

U.S. Department of Agriculture  
Agricultural Marketing Service

# FARMERS' MARKET PROMOTION PROGRAM (FMPP)



## FMPP GRANT PROGRAM GENERAL TERMS & CONDITIONS

Month Year

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## **A. APPLICABLE REGULATIONS**

**1. Administrative Provisions.** This grant award, and subawards at any tier under this award, shall be governed to the extent applicable by the following provisions:

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

The Code of Federal Regulations is accessible through the National Archives and Records Administration.

**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., prime awardee, subaward), as are in effect at the time of award:

- a. 2 CFR 225 (OMB Circular No. A-87), “Cost Principles for State, Local, and Indian Tribal Governments.”
- b. 2 CFR 220 (OMB Circular No. A-21), “Cost Principles for Educational Institutions.”
- c. 2 CFR 230 (OMB Circular No. A-122), “Cost Principles for Nonprofit Organizations.”

A complete list of current OMB Circulars can be found on the White House Web site.

d. Federal Acquisition Regulations (FAR) (48 CFR Part. 31.2), Principles for determining costs with profit making firms, “Contracts with Commercial Organizations.” The FAR regulations are accessible through the Government Printing Office at [http://www.access.gpo.gov/nara/cfr/waisidx\\_02/48cfr31\\_02.html](http://www.access.gpo.gov/nara/cfr/waisidx_02/48cfr31_02.html).

## **B. DEFINITIONS**

**1. Federal Agency** – Farmers’ Market Promotion Program, Agricultural Marketing Service, United States Department of Agriculture.

2. **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 Grantee.

3. **Grantee** – the entity/organization to which a grant is awarded and which is accountable for the use of the funds provided. The Grantee is the entire legal entity even if only a particular component of the entity is designated in the grant award document.

4. **Grantee Project Coordinator**– the individual who is authorized to commit the Grantee’s time and other resources to the project, to commit the Grantee 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 Grantee.

5. **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 project manager’s address, telephone, and facsimile numbers are as follows:

Carmen Humphrey, Branch Chief  
Farmers’ Market Promotion Program  
Agricultural Marketing Service, USDA  
1800 M Street, NW  
Room 3012 – South Tower  
Washington, DC 20036-5831  
Telephone: (202) 694-4000  
Facsimile: (202) 694-5949

6. **Subgrant** – an award of financial assistance in the form of money, or property in lieu of money, made under a grant by a Grantee to an eligible subgrantee. 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.

7. **Subgrantee** – the organization or other legal entity to which a subgrant is awarded and which is accountable to the Grantee for the use of the funds provided.

## C. ASSURANCES AND CERTIFICATIONS

1. **Assurances.** As a condition of this grant award, the Grantee assures that it is in compliance and will comply in the course of grant performance with all applicable laws, regulations, Executive Orders, and other generally applicable requirements, as prescribed by 7 CFR 3015, which hereby are incorporated in this grant award by reference, and such other provisions as are specified herein.

2. **Certifications.** In accepting this grant award, the Grantee specifically certifies that it:

a. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.

b. Will give the Federal Agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

c. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

d. Will initiate and complete the work within the applicable time frame after receipt of approval of the Federal Agency.

e. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

f. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to:

(1) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin;

(2) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex;

(3) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of disabilities;

(4) The Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;

(5) The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;

(6) The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;

(7) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records;

(8) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;

(9) Any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and,

(10) The requirements of any other nondiscrimination statute(s) which may apply to the application.

g. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

h. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328), which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

i. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.

j. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.

k. Will comply with environmental standards which may be prescribed pursuant to the following:

(1) Institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514;

(2) Notification of violating facilities pursuant to EO 11738;

(3) Protection of wetlands pursuant to EO 11990;

(4) Evaluation of flood hazards in floodplains in accordance with EO 11988;

(5) Assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.);

(6) Conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.);

(7) Protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and,

(8) Protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93- 205).

l. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

m. Will assist the Federal Agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

n. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

o. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.

p. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

q. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

r. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

s. Will make a good-faith effort to provide and maintain a drug-free environment by prohibiting illicit drugs in the workplace, providing employees with drug-free policy statements (including penalties for noncompliance), and establishing necessary awareness programs to keep employees informed about the availability of counseling, rehabilitation, and related services (§5151-5610 of the Drug-Free Workplace Act of 1988, as implemented by 7 CFR Part 3017, Subpart F, Section 3017.600, Purpose).



