

BILLING CODE: 3410-16

DEPARTMENT OF AGRICULTURE

AGENCY: Natural Resources Conservation Service (NRCS), Commodity Credit Corporation

ACTION: NOTICE

Conservation Innovation Grants – Montana State Component Fiscal Year 2008
Announcement of Program Funding

Catalog of Federal Domestic Assistance (CFDA) Number: 10.912

SUMMARY: NRCS requests applications for the Montana State Component of the Conservation Innovation Grants (CIG) to stimulate the development and adoption of innovative conservation approaches and technologies. Applications will be accepted from all 50 States, the Caribbean Area (Puerto Rico and the Virgin Islands), and the Pacific Basin Area (Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands), however, the project must physically take place completely within Montana and directly benefit Montana agriculture and the natural resources of Montana. NRCS anticipates that the amount available for support of this program in FY 2008 will be approximately five hundred thousand dollars (\$500,000) (more or less at the discretion of the Montana NRCS State Conservationist based on available funds and the quality of the eligible proposals received through this solicitation). Funds will be awarded through a competitive grants process. There are two CIG categories available in FY 2008: the Natural Resource Concerns Category and the State Technology Category. Applications are requested from eligible government or non-government organizations or individuals for competitive consideration of grant awards for projects between one and three years in duration. This notice identifies the objectives for CIG projects, the eligibility criteria for projects and associated instructions needed to apply to CIG.

DATES: Applications must be received in Room 400 of the NRCS State Office in Bozeman, MT by 4 p.m., Mountain Standard Time (MST), on Wednesday, April 16, 2008.

ADDRESSES: The address for hand-delivered applications or applications submitted using express mail, overnight courier service, or U.S. Postal Service is: USDA Natural Resources Conservation Service; Conservation Innovation Grants Program; Federal Building Room 443 (Room 400 for hand-delivered applications); 10 East Babcock Street; Bozeman, MT 59715. Contact phone numbers for hand-delivered applications are (406) 587-6811 or (406) 587-6849.

To submit your application electronically, visit www.grants.gov/apply and follow the instructions. Applications submitted by facsimile or email will not be considered.

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I. FUNDING OPPORTUNITY DESCRIPTION

A. Legislative Authority

CIG was authorized as part of the Environmental Quality Incentives Program (EQIP) [16 U.S.C. 3839aa-8] under Section 1240H of the Food Security Act of 1985, as added by Section 2301 of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171). The Secretary of Agriculture delegated the authority for the administration of EQIP and CIG to the Chief of the Natural Resources Conservation Service (NRCS), who is a Vice President of the Commodity Credit Corporation (CCC). EQIP is administered by NRCS under the authorities of the CCC.

B. Overview

The purpose of CIG is to stimulate the development and adoption of innovative conservation approaches and technologies while leveraging the Federal investment in environmental enhancement and protection, in conjunction with agricultural production. CIG projects are expected to lead to the transfer of conservation technologies, management systems, and innovative approaches (such as market-based systems) into NRCS technical manuals, guides, and references, or to the private sector. CIG does not fund research projects. Instead, it is a vehicle to stimulate the development and adoption of conservation approaches or technologies that have been studied sufficiently to indicate a likelihood of success and to be candidates for eventual technology transfer or institutionalization. CIG funds projects targeting innovative on-the-ground conservation, including pilot projects and field demonstrations.

NRCS will accept applications for single or multi-year projects, not to exceed three years, submitted to NRCS from eligible entities, including Federally-recognized Indian Tribes, State and local governments, and non-governmental organizations and individuals. Applications will be accepted from all 50 States, the Caribbean Area (Puerto Rico and the Virgin Islands), and the Pacific Basin Area (Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands), however, the project must physically take place completely within Montana and directly benefit Montana agriculture and the natural resources of Montana.

Complete applications will be evaluated by a technical peer review panel and scored based on the Criteria for Application Evaluation identified in this document. There are five review groups for FY 2008 applications: Water; Soils; Atmospheric; Grazing Land and Forest Health; and Wildlife. Applicants may indicate which of these review groups should review the application (NRCS will make the final decision on group placement based on the number of applications received for each group as well as the expertise of the group panel members). Scored applications will be forwarded to a Grants Review Board. The Grants Review Board will make recommendations for project approval to the Montana NRCS State Conservationist. Final award selections will be made by the Montana NRCS State Conservationist.

C. Innovative Conservation Projects or Activities

For the purposes of CIG, the proposed innovative project or activity must encompass the development and field testing, evaluation, and implementation of:

- Conservation adoption incentive systems, including market-based systems; or,

- Promising conservation technologies, practices, systems, procedures, or approaches.

To be given greater consideration, the innovative project or activity:

- Will have been studied sufficiently to indicate a good probability for success;
- Demonstrates, tests, evaluates, and verifies environmental (soil, water, air, plants, and animal) effectiveness, utility, affordability, and usability in the field;
- Adapts conservation technologies, practices, systems, procedures, approaches, and incentive systems to improve performance, and encourage adoption;
- Introduces conservation systems, approaches, and procedures from another geographic area or agricultural sector; and
- Adapts conservation technology, management, or incentive systems to improve performance.

