



United States  
Department of  
Agriculture

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# FEDERAL-STATE MARKETING IMPROVEMENT PROGRAM

Catalog of Federal Domestic Assistance Number 10.156

## **FY 2013 APPLICATION GUIDELINES**

**APPLICATION DEADLINE: May 28, 2013**

**FINAL  
April 25, 2013**

## CHANGES for FY 2013 FSMIP

It is important that applicants read the entire FSMIP Guidelines as there are some changes and new requirements for 2013. Below are the highlights, but the list is not exhaustive.

### PROGRAM SCOPE

- Proposals must have a strong marketing focus, must involve research, and the primary beneficiaries must be agricultural producers and agribusinesses. Proposals that involve training or education programs must include a research component that tests the effects of the program on the marketing goals.
- All projects authorized under FSMIP's enabling legislation are welcome. AMS also encourages proposals that address the following objectives:
  - Creating wealth in rural communities through the development of local and regional food systems and value-added agriculture.
  - Developing direct marketing opportunities for producers, or producer groups.
  - Assessing challenges and developing methods or practices that could assist local and regional producers in marketing agricultural products that meet the mandates of the Food and Drug Administration's new Food Safety Modernization Act.
- A follow-up proposal is allowed only after the original FSMIP project has been completed, and the final report has been submitted to and accepted by FSMIP. A follow-up proposal to an in-progress FSMIP project is not allowed.

### APPLICATION PROCEDURES AND REQUIREMENTS

- Applications must be submitted online via [www.grants.gov](http://www.grants.gov) . FSMIP will not accept any other form or method of application.
- All components of the application must be submitted together by the deadline.
- The SF 424A *Budget Information Non-Construction Programs* is not required.
- The proposal Narrative cannot exceed 10 pages, down from 12 pages last year.
- Additional required elements include at least one, but no more than three, letters of support for the project from stakeholders or beneficiaries. Congressional letters do not meet this requirement.
- Applicants must provide a statement verifying that any sub grantee or contractor named in the application is not suspended or debarred or otherwise excluded from eligibility to receive grant funds.

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## **1. OVERVIEW**

The Federal-State Marketing Improvement Program (FSMIP) provides matching funds on a competitive basis to State Departments of Agriculture, State agricultural experiment stations, and other appropriate State agencies to assist in exploring new market opportunities for U.S. food and agricultural products, and to encourage research and innovation aimed at improving the efficiency and performance of the U.S. marketing system. These Application Guidelines are intended for use by applicants and their partners in developing proposals, applying for FSMIP funds, and understanding the basic requirements in the post-award period. For the sections of this document that deal with pre-award and award activities, the term “State Agency” refers to an eligible applicant. For sections that deal with post-award activities, the term “grantee” refers to an eligible applicant that has been awarded a FSMIP grant.

## **2. LEGISLATIVE AUTHORITY AND FUNDING LEVEL**

Legislative authority for FSMIP is provided under Section 204(b) of the Agricultural Marketing Act of 1946, (7 U.S.C. 1621-1627), subject to final appropriation action by Congress. Approximately \$1 million in grant funds are available for fiscal year 2013. Grants typically average about \$50,000 each. In recent years, grants have ranged from \$25,000 to \$135,000.

## **3. PROGRAM SCOPE**

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

Eligible agricultural categories include livestock, livestock products, food, feed and fiber crops, fish and shellfish, horticulture, viticulture, apiary, and forest products and processed or manufactured products derived from such commodities. Reflecting the growing diversity of U.S. agriculture, in recent years, FSMIP accepts proposals dealing with nutraceuticals, bioenergy, compost, agroforestry products, and products made from agricultural residue. To check on the eligibility of other agricultural categories not listed, please contact the FSMIP Staff Officer.

Proposals may focus on addressing barriers, overcoming challenges or realizing opportunities manifesting at any stage of the marketing chain including direct, wholesale, and retail. Proposals must have a strong marketing focus, must involve research, and the primary beneficiaries must be agricultural producers and agribusinesses. Proposals that involve training or education programs must include a research component that tests the effects of the program on the marketing goals. Proposals may involve small, medium or large scale agricultural entities but should benefit multiple producers or agribusinesses, whereas proposals that benefit one business or individual will not be considered.

Proposals that address issues of importance at the State, multi-State, or national level are appropriate for FSMIP. Of particular interest are proposals that reflect a collaborative

approach between the States, academia, the farm sector and other appropriate entities and stakeholders. FSMIP will also consider unique proposals on a smaller scale that may serve as pilot projects or case studies useful as models for others. Such proposals should include an objective to analyze opportunities and formulate recommendations with regard to how the project could be scaled up or expanded to other regions.