t. Has not used and will not use Federal funds, other than profits from a Federal contract, for lobbying Congress or any Federal agency in connection with the award or modification of any contract, grant, cooperative agreement, or loan; will disclose the name, address, payment details, and purpose of any agreements with lobbyists for whom it or its contractors or Grantees have paid or will pay with profits or *non-appropriated* funds on or after December 23, 1989, for any award action in excess of \$100,000 (or \$150,000 for loans); will file quarterly updates about the use of lobbyists if material changes occur; and will require its nonexempt contractors or Grantees to certify and disclose accordingly [§319, Pub. L. No. 101-121 (31 U.S.C. 1352), as implemented by 7 CFR Part 3018].

u. (It) Or its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency; have not been convicted or indicted under criminal or civil statutes or had one or more public transactions terminated for cause or default within the past three years; will provide immediate written notice to the Authorized Departmental Officer if at any time it learns that this certification was erroneous when made or has become erroneous by reason of changed circumstances; and will require recipients of lower-tier covered transactions under this grant award to similarly certify (Executive Order 12549, as implemented by 7 CFR Part 3017, Section 3017.510, Participants' responsibilities).

#### **D. GRANTEE STANDARDS AND RESPONSIBILITIES**

1. **General Provisions.** The Grantee shall ensure that:

a. It shall monitor the performance of all project activities, and ensure that the work is completed within the required time frame.

b. Grant funds are used only for activities covered by the approved project, workplan, and budget.

c. It notifies the Federal Agency as soon as problems, delays, or adverse conditions arise which will materially impair the ability to meet the objective of the award become known and if favorable developments such as meeting time schedules and objectives sooner or at less cost occur.

2. **Publishing Results.** The results of the grant project(s) may be published by the Federal Agency, the Grantee, or by appropriate subcontractors or subgrantees, as mutually agreed.

#### **E. PRIOR APPROVAL REQUIREMENTS**

1. **Key Personnel Change.** When it is necessary to change key personnel, the Grantee must submit a written request (e-mail is acceptable) to the Federal Agency. The request should contain the new individual's name and contact information, the capacity in which this new individual will serve, and written notification from the individual signifying his or her willingness to serve on the project.

**The following items require a written request, including a signature from the Program Contact for the Grantee AND the Federal Agency before the Grantee proceeds.** FMPP will accept a) a faxed document, b) PDF file with a signature, or c) express mail or overnight courier service delivered requests to AMS.

2. **Scope or Objectives Change.** When it is necessary to modify the scope or objectives of the award, submit a written justification for the change along with the revised scope or objectives of the award to the Federal Agency. The written justification should include the project purpose, potential impact, expected measurable outcomes, work plan, budget narrative, and project oversight/commitment.

3. **Change in Project Leader.** When the primary project contact/project leaders (PL) plans to:

- Relinquish active direction of the project for more than 3 consecutive months,
- Have a 25 percent or more reduction in time devoted to the project, or
- Sever his/her connection with the Grantee organization,

the Grantee has the following prior approval options and responsibilities:

a. **If the PL's absence is temporary,** the awarded organization must notify the Federal Agency in writing of arrangements for the continuing conduct of the project (i.e., identify who will be in charge during the PL's absence, including his/her qualifications to assume leadership of the project and his/her written concurrence).

b. **If the PL severs his/her affiliation with the awarded** organization, the Grantee's options are:

(1) **Replacing the PL on the project - THE AWARDED ORGANIZATION MUST REQUEST, IN WRITING, THE FEDERAL AGENCY'S APPROVAL OF THE PL replacement** and must include a copy of his/her qualifications and submit information regarding the new PL's current and pending support of the new organization. The request also must contain the signature of the proposed PL replacement signifying his/her willingness to assume leadership of the project.

(2) **Subcontracting to the former PL's new organization** - The Grantee may request approval to replace the PL (as outlined in above paragraph) and retain the award, but subcontract to the former PL's new organization certain portions of the project to be completed by the former PL.

(3) **Relinquish the award** - If neither of the previous options is viable and the awarded organization wishes to relinquish the award, the following procedures should be followed:

i. The awarded organization should send a letter to the Federal Agency, signed by the awarded organization contact and PL, that indicates the Grantee is relinquishing the award and de-obligating any unused funds.

ii. The letter should include the date the PL is leaving and a summary of progress to date. A final Form SF-269, "Financial Status Report" (see section IX.B.), which reflects the total amount of funds spent by the Grantee, should be attached to the letter.

iii. Should the PL wish to transfer the award to his/her new institution, the new institution should submit the request in writing to the Federal Agency to receive written instructions for such a transfer. The transfer will require submitting a new application to the Federal Agency, completion of the forms and certifications; a project summary/work statement covering the work to be completed under the project (the objectives must be the same as those outlined in the approved proposal); and an updated list of PL qualifications showing his/her new organizational affiliation.

