

Local Food Promotion Program (LFPP) General Terms and Conditions of Award- 2014

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1. APPLICABLE REGULATIONS

1.1 Administrative Provisions

The AMS Grant Agreement Face Sheet serves as the grant signature page for the recipient and AMS representatives. By signing and returning the Face Sheet, the recipient agrees to abide by:

- All Federal regulations indicated these Terms and Conditions;
- The activities covered by the 2014 [Request for Applications](#); and
- The recipient's approved project application and budget.

LFPP applies the following Federal grant uniform administrative requirements to the management of each grant award, and your organization, as the recipient, must in turn apply these requirements to your award and your subawards based on the type of organization receiving the award. For example, if your organization subawards to a non-profit, the administrative requirements applicable to a non-profit will apply to that specific subaward.

- State and Local Governments and Indian Tribal Governments – [7 CFR part 3015](#) and [7 CFR part 3016](#)
- Colleges and Universities – [7 CFR part 3015](#) and [7 CFR part 3019](#)
- Non-Profits – [7 CFR part 3015](#) and [7 CFR part 3019](#)
- For Profits – [7 CFR part 3015](#) and [7 CFR part 3019](#)
- [7 CFR part 3052](#), "Audit of States, Local Governments, and Non-profit Organizations"

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

1.2 Federal Cost Principles

Allowable costs will be determined in accordance with the applicable program legislation, the purpose of the award, the terms and conditions of award as contained herein and, if this award is to a recipient other than a Federal agency, by the following Federal cost principles that are applicable to the type of organization receiving the award, regardless of type of award or tier (i.e., recipient, subrecipient), as are in effect at the time of award:

- 2 CFR 225 (OMB Circular No. A-87), "Cost Principles for State, Local, and Indian Tribal Governments."
- 2 CFR 220 (OMB Circular No. A-21), "Cost Principles for Educational Institutions."
- 2 CFR 230 (OMB Circular No. A-122), "Cost Principles for Nonprofit Organizations."
- Federal Acquisition Regulations (FAR) ([48 CFR part. 31.2](#)), Principles for determining costs with profit making firms, "Contracts with Commercial Organizations."

OMB Circulars are available at: www.whitehouse.gov/OMB/circulars/

2. DEFINITIONS

2.1 Federal Agency

Local Food Promotion Program, Agricultural Marketing Service, U.S. Department of Agriculture.

2.2 Federal Agency Project Manager

The individual, acting within the scope of delegated authority, who is responsible for executing and administering awards on behalf of the U.S. Department of Agriculture. The Federal Agency project manager is:

Nicole Nelson Miller, Grant Manager
Local Food Promotion Program
Agricultural Marketing Service, USDA
1400 Independence Avenue SW, Room 4534 – South
Washington, D.C. 20250
Telephone: (202) 720-2731
Fax: (202) 690-0338
Email: USDALFPPQuestions@ams.usda.gov

2.3 Grant

An award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the Federal Government to an eligible recipient.

2.4 Recipient

The eligible entity to which a LFPP grant is awarded and which is accountable for the use of the funds provided. The recipient is the entire legal entity even if only a particular component of the entity is designated in the grant award document. The term subaward is interchangeable with the term subgrant.

2.5 Recipient Project Coordinator

The individual who is authorized to commit the recipient's time and other resources to the project, to commit the recipient to comply with the terms and conditions of the award instrument including those set out herein, and to otherwise act for or on behalf of the recipient.

2.6 Subgrant

An award of financial assistance in the form of money, or property in lieu of money, made under a grant by a recipient to an eligible subrecipient. The term includes financial assistance when provided by contractual legal agreement, but does not include procurement purchases, nor does it include any form of assistance which is excluded from the definition of grant in this part.

2.7 Subrecipient

The government or other legal entity to which a subgrant is awarded and which is accountable to the subrecipient for the use of the funds provided.

3. NATIONAL POLICY REQUIREMENTS

3.1 Civil Rights

Recipients will abide by the provisions of title VI of the Civil Rights Act of 1964 in that no person, on the ground of race, color, or national origin, shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity of an applicant or recipient receiving Federal financial assistance from the Department of Agriculture or any Agency thereof ([7 CFR Part 15](#)).

