OMB Approval No.: 0560-0237

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| **FSA-2375 U.S. DEPARTMENT OF AGRICULTURE**  Farm Service Agency  **AGREEMENT TO CONDUCT FINANCIAL MANAGEMENT TRAINING FOR FARM**  **SERVICE AGENCY BORROWERS** |
| ***INSTRUCTIONS:*** *Return this completed form to the FSA State Office.* |
| **PART A – AGREEMENT** |
| 1. This agreement is between vendor and the Farm Service Agency (FSA). FSA has determined that, based on a review of the information submitted to the State Executive Director (SED), the vendor meets the minimum regulatory standards in course content and instructor qualifications to conduct financial management training for FSA borrowers.  2. The goals of borrower training are to improve the borrower's understanding of financial management techniques, and enable borrowers to better analyze and manage their farming operations. Specifically, the borrower will be expected to do the following upon completion of the training *(Check Applicable Boxes)*:  A. Describe the specific goals of the business, describe the changes required to attain the goals, and outline how these changes will occur using present and projected budgets.  B. Maintain and utilize a financial management information system which includes financial and production records, a household budget, a statement of financial condition, and an accrual adjusted income statement. The borrower shall also be able to use the system to make financial and production decisions.  C. Understand and utilize an income statement. Specifically, the borrower must understand the structure and major components of an income statement and its role in analyzing the performance of a business, be familiar with the cash and accrual methods of determining net farm income, and understand the relationship between a balance sheet and an income statement.  D. Understand and utilize a balance sheet. Specifically, the borrower must understand the major components of a balance sheet and its role in analyzing the business, be familiar with the categories of assets and liabilities and be able to provide examples of entries under each. Additionally, the borrower should be familiar with the cost and market methods of valuing assets and liabilities and the advantages of each method.  E. Understand and utilize a cash flow budget. Specifically, the borrower must be able to explain and justify estimates for production and expenses, and analyze the cash flow to identify potential problems.  3. Vendor's responsibilities:  A. The vendor will be responsible for making any necessary training arrangements such as scheduling class, preparing materials, obtaining equipment, and arranging for a meeting location. All costs will be paid by the vendor.  B. The vendor will be responsible for the collection of fees from the borrowers. FSA will not be responsible for any training costs incurred by the borrower. The fees shall be $      .  C. Any modification in the above fees must be approved by SED.  D. The vendor will provide or make available all necessary materials, books, and case studies to the borrower.  E. The vendor will provide FSA with periodic progress reports on each borrower receiving training. The reports will indicate whether the borrower is attending training sessions, completing assignments, and demonstrating an understanding of the course material.  F. The vendor will prepare and administer a final examination to test the borrower's knowledge of the course material. |

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| **PART A - AGREEMENT (CONTINUED)** | | | | |
| G. Upon completion of the training, the vendor will evaluate the borrower's knowledge of the course material and assign a score as follows: | | | | |
|  | Score | Criteria | |  |
|  | 1 | The borrower attended sessions as agreed, satisfactorily completed all assignments, and demonstrated an understanding of the course material. | |  |
|  | 2 | The borrower attended sessions as agreed and attempted to complete all assignments; however, the borrower does not demonstrate an understanding of the course material. | |  |
|  | 3 | The borrower did not attend sessions as agreed and/or did not attempt to complete assignments. In general, the borrower did not make a good faith effort to complete the training. | |  |
| H. The vendor shall provide FSA with a list of the names of the instructors. The vendor shall notify SED of changes in instructors and include the reason for the change, the qualifications of the substitutes, and any additional information requested by SED. Substitutes must meet the qualifications described in the vendor's application.  I. The vendor must provide for the needs of borrowers with disabilities (physical and/or mental conditions).  J. The vendor must provide for the needs of any borrowers for whom English is not their primary language.  K. Training should be offered within a reasonable distance of the borrower's residence.  L. The vendor will have the borrower complete Form FSA-2376, "Borrower Training Course Evaluation," and return it to SED.  4. This agreement shall be in effect for a period of 3 years from the date signed unless revoked by SED or the vendor in writing giving 30 days’ notice. The SED may revoke this agreement if the vendor does not comply with the responsibilities in Item 3 of this agreement. | | | | |
| **PART B - AGENCY OFFICIAL'S SIGNATURE** | | | | |
| 1A. Name of FSA State Executive Director | | | 1D. State Office Name and Address | |
| 1B. Signature | | |
| 1C. Date | | |
| **PART C - VENDOR OR REPRESENTATIVE'S SIGNATURE** | | | | |
| 1A. Name of Vendor's Representative | | | 1D. Address of Vendor | |
| 1B. Signature | | |
| 1C. Date | | |

***Privacy Act Statement:*** *The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a - as amended). The authority for requesting the information identified on this form is the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1921 et. seq.). The information will be used to determine eligibility and feasibility for loans and loan guarantees, and servicing of loans and loan guarantees. The information collected on this form may be disclosed to other Federal, State, and local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in the applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information may result in a denial for loans and loan guarantees, and servicing of loans and loan guarantees. The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.*

**Public Burden Statement (Paperwork Reduction Act):** According to the Paperwork Reduction Act requirement, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0237 and is voluntary. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden by emailing to: askUSDA@usda.gov (OMB NO. 0560-0237).

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