FSMIP's enabling legislation authorizes projects to:

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

All proposals that fall within one or more of the above categories are welcome. In addition, FSMIP encourages State agencies to submit proposals that address the following objectives:

- Creating wealth in rural communities through the development of local and regional food systems and value-added agriculture.
- Developing direct marketing opportunities for producers, or producer groups.
- Assessing challenges and developing methods or practices that could assist local and regional producers in marketing agricultural products that meet the mandates of the Food and Drug Administration's new Food Safety Modernization Act.

#### **4. ELIGIBLE APPLICANTS**

Eligible grant applicants (“State agencies”) are State departments of agriculture, State agricultural experiment stations, and other appropriate State agencies from the 50 States, American Samoa, the District of Columbia, Guam, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, and the United States Virgin Islands. The term “other appropriate State Agency” means a State university, a State college, or a State government entity such as a State department of forestry, natural resources, or energy. The terms State university and State college include land-grant universities and colleges established under the Morrill Acts of 1862 and 1890, and tribal colleges and universities that became land-grant institutions in 1994, under the Elementary and Secondary Education Reauthorization Act.

#### **5. APPLICABLE REGULATIONS**

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

Following are the relevant administrative provisions and cost principles. The [Code of Federal Regulations \(CFR\)](#) is accessible through the National Archives and Records Administration . OMB circulars are available at [www.whitehouse.gov/omb/circulars/](http://www.whitehouse.gov/omb/circulars/) .

##### Administrative Provisions

7 CFR Part 3015, “Uniform Federal Assistance Regulations;”

7 CFR Part 3016, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;” and

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.”

##### Federal Cost Principles

2 CFR Part 225 (OMB Circular No. A-87), “Cost Principles for State, Local, and Indian Tribal Governments.”

2 CFR Part 220 (OMB Circular No. A-21), “Cost Principles for Educational Institutions.”

2 CFR Part 230 (OMB Circular No. A-122), “Cost Principles for Nonprofit Organizations.”

48 CFR Part 31.2, Federal Acquisition Regulations (FAR), Principles for determining costs with profit making firms, “Contracts with Commercial Organizations.”

#### Debarment and Suspension Requirements

In accordance with 2 CFR Part 180, OMB Guidelines to Agencies on Government wide Debarment and Suspension (NONPROCUREMENT), 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 primary or lower-tier transaction. 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 sub awards also are subject to these suspension and debarment rules.

If sub grantees or contractors will participate in the project, applicants must check the *System for Awards Management (SAM)* at [www.sam.gov](http://www.sam.gov), a centrally maintained government-wide database that includes the names of organizations and individuals that have been debarred, suspended, declared ineligible, or been voluntarily excluded. Applicants must include a statement with the application indicating that they have checked SAM and that the sub grantee or contractor is not debarred, suspended, declared ineligible, or been voluntarily excluded.

## **6. APPLICATION PROCEDURES AND REQUIREMENTS**

### **A. [www.grants.gov](http://www.grants.gov) (Grants.gov)**

Applications must be submitted on line via Grants.gov, the central site for finding and applying for Federal grants. FSMIP will not accept any other form or method of application, and FSMIP will not accept applications after the posted application deadline.

Applicants are strongly urged to become familiar with the Federal grants website and begin the registration process as soon as possible before the application deadline. For instructions on applying electronically, go to: [www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp) . The Grants.gov Support Center is available 24 hours a day at 1-800-518-4726, and by email: [support@grants.gov](mailto:support@grants.gov).

### **B. FEDERAL SYSTEM FOR AWARD MANAGEMENT**

The Federal System for Award Management (SAM) is a Federal Government owned and operated free web site that consolidates the capabilities of multiple Federal systems including the Central Contractor Registration (CCR). All applicants and potential sub-grantees must register at the SAM site: [www.sam.gov](http://www.sam.gov). To ensure timely completion, these requirements should be initiated as soon as possible before the application deadline.

## C. DEVELOPING PROPOSALS

### State Agency Responsibilities

State agencies bear the primary responsibility for developing proposals and overseeing funded projects. Proposals must be structured so that the State Agency maintains control of the project objectives, sets policy, and ensures that the project will be carried out in accordance with all applicable Federal statutes and regulations as well as with the terms and conditions of the grant agreement. State agencies are responsible for ensuring that subgrantees maintain appropriate records and that they conform with all applicable Federal statutes and regulations as well as to the terms and conditions of the grant agreement.