D. CIG Categories

For Fiscal Year 2008, two categories of CIG will be offered: the Natural Resource Concerns Category and the State Technology Category. Applicants will need to identify which of the 2 categories applies to their proposed project as well as the specific sub-category. Project rankings will occur based on the category and sub-category selected so applicants are encouraged to select one, primary sub-category. NRCS will make the final determination on the appropriate category and sub-category based on the expertise of the subject matter ranking panel members. Note that there may be some overlap in the technology and natural resource concerns category examples.

1. Natural Resource Concerns Category

Applications must demonstrate the use of innovative technologies or approaches, or both, to address a natural resource concern or concerns. The five natural resource concerns for possible funding through Conservation Innovation Grants for fiscal year 2008 are: Water Resources; Soil Resources; Atmospheric Resources; Grazing Land and Forest Health; and Wildlife Habitat. This Category also includes a Priority Resources sub-category as well as applications that focus on Market Based Approaches to address any or all of these five resource concern areas.

a. Water Resources

The objective of this natural resource concern is to implement new technologies and/or approaches to maintain, restore, or enhance water quality and/or quantity while sustaining productivity in watersheds with predominantly agricultural land uses. Subtopics include:

- Reduced nutrient, pesticide, pathogen, and pharmaceutical transport to surface water and/or groundwater;
- Reduced sediment transport to surface water;
- Improved irrigation management for water conservation;
- Improved invasive aquatic species prevention and management techniques;
- Improved aquifer recharge or maintenance of groundwater supplies; and
- Increased water supplies or availability through alternative treatment or reuse strategies.

b. Soil Resources

The objective of this conservation concern is to implement new technologies and/or approaches to maintain, restore, or enhance soil resources associated with agricultural and forest land uses while sustaining productivity. Subtopics include:

- Reduced soil erosion;
- Decreased accumulation of harmful levels of constituents in soils, including nutrients, metals, and salts; and,
- Improved soil quality and productivity.

c. Atmospheric Resources:

The objective of this conservation concern is to implement new technologies and/or approaches to maintain, restore, or enhance air quality and atmospheric resources through agricultural and forestry practices while sustaining productivity. Subtopics include:

- Reduced agricultural emissions of particulates, odors, volatile organic compounds, and greenhouse gases;
- Increased carbon sequestration in soil and through other mechanisms;
- Increased innovative use of bio-based, solar, or wind energy opportunities;
- Reduced energy usage in irrigation systems;
- Development of on-the-ground processes for whole farm energy savings self-audits; and,
- Improved on-farm energy efficiency, e.g., the use of renewable energy sources (wind, solar, etc.) and methane recovery.

d. Grazing Land and Forest Health

The objective of this conservation concern is to implement new technologies and/or approaches to maintain, restore, or enhance grazing land and forest health while sustaining productivity. Subtopics include:

- Improved invasive species management and control methods on grazing and forest land;
- Reduced effects of pests, diseases, and fragmentation on forest and grazing land quality/health;
- Development of new, alternative systems or practices to minimize overgrazing and restore lands suffering effects of overgrazing;
- Development of new, alternative methods for using forest stand improvement or forest thinning waste by-products (e.g., branches or stumps);
- Development of low-input approaches to increasing forage production;
- Development of alternative grasses or forages for livestock; and
- Development of systems or practices that integrate trees-forage-livestock i.e., silvopasture.

e. Wildlife Habitat

The objective of this conservation concern is to implement new technologies and/or approaches for environmentally sound wildlife habitat management while sustaining agricultural productivity. Possible subtopics include:

- Increased on-farm habitat improvement for Threatened and Endangered (T&E) species, Candidate Species, and state-designated Species of Special Concern;
- Improved invasive plant and aquatic species prevention and management techniques;
- Improved plant biodiversity enhancement, including methods to increase the number of beneficial insects and pollinators;
- Improved on-the-ground implementation of livestock depredation reduction methods from predators; and,
- Increased riparian area management and restoration.

f. Priority Resources

The objective of this collection of natural resource concerns is to implement new technologies and/or approaches to maintain, restore, or enhance natural resource conditions for a selection of priority issues in Montana. Well-qualified applications that address one of these priority resource concern issues will be given priority consideration for funding. In order to be considered well-qualified the application must address all of the requested information and must earn a high review score when compared to all CIG applications received. Priority consideration will be assigned by the Grant Review Board and recommended to the State Conservationist. Subtopics include:

- Development of alternative methods of animal waste utilization in Montana. This includes atypical methods such as composting or other utilization strategies, excluding digesters;
- Development of precision agriculture protocols for plotting, mapping, and incorporating developed maps into farm management planning tools (nutrient and pesticide management);
- Implementation of precision irrigation where water is applied in zones across the field based on real-time soil moisture monitoring methods and individual applicator nozzles are automatically varied according to the soil moisture needs;
- Implementation of automated and/or remotely-controlled irrigation diversion headgates and flow monitoring methods in order to control irrigation diversions based on water usage (crop needs, irrigation cycles, etc.);
- Development, production, and implementation of on-farm alternative fuels for reducing the amount of oil-products used. This can include both the use of off-farm or on-farm waste products for on-farm biofuel development or the on-farm production of oil crops and biofuel production;
- Increased habitat improvements for non-game species that are in danger of being overlooked and becoming listed (e.g., migratory songbirds);
- Development of design tables for use by NRCS in determining the availability and dependability of solar radiation across the state for solar-powered pumping plants;
- Development of a standardized vacuum test for use by NRCS to certify the water tightness and structural integrity of plastic, fiberglass, and concrete tanks manufactured by small companies within the state;

- Implementation and validation in the field of the effectiveness of early successional habitat (brood-rearing strip) projects to benefit game and non-game species of upland birds;
- Implementation of zero-till technology on Montana croplands where appropriate; and,
- Development and/or implementation of innovative processes or strategies to restore, improve or sustain wetland (including riparian areas) health and integrity.

g. Market-Based Approaches

The objective of this approach is to develop, implement, and or evaluate processes, technology tools, institutional arrangements, or systems that are ‘market-based’ in nature and address one of the above priority resource concerns. Possible subtopics include:

- Development and application of technology tools that measure environmental services (i.e. benefits) in order to document credits for trading;
- Greenhouse gas accounting tools and registries;
- Water quality improvement accounting tools;
- Nutrient trading and/or accounting tools; and
- Demonstration of ecosystem-based services that facilitate conservation implementation.

2. State Technology Category

Applications must address one or more of the following specific technology needs areas identified by NRCS:

a. Improved On-Farm Energy Efficiency - Possible subtopics include:

- Renewable energy sources such as wind or solar;
- Methane recovery;
- Other innovative farm management or production technologies;
- Automated self energy audit technology;
- Energy audit worksheets; and
- Compilation of on-farm energy audits and audit processes.

b. Water Management (Both Drainage Water and Irrigation Water)

Drainage Water Management - Possible subtopics include:

- Implementation of drainage water management systems in small watersheds and application of tools to assess multiple effects (e.g., economic, wildlife habitat, soil quality, air quality, wetlands and water quality) at watershed scale;
- Achieving downstream nutrient reduction benefits through management of surface or sub-surface drainage systems;
- Improving water/nutrient accounting/budgeting;
- Improving design and management of drainage water management systems to improve benefits to producers and to the environment;
- Improving the ability of buffers to reduce nutrient loadings in tile drained landscapes; and

- Improving wetland creation, restoration, and enhancement to reduce nutrient loadings.
- c. Irrigation Water Management** - Possible subtopics include:
- New engineering software or modeling systems that would automate, demonstrate, and facilitate technically sound conservation decisions by the public pertaining to resource assessment, conservation planning, and conservation system installation and evaluation;
 - Irrigation management for water conservation to benefit instream flow;
 - Achieving multiple benefits (e.g., economic, enhanced crop production, recreation, wildlife habitat, soil quality, wetlands and water quality) through area-wide or regional irrigation water management, scheduled application, and supply or application of new or innovative technology; and
 - Achieving nutrient or pollutant reduction benefits in downstream receiving waters through area-wide or regional irrigation water management, scheduled application, and supply or application of new or innovative technology.

II. FUNDING AVAILABILITY (State Component)

The intent of the State Component is to provide flexibility to NRCS State Conservationists to target CIG funds to individual producers and smaller organizations that may possess promising innovations, but may not compete well on the larger scale of the national grants competition. State Conservationists will determine the funding level for state competitions, with individual grants not to exceed \$75,000.

III. ELIGIBILITY INFORMATION

CIG applicants must be a Federally-recognized Indian Tribe; State or local unit of government; non-governmental organization; private business; or individual.

A. Matching Funds

Selected applicants may receive grants of up to 50 percent of the total project cost. Applicants must provide non-Federal funding (matching funds) for at least 50 percent of the project cost. Up to half of the applicant's matching funds (up to 25 percent of the total project cost) may be from in-kind contributions. Applicants must submit a letter from the matching source documenting the type of match being provided and the value.

B. Indian Tribes

For the FY 2008 grant award process, up to 10 percent of the total funds available for CIG may be set-aside for applications from Indian Tribes, or community-based organizations comprised of or representing these entities. To compete for these set-aside funds, the applicant must make a declaration in the application as described in Part IV B.5. of this notice. Applications that are unsuccessful in the set-aside competition will be placed automatically in the general application pool for consideration. Funds not used in the set-aside pool will revert back into the general funding pool.

