U.S. Department of Agriculture

Agricultural Marketing Service

FARMERS’ MARKET PROMOTION PROGRAM

(FMPP)

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FMPP

GRANT PROGRAM

GENERAL TERMS & CONDITIONS

**U.S. Department of Agriculture**

**Agricultural Marketing Service**

**FARMERS’ MARKET PROMOTION PROGRAM**

**GRANT PROGRAM**

**General Terms and C****onditions**

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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" (applicable to all Grantees);

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](http://archives.gov/federal-register/).

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 grant/awardee, subgrant/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](http://www.whitehouse.gov/omb/circulars/).

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> .

# 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. Program Contact for the Grantee – 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 Program 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 program manager’s address, telephone, and facsimile numbers are as follows:

Carmen Humphrey, Branch Chief

Farmers’ Market Promotion Program

Agricultural Marketing Service, USDA  
Room 4509 – South, STOP 0269  
1400 Independence Avenue, SW  
Washington, DC 20250-0269  
Telephone: (202) 720-0933

Facsimile: (202) 690-4152

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 administrative. programmatic and financial capability (including23 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. Tthe 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).

v. This award is subject to the provisions contained in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012, P.L. No. 112-55, Division A, Sections 738 and 739 regarding corporate felony convictions and corporate federal tax delinquencies. Accordingly, by accepting this award the recipient acknowledges that it:

(1) does not have a tax delinquency, meaning that it is not subject to any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, and

(2) has not been convicted (or had an officer or agent acting on its behalf convicted) of a felony criminal violation under any Federal or State law within 24 months preceding the award, unless a suspending and debarring official of the United States Department of Agriculture has considered suspension or debarment of the recipient corporation, or such officer or agent, based on these convictions and/or tax delinquencies and determined that suspension or debarment is not necessary to protect the interests of the Government.

If the recipient fails to comply with these provisions, the Agricultural Marketing Service will annul this agreement and may recover any funds the recipient has expended in violation of Sections 738 and 739.

w. The following trafficking in persons provisions are:

(1) Applicable to a recipient that is a private entity:

(a) You as the recipient, your employees, subrecipients under this award, and subrecipients’ employees may not—

1. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
2. Procure a commercial sex act during the period of time that the award is in effect; or
3. Use forced labor in the performance of the award or subawards under the award.

(b) We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity –

1. Is determined to have violated a prohibition in paragraph w.(1)(a) of this award term; or
2. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph w.(1)(a) of this award term through conduct that is either—

A. Associated with performance under this award; or

B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 7 CFR part 3017.

(2) Applicable to a recipient other than a private entity. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—

(a) Is determined to have violated an applicable prohibition in paragraph w.(1)(a) of this award term; or

(b) Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph w.(1)(a) of this award term through conduct that is either—

(i) Associated with performance under this award; or

(ii) Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 7 CFR 3017.

(3) Applicable to any recipient.You must inform Federal awarding agency immediately of any information you receive from any source alleging a violation of a prohibition in paragraph w.(1)(a) of this award term.

# D. Grantee Standards and Responsibilities

1. General Provisions. The Grantee shall ensure that:

1. It complies with all terms and conditions and the grant agreement. The grant agreement includes:
   1. “AMS Grant Agreement Face Sheet,” which will serve as the grant signature page for the Grantee and AMS representative.
   2. Requirements set forth within the FMPP Guidelines.
   3. This “FMPP Grant General Terms and Conditions,” which contains the requirements for accepting FMPP grant funds, including actions needing prior approval; changes in project contacts, leaders, and staff; performance monitoring; reporting requirements; cost principles; payment request and financial reporting requirements; and assurances and certifications (which replaces Form AD-1047, Form AD-1048, and Form AD-1049).
   4. Administrative requirements [7 CFR part 3015](http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title07/7cfr3015_main_02.tpl), [7 CFR part 3016](http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title07/7cfr3016_main_02.tpl), [7 CFR part 3019](http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title07/7cfr3019_main_02.tpl), and [FAR 31.2.](https://www.acquisition.gov/far/html/Subpart%2031_2.html)
   5. AMS-approved “FMPP Project Proposal Narrative.”
   6. AMS-approved “FMPP Supplemental Budget Summary(ies)” which includes detailed, itemized, and approved costs/budget MS Excel spreadsheet(s).
2. Its organization has the financial stability and capacity to begin and complete the FMPP awarded project.
3. Its organization can ensure proper grant administrative management, and reporting procedures are followed.
4. Grant funds are used only for activities covered by the approved project, workplan, and budget or amendments approved by The Federal Agency.
5. Its organization has adequate internal controls to implement the Federal grant. These internal controls may be requested to be submitted in writing to the Federal Agency at any time during the grant period.
6. It shall monitor the performance of all project activities and any sub-grantees, and ensure that the work is completed within the required time frame
7. It will send the Federal Agency a copy of any contract, subgrantee, or secondary agreement relating to the project.
8. It will file a Federal Funding Accountability and Transparency Act (FFATA) Subaward Report for contractors/subgrantees receiving $25,000 or more in FMPP grant funds.
9. 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.
10. It contacts the Federal Agency office, in writing, 60 days before the grant expiration date to request a no-cost extension if, for any reason, the project cannot be completed within the established time frame. A written or (scanned and signed) emailed letter from the Grantee briefly explaining the need for the extension and specifying a new ending date is required. See section E.5., Extension of Grant Agreement, for additional requirements.