3.2 Debarment and Suspension

Organizations or individuals that are suspended, debarred, declared ineligible, or voluntarily excluded from eligibility for covered transactions by any Federal department or agency cannot, during the period of suspension, debarment, or exclusion, receive USDA grants or be paid from USDA grant funds, whether under a an award, subaward, or contract. Charges made to LFPP for such individuals (e.g., salary) are unallowable. Regulations published in [2 CFR part 180](#), as adopted and supplemented by USDA at [2 CFR part 417](#); describe the government-wide debarment and suspension requirements.

Your organization is required to disclose if any of the following conditions apply to you or your principals¹, including the Recipient Project Coordinator and other key grant management personnel:

- Within the 3-year period preceding the application, the applicant or its principals have been convicted of, or had a civil judgment rendered against them, for:
 - fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction;
 - violation of a Federal or State antitrust statute;
 - embezzlement, theft, forgery, bribery, falsification, or destruction of records; or
 - false statements or receipt of stolen property.
- The applicant or its principals are presently indicted or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated above.
- Within a 3-year period preceding the application, the applicant or its principals had any public transaction (Federal, State, or local) terminated for cause or default.

A variety of “lower-tier” covered transactions are also subject to these requirements. Contracts (including individual consultants) under grants (where the contract requires the provision of goods or services that will equal or exceed \$25,000) and all subawards also are subject to these suspension and debarment rules. Your organization is required to comply with the requirements of [Subpart C of 2 CFR part 180](#) that provides your responsibilities when you enter into a lower-tier transaction as described above.

For each “lower tier” covered transaction, your organization must add a clause or condition to each subaward indicating the intent of the subrecipient to comply with this requirement.

3.3 Drug-free Workplace

The Drug-Free Workplace Act of 1988 ([41 U.S.C. § 8102 et seq.](#)) requires that all organizations receiving grants from any Federal agency agree to maintain a drug-free workplace. Your organization must provide a drug-free workplace and will comply with the requirement to notify LFPP if an employee is convicted of violating a criminal drug statute. Failure to comply with these requirements may be cause for debarment. Government wide requirements for Drug-Free Workplace for Financial Assistance are found in [2 CFR part 182](#); USDA implementing regulations are set forth in [2 CFR part 421](#). All recipients of LFPP grant funds must comply with the requirements in [Subpart B of 2 CFR part 421](#).

¹ *Principal* means (a) An officer, director, owner, partner, principal investigator, or other person within a participant with management or supervisory responsibilities related to a covered transaction; or (b) A consultant or other person, whether or not employed by the participant or paid with Federal funds, who (1) Is in a position to handle Federal funds; (2) Is in a position to influence or control the use of those funds; or (3) Occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction.

3.4 Lobbying

Your organization must comply with [31 U.S.C. 1352](#), “Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions,” from using appropriated Federal funds to pay any person for influencing or attempting to influence any officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress with respect to the award, extension, continuation, renewal, amendment, or modification of any of these instruments. These requirements are implemented for USDA in [7 CFR part 3018](#), which also describes types of activities, such as legislative liaison activities and professional and technical services that are not subject to this prohibition.

By accepting an award, LFPP applicants with total costs expected to exceed \$100,000 certify that they:

- Have not made, and will not make, such a prohibited payment;
- Will be responsible for reporting the use of non-appropriated funds for such purposes;
- Will file quarterly updates about the use of lobbyists if material changes occur; and
- Will include these requirements in subawards, and contracts under grants that will exceed \$100,000 and will obtain necessary certifications from those participants and contractors.

An SF-LLL “[Disclosure of Lobbying Activities](#)” is required for each payment made to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the award.

3.5 Officials not to Benefit

Your organization must comply with the requirement that no member of Congress must be admitted to any share or part of this agreement, or to any benefit arising from it, in accordance with [41 U.S.C. 22](#).

3.6 Trafficking

Your organization must comply with [2 CFR part 175, Award Term for Trafficking in Persons](#) and include the award term in your subawards indicating the intent of the subrecipient to comply with this requirement.

3.7 System for Award Management and Universal Identifier Requirements

Your organization must comply with [2 CFR part 25, System for Award Management and Universal Identifier Requirements](#). See [Appendix A to part 25 – Award Term](#) for Central Contractor Registration and Universal Identifier Requirements.

Your organization must notify your potential subrecipients, with the exception of individuals, that they may not receive a subaward unless the entity has provided its DUNS number. Your organization may not make a subaward to an entity unless the entity has provided its DUNS number.

3.8 Reporting Subawards and Executive Compensation

Your organization must comply with [2 CFR part 170, Reporting Subaward and Executive Compensation Information](#). See [Appendix A to part 170 – Award Term](#) for Reporting Subawards and Executive Compensation requirements.