In addition, an exception regarding matching funds is made for projects funded out of the set-aside. Up to three fourths of the required matching funds for such

projects (up to 37.5 percent of the total project cost) may derive from in-kind contributions. This exception is intended to help Indian Tribes meet the statutory requirements for receiving a Conservation Innovation Grant. The remaining one fourth of the required matching funds must be cash.

C. EQIP Payment Limitation and Duplicate Payments

Section 1240G of the Food Security Act of 1985 (as amended by the Farm Security and Rural Investment Act of 2002), 16 U.S.C. 3839aa-7, imposes a \$450,000 limitation for all cost-share or incentive payments disbursed to individuals or entities under an EQIP contract between 2002 and 2008. The limitation applies to CIG in the following manner:

1. CIG funds are awarded through grant agreements; these grant agreements are not EQIP contracts. Thus, CIG awards in and of themselves are not limited by the payment limitation.
2. Direct or indirect payments made to an individual or entity using funds from a CIG award to carry out structural, vegetative, or management practices count toward each individual's or entity's EQIP payment limitation. Through project progress reports, CIG grantees are responsible for certifying that producers involved in CIG projects do not exceed the payment limitation. Further, all direct and indirect payments made to producers using CIG funds must be reported to the NRCS CIG program manager in the semi-annual report. Direct or indirect payments can not be made for a practice for which the producer has already received funds, or is contracted to receive funds, through any of the USDA Programs (EQIP, AMA, CSP, WHIP, etc) since this would be considered a duplicate payment.

Payment Limitation Examples

Following are two examples of how the \$450,000 EQIP payment limitation applies to CIG projects:

a. A \$75,000 CIG grant is awarded to a State environmental agency to demonstrate an innovative, market-based, water quality trading program. The money is used to finance the development of a market infrastructure, and none of the funds are used to implement structural, vegetative, or management practices. Producers in the trading market demonstration area may indirectly benefit from their eventual participation in the market, but there is no direct or indirect transfer payment of CIG dollars. If, on the other hand, part of the CIG award were used to make payments to producers who implement conservation practices on their land as part of a trading program, those payments would count toward each producer's \$450,000 EQIP payment limitation.

b. A \$75,000 CIG grant is awarded to a Conservation District to pilot a community-based animal waste treatment technology innovation. EQIP-eligible producers in the area transport their animal waste to a central treatment location. Because producers are not directly or indirectly receiving CIG funds, the payment limitation does not apply. If, however, the producers were paid for their waste, or for transporting their waste to the central treatment location using CIG funds, the payments would be subject to each producer's EQIP payment limitation.

D. Project Eligibility

All agricultural producers receiving direct or indirect payments through participation in a CIG project must meet the EQIP eligibility requirements as set forth in 16 U.S.C. 3839aa-1. Refer to <http://www.nrcs.usda.gov/programs/eqip/> for more information on EQIP eligibility requirements. Participating producers are not required to have an EQIP contract.

A person or entity is not eligible if the three-year average adjusted gross income (AGI) exceeds \$2.5 million with less than 75 percent derived from farming, ranching, or forestry-related sources at the time of application.

A person who is determined ineligible for USDA program benefits under the Highly Erodible Land Compliance (HELIC) and Wetland Compliance (WC) provisions of the Food Security Act of 1985 will not be eligible to receive direct or indirect payments through CIG.

Technologies and approaches that are eligible for funding in a project's geographic area through EQIP are ineligible for CIG funding except where the use of those technologies and approaches demonstrates clear innovation. The burden falls on the applicant to sufficiently describe the innovative features of the proposed technology or approach (applicants should reference the appropriate State's EQIP Eligible Practices List by contacting the NRCS State office).

The grantee is responsible for providing the technical assistance required to successfully implement and complete the project. NRCS will designate a Federal Grant Representative, a Management Contact, and an Administrative Contact to provide oversight for each project receiving an award, but NRCS will not provide technical assistance.

IV. APPLICATION AND SUBMISSION INFORMATION

A. How to Obtain Application Materials

All OMB standard forms necessary for CIG submission are posted on the following website: www.grants.gov/agencies/aapproved_standard_forms.jsp. An application checklist is available on the Montana NRCS CIG website: www.mt.nrcs.usda.gov/programs/cig.

B. Application Content and Format

Applications must contain the information set forth below in order to receive consideration for a grant. Applicants should not assume prior knowledge on the part of NRCS or others as to the relative merits of the project described in the application. Submit applications in the following format:

Applications should be typewritten or printed on 8½" x 11" white paper, double spaced. The text of the application should be in a font no smaller than 12-point, with one-inch margins. If submitting applications for more than one project, submit a separate, complete application package for each project.

Applications must include all required forms and narrative sections described below. Incomplete applications will not be considered.