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 for a period of more than 3 months, the Grantee must submit a written request (email is acceptable) to the Federal Agency. Request should contain the new individuals 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. See the FMPP Guidelines for specific changes in Project Leader status.

**The following items require a written request (or email), including signature from the Program Contact for the Grantee AND the Federal Agency (signature or email) before the Grantee proceeds. The Federal Agency will accept a) a faxed document, b) an email and the signed, mailed or faxed written request, c) a PDF file with a signature, or d) an express mail or overnight courier service delivered requests to the Federal Agency contact(s) found in section U. FMPP Contacts.**

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

3. Change in Project Leader. When the primary project contact/Project Leader (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’s organization,

the Grantee has the following prior approval options and responsibilities:

1. **If the PL’s absence is temporary**, the awardee 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).
2. **If the PL severs his/her affiliation with the awardee organization**, the Grantee’s options are:
3. **Replacing the PL on the project** - The awardee 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.
4. **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.

4. Budget Changes. Where a modification to the FMPP 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 Federal Agency. A request for a budget change shall include: (a) a description of the change and (b) a justification for the change, (c) the approved budget (Excel) spreadsheet showing the change by category and line item, and (d) signatures by the Program Contact for the Grantee and the Federal Agency representative.

**Approved indirect amounts cannot be increased during the life of the grant.** With the Federal Agency’s prior approval initiated by a Grantee’s written request for a budget amendment, a portion of the approved indirect budget can be moved for use of approved direct cost expenses. Any such request shall include: (a) a description and amount of the change, (b) a justification for the change, (c) a description of how the change will enhance the project’s goals and objectives, and (d) signature by the organization contact for the Grantee and approval signature or email from the Federal Agency representative.

5. Extension of Grant Agreement.Where an extension of time is required (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 Grantee Program Contact must contain all of the following information:

1. The length of additional time required to complete project objectives and a justification for the extension.
2. A summary of progress to date (status of project timeline and objectives, etc.).
3. An estimate of remaining funds on the scheduled expiration date.
4. A projected timetable to complete the project for which the extension is being requested.
5. Signature or email of the Program Contact for the Grantee and the Federal Agency.

Note: **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. All FMPP awards are limited to not more than 2.5 years in duration from the date the grant agreement was signed by the Grantee, therefore no more than one extension of up to 6 months will be provided for a 2-year grant.

Requests for no-cost extensions of time received after the original grant completion date of the award normally will not be honored. Only in extremely rare circumstances for which there are exceptional extenuating circumstances will requests received after the expiring award date be considered.

# If a Grantee has not requested and received and extension 60 days prior to the end of the grant period, the Federal Agency will de-obligate any remaining grant funds.

# F. **Unallowable Costs**

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

## **General Costs**.

1. Development or participation in lobbying activities including costs of membership in organizations substantially engaged in lobbying.
2. Development or participation in political activities in accordance with provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7324-7326).
3. Costs which lie outside the scope of the approved project(s) and any amendments thereto.
4. Costs incurred after the expiration of grant award period, including no-cost extensions of time.
5. Indirect costs in excess of 10 percent; this limitation also applies to any subcontracts under the funded award.

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

1. Alcoholic beverages.
2. The purchase of food-relative incentives, including bonuses, coupons, and vouchers.
3. International travel and other related expenses.
4. Bad debts, including losses (whether actual or estimated) arising from uncollectable accounts and other claims, related collection costs, and related legal costs.
5. Capital expenditures for general purposes, including purchases of building(s); construction, repair, or rehabilitation of building(s); and land acquisition.
6. Contributions to a contingency reserve or any similar provision (rainy day funds) made for the occurrence of events which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening.
7. Donated or volunteered 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 neither as a direct nor indirect cost.
8. Contributions or donations, including cash, property, and services, made by the Grantee, regardless of the recipient.
9. 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.
10. Airfare costs in excess of the customary standard commercial airfare (coach or equivalent), Federal Government contract airfare, or the lowest commercial discount airfare.
11. 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.
12. 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.

m. 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.