3.9 Motor Vehicle Safety

In order to reduce traffic accidents and the resulting deaths, injuries, and property damage (see [23 USC 402](#)), recipients shall comply with uniform guidelines that reduce injuries and deaths resulting from motor vehicles being driven in excess of posted speed limits; encourage the proper use of occupant protection devices (including the use of safety belts and child restraint systems) by occupants of motor vehicles; reduce injuries and deaths resulting from persons driving motor vehicles while impaired by alcohol or a controlled substance; prevent accidents and reduce injuries and deaths resulting from accidents involving motor vehicles and motorcycles; reduce injuries and deaths resulting from accidents involving school buses; reduce accidents resulting from unsafe driving behavior (including aggressive or fatigued driving and distracted driving arising from the use of electronic devices in vehicles (e.g. texting)); and improve law enforcement services in motor vehicle accident prevention, traffic supervision, and post-accident procedures. Recipients will also help to ensure the safety of driver performance by ensuring that drivers have taken proper driver education courses and demonstrated proficiency and physical/mental ability to operate motor vehicles in accordance with state laws.

3.8 Environmental Standards

As LFPP is a non-construction grant, the recipient will comply with regulations to protect underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended ([P.L. 93-523](#)).

4. FEDERAL AGENCY AND PROJECT COORDINATOR RESPONSIBILITIES

4.1 The Federal Agency is responsible for:

- Assisting in defraying not more than three-quarters (75%) of the costs of the project by reimbursing the recipient for expenses incurred in the conduct of the project as mutually agreed to and outlined in the approved project budget.
- Monitoring work performed under the grant by reviewing progress reports, final reports and documentation relating to grant and matching fund expenditures.

4.2 The Recipient Project Coordinator is responsible for:

Recipients 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. Below are some of the specific responsibilities:

- Serve as the contact with the Federal Agency, subrecipients and other project partners about all grant and project matters. Subrecipients and partners should be instructed to communicate directly with the recipient, not with LFPP, on all matters relating to the project.
- Contact LFPP immediately if problems arise that will interfere with or delay the project.
- Inform LFPP immediately if the project contact changes and provide the name, title, telephone number and email address for the new project contact. It is the project coordinator's responsibility to inform LFPP of the change and he/she will be responsible for the project work until the new project contact information has been provided.
- Ensure that both LFPP 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 before the proposal was approved for funding. However, once a project is underway, recipients may shift expenditures from any one cost category or project element to another without obtaining prior approval from LFPP, provided that the budget for cost categories or project elements is not increased or decreased by more than 20 percent of the total LFPP grant amount.
- Instruct subrecipients and partners that will contribute matching resources on how to document their work on the project following proper accounting procedures. Records of receipts and expenditures of Federal funds, matching funds and in-kind resources must be identifiable within the recipient's accounting system. Inform subrecipients and partners that all records relating to the grant must be retained for three years following the end of the grant period.

- Inform subrecipients that they will be expected to comply with all applicable Federal statutes and regulations, and that any information obtained, data derived, and reports resulting from the LFPP project must be available to the public.
- Report required data about subrecipients who receive subgrants of \$25,000 or more to the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS) database at the [FSRS website](#).
- Upon request by the Federal Agency, furnish any records, reports or contracts relating to the project.
- Requesting grant funds (reimbursement or advance payment using the SF 270). See section 13.1 for more information.
- Submitting midterm progress reports within 30 days of the project's midpoints (usually every 6 months) and a final report within 90 days of the end of the grant period. A final financial statement (SF 425) is also due within 90 days of the end of the grant period.
- Recipients will be provided advance notice of any remaining funds 3 months in advance of the end of the grant period. Unused grant funds will automatically be de-obligated after 3 months of the grant period end date unless otherwise stated and/or agreed to by the Federal Agency and the recipient.
- Recipients agree to be contacted by LFPP staff 12 months after filing the final report to provide an update on project outcomes and impacts.
- Seek written approval from LFPP 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 LFPP grant amount;
 - Changes in the project scope or objectives;
 - Need for a no-cost time extension if for any reason the project cannot be completed within the time frame established in the grant agreement; and
 - Appropriate use of any program income generated by the project that was not outlined in the approved proposal.
- Ensure that all travel expenses follow Federal Travel Regulations ([41 CFR Chapters 300-304](#)).