State agencies should ensure that proposals are appropriate for FSMIP by reviewing the PROGRAM SCOPE on page 4. Contact the FSMIP Staff Officer if there is any question about whether or not the proposal qualifies for FSMIP.

### Outreach

State agencies assume the lead role in FSMIP projects and use cooperative or contractual linkages as needed to carry out the proposed work. State agencies are encouraged to reach out to potential project partners within their States such as producer and commodity groups, community-based organizations, economic development organizations, and groups that represent American Indians and Alaska Natives, socially disadvantaged producers, and veterans to engage them in developing proposals.

### Multi-State Proposals

Multi-State proposals are encouraged. For such proposals, the State Agency that will assume the administrative and coordinating role should submit the application.

### Previous and Similar Projects

If the proposal: (a) Builds on a project funded by the AMS Specialty Crop Block Grant Program, the AMS Farmers Market Promotion Program, or another USDA grant program; (b) Is part of a larger project; (c) Builds on a previously funded FSMIP project; or (d) Is similar to or replicates previous FSMIP-funded work done in another State or under another project, an explanation must be included in the project Narrative that explains how the proposal relates to, and is distinct from, such work.

A follow-up proposal to an in-progress FSMIP project is not allowed. A follow-up proposal is allowed only after the original FSMIP project has been completed, and the final report on the original FSMIP project has been submitted to and accepted by FSMIP. It is also FSMIP's policy not to fund more than three successive projects on the same topic submitted by the same State Agency and/or its partners.

### Proposals Involving Foreign Market Development or Foreign Travel

If a proposal involves foreign market development, determine first if the project is more appropriate for grant programs administered by the Foreign Agricultural



Service (FAS) or for funding through the State-Regional Trade Groups. FSMIP recommends that applicants search the [FAS database of GAIN reports](#) to ensure that proposals will not duplicate existing information. Any request for funds to conduct foreign travel must be directly related to the project objectives.

#### Small Scale Project Proposals

FSMIP will consider unique proposals on a smaller scale than State level impact that may serve as pilot projects or case studies useful as models for others. Such proposals should include an objective to analyze opportunities and formulate recommendations with regard to how the project could be scaled up or expanded to other regions.

#### D. PROJECT DURATION

FSMIP funds are awarded for proposals of from one to two years' duration. If contractual arrangements will be necessary to carry out the project, be sure to factor that in when deciding on an ending date. FSMIP prefers that applicants request two years to complete such projects in order to minimize requests for no-cost time extensions. It is acceptable to complete projects before the scheduled ending date.

#### E. MATCHING REQUIREMENT

FSMIP grants must be matched \$1-for-\$1 with cash and/or with properly-valued in-kind non-Federal resources. State appropriations, as well as funds or other resources contributed by project participants, can be used to satisfy the matching requirement. All matching contributions must be committed or in place when the proposal is submitted to FSMIP. Non-Federal grant funds that are expected or anticipated to be awarded by the time the project commences cannot be counted toward the matching requirement. Program income cannot be contributed as a match. Applicants should review the applicable Federal regulations and contact FSMIP if there are any questions about what constitutes a legitimate match.

The State Agency is required to obtain, and submit with the application, written verification of commitment from any third party who will contribute cash and/or in-kind matching resources to the project. Such written verification is not required of the State Agency because the signature of the State Agency representative on the SF 424 Federal application form affirms the availability of the matching resources the State Agency brings to the project.

Examples of matching resources include cash, student tuition, partner's time, meeting facilities if they would otherwise have to be rented, and travel expenses associated with the project. If you are uncertain if an activity or resource not listed here would qualify as a match, please contact the FSMIP Staff Officer.

#### F. RESTRICTIONS AND LIMITATIONS ON PROGRAM ACTIVITIES AND EXPENDITURES

All expenditures and accounting must be completed in accordance with applicable parts of 7 CFR parts 3015, 3016 and 3019; applicable Federal Cost Principles; and with

successive published regulations. Following is guidance on common categories of FSMIP proposal budgets:

#### Advertising and Promotion

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

- Product advertising through any media, either directly or indirectly, through an advertising agency or other firm.
- General publicity or information programs designed to build the image of the State's agriculture, State Department of Agriculture, or other State Agency.
- Costs associated with County and State fair exhibits, or promotion of commodity months or weeks.
- Purchase of products or samples of products to give away to the public. However, products or samples may be purchased with grant funds or brought as a match if they are used in a study that assesses consumer acceptance or has a similar evaluative objective.
- Promotional items such as point-of-sale materials, promotional kits, billboard space, signs or streamers, automobile stickers, table tents, and place mats, or promotional gift items of a personal nature.
- Expenses relating to domestic or foreign trade shows except educational programs or technical seminars conducted to educate potential buyers about the properties, characteristics or uses of an agricultural commodity or product.