1. **Cover Sheet:** Applicants must use **Standard Form (SF) 424** as the cover sheet for each project application. Standard Form 424 can be downloaded from www.grants.gov/agencies/approved_standard_forms.jsp or obtained from the Montana NRCS CIG website: www.mt.nrcs.usda.gov/programs/cig.
2. **Project Summary Sheet:** Applicants must submit a **Project Summary Sheet** (no more than 2 pages in length) that includes the listed information. A template for the Project Summary Sheet is available on the NRCS CIG website: www.mt.nrcs.usda.gov/programs/cig/statecig.html.
 - a. Project Title
 - b. Project Director name and contact information (including e-mail)
 - c. Names and affiliations of project collaborators (NRCS does not provide technical assistance to grantees; as such NRCS personnel are not project collaborators)
 - d. Project Purpose
 - e. Project Deliverables/Products (the products that will be delivered to NRCS upon the completion of the project)
 - f. Project Scope/Area
 - g. Project Start and End Dates (Projects should plan to begin no earlier than September 1, 2008 and no later than September 30, 2008)
 - h. CIG Component Category (Natural Resource or Technology)
 - i. Application Category Information: This includes the category (natural resource or technology), the sub-category, and the most appropriate review area (water, soil, atmospheric, grazing land and forest health, or wildlife habitat)
 - j. Declaration of EQIP eligibility
 - k. Declaration of Indian Tribe
 - l. Notice if application was submitted in competition for National CIG level or any other funding source
 - m. Brief summary of project
3. **Project Description:** Each project must be completely and accurately described in no more than ten (10) typewritten, double-spaced pages. This limitation applies to everything listed in section “3. Project Description” including any appendices, unless otherwise stated below and will be strictly enforced. Proposals that exceed this limit will be cutoff at page 10 and the remaining pages will be discarded. The requested information must include the following:
 - a. Project background: Describe the history of, and need for, the proposed innovation. Provide evidence that the proposed innovation has been studied sufficiently to indicate a good probability for success of the project;
 - b. Project objectives: Be specific, using qualitative and quantitative measures, if possible, to describe the project’s purpose and goals. Describe how, based on the description of innovative conservation projects and activities provided in Section I.C, the project is innovative;
 - c. Project methods: Describe clearly the methodology of the project and the tools or processes that will be used to implement the project;
 - d. Location and size of project or project area: Describe the location of the project and the relative size and scope (e.g., acres, farm types and demographics, etc.) of the project area. Provide a map, if possible;

- e. Producer participation: Estimate the number of producers involved in the project, and describe the extent of their involvement (all producers involved in the project must be eligible for EQIP);
- f. Project Deliverables: these will be the specific items that the applicant will provide to NRCS upon the completion of the project (NOTE: Final Report, Progress Reports, and other documents will be required as a Deliverable, however, this section is meant to fully describe what it is that NRCS will receive for the funds expended beyond reports. NRCS will work with successful applicants to fully develop acceptable Deliverables prior to entering into an agreement. In cases where an acceptable list cannot be agreed upon, NRCS will rescind the unobligated grant award and obligate the funds elsewhere.);
- g. Project action plan and timeline: Provide a table listing project actions, timeframes, and associated milestones through project completion;
- h. Project management: Give a detailed description of how the project will be organized and managed. Include a list of key project personnel, their relevant education or experience, and their anticipated contributions to the project. Explain the level of participation required in the project by government and non-government entities. Identify who will participate in monitoring and evaluating the project;
- i. Benefits or results expected and transferability: Identify the results and benefits to be derived from the proposed project activities, and explain how the results will be measured. Identify project beneficiaries—for example, agricultural producers by type or region or sector; rural communities; municipalities. Explain how these entities will benefit. In addition, describe how results will be communicated to others via outreach activities;
- j. Project evaluation: Describe the methodology or procedures to be followed to evaluate the project, determine technical feasibility, and quantify the results of the project for the final report. (Grant recipients will be required to provide a semi-annual report of progress, quarterly financial reports, and a final project report to NRCS. Instructions for submitting quarterly reports will be detailed in the grant agreement.); and
- k. Environmental impacts: Describe the anticipated environmental effects of the proposed project. This description will be used to determine whether an Environmental Assessment (EA) or Environmental Impact Statement (EIS) is needed for any given project, prior to the awarding of grant funds. The applicant is responsible for the cost of an EA or EIS, should NRCS determine that one is required.

4. **Budget Information:** Must use **Standard Form (SF) 424A Budget Information Non-Construction Programs** to document budget needs. SF 424A is available at www.grants.gov/agencies/aapproved_standard_forms.jsp or can be obtained from the Montana NRCS CIG website: www.mt.nrcs.usda.gov/programs/cig. An SF424A is required for each year of requested support. In addition, an SF424A for the cumulative budget is required. For example, if an application for a three year project is submitted, it should include a total of 4 different SF424A forms. All applicants must also provide a **detailed narrative** in support of the budget for the project, broken down by each project year. All budget categories for which support is