5. PRIOR APPROVAL REQUIREMENTS

5.1 Changes in Project Contact or Project Leader

When it is necessary to change the recipient's program contact, submit the update via email to the LFPP Grant Manager as soon as possible. The update should contain the new individual's name and contact information, the capacity in which this new individual will serve, and a brief outline of qualifications if the project leader changes. It is project coordinator's responsibility to inform LFPP of the change and he/she will be the responsible party for the project work until the new project contact information has been provided.

5.2 Budget Changes

Modifications to the project budget must be approved in writing by the LFPP Grant Manager if the cumulative amount of such modifications exceeds 20 percent (20%) of the total grant amount. A request for a budget change shall include a description of the change, a justification for the change, and a revised budget spreadsheet.

5.3 Revisions of Scope or Objectives

When it is necessary to modify the scope or objectives of the award, submit a written justification for the change along with a description of the revisions along with a revised budget spreadsheet, if applicable.

5.4 No-cost Time Extensions

The recipient must contact the LFPP Grant Manager 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. The recipient must prepare a letter addressed to the LFPP Grant Manager that includes 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. The summary may reference the most recent Progress Report and indicate how circumstances have changed since then.
- An estimate of the remaining grant and matching funds.
- A projected timetable to complete the project.

The letter should be scanned and emailed to the LFPP Grant Manager, and the original should be retained in the recipient's project file.

5.5 Program Income

Prior approval is required with regard to any program income generated by the project that was not approved in the original proposal. Appropriate uses for program income include: 1) expanding the project or program; 2) continuing the project or program after the grant or subgrant support ends; 3) supporting other projects or programs that further the broad objectives of the grant program; or 4) obtaining equipment or other assets needed for the project or program; or 5) for other activities that further the grant program's objectives.

6. UNALLOWABLE COSTS

The following costs are unallowable under this award unless otherwise permitted by law or approved by the Federal Agency:

- a. Costs which lie outside the scope of the approved project and any amendments thereto.
- b. Costs to conduct direct-to-consumer marketing of a product. The organization may pay for advertising to market itself, just not to market specific products.
- c. Costs of general healthy eating or “eat local/regional” campaigns. Experts paid for with project funds should offer customers information regarding your specific organization, not generic wide-ranging advice.
- d. Alcoholic beverages except when prior approval is given from the Federal Agency.
- e. Bad debts, including losses (whether actual or estimated) arising from uncollectable accounts and other claims, related collection costs, and related legal costs.
- f. Capital expenditures for general purpose, including purchases of building(s); construction, repair, or rehabilitation of building(s); and land acquisition.
- g. Costs associated with capital expenditures for special purpose equipment with a unit cost of \$5,000 or more without prior approval from the Federal Agency. Special purpose equipment listed in the approved project budget is considered approved by the Federal Agency. “Special purpose equipment” means equipment that is unique to the purpose of the project. Examples of special purpose equipment include mobile slaughter equipment, processing produce equipment, and non-permanent refrigeration units. Purchase of vehicles is unallowable, although vehicles may be leased.
- h. Funds for “working capital” will not be provided to recipients as advancements. The Federal Agency will, however, reimburse for approved capital purchases. Examples of allowable working capital expenses include specialized items that the entity does not have the upfront money to buy that are part of the project as long as they fall within the specifications of these terms and conditions.
- i. Contributions to a contingency reserve or any similar provision (rainy day funds) made for events the occurrence which cannot be foretold with certainty as to time, intensity, or with assurance of their happening.
- j. Donated or volunteer services may be furnished to a recipient by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or indirect cost.
- k. Contributions or donations, including cash, property, and services, made by the recipient, regardless of the recipient (also referred to as “re-granting of funds”). Includes offering incentives such as coupons and discounted services.
- l. Entertainment costs including amusement, diversion, and social activities, and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) regardless of their apparent relationship to project objectives.
- m. Business meal(s) (lunch and dinner) costs charged as project costs unless the recipient justifies that to do otherwise would impose arduous conditions on the continuity of a meeting and its participants. This includes refreshments for breaks such as coffee, tea,

cookies, etc. Breakfasts for conference attendees are usually considered unallowable as it is expected that individuals will have sufficient time to dine on their own before the conference begins.