NOTE: Experience has demonstrated that the transfer of an award from one institution to another can take 90 or more days to accomplish. If information is not submitted in a timely manner, the PD may experience a delay in resuming the project at the new institution. On a case-by-case basis and with justification acceptable to the Federal Agency, project lengths will not exceed 2.5 years in length.

**4. Budget Changes.** Where a modification to the approved budget is required, the modification must be approved in writing by the Federal Agency if the cumulative amount of such modifications exceeds 10 percent (10%) of the project's total budget as last approved by the FMPP. A request for a budget change shall include: (a) a description of the change, (b) a justification for the change, and (c) signatures by the organization contact for the Grantee and the Federal Agency representative. Modifications less than 10 percent should be recorded and tracked in the FMPP budget spreadsheet.

**5. Extension of Grant Agreement.** Where an extension of time is required (with no cost extension), the extension(s) must be received in writing no later than 60 days prior to the expiration date of the award. The request from the must come from Grantee contact contain all of the following information:

- a. The length of additional time required to complete project objectives and a justification for the extension.
- b. A summary of progress to date (status of project timeline and objectives, etc.).
- c. An estimate of remaining funds on the scheduled expiration date.
- d. A projected timetable to complete the project for which the extension is being requested.
- e. Signature of the organization's program contact for the Grantee and the Federal Agency.

**The fact that funds are expected to remain unutilized or unobligated at the end of the award is not in itself sufficient justification to receive a no cost extension of time.**

Decisions will be made on a case-by-case basis based on the written justification provided. AMS FMPP awards are limited to 2.5 years in duration from the date of the grant agreement, therefore no more than one extension of a 2-year award will be provided, and for no more than 6 additional months.

NOTE: Requests for no-cost extensions of time received after the expiration date of the award normally will not be honored. Only in extremely rare circumstances for which there are exceptional extenuating circumstances will such requests be considered.

## **F. UNALLOWABLE COSTS**

In addition to the allowable applicable cost principles, the following costs are unallowable under this award unless otherwise permitted by law or approved by the Federal Agency:

### **1. General Costs.**

a. Development or participation in lobbying activities including costs of membership in organizations substantially engaged in lobbying.

b. Development or participation in political activities in accordance with provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7324-7326).

c. Costs which lie outside the scope of the approved project(s) and any amendments thereto.

d. Costs incurred after the expiration of grant award period, including no-cost extensions of time.

e. Indirect costs in excess of 10 percent; this limitation also applies to subcontracts under the funded awards.

### **2. Selected Items of Cost.**

a. Alcoholic beverages except when the costs are associated with implementing a project and prior approval is given from the Federal Agency.

b. Bad debts, including losses (whether actual or estimated) arising from uncollectable accounts and other claims, related collection costs, and related legal costs.

c. Capital expenditures for general purpose, including purchases of building(s); construction, repair, or rehabilitation of building(s); and land acquisition.

d. 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.

e. Donated or volunteer services may be furnished to a Grantee 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.

f. Contributions or donations, including cash, property, and services, made by the Grantee, regardless of the recipient.

g. Specific organizational 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.

h. Airfare costs in excess of the customary standard commercial airfare (coach or equivalent), Federal Government contract airfare, or the lowest commercial discount airfare.

i. 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.

j. 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.

k. Costs of goods or services for personal use of the State or local governmental unit's employees regardless of whether the cost is reported as taxable income to the employees.

l. Costs of investment counsel and staff and similar expenses incurred to enhance income from investments.

m. Grant funds cannot be used to supplant State funds.

n. None of the funds under this award may be used towards travel costs for AMS/FMPP employees.

This list is not all-inclusive. Questions regarding allowability of particular items of cost should be directed to the Program Contact for the Federal Agency in section B.5.

## **G. FINANCIAL MANAGEMENT STANDARDS**

### **1. General Provisions.** Grantees must comply with the following:

a. Effective control over and accountability for all grant or subgrant funds and real and personal property assets shall be maintained. Grantees and subgrantees 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, Grantees and subgrantees must have effective internal controls to assure that expenditures financed with Federal funds are properly chargeable to the grant supported project.

b. 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.

c. There shall be specific procedures established for minimizing the time elapsing between the transfer of funds from the Federal Agency and disbursement by Grantees and subgrantees.

d. Established procedures shall be used for determining the reasonableness, allowability, and allocability of costs in accordance with the cost principles prescribed by Section A.2. of this part and the provisions of this grant award.

e. A systematic method shall be employed by each recipient to assure timely and appropriate resolution of audit findings and recommendations.