#### Equipment and Facilities

FSMIP will not approve the use of grant funds for the construction of facilities or the acquisition of land. Equipment rental costs may be charged to the project account. Grant funds may be used to rent a building or room and to purchase supplies and other materials, however, where appropriate, FSMIP encourages the use of technologies such as webinars, teleconferencing, or videoconferencing as an alternative to renting a building or a room. If renting a building or a room is necessary, the most cost-effective facilities such as State government conference rooms should be utilized.

#### Salary and Travel

FSMIP funds can be used to pay salary and travel of individuals for activities directly related to the project objectives. All travel expenses associated with FSMIP projects must follow Federal travel regulations (41 CFR Chapters 300 through 304) unless State travel requirements are in place. If alternative technologies such as teleconferencing or videoconferencing are available, appropriate for the project, and less costly, they should be utilized as an alternative to travel.

### Printing and Publications

Grant funds may be used to pay the cost of preparing informational leaflets, reports, manuals, and publications relating to the project, however the printing of hard copies is discouraged. All materials should be made available in an electronic format that complies with Section 508 of the Rehabilitation Act (29 U.S.C. 794d), as amended by the Workforce Investment Act of 1998 (P.L. 105-220), August 7, 1998.

### Conferences/Workshops

FSMIP will not fund a project that consists of only a conference, but a conference may be part of a larger project. The applicant should clearly indicate the purpose and target audience for any conference or workshop, and explain how the activity will be paid for. Also indicate if registration fees will be collected and if so, show the fees as program income on the Budget Spreadsheet and provide an explanation in the Budget Narrative. If funds are requested to pay for food or refreshments, provide an estimate of the cost per person.

### Administrative Costs

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

### Indirect Costs

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

### Political Activity

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

### Tuition

FSMIP funds cannot be used to pay tuition of college or university students but tuition may be brought as part of the match.

### Program Income

Program income is gross income earned by a grant recipient resulting from activities supported by a grant. It includes income in the form of fees for services performed during the grant period, real property, usage or rental fees, or patent or copyright royalties. Program income cannot be used to meet the matching requirement.

FSMIP projects may involve program income such as registration fees for a conference held under a FSMIP project. Federal regulations require that the total grant award be reduced by an amount equal to the program income unless written permission is obtained from the grant agency. Acceptable uses of program income that FSMIP may approve include: (a) Expanding the project or program; (b) Continuing the project or program after the grant or sub-grant support ends; (c) Supporting other projects or programs that further the broad objectives of FSMIP; or (d) Obtaining equipment or other assets needed for the project or program or for other activities that further FSMIP's objectives.

#### G. APPLICATION DEADLINE

The deadline for submitting FY 2013 applications is 11:59 pm Eastern Standard Time, May 28, 2013. Applications must be submitted electronically through Grants.gov. Ensure that all components are complete before submitting them to Grants.gov. It may take more than one try before your application is successfully submitted so plan ahead to leave enough time for the application process.

#### H. CONFIRMATION OF RECEIPT OF APPLICATION

Once Grants.gov has received your submission, Grants.gov will send email messages to advise you of the progress of your application through the system. Over the next two business days, you should receive two emails. The first will confirm receipt of your application by the Grants.gov system, and the second will indicate that the application has either been successfully validated by the system prior to transmission to FSMIP or has been rejected due to errors. If you do not receive a receipt confirmation AND either a validation confirmation or a rejection email message within two business days, please contact Grants.gov. You may track your application throughout this process on Grants.gov under "Track My Application." Once FSMIP retrieves your application from Grants.gov, you will receive a third email.

Within a week of receiving your application, FSMIP will send you an email to confirm that all of the components of the application described in Section I have been received. Note that at any time during the review process, FSMIP may reject an application for failure to comply with the requirements contained in these Application Guidelines.

#### I. APPLICATION CHECKLIST

All of the following components of the application are required and must be submitted together via Grants.gov no later than the application deadline. Details about each of the application components are covered in subsequent sections of these Application Guidelines.