- n. Purchase of food products for cooking demonstrations or to stock shelves/inventory, for example to stock shelves at a food pantry.
- o. International travel and airfare costs in excess of the customary standard commercial airfare (coach or equivalent), Federal Government contract airfare, State Government contract airfare if applicable, or the lowest commercial discount airfare.
- p. Fines, penalties, damages, and other settlements resulting from violations (or alleged violations) of, or failure of the State or local governmental unit to comply with, Federal, State, local, or Indian tribal laws and regulations.
- q. Organized fund raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions regardless of the purpose for which the funds will be used.
- r. General costs of State or local government including:
 - (1) Salaries and expenses of the Office of the Governor of a State or the chief executive of a political subdivision or the chief executive of Federally-recognized Indian tribal government;
 - (2) Salaries and other expenses of a State legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction;
 - (3) Costs of the judiciary branch of a government;
 - (4) Costs of prosecutorial activities; and
 - (5) Costs of other general types of government services normally provided to the general public, such as fire and police.
- s. Costs of goods or services for personal use due to the governmental unit's employees regardless of whether the cost is reported as taxable income to the employees.
- t. Costs of investment counsel and staff and similar expenses incurred to enhance income from investments.
- u. Development or participation in lobbying activities including costs of membership in organizations substantially engaged in lobbying.
- v. Development or participation in political activities in accordance with provisions of the Hatch Act ([5 U.S.C. 1501-1508](#) and [7324-7326](#)).
- w. Costs that are incurred after the grant termination date.

This list is not all-inclusive. Questions regarding allowability of particular cost items should immediately be directed to LFPP Staff, especially if the item or service was not included as part of the approved budget (prior approval before advancement or reimbursement would likely be necessary).

7. FINANCIAL MANAGEMENT STANDARDS

7.1 General Provisions.

Recipients must comply with the following:

- a. The recipient must expend and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds, and meet the requirements of [7 CFR part 3016.20](#) or [7 CFR part 3019.21](#).
- b. Grant and subgrant records shall provide for complete, accurate and current disclosure of financial results.
- c. The source and application of funds shall be readily identified by the continuous maintenance of updated records. Records, as such, shall follow financial ledgers that contain information pertaining to grant or subgrant awards, authorizations, obligations, unobligated balances, assets, outlays, and income. When the recipient is a governmental entity, the records shall also contain liabilities.
- d. Effective control over and accountability for all grant or subgrant funds and real and personal property assets shall be maintained. Recipients and subrecipients shall adequately safeguard all such property and shall ensure that it is used solely for authorized purposes. In cases where projects are not 100 percent Federally funded, recipients and subrecipients must have effective internal controls to assure that expenditures financed with Federal funds are properly chargeable to the grant supported project. This may include separation of duties within the organizations financial office and monitoring of financial ledgers between staff, periodic accounting audits, and securing of valuable equipment and personally-identifiable information.
- e. The actual and budgeted amounts for each grant or subgrant shall be compared. Financial information shall be related to performance and unit cost data. Estimates based on available documentation may be accepted for unit cost data.
- f. There shall be specific procedures established for minimizing the time elapsing between the transfer of funds from the Federal Agency and disbursement by recipients and subrecipients.
- g. Established procedures shall be used for determining the reasonableness, allowability, and allocability of costs in accordance with the cost principles listed in Section 1.2 of this document.
- h. Accounting records shall be supported by source documentation. These documentations include, but are not limited to, cancelled checks, paid bills, payrolls, contract, and sub grant award documents.
- i. A systematic method shall be employed by each recipient to assure timely and appropriate resolution of audit findings and recommendations.

8. MATCHING REQUIREMENT

LFPP grants must provide matching funds in the form of cash and/or in-kind non-Federal resources in an amount equal to 25 percent of the total cost of the project. Documentation of matching funds must be in compliance with the applicable Federal administrative provisions found in [7 CFR part 3015, Subpart G—Cost-Sharing or Matching](#) and [7 CFR part 3016, Subpart C—Post-Award Requirements](#), or [7 CFR 3019 Subpart C—Post-Award Requirements](#). Funds or other resources contributed by community organizations, as well as trade associations and other project participants, can be used to satisfy the matching fund requirement. Funds from other Federal grants may not be used as a match. In-kind matching contributions must be properly documented. This documentation does not have to be provided to the Federal Agency but it must be retained in the recipient’s project file and made available upon request to the Federal Agency.

Documentation of personnel time contributed to the project may include the following:

- (1) If the contribution is valued based on a rate per day or hours worked, include the rate and the dates and/or hours worked;
- (2) If the contribution is based on a rate per unit of service provided, such as the number of producers receiving one-on-one technical assistance, include the rate, the number of units of service provided, and the beginning and ending dates of the overall period of service; or
- (3) If the fee is determined on some other basis, include the basis for determining the fee and the beginning and ending dates of the period in which services were provided.