requested, must be individually listed (with costs) in the same order as Section B.6 of the SF424A and justified on a separate sheet of paper and placed immediately behind the SF424A forms. The NRCS contribution, applicant's cash match, and applicant's in-kind contribution should be provided in separate columns for each of the Section B.6 object class categories. Discuss how the budget specifically supports the proposed activities. Explain how budget items such as personnel, travel, equipment, etc., are essential to achieving project objectives. Justify the project cost effectiveness and include justification for personnel salaries. Indicate the total amount (both cash and in-kind) of non-Federal matching support that will be provided to the proposed project. **Include a signed letter from the matching source documenting the value and the nature (cash or in-kind) of the matching funds.** This letter serves as written verification of commitments of matching support. In-kind costs cannot exceed 50 percent of the applicant's match (except in the case of projects carried out by an Indian Tribe or a community-based organization comprised of or representing such entity). The remainder of the match must be cash. If claiming indirect costs, applicants must provide justification for the rate of indirect costs being claimed. Applicants with a negotiated indirect cost-rate agreement must include a copy of this agreement with their application if indirect costs will be claimed. A negotiated indirect cost-rate agreement may be required from other applicants if they receive a grant. **Indirect costs cannot exceed 15 percent of the NRCS contribution.** Applicants shall not include indirect costs as a part of their contribution.

5. **Declaration of Indian Tribe:** If an applicant wishes to compete in the 10 percent set-aside funding pool (see Part III.B that describes the provision of a set-aside pool of funding for Indian Tribes) and avail themselves of the in-kind contribution exception, applicants must make a declaration in writing of their status as a Indian Tribe, or a community-based organization comprised of or representing these entities. Representation must be described and applicants may be required to provide written support from the Tribe prior to the final agreement.
6. **Declaration of EQIP Eligibility:** Applicants must make a declaration in writing that they, or parties involved in the project, are eligible for EQIP.
7. **State Conservationist Technology Transfer Requirement:** Successful projects will be required to give at least one formal presentation to the NRCS technology staff in Bozeman, MT or to the State Technical Advisory Committee (Bozeman, Great Falls, or Lewistown at NRCS discretion) at or near the conclusion of the project period. Applicants are encouraged to provide details on other proposed audiences that may occur in addition to the NRCS presentation.
8. **Other Submissions:** Include a statement whether this project has been submitted for funding elsewhere (national or other state CIG component, other funding sources, etc.) and briefly outline the differences, if any, in the proposed projects within those submissions and provide a status of their situation (not funded, being considered, etc.).

- 9. Certifications:** All applications must include a signed **Standard Form (SF) 424 B - Assurances, Non-construction Programs**. SF 424 B may be found at: www.grants.gov/agencies/aapproved_standard_forms.jsp or contact the NRCS State Office. Applicants, by signing and submitting an application, assure and certify that they are in compliance with the following from 7 Code of Federal Register (CFR):
- a. Part 3017, Government wide Debarment and Suspension (Non-procurement)
http://www.access.gpo.gov/nara/cfr/waisidx_04/7cfr3017_04.html
 - b. Part 3018, New Restrictions on Lobbying
http://www.access.gpo.gov/nara/cfr/waisidx_04/7cfr3018_04.html; and
 - c. Part 3021, Government wide Requirements for Drug-Free Workplace (Financial Assistance)
http://www.access.gpo.gov/nara/cfr/waisidx_04/7cfr3021_04.html.
- 10. DUNS Number:** A Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number is a unique nine-digit sequence recognized as the universal standard for identifying and keeping track of over 70 million businesses worldwide. A Federal Register notice of final policy issuance (68 FR 38402) requires a DUNS number in every application (i.e., hard copy and electronic) for a grant or cooperative agreement (except applications from individuals) submitted on or after October 1, 2003. For information about how to obtain a DUNS number go to <http://www.grants.gov/RequestaDUNS> or call 1-866-705-5711. **Please note that the registration may take up to 14 business days to complete, therefore applicants should start the process early in order to be able to provide to NRCS the DUNS Number *in the proposal*. Proposals that do not include a DUNS Number are incomplete.**
- 11. Required CCR Registration:** The Central Contractor Registry (CCR) is a database that serves as the primary Government repository for contractor information required for the conduct of business with the Government. This database will also be used as a central location for maintaining organizational information for organizations seeking and receiving grants from the Government. CIG applicants must register with the CCR. To register, visit <http://www.ccr.gov>. **Allow a minimum of 5 days to complete the CCR registration; therefore applicants should start the process early in order to be able to provide to NRCS the CCR Number *in the proposal*. Proposals that do not include a CCR Registration are incomplete.**

C. How to Submit a Written Application

Applicants must submit one signed original copy of each project application. Hard copies must be accompanied by an electronic copy on a 3½-inch diskette or compact disc (CD). Electronic files must be either Microsoft Word or Adobe Acrobat (pdf) files. **Applications submitted via facsimile or e-mail will not be accepted.**

The address for hand-delivered applications or applications submitted using express mail, overnight courier service, or regular mail is:

USDA Natural Resources Conservation Service
Conservation Innovation Grants Program
Programs Staff, Federal Building, Room 443*
10 E. Babcock Street
Bozeman, MT 59715