- (1) Federal Application Forms
  - SF 424 – Application for Federal Assistance
  - SF 424B – Assurances - Non-Construction Programs
- (2) Cover Page
- (3) 10-page Narrative

- (4) Budget Spreadsheet and Budget Narrative
- (5) Other Required Elements
  - Personnel Qualifications
  - Statement Regarding Debarment and Suspension Verification of Sub Grantees and Contractors
  - Letters from Third Parties who will Contribute Matching Resources
  - 1-3 Letters of Support from Stakeholders or Beneficiaries

#### J. FEDERAL APPLICATION FORMS

The SF 424 and SF 424B are available when you access the FSMIP opportunity at Grants.gov. Most information blocks are either self-explanatory or explained in the instructions. Following is guidance for specific blocks on the SF 424:

Block 8d. Address – *street address and 9-digit zip code – do not give P.O.Box*

Block 10. Name of Federal Agency – *USDA/AMS*

Block 11. Catalog of Federal Domestic Assistance Number – *10.156*

Block 12. Funding Opportunity Number: *USDA-AMS-FSMIP-2013*

Title - *Federal-State Marketing Improvement Program*

Block 15. Descriptive Title of Applicant's Project:

*Provide only the project title, not to exceed 10 words*

Block 17. Proposed Project:

a. Start Date – *September 30, 2013*

b. End Date: *no later than September 29, 2015*

Block 18. Estimated Funding (\$):

a. Federal – *Total FSMIP funds requested*

b. Applicant – *State Agency match*

c. State – *match from other State Agency (ies) or institution (s), if applicable*

d. Local – *match from local governments (ex: county, municipality), if applicable*

e. Other – *match from non-government sources (example: non-profits, commodity or trade associations, producer groups, etc), if applicable*

Block 19. Executive Order 12372: *consult the following website to determine if this is applicable in your State: [http://www.whitehouse.gov/omb/grants\\_spoc](http://www.whitehouse.gov/omb/grants_spoc) .*

#### K. COVER PAGE

The Cover Page consists of a Proposal Title of no more than 10 words, and the names and contact information of the project leader and other principal partners.

#### L. NARRATIVE (Pages 1-10)

To ensure a fair and equitable competition, the required format is a 12-point font with 1-inch margins. Number the pages in the right hand bottom corner. The Narrative may be in Word (.doc, .docx) or Adobe Acrobat (.pdf), but whichever format is used, the cut/paste function must be operational. The Narrative must include the following sections in order. All sections of the Narrative must be in a sentence format. Do not combine sections into a spreadsheet or table.

### (1) PROJECT SUMMARY

A concise, stand-alone description of and justification for the project. The maximum length is 250 words.

### (2) BACKGROUND AND JUSTIFICATION

Clearly identify the marketing issue, problem, barrier, challenge or opportunity to be addressed and explain why the proposal is important and timely. Provide a brief literature review. Include data or estimates that demonstrate the extent of the problem, the number of agricultural producers or operations affected, and the potential economic impact. Indicate who will benefit and explain how they will benefit from the project. If the proposal:

- Builds on a project funded by the AMS Specialty Crop Block Grant Program, the AMS Farmers Market Promotion Program, or another USDA grant program, briefly describe what has been accomplished already, how the proposal is distinct from the previous work, and how the proposal furthers the ultimate goals of the project.
- Is part of a larger non-FSMIP project, briefly describe how the proposal fits into the larger project and how it is distinct from other aspects of the larger project.
- Is a follow-up to a previously completed FSMIP project, briefly describe what has been accomplished already, how the FSMIP proposal is distinct from the previous project, and how the proposal advances the overall project goals.
- Is similar to or replicates previous FSMIP-funded work done in another State or under another project, describe how the proposal is distinct from such work, and indicate briefly how it will add to the general body of knowledge on this topic. A search function for FSMIP final reports is available at [www.ams.usda.gov/FSMIP](http://www.ams.usda.gov/FSMIP).
- Involves foreign market development, briefly describe efforts taken to ensure this proposal does not duplicate publically available reports or data, and describe how it will fill any data gaps.

### (3) OTHER GRANT PROGRAMS

Indicate if the proposal has been or will be submitted to another Federal grant program, and if so, please identify that grant program.

### (4) GOAL(S), OBJECTIVES AND WORK PLAN

Describe the overall goal(s) in one or two sentences. List and describe the proposal objectives. Explain how each objective will be accomplished and by whom. Also include the expected completion date for each objective or list the major milestones of the project.

If the proposal involves a survey, briefly discuss the nature of the questions that will be asked, the methodology to be used for data collection and analysis, and the population to be surveyed. It is not required, but if it is available, include a draft survey as an appendix. A draft survey does not count toward the 10-page Narrative maximum.

**(5) PROJECT EVALUATION, OUTPUTS AND EXPECTED OUTCOMES**

Describe what the project is expected to accomplish and how it will be evaluated while in progress and upon conclusion. Describe outputs that explain who the target audience is and what activities are to be completed. Describe expected measureable outcomes that explain what knowledge may be gained or what actions may be implemented as a result of the project. Include at least one quantitative metric that will be reported at the beginning and the end of the project to demonstrate impact.