If the matching contribution is in a form other than personnel time, consult the LFPP Staff about how to properly document the contribution. Program income cannot be offered as a match.

9. PROCUREMENT

9.1 Procurement Policy

The recipient’s procurement policies and procedures shall meet the standards specified in [7 CFR 3016.36](#) or [7 CFR 3019.40 through 3019.48](#).

- a. The recipient shall maintain written standards of conduct that prohibit its officers, employees, agents, or others engaged in awarding and administering contracts supported by Federal funds from using their positions for any purpose that is, or gives the appearance of being, motivated by a desire for private financial gain for themselves or others with whom they have close ties. These standards must include provisions that govern the conduct of the recipient's employees in connection with procurement activities. Such standards should reflect State and local laws and must cover financial interests, gifts, bribes, gratuities, favors, and related areas as appropriate and necessary. In addition, they must identify the conditions under which

outside activities or interests are proper or improper, provide for prompt notification of violations to a responsible and objective institutional official, and make provision for disciplinary action against those who violate the standards.

- b. A copy of these written standards does not have to be submitted to the Federal Agency for approval or recordkeeping purposes; however, they must be made available for review by the Federal Agency or its designated representatives, if requested.
- c. All procurement transactions, regardless of whether by sealed bids or by negotiation, and without regard to dollar value, shall be conducted in a manner that provides maximum open and free competition.

9.2 Contractor Records

Recipients shall include a provision for access to the contractor's records by the recipient and the Federal Agency. The provision must require the contractor to place the same provision in any subcontract which would have to have the provision were it awarded by the recipient. The provision must require retention of records for three years after final payment is made under the contract or subcontract and all pending matters are closed. The provision must also require that, if any audit, litigation, or other action involving the records is started before the end of the three year period, the records must be retained until all issues arising out of the action are resolved or until the end of the three year period, whichever is later.

- In contracts and subcontracts under a subgrant, the provision must require that access to the records be provided to the recipient as well as the subrecipient and the Federal Agency.
- In contracts in excess of \$10,000, a provision requiring compliance with Executive Order [11246](#), concerning equal employment opportunity as amended by Executive Order [11375](#), and as supplemented in Department of Labor regulations ([41 CFR Chapter 60](#)) is required.

10. CONSULTANTS

Charges for consulting payments must be supported in the records of the recipient or cost-type contractor by an invoice from the consultant and a copy of the written report (if a report is appropriate) or other documented evidence of the work performed from the consultant. If any of the following information is not shown on the invoice and/or report from the consultant, the information must be shown in a memorandum or other document prepared by the recipient or contractor for its files, or noted in handwriting on the consultant's invoice by the recipient or contractor. The memorandum, other document, or handwritten notation must be signed by an official of the recipient or contractor and show:

- a. The name of the consultant;
- b. The nature of the services provided (such as statistical analysis of data, participation on project advisory committee, etc.);
- c. The relevance of the services to the project or program, if not apparent from the nature of the services; and
- d. Whichever of the following is applicable:
 - (1) (If the fee was based on a rate per day or hours worked) the rate and the dates and/or hours worked;
 - (2) (If the fee was based on a rate per unit of service provided, such as the number of producers receiving one-on-one technical assistance) the rate, the number of units of service provided, and the beginning and ending dates of the overall period of service; or
 - (3) (If the fee was determined on some other basis) the basis for determining the fee and the beginning and ending dates of the period in which services were provided.

If the consultant services were in a form other than personnel time, contact LFPP about how to properly document the services.

11. SUBAWARDS (CONTRACTS)

Recipients must:

- a. Not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal Assistance program under [Executive Order 12549](#), "Debarment and Suspension."
- b. Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations.
- c. Ensure that subrecipients are aware of requirements imposed upon them by Federal statutes and regulations.
- d. Ensure that a provision for compliance with [7 CFR 3016.42](#) "Retention and access requirements for records" or [7 CFR 3019.53](#) "Retention and access requirements for records" is placed in every cost reimbursement subgrant.
- e. Conform any advances of grant funds to subrecipients substantially to the same standards of timing and amount that apply to cash advances by Federal agencies.

