

**FSA-2375**

(Proposal 5)

U.S. DEPARTMENT OF AGRICULTURE  
Farm Service Agency**AGREEMENT TO CONDUCT PRODUCTION AND/OR FINANCIAL MANAGEMENT  
TRAINING FOR FARM SERVICE AGENCY BORROWERS***(See Page 2 for Public Burden and Privacy Act Statements).***PART A - AGREEMENT**

1. This agreement is between vendor and the Farm Service Agency (FSA). FSA has determined that, based on a review of the information submitted to the State Executive Director (SED), the vendor meets the minimum regulatory standards in course content and instructor qualifications to conduct production and/or financial management training for FSA borrowers.
2. The goals of borrower training are to improve the borrower's understanding of production and/or financial management techniques, and enable borrowers to better analyze and manage their farming operations. Specifically, the borrower will be expected to do the following upon completion of the training (*Check Applicable Boxes*):
  - A. Describe the specific goals of the business, describe the changes required to attain the goals, and outline how these changes will occur using present and projected budgets.
  - B. Maintain and utilize a financial management information system which includes financial and production records, a household budget, a statement of financial condition, and an accrual adjusted income statement. The borrower shall also be able to use the system to make financial and production decisions.
  - C. Understand and utilize an income statement. Specifically, the borrower must understand the structure and major components of an income statement and its role in analyzing the performance of a business, be familiar with the cash and accrual methods of determining net farm income, and understand the relationship between a balance sheet and an income statement.
  - D. Understand and utilize a balance sheet. Specifically, the borrower must understand the major components of a balance sheet and its role in analyzing the business, be familiar with the categories of assets and liabilities and be able to provide examples of entries under each, and be familiar with the cost and market methods of valuing assets and liabilities and advantages of each method.
  - E. Understand and utilize a cash flow budget. Specifically, the borrower must be able to explain and justify estimates for production and expenses, and analyze the cash flow to identify potential problems.
  - F. Use production records and other production information, be able to identify problems, evaluate alternatives, and make corrections to present production practices to achieve greater efficiency and profitability.
3. Vendor's responsibilities:
  - A. The vendor will be responsible for making any necessary training arrangements such as scheduling class, preparing materials, obtaining equipment, and arranging for a meeting location. All costs will be paid by the vendor.
  - B. The vendor will be responsible for the collection of fees from the borrowers. FSA will not be responsible for any training costs incurred by the borrower. The fees shall be \$ \_\_\_\_\_.
  - C. Any modification in the above fees must be approved by SED.
  - D. The vendor will provide or make available all necessary materials, books, and case studies to the borrower.
  - E. The vendor will provide FSA with periodic progress reports on each borrower receiving training. The reports will indicate whether the borrower is attending training sessions, completing assignments, and demonstrating an understanding of the course material.
  - F. The vendor will prepare and administer a final examination to test the borrower's knowledge of the course material.

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**PART A - AGREEMENT (CONTINUED)**

G. Upon completion of the training, the vendor will evaluate the borrower's knowledge of the course material and assign a score as follows:

Score	Criteria
1	The borrower attended sessions as agreed, satisfactorily completed all assignments, and demonstrated an understanding of the course material.
2	The borrower attended sessions as agreed and attempted to complete all assignments; however, the borrower does not demonstrate an understanding of the course material.
3	The borrower did not attend sessions as agreed and/or did not attempt to complete assignments. In general, the borrower did not make a good faith effort to complete the training.

H. The vendor shall provide FSA with a list of the names of the instructors. The vendor shall notify SED of changes in instructors and include the reason for the change, the qualifications of the substitutes, and any additional information requested by SED. Substitutes must meet the qualifications described in the vendor's application.

I. The vendor must provide for the needs of borrowers with disabilities (physical and/or mental conditions).

J. The vendor must provide for the needs of any borrowers for whom English is not their primary language.

K. Training should be offered within a reasonable distance of the borrower's residence.

L. The vendor will have the borrower complete Form FSA-2376, "Borrower Training Course Evaluation," and return it to SED.

4. This agreement shall be in affect for a period of 3 years from the date signed unless revoked by SED or the vendor in writing giving 30 days notice. The SED may revoke this agreement if the vendor does not comply with the responsibilities in Item 3 of this agreement.

**PART B - AGENCY OFFICIAL'S SIGNATURE**

1A. Name of FSA State Executive Director	1D. State Office Name and Address
1B. Signature	
1C. Date	

**PART C - VENDOR OR REPRESENTATIVE'S SIGNATURE**

1A. Name of Vendor's Representative	1D. Address of Vendor
1B. Signature	
1C. Date	

**NOTE:** *The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a): the Farm Service Agency (FSA) is authorized by the Consolidated Farm and Rural Development Act, as amended (7 USC 1921 et seq.), or other Acts, and the regulations promulgated thereunder, to solicit the information requested on its application forms. The information requested is necessary for FSA to determine eligibility for credit or other financial assistance, service the loan, and conduct statistical analyses. Supplied information may be furnished to other Department of Agriculture agencies, the Internal Revenue Service, the Department of Justice or other law enforcement agencies, the Department of Defense, the Department of Housing and Urban Development, the Department of Labor, the United States Postal Service, or other Federal, State, or local agencies as required or permitted by law. In addition, information may be referred to interested parties under the Freedom of Information Act, to financial consultants, advisors, lending institutions, packagers, agents, and private or commercial credit sources, to collection or servicing contractors, to credit reporting agencies, to private attorneys under contract with FSA or the Department of Justice, to business firms in the trade area that buy chattel or crops or sell them for commission, to Members of Congress or Congressional staff members, or to courts or adjudicative bodies. Disclosure of the information requested is voluntary. However, failure to disclose certain items of information requested, including Social Security Number or Federal Tax Identification Number, may result in a delay in the processing of an application or its rejection.*

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