**(6) PROJECT DELIVERABLES AND OUTREACH PLAN**

List any expected deliverables that will result from the project in addition to the required final report. Examples of project deliverables include professional journal or farm press articles, Extension bulletins, manuals. Describe how you will disseminate the project results to the target audience, stakeholders and other interested parties beyond those directly served by the project. Examples of such activities include presentations at professional conferences or producer meetings, and publication of articles in professional journals or the agricultural press, educational brochures, .ppt presentations, survey instruments, and websites.

**(M) BUDGET SPREADSHEET AND BUDGET NARRATIVE**

The Budget Spreadsheet should show the relevant expenditure categories in the far left column and, proceeding across the page, there should be a column showing the dollar amount of FSMIP funds requested and separate columns showing the dollar amount for each of the entities that will provide matching resources. For 2-year projects, provide separate Year 1, Year 2, and cumulative budgets.

The Budget Narrative should explain how the dollar amounts for each category shown on the Budget Spreadsheet were derived and what they cover. Following is guidance on some of the more common expenditures associated with FSMIP projects.

Personnel – Show hourly rates and estimated number of hours, FTEs or percent of time to be spent on the project, and describe the role and responsibilities of each party. If a third party will be hired after the grant is awarded but has not yet been identified, provide a brief description of the qualifications to be sought and the type of wages to be paid hourly, salaried, or graduate assistantship.

Travel – Indicate what the travel includes (mode of travel, how many people, how many days, destination, lodging, meals, etc. as applicable) and how it relates to the project goals.

Contracts – Indicate if the expense represents a flat fee for services, or an hourly rate. Indicate the actual or estimated hourly rate to be applied. List general categories of items the contract covers such as professional services, travel, lodging, administrative expenses, etc.

Indirect Cost – Indicate the rate used to calculate the indirect cost and the source of the rate. The indirect cost rate can be applied to the total project cost (grant + match). The maximum rate that may be used to calculate indirect costs is the indirect cost rate negotiated with the cognizant Federal agency.

Administrative Costs

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

N. OTHER REQUIRED ELEMENTS

(1) PERSONNEL QUALIFICATIONS

Provide a one- to two-page resume of relevant experience and/or qualifications of the principal investigators and for each of the other major project participants. Longer resumes will be disregarded.

(2) DEBARMENT AND SUSPENSION VERIFICATION OF SUB GRANTEES AND CONTRACTORS

Applicants must verify that any sub grantee or contractor named in the application is not suspended or debarred or otherwise excluded from eligibility to receive grant funds. Applicants should provide a statement such as the following:

*I affirm that on <date> I checked the Federal website [www.sam.gov](http://www.sam.gov) and have determined that <name of sub grantee/contractor> is not suspended or debarred or otherwise excluded from eligibility to receive grant funds.*

If the sub grantee or contractor is not currently registered with SAM, the applicant should strongly advise them to register as their status must be verified as a condition for awarding grant funds. If this is the case, provide a statement such as the following:

*<Name of sub grantee/contractor> is not yet registered with SAM, but they have been advised to do so as a condition for participating in this project.*

(3) LETTERS FROM THIRD PARTIES WHO WILL CONTRIBUTE MATCHING RESOURCES

Written verification of commitment from each third party who will contribute cash and/or in-kind matching non-Federal resources to the project is required. Written verification should be in the form of a letter on organization letterhead, and may be addressed either to the State Agency or to the FSMIP Staff Officer. Letters must



accompany the proposal at the time of application. Do not send original letters. Unsigned letters and email messages in lieu of a letter will not be accepted. Clearly indicate at the top of the letter that it is a MATCH letter. Letters of verification must include:

- Organization name, name and title of letter writer, address, telephone number and email address.
- Project title and a reference to FY 2013 FSMIP.
- Total dollar amount of cash contribution and/or a description of the in-kind contribution. For example, if the in-kind contribution is personnel time, include name, title, total dollar amount and an indication of number of hours, percent of salary or FTEs the dollar amount represents.

**(4) LETTER(S) OF SUPPORT FROM STAKEHOLDERS OR BENEFICIARIES**

At least one, and no more than three, letters of support from stakeholders or beneficiaries is required. A third party that contributes resources to the project may write a letter of support, but that letter must be separate from the Match letter discussed in item (3). The letter(s) should be on letterhead and may be addressed either to the State Agency or to the FSMIP Staff Officer. Letters of support must accompany the proposal at the time of application. Do not send original letters. Unsigned letters and email messages in lieu of letters will not be accepted. Form letters are discouraged. Clearly indicate at the top of the letter that it is a SUPPORT letter. Congressional letters of support do not meet this requirement.

