

# Maryland Specialty Crop Block Grant Program-Farm Bill

Federal Fiscal Year 2021 Funding Cycle

# **Request for Proposals**

Updated 2/10/2021

<u>Packet includes</u> General program information Application instructions Evaluation criteria

Application Due Date: 11:59 p.m., April 7, 2021

### Maryland Department of Agriculture - Specialty Crop Block Grant Program FY 2021 Request for Proposals

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### FY20 Maryland Specialty Crop Block Grant Program

**Request for Proposals** 

#### I. General Information

#### CDFA (CATALOG OF FEDERAL DOMESTIC ASSISTANCE) 10.170

The Maryland Department of Agriculture (MDA) is pleased to announce a Request for Proposals (RFP) to award Specialty Crop Block Grant Program (SCBGP) funds for projects that enhance the competitiveness of U.S. grown specialty crops. Funding is provided to state departments of agriculture from the Farm Bill through the U.S. Department of Agriculture's (USDA) Agricultural Marketing Service. The SCBGP allocation formula is the average of the most recent available value of specialty crop cash receipts in the State and the acreage of specialty crop production in the State.

#### A. Available Funds and Project Duration

MDA anticipates approximately \$350,000 will be available in SCBGP funds. Selected applications will be included into the Maryland State Plan and submitted to the USDA for final approval.

Competitive grants will be awarded for projects with a minimum of **\$15,000**. The Maryland SCBGP grants have ranged from \$15,000 - \$140,000. SCBGP grant funds will be awarded for projects up to **2 years** in duration and must conclude by **November 30, 2023**.

More than one project application per applicant may be submitted. Projects may be submitted by a single organization or combined entities. Multi-state projects to address a growing need for solutions to problems that cross state boundaries are also eligible. Contact the SCBGP Program Manager for additional application instructions.

#### **B.** Application & Funding Timing

Grant funds will be disbursed, on a reimbursement basis, when program applications have been submitted and approved by MDA and the USDA. Selected grant projects will not be able to begin project activity and incur eligible project expenses until approval has been received and contracts have been signed between MDA and the grantee. Anticipated project timelines include a start date no earlier than **November 1, 2021** and completion no later than **November 30, 2023**.

#### <u>Timeline</u>

RFP is released Applications due to MDA Applications scored and selected by review committee State application submitted to USDA Announce and Award Funding Project start date All projects conclude no later than February 2021 April 7, 2021 April 2021 May 2021 Fall 2021 November 1, 2021 November 30, 2023

#### C. Funding Priority Areas

To be eligible for a grant, the project(s) must enhance the competitiveness of Maryland grown specialty crops. Priority will be given to projects that have the potential to provide solutions that lead to <u>measurable</u> benefits to the specialty crop industry in Maryland. **Grant funds will not be awarded for projects that provide profit to or directly benefit a specific commercial product or a single organization, institution or individual.** 

#### **Funding Priorities**

Grant applications that focus on one of the areas below will be given priority based on the 2020 Maryland Specialty Crop Block Grant survey.

#### Food Safety Compliance

• Proposed projects should meet specialty crop buyer requirements for mitigating food safety risks.

#### Market Enhancement

 Proposed projects should increase sales product and market share of Maryland specialty crops by leveraging the Maryland's Best brand through cooperative promotion and partnerships for restaurants, grocery stores, institutions, and other businesses.

#### **Research**

 Proposed projects should improve the competitiveness of Maryland specialty crops through research projects such as pest control and disease, soil quality, water efficiency, cleaning\sanitation, water quality for crops or pre\post-harvest handling, manure or composting as it relates to Food Safety Modernization Act.

Research applicants are encouraged to <u>seek at least 5% of the total budget</u> from Maryland specialty crop producers or industry. Research applicants must demonstrate an <u>outreach component</u> to the specified industry impacted by the project.

Eligible applicants may wish to consider submitting grants as it relates to the funding priorities that increase the competitiveness of specialty crop producers which may include beginning farmer, socially disadvantaged farmer or veteran farmer.

A Beginning Farmer or Rancher is defined as an individual or entity that has not operated a farm or ranch for more than 10 years and substantially participates in the operation.

A Socially Disadvantaged Farmer or Rancher is defined as a farmer or rancher who is a member of a Socially Disadvantaged Group. A Socially Disadvantaged Group is a group whose members have been subject to discrimination on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program.

#### **D. Eligible Specialty Crops**

Specialty crops are defined in law as "fruits and vegetables, tree nuts, dried fruits, horticulture, and nursery crops, including floriculture." The USDA maintains a more comprehensive list of eligible specialty crops on its <u>website</u>.