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

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

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

q. This list is not all inclusive. Questions regarding allowability of particular items of cost should be directed to the Program Contact for the FMPP in section U. FMPP Contacts.

# G. Financial Management Standards

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

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

* 1. 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.
  2. Effective control over and accountability for all grant or subgrant funds, 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.
  3. 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.
  4. 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.
  5. 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. Federal Cost Principles, Section F. Unallowable Costs, Section G.1. General Provisions, and the provisions of this grant award.

## **Records**.

1. Grantee and subgrant records shall provide for complete, accurate, and current disclosure of financial and project records.
2. The source and application of funds shall be readily identified by 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 government entity, the records shall contain liabilities.
3. The accounting records shall be supported by source documentation. Source documentations shall 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 through 3019.48.

1. 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.
2. 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.
3. 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’s Records. Grantees shall include a provision for access to the contractor's records by the State Agency 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.

1. 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.
2. 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:

1. The name of the consultant;
2. The nature of the services provided (such as statistical analysis of data, participation on project advisory committee, or specified medical services to eligible beneficiaries);
3. The relevance of the services to the project or program, if not apparent from the nature of the services; and
4. Whichever of the following is applicable:
5. (If the fee was based on a rate per day or hours worked) the rate and the dates and/or hours worked;
6. (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
7. (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**

The Federal Funding Accountability and Transparency Act of 2006 legislation (FFATA or Transparency Act - P.L.109-282, as amended by section 6202(a) of P.L. 110-252)) requires information on Federal awards (Federal financial assistance and expenditures) be made available to the public via a single, searchable Web site, which is www.USASpending.gov. The FFATA Subaward Reporting System (FSRS) is the reporting tool that all Federal Grantees (i.e. grants recipients and contractors) must use to capture and report compensation of $25,000 or more to any subaward (i.e., to contractors or subgrantees). These Grantees are subject to FFATA subaward reporting requirements as outlined in the Office of Management and Budgets guidance issued August 27, 2010. The subaward information entered in FSRS will then be displayed on the USASpending.gov Web site furthering Federal spending transparency.

For the purposes of the FMPP grants, the following applicable FSRS definitions will apply:

**Grantees/awardees** – Entities receiving an FMPP grant greater than or equal to $25,000.

**Subaward** – A FMPP monetary award/funding made to a Grantee who in turn gives FMPP funds to a subrecipient, subgrantee, or subcontractor.

**Subgrantees/Subawardees** – Contractors or other organizations that receive or provide services to an entity receiving an FMPP grant.

FMPP Grantees must file a FFATA subaward report by the end of the month following the month in which the Grantee awards the subgrantee/subawardee $25,000 or more. For example, if a subaward was made on October 15, 2012, the Grantee has until November 30, 2012 to report the subaward information.

The Grantee must report the following information about their subgrantees/subawardees in the FFATA:

* + - * + Name of entity receiving award
        + Amount of award
        + Funding agency – USDA, Agricultural Marketing Service
        + North American Industry Classification System (NAICS) code for contracts / Catalog of Federal Domestic Assistance (CFDA) program number – CFDA #10.168, Farmers Market Promotion Program (FMPP) grants
        1. Program source – USDA, Agricultural Marketing Service, Farmers Market Promotion Program (FMPP) grants
        2. Award title descriptive of the purpose of the funding action
        3. Location of the entity (including congressional district)
        4. Place of performance (including congressional district)
        5. Unique identifier of the entity and its parent; and
        6. Total compensation and names of top five executives (same thresholds as for Grantees)

For more detailed information about reporting using the FSRS system, see the learning module that demonstrates the FSRS reporting tool at www.FSRS.gov; click “FSRS Awardee User Demonstration” under Training Materials.

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”;

1. Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations;
2. Ensure that subgrantees are aware of requirements imposed upon them by Federal statute and regulation;
3. Ensure that a provision for compliance with §3016.42 “Retention and access requirements for records” is placed in every cost reimbursement subgrant; and
4. 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. Payments**

Grantees must request the amount of funds to carry out the project by submitting a complete Request for Advance or Reimbursement Form SF-270 for each payment requested.

All payments, including advances and reimbursements, will be limited to the minimum amount required to meet short-term (3 to 4 month) disbursement needs. The timing and amount of advances shall be as close as is administratively feasible to the actual disbursement by the recipient organization for direct program or project costs and the proportionate share of any allowable indirect costs.