## **7. REVIEW PROCESS**

Proposals are evaluated by a team of reviewers. Individual reviewers will evaluate and score their assigned proposals and will then confer with other team members to derive a consensus score which will serve as the basis for awarding and allocating FSMIP grant funds.

Proposals will be evaluated on the criteria listed below. The text under each heading is provided to help applicants understand generally what aspects of their proposals will be evaluated. The text is not meant to be a checklist or to indicate how scores will be weighted.

(1) **QUALITY OF PROPOSAL (40 points)** – the proposal is well-justified; the goals, objectives, and work plan are clear and appropriate; the resources in terms of personnel and time are appropriate for the project scope; and all budget items are allowable, reasonable and clearly described.

(2) **PROGRAM SCOPE (30 points)** –the proposal addresses an important marketing barrier, challenge or opportunity; has a strong research component; and aligns with the legislative and program goals.

(3) **IMPACT** (30 points) – the proposal describes the potential impact it will have on target producers and agribusinesses, and the potential for the proposal to provide new knowledge and lessons learned that could be applied in other States or regions of the country. For small-scale or pilot proposals, the proposal includes recommendations as to how the project could be scaled up or expanded to other States or regions. The proposal includes at least one quantitative metric to demonstrate impact; describes appropriate deliverables in addition to the final report; and outlines a plan to disseminate project results electronically and in person to the target audience, stakeholders, and interested parties beyond those directly served by the project.

## **8. AWARD ANNOUNCEMENT**

For the remainder of this document, the term “grantee” refers to a State Agency that has been awarded a FSMIP grant. The term “subgrantee” refers to a third party who will receive grant funds in the course of carrying out the project.

### Grant Amount

Grants will be awarded at or close to the requested amount, or at a reduced level if mutually agreed upon during the negotiation phase of the application review.

### Grant Agreement

Upon announcement of the grant awards, FSMIP will prepare and send grant agreements to grantees for signature by the appropriate official. Grant agreements consist of a 1-page Agreement Face Sheet (AMS-33) that will be signed by AMS and the grantee, plus a separate document containing detailed grant terms and conditions.

### Start and Ending Dates

The FY 2013 grant period begins September 30, 2013. If the project must begin before the official September 30 start date, the grantee should contact FSMIP upon notification of the award. Written approval from FSMIP to begin the project before September 30 ensures that the grantee will be reimbursed for any pre-award costs incurred, and that any matching resources expended during the pre-award period count toward the one-to-one matching requirement.

### Unsuccessful Applicants

Unsuccessful applicants will be contacted by FSMIP via email as soon as possible after the awards are announced to inform them of the results. Upon request, FSMIP will email unsuccessful applicants a copy of the consensus proposal review.

## **9. POST-AWARD MANAGEMENT**

### Responsibilities of the Grantee

Grantees are responsible for monitoring the performance of all project activities, ensuring that the work is completed within the required time frame, maintaining control

of the project's objectives, and setting policy for all aspects of the project. Following are some of the specific responsibilities:

- Serve as the contact for FSMIP, subgrantees and other project partners about all grant and project matters. Subgrantees and partners should be instructed to communicate directly with the grantee, not with FSMIP, on all matters relating to the project.
- Contact FSMIP immediately if problems arise that will interfere with or delay the project.
- Inform FSMIP immediately if the project contact changes and provide the name, title, telephone number and email address for the new project contact.
- Ensure that both FSMIP funds and matching funds are used only for activities outlined in the approved project and work plan. Use of grant and matching funds must conform to the budget submitted with the application as accepted or as modified by mutual consent before the proposal was approved for funding. However, once a project is underway, grantees may shift expenditures from any one cost category or project element to another without obtaining prior approval from FSMIP, provided that the budget for cost categories or project elements is not increased or decreased by more than 20 percent of the total FSMIP grant amount.
- Instruct sub grantees and any 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 grantee's accounting system. Inform subgrantees and partners that all records relating to the grant must be retained for three years following the end of the grant period.
- Inform sub grantees 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 FSMIP project must be available to the public.
- Report required data about sub grantees who receive sub grants 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 AMS, furnish any records, reports or contracts relating to the project.
- Submit progress reports, a final report, requests for grant funds (SF 270), and a final financial statement (SF 425).

- Seek written approval from FSMIP under the following circumstances:
  - Changes in project leadership;
  - Foreign travel before the travel is taken;
  - Shifts of expenditures from any one cost category or project element to another if the budget for cost categories or project elements is increased or decreased by more than 20 percent of the total FSMIP grant amount;
  - Changes in the project scope or objectives;
  - Need for a no-cost time extension 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.