### **2. Records.**

a. Grant and subgrant records shall provide for complete, accurate, and current disclosure of financial results.

b. The source and application of funds shall be readily identified by the continuous maintenance of updated records. Records, as such, shall 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.

c. Accounting records shall be supported by source documentation. These documentations include, but are not limited to, cancelled checks, paid bills, payrolls, contracts, and subgrant award documents.

## H. PROCUREMENT

1. **Procurement Policy.** The Grantee's procurement policies and procedures shall meet the standards specified in 7 CFR 3016.36 and 7 CFR 3019.40 thru 3019.48.

a. The Grantee 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 Grantee'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.

2. **Contractor Records.** Grantees shall include a provision for access to the contractor's records by the Grantee 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 Grantee. 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.

a. In contracts and subcontracts under a subgrant, the provision must require that access to the records be provided to the Grantee as well as the subgrantee and the Federal Agency.

b. 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.

## I. CONSULTANTS

1. **Documentation.** Charges for consulting payments must be supported in the records of the Grantee 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.

2. **Additional Documentation.** 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, or specified medical services to eligible beneficiaries);
- 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 patients examined by a physician) 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.

## J. SUBAWARDS

Grantees and subgrantees must:

- 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."
- Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations.



- Ensure that subgrantees are aware of requirements imposed upon them by Federal statute and regulation.
- Ensure that a provision for compliance with §3016.42 “Retention and access requirements for records” is placed in every cost reimbursement subgrant.
- Conform any advances of grant funds to subgrantees substantially to the same standards of timing and amount that apply to cash advances by Federal agencies.

## **K. PROGRAM INCOME**

If program income is earned it may be used for 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 for other activities that further the grant program’s objectives.

## **L. LIMIT OF FEDERAL LIABILITY**

The maximum liability of AMS/FMPP to the Grantee is the amount indicated in the award as obligated by AMS. Nothing in this document or other requirements of this award requires AMS 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, AMS shall have the unilateral right to make corrections and make appropriate adjustments in the AMS share of the award to align with the Federal amount authorized.

## **M. PAYMENTS.**

**1. Electronic ASAP Payment System.** AMS is seeking to utilize an electronic payment management system, Automated Standard Application for Payments (ASAP), that will allow Grantees to quickly log in via an Internet connection and draw down funds from the U.S. Treasury. Should the FMPP secure an operable electronic payment system through ASAP before the start of the grant, AMS will contact Grantees about submitting any additional information beyond that which was required under the already submitted registration with CCR. Additional training and use of the ASAP payment system will be provided during the FMPP orientation and training meetings.

**2. SF-270 Paper Request System.** If AMS is unable to establish the electronic draw-down system before October, Grantees must request the amount of funds to carry out the project by submitting a complete Form SF-270, “Request for Advance or Reimbursement” at least on a quarterly basis. Quarterly cash advances shall be limited to the minimum amounts needed to meet current disbursement needs and shall be scheduled so the funds are available as close as is administratively feasible to the actual disbursements by the Grantee for program costs (usually 30 days). Cash advances made by the Grantee to secondary recipient

organizations or field organizations shall conform substantially to the same standards of timing and amount that applies to cash advances by the Federal Agency to the Grantee. Payments will be made electronically to the bank account specified by the Grantee. The SF-270 should be signed by the appropriate organizational representative and be submitted to FMPP by express mail or courier service to:

FMPP Payment Request  
USDA, Agricultural Marketing Service  
1800 M Street, NW  
Room 3012-South Tower  
Washington, DC 20036-5831  
202/694-4000

3. **Unobligated Funds.** Payment requests should be scheduled so that all grant funds are obligated (unencumbered) within 90 days after the end of the grant agreement. Any unobligated (unencumbered) balance of cash at the end of this period must immediately be refunded back to the Federal Agency.

## N. FINANCIAL REPORTING

1. **Report of Federal Cash Transactions.** A “Federal Cash Transaction Report” SF-272 is required quarterly (or after (the quarterly) payment request) by the Grantee after the receipt of Federal grant funds. The report must be submitted not later than 45 calendar days after the end of each quarter. The reports are used to monitor cash advanced to Grantees and to obtain disbursement and outlay information for each award. The form can be obtained electronically via the FMPP website and is to be submitted by mail with an original signature.