A payment request must include:

1. Cover Letter. A brief letter/memo indicating project progress, purpose of, and type of payment request. Advances and reimbursements must NOT be on the same SF-270.

2. Approved Budget. A copy of the approved FMPP budget in the MS Excel format provided by FMPP showing a new column indicating the request of funds beside the approved budget categories.

3. Signed SF-270. The completed and signed SF-270. No payment will be processed without the authorized representative’s signature. Payments of grant funds must be requested by the same designated organization representative. This individual must request the amount of funds to carry out the project by submitting a completed form SF-270. The original SF-270 form(s) must be submitted to the Federal Agency by mail, express mail, or courier service.

**To expedite the payment requests, payment forms must be faxed or emailed (USDAFMPPPayments@ams.usda.gov).**

Copies of invoice(s), receipt(s), and personnel timesheets must be kept in the records of awarded organizations and must show the specific expenditures incurred during the requested payment period. These invoice(s), receipt(s), and personnel timesheets must be kept by the Grantee as documentation for the Grantee’s grant files and records and must show the specific purchase(s) allotted. This documentation may be reviewed during a site visit or audit.

**NOTE: The Federal Agency will withhold payment(s) if the Grantee fails to submit: 1) any required performance report, or 2) any other document(s) within the terms and conditions of the award, including the submission of all payment documents described above.**

# L. 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 sub grant 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. All program income should be recorded on the Federal Financial Report (SF-425).

# **M. FINANCIAL REPORTING**

Original financial reports, signed by the appropriate organizational representative, must be submitted to the Federal Agency by email, fax, or mail.

##### **1. Report of Federal Cash Transactions**. A “Federal Financial Report” ([Form SF-425](http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5081305&acct=fmpp)) must be submitted every 4 months (or after (the quarterly) payment request) by the Grantee after the receipt of Federal grant funds until the expiration of the grant period. The report must be submitted not later than 45 calendar days after the end of each quarter. The information will used to determine the use of cash provided to the grantee and the organization’s spending practices in correlation to the project performance reports. The SF-425 form can be obtained from the FMPP Website ([www.ams.usda.gov/FMPP](http://www.ams.usda.gov/FMPP)). Please forward the signed copy by e-mail to [USDAFMPPPayments@ams.usda.gov](mailto:USDAFMPPPayments@ams.usda.gov) or mail to address found in Section U. FMPP Contacts.

2. Final Federal Financial Reports. A final submission “Federal Financial Report” ([Form SF-425](http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5081305&acct=fmpp)), is also required no later than 90 days following the project’s ending date. The SF-425 form can be obtained from the FMPP Website ([www.ams.usda.gov/FMPP](http://www.ams.usda.gov/FMPP)). Please forward the signed copy by e-mail to [USDAFMPPPayments@ams.usda.gov](mailto:USDAFMPPPayments@ams.usda.gov) or mail to address found in section U. FMPP Contacts.

**NOTE: FMPP will withhold payment(s) if the awardee fails to submit: 1) any required performance report, or 2) any other document(s) within the terms and conditions of the award, including the submission of all payment and financial reporting documents.**

# **N. Earned Interest**

Grantees and subgrantees shall promptly, but at least quarterly, remit interest earned on advances to the Federal agency. The Grantee or subgrantee may keep interest amounts up to $100 per year for administrative expenses.

Earned interest payments due to AMS will be made by check payable to the “Agricultural Marketing Service” Because packages sent to AMS through the United States Postal Service may be damaged or delayed due to security procedures at USDA Washington DC headquarters, the use of express mail or courier services is required. Express mail or courier submission should be sent to the address shown in section U.

# **O. Performance Monitoring**

Semi-Annual and Final Performance Report should follow/correspond to your logic model activities submitted with the approved narrative. All reports must be formatted and submitted as provided within FMPP Performance Measurement and Evaluation and the FMPP Interim Performance Report and Final Performance Report (templates). A copy of the logic model and project timeline (showing any corrections) must accompany each interim and final report. Reports may be submitted electronically to FMPP via USDAFMPP@ams.usda.gov.

1. Semi-Annual Performance Reports.Performance (progress) reports are required at the midpoint of projects approved for 1 year and at six 6-month intervals for projects of longer duration. If the project is 1 year or less, only one performance report and a final performance report are required.

2. Final Performance Report.Required to fulfill the terms of the grant agreement, but this final performance report also represents an important vehicle for sharing project findings with Federal and State agencies and the public. Please contact FMPP before submission in order to discuss a format suitable (including both hard-copy and electronic copy) for wide distribution and posting on the FMPP Web site. The final performance report of results and accomplishments is due within 90 days following the grant ending date.