### Reporting Requirements

Federal Funding Accountability and Transparency Act - Grantees are required to submit certain data about subgrantees who receive a subaward of \$25,000 or more to the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS) database at the [FSRS website](#). FSMIP grantees will receive additional guidance after the awards are announced.

Progress Reports - Progress reports are required at the midpoint of projects approved for one year and at six-month intervals for projects of longer duration. Progress reports should briefly summarize activities performed and milestones achieved for each objective or sub-element of the narrative; note unexpected delays or impediments as well as favorable or unusual developments; outline work to be performed during the succeeding period; and comment on the level of grant funds and matching contributions expended to date on the project. Although a sub grantee or another third party may prepare progress reports, it is nevertheless the grantee's responsibility to review and approve them before forwarding them to FSMIP.

Final Report - A final report of results and accomplishments is due no later than 90 days after the grant ending date. Final reports are required to fulfill the terms of the grant agreement, and they represent an important vehicle for sharing research findings with Federal and State agencies and the public. Although a sub grantee or another third party may prepare the final report, it is nevertheless the grantee's responsibility to review and approve the report before forwarding it to FSMIP. The final report will be posted on the FSMIP website. It must include:

- An outline of the issue or problem. Provide enough background information for the reader to understand the importance of the project. This section may draw from the background and justification contained in the approved project proposal.
- A description of how the issue or problem was approached via the project. Reference the project objectives and work plan.

- A description of the contribution of public or private agency partners in terms of the work performed.
- A summary of results, conclusions, and lessons learned. Lessons learned should cover both positive and negative aspects. Include a discussion of how the project was evaluated and whether or not it met project objectives. To the extent possible, include measurable results. At least one quantifiable metric must be included that indicates the change in status of the project from initiation to completion.
- 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 subgrantee or third party. If the report completed by the subgrantee or third party does not address the points listed above, the grantee is responsible for providing a document that discusses each point.

Any informational leaflets, reports, manuals, publications and professional journal articles that result from a FSMIP project should acknowledge AMS as a cooperator in the project and bear a statement such as the following that credits the grant program: *“State funds for this project were matched with Federal funds under the Federal-State Marketing Improvement Program of the Agricultural Marketing Service, U.S. Department of Agriculture.”* Web pages devoted to the project should also include this information in a prominent location. A similar acknowledgment is required on other media products of the grant such as audio-visuals unless the grantee receives a waiver from FSMIP. If press releases relating to the project are issued, FSMIP should be cited as a source of grant funds. All materials should be made available in an electronic format that complies with Section 508 of the Rehabilitation Act (29 U.S.C. 794d), as amended by the Workforce Investment Act of 1998 (P.L. 105-220), August 7, 1998.

Requests for Payment and Financial Status Reports - It is the grantee’s responsibility to prepare, sign and submit requests for payment (SF 270) and the final financial status report (SF 425). If third parties contribute matching resources, it is the grantee’s responsibility to obtain from them the necessary financial data to

complete SF 270s and the SF 425. Copies of the appropriate forms are available at: [www.whitehouse.gov/omb/grants/grants\\_forms.html](http://www.whitehouse.gov/omb/grants/grants_forms.html).

SF 270 Request for Payment - Grant funds must be requested using the SF 270. Grant funds will be transferred electronically to the bank account information residing in the [Federal System for Award Management \(SAM\)](#). The grantee is responsible for keeping their SAM records up to date. In addition to the request for payments, the SF 270 should indicate the value of any matching funds expended on the project for the period covered by the payment request.

Grant funds should be requested at reasonable intervals during the project. FSMIP will require a justification if the initial drawdown of grant funds is not made in the first year of the grant period, and at reasonable intervals thereafter. Advances are limited to the minimum amount needed to meet current disbursement needs and should be scheduled so that the funds are available to the recipient as close as possible to the actual disbursements.

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

SF 425 Final Federal Financial Report - FSMIP requires only a final SF 425. The final SF 425 must be submitted no later than 90 days after the grant ending date, and it should reflect the cumulative financial activity, including both grant and matching funds, over the entire grant period. The final SF 425 should be scanned and emailed to FSMIP, and the original form should be retained in the grantee's project file.

## **10. RECORD RETENTION AND CLOSEOUT**

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

Closeout - Before the grant can be closed, the grantee must submit the following items to FSMIP no later than 90 days after the grant ending date. After reviewing all documents, FSMIP will email the grantee a closeout letter.

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

## **11. FSMIP CONTACT**

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