12. LIMIT OF FEDERAL LIABILITY

The maximum liability of the Federal Agency to the recipient is the amount indicated in the award as obligated by the Federal Agency. Nothing in this document or other requirements of this award requires the Federal Agency to make additional award of funds or limits its discretion with respect to the amount of funding to be provided for the same or any other purpose. In the event that an erroneous amount is stated in the award, the approved budget, or any supporting documentation, the Federal Agency shall have the unilateral right to make corrections and make appropriate adjustments in the Federal Agency share of the award to align with the Federal amount authorized.

13. PAYMENTS

It is the responsibility of Recipient Project Coordinators (not subrecipients) to prepare, sign and submit requests for payment and financial status reports to the LFPP Staff. If third parties contribute matching resources, it is the recipient's responsibility to obtain from them the necessary financial data to complete requests for payment and financial status reports. Copies of the appropriate forms are available at www.whitehouse.gov/omb/grants/grants_forms.html.

13.1 Requests for Payment – SF 270

Grant funds must be requested using standard form (SF) 270. Grant funds will be paid electronically to the bank account specified by the recipient. 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 recipient should provide a justification if an initial drawdown is not made in the first year of the grant period. The SF 270 should be scanned and emailed to LFPP Staff, and the original form should be retained in the recipient's project file. Reimbursements should be submitted at reasonable intervals (e.g. once per month) unless a large reimbursement or advancement is needed/requested. Advances of grant funds are limited to the minimum amount needed to meet current disbursement needs and should be scheduled so the funds are available to the recipient as close as possible to the actual disbursements by the recipient for program costs.

- For reimbursements, an *AMS Grant Programs Worksheet* must be submitted with the *SF-270 Request for Advance/Reimbursement*.
- For advancements, an *AMS Grant Programs Worksheet* must be submitted with the *SF-270 Request for Advance/Reimbursement*. Retain the original invoice for the project along with the request for advancement. Additionally, once the product arrives or the service is complete, the recipient must retain the receipt of the product or service via delivery slip marked "paid", receipts demonstrating services rendered, etc.

At any point during the grant period, AMS will determine, based on a combination of factors (review of the SF-270 worksheet, timely submission of first and subsequent performance reports, and accuracy of

SF-270 requests) whether the recipient will be required to submit original source documentation. You will be notified by AMS prior to implementing this decision. In any event, recipients must continue to collect and maintain their source documentation so it may be made available upon request by AMS at any time during the grant period. This documentation is vital to proper management of the grant, and is one element of the grant file that, in accordance with federal regulations, must be retained for 3 years after the grant is complete.

Source documentation includes but is not limited to receipts, canceled checks, paid bills, payrolls, time and attendance records, contracts, invoices, and subaward documents. If you have a receipt or other source document that pays for a portion of the total amount indicated on the document, you must modify it to appropriately specify the expenses and total amount charged to the grant program.

The AMS Grant Program Worksheet must provide the following:

Overall Agreement Information

- Grant Agreement Number
- Recipient Organization
- Recipient Contact
- Time Period of the Request

Individual Expense Information

- Payee name
- Date of Expense
- Amount
- Assigned Budget category
- Any Notes to explain the expense
- If the original receipt is available

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 recipient, but not used, must be refunded to the Federal Agency immediately. Unused grant funds will be deobligated after 90 days. Contact LFPP Staff to obtain instructions for handling the refund. Late payments are subject to an interest charge of 18 percent per annum and all penalties and administrative charges as provided under the Debt Collection Act of 1996.

13.2 Federal Financial Report – SF 425

A final SF 425 *Federal Financial Report* is required not later than 90 days after the grant termination date. The final 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 LFPP Staff. The original form should be retained in the recipient's project file.

14. PERFORMANCE REPORTING (MID-TERM AND FINAL REPORTS)

Midterm reports are due at 6 month intervals or the midway point of a project, whichever comes first, especially in cases where the project lasts less than one year. Reports must be submitted within 30 days of the agreed-upon midway point or 6-month mark. A Final Report is required no later than 90 days after the grant expiration date. If the grant period is one year or less, then only one Progress Report (at the mid-way point of the project) and a Final Report are required. In the case of any reports being prepared by a third party, it is the Recipient Project Coordinator's responsibility to review and approve before forwarding them to LFPP Staff.

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.
- Provide metrics on project impact and outcomes for intended beneficiaries.

Final Reports are required to fulfill the terms of the grant agreement, and they also represent an important vehicle for sharing research findings with Federal and State agencies and the public. Information from the Final Report will be posted on the LFPP website and recipients agree to be contacted by the Federal Agency 12 months after filing the final report to update the program on project outcomes and impacts.