* - hand-delivered applications go to Room 400

D. How to Submit an Application Electronically

Applicants may submit applications electronically through Grants.gov, the Federal government's e-grants portal. Applications submitted through Grants.gov must contain all of the elements of a complete application outlined above. Instructions for electronically submitting the required standard forms, abstract, narrative, and declarations are posted on Grants.gov. Applicants must obtain the Project Summary Sheet Template from www.mt.nrcs.usda.gov/programs/cig and upload it as an attachment. Instructions for adding attachments are available on Grants.gov. Applications submitted electronically are date and time stamped by Grants.gov and must be received by the identified closing date. **Note that NRCS is not responsible for any technical malfunctions or website problems related to Grants.gov submissions. Applicants should begin the Grants.gov process well before the submission deadline to avoid problems.**

E. Application Due Date

Complete applications must be received by 4:00 pm MST on April 16, 2008, either through grants.gov or in Room 400 at the Montana NRCS State Office in Bozeman, Montana. A postmark date is **NOT** a factor in whether an application is received on time. The applicant assumes the risk of any delays in application delivery. Applicants are strongly encouraged to submit completed applications via overnight mail or delivery service to insure timely receipt by NRCS.

F. Acknowledgement of Submission

Applications received by the due date will be acknowledged with an official letter. If an applicant has not received an acknowledgement within 30 days of the closing date of the announcement, they may contact the NRCS program contact (See Part VII).

G. Funding Restrictions

The indirect costs for CIG awards shall not exceed 15 percent of the total NRCS contribution provided under each award. Awardees shall not use un-recovered indirect costs as part of their matching funds.

CIG funds may not be used to pay any of the following costs unless otherwise permitted by law, or approved in writing by the Authorized Departmental Officer in advance of incurring such costs:

1. Costs above the amount of funds authorized for the project;
2. Costs incurred prior to the effective date of the grant;
3. Costs which lie outside the scope of the approved project and any amendments thereto;

4. Entertainment costs, regardless of their apparent relationship to project objectives;
5. Compensation for injuries to persons, or damage to property arising out of project activities;
6. Consulting services performed by a Federal employee during official duty hours when such consulting services result in the payment of additional compensation to the employee; and,
7. Renovation or refurbishment of research or related spaces; the purchase or installation of fixed equipment in such spaces; and the planning, repair, rehabilitation, acquisition, or construction of buildings or facilities.

This list is not exhaustive. Questions regarding the allowances of particular items of cost should be directed to the administrative contact person listed in this announcement.

H. Patents and Inventions

Allocation of rights to patents and inventions shall be in accordance with USDA regulation 7 CFR 3019.36. This regulation provides that small businesses normally may retain the principal worldwide patent rights to any invention developed with USDA support. In accordance with 7 CFR 3019.2, this provision will also apply to commercial organizations for the purposes of CIG. USDA receives a royalty-free license for Federal Government use, reserves the right to require the patentee to license others in certain circumstances, and requires that anyone exclusively licensed to sell the invention in the United States must normally manufacture it domestically.

I. Withdrawal of Applications

Applications may be withdrawn by written notice at any time before an award is made. Applications may be withdrawn in person by the applicant, or by an authorized representative thereof, if the representative's identity is made known and the representative signs a receipt for the application.

V. APPLICATION REVIEW

A. Application Review and Selection Process

Prior to technical review, each application will be screened for completeness and compliance with the provisions of this notice. Incomplete applications and those that do not meet the provisions of this notice will be eliminated from competition, and notification of elimination will be mailed to the applicant.

Applications meeting the provisions of this notice will be scored by a Technical Peer Review Panel. The applications will be divided among the peer review groups, based on the area selected by the applicant if concurred with by NRCS. The five review areas for FY 2008 applications are: Water; Soils; Atmospheric; Grazing Land and Forest Health; and Wildlife Habitat. Applications will be scored based on the Criteria for Application Evaluation below. Scored applications will be forwarded to a Grant Review Board, which will certify the rankings from the peer review panels, and ensure that the application evaluations are consistent with program objectives. The CIG Grant Review Board will make recommendations to the NRCS State Conservationist for final selection and funding decisions.

B. Criteria for Application Evaluation

Peer review panels will use the following criteria to evaluate project applications. Each of the four criteria carries an equal weight of 25 percent.

1. Purpose and goals:
 - a. The purpose and goals of the project are clearly stated;
 - b. The project adheres to the natural resource conservation concerns for FY 2008 stated in this notice; and,
 - c. There is clear and significant potential for a positive and measurable outcome.
2. Soundness of approach or design:
 - a. The project adheres to the description of innovative projects or activities found in Part I.C of this notice;
 - b. Technical design and implementation strategy is based on sound science;
 - c. There is a good likelihood of project success;
 - d. The project substantively involves EQIP eligible producers; and,
 - e. The project promotes environmental enhancement and protection in conjunction with agricultural production.
3. Project management:
 - a. The application has clear milestones and timelines, designated staff, and demonstrates collaboration;
 - b. The project staff has the technical expertise needed to do the work; and
 - c. The budget is reasonable and adequately justified.
4. Transferability:
 - a. There is great potential to transfer the approach or technology to others and/or to other geographical areas; and,
 - b. The project will result in the development of technical or related materials (e.g., technical standards, technical notes, manuals, handbooks, software) that will help foster adoption of the innovative technology or approach by other producers, and in other geographic areas.