#### E. Ineligible Commodities

The USDA maintains a list of ineligible crops on its website.

#### F. Eligible Applicants

Applicants must have the support of a specific specialty crop organization or group with at least three specialty crop producers. Proposals submitted by individual producers must demonstrate that the potential impact of the project will be for a broader group of similar producers or industry segment. Projects must also be identified as a <u>priority</u> of the industry.

Proposals will be accepted from non-profit organizations, producer organizations, government agencies, universities, and other organizations involved in Maryland agriculture. Applicants must reside in Maryland or their business or educational affiliation must be in Maryland. Those applicants that are non-profit or for-profit, if awarded a grant, will be required to provide verification of their status. Applicants may cooperate with any public or private organization.

All applicants must have a Data Universal Numbering System (DUNS) number, a nine-digit number established and assigned by Dun and Bradstreet, Inc. to uniquely identify business entities. To obtain a DUNS number, call 866-705-5711 or apply online at: <u>http://www.dnb.com/get-a-duns-number.html</u>. The DUNS number needs to be "active" on SAM.gov. Applicants must be in "Active" on SAM.gov.

#### G. Eligible Expenses - Allowable Costs

Grant funds will be paid to recipients for approved expenditures on a *reimbursement basis*. Grant recipients must have the financial capability to pay project expenses up-front and may request reimbursement quarterly.

All costs must be associated with project activities that enhance the competitiveness of specialty crops. See Attachment <u>2 CFR Part 225</u> for further guidance on cost principles.

See Attachment A for further examples of Allowable Costs.

#### H. Matching Funds

Matching funds are not required; however, the levels and sources of matching funds are a key criterion for evaluating proposals. Proposals that demonstrate applicant commitment to the project that maximizes the leveraging of funds will be considered.

If matching funds are proposed, the recipient must keep complete records that identify and document the specific costs or contributions proposed to meet the match or cost-share, the source of funding or contributions, and document how the valuation was determined.

#### I. Federal Cost Principles

Federal cost principles are used to determine allowable costs and ensure consistent treatment of costs. Applicants are responsible for identifying the federal cost principles appropriate to their organization and for ensuring consistent application of cost principles to the SCBGP grant funds. Applicants are responsible for ensuring contractors or consultants comply with applicable federal cost principle requirements.

State, local or tribal governments, non-profit organizations, colleges and universities will be subject to 2 CFR 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. For-profit organizations will be subject to 48 CFR Subpart 31.2. All organization types are subject to 7 CFR 3015 and 7 CFR 3052.

#### J. Record Requirements

The grantee will be responsible for setting up and maintaining a project file that contains all records of correspondence with MDA, receipts, invoices and copies of all reports and documents associated with the project. The grantee shall retain all data and other records relating to the acquisition and performance of the grant award agreement for three years after the completion of the agreement. All records shall be subject to inspection and audit by state personnel at reasonable times. Upon request, the grantee shall produce a legible copy of any or all such records.

#### K. Monitoring

MDA reserves the right to perform site monitoring visits to all grantees to ensure that work is progressing within the required time frame and that fiscal procedures are followed accurately and appropriately. Monitoring includes both financial and program information, as well as site visits.

#### L. Liability

MDA will not be held liable for any costs incurred by any firm for work performed in the preparation and production of a proposal, nor for any work performed prior to the formal execution of the contract.

#### **II. Application Instructions & Requirements**

#### A. Required Application Format

New this year, eligible applicants will apply electronically using the <u>Maryland OneStop</u> portal. The online application will be available beginning February 17, 2021.

#### The online application includes the following information:

- Each application includes contact information for the applicant administering the project under contract with MDA, a title that describes the project, EIN and DUNS number. Include a screenshot of the SAM.gov website with your DUNS number. Also include a screenshot of your organization or business in "Good Standing" on SDAT. Use the form provided. Do not modify its format and do not make your own form.
- 2. <u>Project Description</u> Provide a **one-sentence** description of the project as well as a project summary of no more than 250 words for dissemination to the public. A Project Summary includes:
  - 1. The name of the applicant organization that will establish an agreement or contractual relationship with the Maryland Department of Agriculture to lead and execute the project,
  - 2. A concise outline the project's outcome(s), and
  - 3. A description of the general tasks to be completed during the project period to fulfill this goal.

#### FOR EXAMPLE:

The ABC University will mitigate the spread of citrus greening (Huanglongbing) by developing scientificallybased, practical measures that can be implemented in a quarantine area with results disseminated to stakeholders through grower meetings and field days.