2. **Financial Status Report.** “Financial Status Reports” (Form SF-269), which includes any program income, must be submitted quarterly. A final Financial Status Report is required no later than 90 days following the project’s ending date. The form can be downloaded from the FMPP website at [www.ams.usda.gov/FMPP](http://www.ams.usda.gov/FMPP), or hard copies may be requested from FMPP.

## O. PERFORMANCE MONITORING

Interim (Semi-Annual) Performance Reports are due every 6 months after the anniversary date of the award until completion. A Final Performance Report is required 90 days after the grant agreement expiration date. If the grant period is one year or less, then only one interim report and a final performance report is required.

1. **Interim Performance Reports.** The report must include the following information:

a. **Activities Performed and Milestones.** Briefly summarize activities performed and milestones achieved for each objective of the narrative, and include favorable or unusual developments.

b. **Problems and Delays**. Note unexpected delays or impediments as well as favorable or unusual developments for each project.

c. **Future Project Plans**. Outline work to be performed during the next reporting period for each project.

d. **Funding Expended To Date**. Comment on the level of grant funds expended to date for each project.

e. **Additional Information**. Include other relevant project information available (e.g. publications, web sites, photographs).

2. **Final Performance Reports**. The final report must include the following:

a. **Project Summary**. An outline of the issue, problem, interest, or need for each project.

b. **Project Approach**. Descriptions of how the issue or problem was addressed.

c. **Goals and Outcomes Achieved**. Descriptions of the results, accomplishments, and conclusions.

d. **Beneficiaries**. Description of the people, organizations, marketing entities and/or communities that have benefited from the project's accomplishments, and a quantitative measure of the current or future benefits to be derived from the project.

e. **Lessons Learned**. Lessons learned for each project. If outcome measures were not achieved, identify and share the lessons learned to help expedite problem-solving.

f. **Additional Information**. Include Specific contributions of project partners and any relevant information available (e.g. publications, web sites, photographs).

g. **Contact Person**. List the contact person for each project with telephone number and email address.

**P. SITE VISITS AND PROJECT RECORDS**

Work performed under this grant is subject to inspection and evaluation at all times by officials of AMS, 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 Grantee programs and personnel.

AMS 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 Grantee 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 Grantee and its contractors for a period of three years after submission and acceptance of the Final SF-269, "Financial Status 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.

## **Q. ACKNOWLEDGEMENT OF SUPPORT AND DISCLAIMING STATEMENTS**

1. **FMPP Acknowledgment.** The following acknowledgment of AMS and FMPP must appear in the publication of any material, whether copyrighted or not, and any products produced electronically (i.e., World Wide Web pages, computer programs, etc.) that are substantially based upon or developed under this award:

"This [Grantee should enter applicable material type, 'publication,' 'DVD,' 'material,' other] is based on work supported under by the Farmers' Market Promotion Program (FMPP) Grant Program, Agricultural Marketing Service, USDA, under Award No. [the Grantee enters the applicable award number]."

2. **AMS, USDA Disclaimer.** In addition to the acknowledgment statement, all publications and other materials must contain the following statement:

"Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view of the U.S. Department of Agriculture."

## **R. SUSPENSION/TERMINATION**

The Federal Agency, after reasonable notice to a Grantee, finds that there has been a failure by the Grantee to comply substantially with any provision of this award, or other applicable laws or regulations the Federal Agency may disqualify, for one or more years, the Grantee from receipt of future grants under the Farmers' Market Promotion Program.

## **S. AWARD CLOSEOUT**

Award closeout is the process by which AMS determines that all required project activities have been performed satisfactorily and all necessary administrative actions have been completed. The award and any subcontractors shall close out as soon as possible after expiration or termination of the project. While the Grantee may use its own policies and procedures in closing out awards to its recipients, the following shall apply to the closeout of the prime award:

A Final Performance Report (Sec. O.2.) and a Final Financial Status Report, Form SF 269 is required within 90 days following the grant agreement expiration date. An original signed SF-269 must be submitted to the FMPP at the following address:

FMPP Final Report  
USDA, Agricultural Marketing Service  
1800 M Street, NW  
Room 3012 – South Tower  
Washington, DC 20036-5831  
Telephone: (202) 694-4000  
Facsimile: (202) 694-5949

The Grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the grant agreement expiration date.

The Grantee must immediately refund to the Federal agency any balance of unobligated (unencumbered) cash advanced that is not authorized to be retained for use on other grants.