**NOTE: The Federal Agency will withhold payment(s) if the Grantee fails to submit: 1) any required performance report, or 2) any other document(s) within the terms and conditions of the award, including the submission of performance reports, payment documents and financial reports.**

# **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 project 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. Award Closeout**

1. General Provisions. 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 and termination of the project.

2. Prime Awardee Closeout. While the Grantee may use its own policies and procedures in closing awards to its recipients, the following shall apply to the closeout of the prime award:

* 1. Before an awarded grant can be closed, a Grantee must submit all required documents no more than 90 days following the project/grant’s end date. The required documents for closeout are: 1) final Performance Report, 2) final Federal Financial Report (SF-425), 3) any project deliverables, and 4) any payment/deobligation (unused grant fund) checks payable to the **U.S. Treasury**. After receipt, review, and approval of these documents, the Federal Agency will email or mail the Grantee a closeout letter.
  2. On a case-by-case basis and with justification explaining the exceptional extenuating circumstances, Grantees may request a no-cost grant extension to utilize funds.
  3. **If a Grantee has not requested an extension within the appropriate time period, the Federal Agency will deobligate any remaining grant funds after the grant period closes** and will email or mail the Grantee a closeout letter. NO FUNDS WILL BE DISPERSED AFTER GRANT CLOSEOUT.

Future grants may be applied for after: 1) completion of the current grant project, 2) the Federal Agency has received and accepted all required documentation and reports (above), AND 3) the Grantee receives the Federal Agency’s close-out letter/documentation.

# R. Suspension/Termination

The Federal Agency, after reasonable notice to the organization, finds that there has been a failure by the organization 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 organization from receipt of future grants.

# S. Awardees and Consecutive Grant Awards

1. Multiple Grants for One Organization in a Funding Year. An eligible entity can submit more than one application for competitive review. However, FMPP will award only one grant per eligible entity in a grant funding year.

2. Consecutive Grants. AMS will not award consecutive grants to any eligible entity. Any entity that has received a grant award may apply for future grants after: 1) completion of the current grant/project, 2) AMS has received and accepted all required documentation and reports for that current grant, AND 3) the awardee has received the Federal Agency’s closeout letter.

1. This non-consecutive grant award process has been implemented in an effort to expand the availability for funding to an increased number of potential applicants. In so doing, the Federal Agency hopes to more effectively broaden support to the rapidly growing numbers of farmers markets, roadside stands, community supported agriculture programs, agritourism activities, and other direct producer-to-consumer marketing channels.
2. An applicant not eligible to apply in the current grant program year may continue supporting FMPP by serving as a peer reviewer during their year of ineligibility. See the Call for Reviewers information, posted all year on the FMPP website, at [www.ams.usda.gov/FMPP](http://www.ams.usda.gov/FMPP).

# T. RECORD RETENTION

In accordance with Federal regulations, grant recipients should retain all records including documentation and receipts relating to the grant for a period of 3 years after the final financial status report has been submitted to FMPP.

# U. FMPP CONTACTS

1. General Questions. Questions about the program should be directed to:

AMS, FMPP Staff

Marketing Grants and Technical Assistance Branch

Marketing Services Division

Transportation and Marketing Programs, AMS, USDA

1400 Independence Avenue, S.W.

Room 4509-South

Washington, D.C., 20250-0269

202/720-0933

[USDAFMPP@usda.gov](mailto:USDAFMPP@usda.gov)

2. Contact for Payments, Financial Reports, and Organizational Changes.Awardees should send payment requests and items listed below to [USDAFMPPPayments@ams.usda.gov](file:///C:\Users\chumphre.AMSMASTER\AppData\Local\Microsoft\Windows\Temporary%20Internet%20Files\Content.Outlook\HL5C8JPO\USDAFMPPPayments@ams.usda.gov). Include the awardee identification number and purpose of the email in the subject line.

* Payments
* Budget amendments
* Financial reports
* Organization (and project) contact changes
* Any other requests

3. Contact for Performance Reports and Project Changes. Awardees should send performance reports and the items listed below to [USDAFMPP@ams.usda.gov](file:///C:\Users\chumphre.AMSMASTER\AppData\Local\Microsoft\Windows\Temporary%20Internet%20Files\Content.Outlook\HL5C8JPO\USDAFMPP@ams.usda.gov).  Include the awardee identification number and purpose of the email in the subject line.

* Performance (Project/Progress/Final) reports
* Requests for project amendments
* Requests for change of project objective and/or scope

**Do not send payment requests and performance reports to the same or incorrect email, as this will delay your payment.**