#### 3. Project Purpose –

- Provide the specific issue, problem or need that the project will address
- List the objectives this project intends to achieve

#### 4. Project Beneficiaries –

- Describe who and how many people or companies will benefit from the project provide an estimated number?
- Describe whether the project directly benefits socially disadvantaged farmers. USDA defines a socially disadvantaged farmer or rancher as a farmer or rancher who is a member of a socially disadvantaged group, which is a group whose members have been subject to discrimination on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program.
- **Describe whether this project directly benefits beginning farmers.** USDA defines a beginning farmer or rancher as an individual or entity that has not operated a farm or ranch for more than 10 years and substantially participates in the operation.
- 5. <u>Project Continuation Information</u> If the project is continuing the efforts of a previously funded SCBGP project, address the following:
  - Describe how this project will build upon and differ from the previous project;
  - Summarize the outcomes (or potential outcomes) of the previous efforts (3-5 sentences);
  - Provide lessons learned on potential project improvements:
    - What was learned from implementing this project, including potential improvements?
    - How are the lessons learned and improvements being incorporated into the ongoing project to make it more effective and successful at meeting goals and outcomes?
  - Describe the likelihood of the project becoming self-sustaining and not depending on grant funding indefinitely.
- 6. <u>Other Support from Federal or State Grant Funding</u> The SCBGP will not fund duplicative projects. If you submitted this project to a Federal or State funding source other than the SCBGP for funding, identify the funding and describe how your project differs from or supplements the other funded project.
- <u>External Project Support</u> Describe the specialty crop stakeholders who support this project and why (other than the applicant and organizations directly involved in the project implementation). You can reference your support letters in this section.
- 8. <u>Expected Measurable Outcomes</u> each project submitted must include at least one of the outcomes listed below, and at least one of the indicators listed underneath the selected outcome(s). If there are multiple sub-indicators under the selected indicator, select at least one. Keep in mind, the more outcomes and indicators you list, the more information you'll need to report. If you do not use one of the eight outcomes

#### FOR EXAMPLE:

#### Outcome 2, Indicator 1.a.

Of the  $\underline{150}$  total number of children and youth reached,  $\underline{132}$  will gain knowledge about eating more specialty crops.

and the listed indicators, the application will be ineligible. The outcomes and indicators were approved by the Office of Management and Budget (OMB) to evaluate the performance of the SCBGP on a national level. The progress of each indicator must be reported in the annual report and the results in the final report.

#### Outcome 1: To enhance the competitiveness of specialty crops through increased sales

*Indicator:* Sales increased from \$\_\_\_\_\_to \$\_\_\_\_and by\_\_\_\_percent, as result of marketing and/or promotion activities

#### Outcome 1 and its Indicator are mandatory for all marketing and promotion projects.

Marketing and promotion projects focus efforts to sell, advertise, promote, market, and generate publicity, attract new customers, or raise customer awareness for specialty crops or a specialty crop venue. These include, but are not limited to:

- Uses of social media to market and promote;
- Specialty crop local, regional and national campaigns;
- Specialty crop only tradeshows;
- Website promotion and development;
- Use/development of billboards, radio, television, magazine and email ads, marketing materials such as direct mail, brochures;
- > Agritourism;
- Export market development;
- Retail promotions including point-of-purchase items, labels, packaging etc.;
- Farmers market promotions; and marketing and promotion campaigns with an education component directed to consumers

The specific measure must be expressed as a dollar value and percentage increase in sales of one or more specialty crops in one or more States or foreign markets as a result of marketing and/or promotion activities. For example, an expected outcome of growth in sales from 5% to 10% is not acceptable by itself, but in combination with an increase in sales of \$1 million to \$2 million is acceptable.

This requirement means that an established baseline of sales in dollars should already exist at the time of application. For projects that do not already have a baseline of sales in dollars, one of the objectives of the project must be to determine such a baseline in order to meet the requirement to document the value of sales increases by the end of the project.