C. Anticipated Announcement and Award Dates

CIG Applicants can expect to be notified of their application status by July 1, 2008. Funds are not awarded, and work may not start, until an agreement is signed by both NRCS and the grantee. All agreements must be signed by both parties by August 15, 2008.

VI. AWARD INFORMATION AND ADMINISTRATION

A. Award Notification

Applicants who have been selected will receive a letter of official notification from NRCS. This notice will indicate the need to work with the administrative and technical contacts to develop an agreement prior to starting work on the project. Award starting date will be between September 1 and September 30, 2008. Applicants who are not selected will also be notified by official letter.

B. Grant Agreement

The CCC, through NRCS, will use a grant agreement with selected applicants to document participation in the CIG component of EQIP. The grant agreement will include:

- project purpose;

- project objectives and deliverables;
- the final project plan listing cooperators in the project, and identifying the grant applicant and the project manager;
- the project timelines and expected project completion date;
- the project progress and budget reporting requirements;
- award amount and budget information;
- information regarding requests for advance of funds or reimbursement;
- the role of NRCS technical oversight in the project;
- reporting requirements;
- changes in project plans; and
- other requirements and terms deemed necessary by the CCC to protect the interests of the United States.

C. Reporting Requirements

Grantees receiving an advance of Federal funds of more than \$25,000 are required to submit a SF-272 (Report of Federal Cash Transactions), and when necessary, the continuation sheet, SF-272A, no later than 15 days following the end of each quarter or 90 days after project completion. These reports are used to monitor cash advanced to recipients and to obtain disbursement and outlay information for each award.

Grantees must submit a Financial Status Report (SF 269) no later than 30 days after the end of each quarter and 90 days after completion of project. The SF-272 and SF-269 are available at:

<http://www.nrcs.usda.gov/programs/cig/InfoForGrantees.html>.

In addition, every four months the grantee must submit a written performance progress report to the NRCS Federal Grant Representative, Management Contact and the Administrative Contact. This report is distinct from the quarterly financial report described above. Each progress report shall cover work performed during the previous 4-month period, including any funded or unfunded time extensions, a comparison of actual accomplishments to project goals, and a statement of work projected to be completed in the next 4-month period.

To satisfy the requirements of EQIP (7 CFR 1466) compliance measures, the grantee is required to submit as a component of the semi-annual progress report:

1. A list of producers, identified by name and social security number, of all EQIP-eligible producers or entities involved in the project.
2. The dollar amount of direct and indirect payment made to each individual producer or entity for any structural, vegetative, or management practices. Both quarterly and cumulative payment amounts must be submitted.
3. A self-certification indicating that each individual or entity receiving a direct or indirect payment through this grant is in compliance with the EQIP Payment Limitation, AGI, HEL, and Wetlands Conservation Compliance Farm Bill provisions.

A progress report template will be provided to grantees by the NRCS management contact. This template is also available on the Montana NRCS CIG website at: www.mt.nrcs.usda.gov/programs/cig.

NRCS will designate a Federal Grant Representative, a Management Contact and an Administrative Contact for the project. These individuals will have oversight responsibility for the project. The grantee must send copies of each progress report to these NRCS contacts, and comply with any requests for information from these individuals. NRCS recommends that the grantee work closely with these subject matter experts throughout the course of the project.

Upon passage of the completion date of the project, a final report must be submitted within 90 days detailing project activities, funding received, funding expended, results, and potential for transferability of results. The final report should address completion of the project deliverables listed in the grant agreement.

VII. AGENCY CONTACTS

CIG Program Contact:

Erik Suffridge
CIG Program Manager
10 East Babcock Street
Room 443
Bozeman, MT 59715
Phone: (406) 587-6849
e-mail: erik.suffridge@mt.usda.gov

CIG Technical Contact:

Tom Pick
CIG Technical Contact
10 East Babcock Street
Room 443
Bozeman, MT 59715
Phone: (406) 587-6947
e-mail: thomas.pick@mt.usda.gov

CIG Administrative Contact:

Marsha Harris
Contracting Officer
10 East Babcock Street
Room 443
Bozeman, MT 59715
Phone: (406) 587-6859
e-mail: marsha.harris@mt.usda.gov

Additional information about CIG, including fact sheets and frequently asked questions (FAQs), is available on the CIG webpage: www.mt.nrcs.usda.gov/programs/cig

Signed in Bozeman, Montana on February 20, 2008.

DAVE KASCHT
Acting State Conservationist
Natural Resources Conservation Service