A final report 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.
- 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 project objectives were met. 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 Final Report completed by a third party does not address the points listed above, the Recipient Project Coordinator is responsible for providing a document that discusses each of those points. All supporting documents should be e-mailed to the LFPP Staff along with the Final Report. All publications resulting from the grant should acknowledge the Federal Agency as a cooperator in the project and bear a statement that credits the grant program such as the following: *“Funding for this project was made possible by the Local Food Promotion Program managed by the Agricultural Marketing Service, U.S. Department of Agriculture, in addition to matching funds from [name any matching fund organizations].”* A similar acknowledgment is required on other media products of the grant such as audio-visuals unless the Recipient Project Coordinator receives a waiver from the LFPP Manager. Web pages devoted to the project should also include this information in a prominent location. All materials must be made available electronically and disseminated via appropriate websites.

15. SITE VISITS AND PROJECT RECORD RETENTION

Work performed under this grant is subject to inspection and evaluation at all times by Agency officials, or by any of their duly authorized representatives through such mechanisms as the review of performance reports and site visits. To the extent possible, all site visits will be made at mutually acceptable intervals and will be timed to avoid disruption to the construction work and to recipient programs and personnel.

The Federal Agency and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the right of access to any books, documents, papers, or other project-related records of the recipient and its contractors under this grant for examination and audit purposes and to obtain excerpts and transcripts.

Financial records, supporting documents, statistical records, and other records pertinent to this grant award shall be retained by the recipient and its contractors for a period of three years after submission and acceptance of the final SF 425, "Federal Financial Report." Records relating to audits, appeals, litigation, or the settlement of claims arising out of project performance shall be retained until such audits, appeals, litigation, or claims have been settled.

16. FRAUD, WASTE OR ABUSE

Anyone who becomes aware of the existence (or apparent existence) of fraud, waste, or abuse related to LFPP grants or use of grant funds should report this information to USDA. The USDA Office of the Inspector General (OIG) provides several means, including toll-free numbers, for this purpose. The OIG hotline may be reached by:

Office of the Inspector General, United States Department of Agriculture

Attn: HOTLINE

PO Box 23399, Washington, DC 20026-3399

Telephone: 1-800-424-9121 (toll free) or 202-690-1202 (TDD);

Fax: 202-690-2474

E-mail: usda.hotline@oig.usda.gov

Internet: <http://www.usda.gov/oig/hotline.htm>

Fraud, waste, and abuse includes, but is not limited to, embezzlement, misuse, or misappropriation of grant funds or property, and false statements, whether by organizations or individuals. Examples are theft of grant funds for personal use; using funds for non-grant-related purposes; theft of Federally owned property or property acquired or leased under a grant; charging inflated building rental fees for a building owned by the recipient; submitting false financial reports; and submitting false financial data in bids submitted to the recipient (for eventual payment under the grant). Callers are not required to give their names and, if they do, their identities are kept confidential.

The Federal government may pursue administrative, civil, or criminal action under a variety of statutes that relate to fraud and false statements or claims. Even if a grant is not awarded, the applicant may be subject to penalties if the information contained in or submitted as part of an application, including its certifications and assurances, is found to be false, fictitious, or fraudulent.

17. SUSPENSION/TERMINATION

If the Federal Agency, after reasonable notice to a recipient, finds that there has been a failure by the recipient to comply substantially with any provision of this award or other applicable laws or regulations, the Federal Agency may disqualify the recipient for one or more years from receiving future grants under LFPP.

18. CLOSEOUT AND REAPPLICATION

18.1 Closeout Checklist

Before the grant can be closed, the following must be submitted to the Federal Agency no later than 90 days after the grant ending date:

- 1) Final Report
- 2) Final financial statement (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.

Grants must be closed out in order to apply for a new Farmers Market or Local Food Promotion Program grant in subsequent years.

18.2 Applying for Future Farmers Market and/or Local Food Promotion Program Grants

Recipients of LFPP grants may apply for Future Farmers Market and/or Local Food Promotion Program grants in subsequent years provided they have successfully closed out their current LFPP grant prior to signing the new grant acceptance face sheet and terms and conditions. Each of the items above in 18.2 must be complete. Additionally, the recipient must be in good standing with the Federal Agency—this may include having met reporting deadlines, reliably corresponding with grant program staff as necessary, etc.

19. CONTACT

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Local Food Promotion Program
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