 425 financial status report that is submitted to FSMIP.

Closeout

Before the grant can be closed, the grantee must submit the following items to FSMIP no later than 90 days after the grant ending date. Upon receipt, FSMIP will send the grantee a closeout letter.

- 1) Final Report
- 2) Final Federal Financial Report (SF 425)
- 3) Outstanding requests for payment if applicable (SF 270)
- 4) Refund check of any unused grant funds previously paid in advance, if applicable.

13. FSMIP CONTACT

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FSMIP Logic Model



<i>Your Planned Work</i>	<i>Your Intended Results</i>
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PROJECT TASK/ACTIVITY	OUTPUTS	OUTPUT PERFORMANCE MEASURE	OUTCOMES	OUTCOME PERFORMANCE MEASURES	IMPACTS
Describe each of the activities you plan to conduct in your project.	For each project activity, identify what service delivery or implementation targets you aim to produce.	List the indicators for gauging project performance.	Identify the short-term or long-term outcomes you expect to achieve for each activity.	List the indicators for gauging project performance.	Describe the impacts or changes you anticipate in 7 to 10 years with each activity as a result of your project or program.
Example (1): Conduct Educational Workshops for Producers	Number and type of workshops held Number and type of materials produced and distributed	Number and type of workshop attendees from the target audience	Target audience gains better understanding of the topic or of a process	% increase from pre- to post-survey scores or test scores. Target audience's evaluation of workshop content and effectiveness.	Target audience will use the information to mark more informed marketing decisions
Example (2): Conduct Research About a Potential New/Expanded Export Market	Literature Review and SWOT analysis Export handbook Extension publications	# of copies distributed # of web hits to the online report	Producers gain increased awareness of export opportunities Producers become interested in export readiness training of in participating in trade shows	# of new business contacts, customers, inquiries, partnerships with importers. Number of producers taking export readiness training or participating in trade shows	New/expanded level of exports to the target market

<i>Your Planned Work</i>	<i>Your Intended Results</i>
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SAMPLE SUPPLEMENTAL BUDGET FOR FSMIP							
Provide enough information to enable reviewers to properly assess the adequacy of the budget.							
Although this format does not have to be followed, the requested information should be included on any budget.							
BUDGET CATEGORY	FSMIP	STATE AGENCY		COOPERATOR 1		COOPERATOR 2	
		Cash	In-kind	Cash	In-kind	Cash	In-kind
PERSONNEL							
1) Project director salary							
Fringe benefits							
2) Project participant #1							
Fringe benefits							
3) Project participant #2							
Fringe benefits							
TOTAL PERSONNEL							
TRAVEL							
Airfare							
Ground transportation							
Per Diem							
TOTAL TRAVEL							
EQUIPMENT							
Computer rental							
Facility rental							
Other							
TOTAL EQUIPMENT							
SUPPLIES							
Itemize...							
TOTAL SUPPLIES							
OTHER (possibilities)							
Contractual							
Facility Rental							
Publications							
Website devel/update							
TOTAL OTHER							
INDIRECT COST (indicate rate)	N/A						
TOTAL							
PROGRAM INCOME							
Footnotes:							
<i>PERSONNEL - for each project participant, indicate hourly rate and number of hours on the project.</i>							
<i>TRAVEL - indicate # of persons, per diem rate and destination. For ground transportation indicate charge per mile.</i>							
<i>EQUIPMENT - provide a list and rate for any rentals</i>							
<i>SUPPLIES - provide a brief list</i>							
<i>OTHER - for 'contractual' indicate hourly rate and # hours. For flat fee, list what it covers.</i>							
<i>INDIRECT COST - do not charge to FSMIP, however, entire project indirect cost may be used as a match. Indicate the indirect cost rate applied and the source (cognizant agency).</i>							