# Outcome 2: Enhance the competitiveness of specialty crops through increased consumption *Indicators:*

- 1. Of the \_\_\_\_\_total number of children and youth reached,
  - a. The number that gained knowledge about eating more specialty crops:
  - b. The number that reported an intention to eat more specialty crops:
  - c. The number that reported eating more specialty crops:
- 2. Of the \_\_\_\_\_total number of adults reached,
  - a. The number that gained knowledge about eating more specialty crops:
  - b. The number that reported an intention to eat more specialty crops:
  - c. The number that reported eating more specialty crops:

- 3. Number of new and improved technologies and processes to enhance the nutritional value and consumer acceptance of specialty crops (excluding patents):
- 4. Number of new specialty crops and/or specialty crop products introduced to consumers:

# Outcome 3: Enhance the competitiveness of specialty crops through increased access and awareness

Indicators:

- 1. Of the \_\_\_\_\_\_total number of consumers or wholesale buyers reached,
  - a. The number that gained knowledge on how to access/produce/prepare/preserve specialty crops:
  - b. The number that reported an intention to access/produce/prepare/preserve specialty crops:
  - c. The number that reported supplementing their diets with specialty crops that they produced/preserved/obtained/prepared:
- 2. Of the \_\_\_\_\_\_total number of individuals (culinary professionals, institutional kitchens, specialty crop entrepreneurs such as kitchen incubators/shared-use kitchens, etc.) reached,
  - a. The number that gained knowledge on how to access/produce/prepare/preserve specialty crops:
  - b. The number that reported an intention to access/produce/prepare/preserve specialty crops:
  - c. The number that reported supplementing their diets with specialty crops that they produced/prepared/preserved/obtained:
- 3. Number of existing delivery systems/access points of those reached that expanded and/or improved offerings of specialty crops
  - a. \_\_\_\_\_farmers markets
  - b. \_\_\_\_produce at corner stores
  - c. \_\_\_\_\_school food programs and other food options (vending machines, school events, etc.)
  - d. \_\_\_\_\_grocery stores
  - e. \_\_\_\_\_wholesale markets
  - f. \_\_\_\_\_food hubs that process, aggregate, distribute, or store specialtycrops
  - g. \_\_\_\_\_home improvement centers with lawn and garden centers
  - h. \_\_\_\_lawn and garden centers
  - i. \_\_\_\_\_other systems/access points, not noted
  - j. \_\_\_\_\_total (if not reported above)
- 4. Number of new delivery systems/access points offering specialty crops
  - a. \_\_\_\_\_farmers markets
  - b. \_\_\_\_produce at corner stores
  - c. \_\_\_\_\_school food programs and other food options (vending machines, school events, etc.)
  - d. \_\_\_\_\_grocery stores
  - e. \_\_\_\_\_wholesale markets

- f. \_\_\_\_\_ food hubs that process, aggregate, distribute, or store specialtycrops
- g. \_\_\_\_\_home improvement centers with lawn and garden centers
- h. \_\_\_\_lawn and garden centers
- i. \_\_\_\_\_other systems/access points, not noted
- j. \_\_\_\_\_total (if not reported above)

Outcome 4: Enhance the competitiveness of specialty crops though greater capacity of sustainable practices of specialty crop production resulting in increased yield, reduced inputs, increased efficiency, increased economic return, and/or conservation of resources.

#### Indicators:

- 1. Numbers of plant/seed releases (i.e., cultivars, drought-tolerant plants, organic, enhanced nutritional composition, etc.) \_\_\_\_\_
- 2. Adoption of best practices and technologies resulting in increased yields, reduced inputs, increased efficiency, increased economic return, and conservation of resources (select at least one below).
  - a. Number of growers/producers indicating adoption of recommended practices:
  - b. Number of growers/producers reporting reduction in pesticides, fertilizer, water used/acre:
  - c. Number of producers reporting increased dollar returns per acre or reduced costs per acre:
  - d. Number of acres in conservation tillage or acres in other best managementpractices:

**3**. Number of habitat acres established and maintained for the mutual benefit of pollinators and specialty crops:

# Outcome 5: Enhance the competitiveness of specialty crops through more sustainable, diverse, and resilient specialty crop systems

Indicators:

- Number of new or improved innovation models (biological, economic, business, management, etc.), technologies, networks, products, processes, etc. developed for specialty crop entities including producers, processors, distributors, etc.:
- 2. Number of innovations adopted:
- 3. Number of specialty crop growers/producers (and other members of the specialty crop supply chain) that have increased revenue expressed in dollars:
- Number of new diagnostic systems analyzing specialty crop pests and diseases: [Diagnostic systems refer to, among other things: labs, networks, procedures, access points.]
- 5. Number of new diagnostic technologies available for detecting plant pests and diseases:

[The intent here is not to count individual pieces of equipment or devices, but to enumerate technologies that add to the diagnostic capacity.]

6. Number of first responders trained in early detection and rapid response to combat plant pests and diseases:

- 7. Number of viable technologies/processes developed or modified that will increase specialty crop distribution and/or production:
- 8. Number of growers/producers that gained knowledge about science-based tools through outreach and education programs:

# Outcome 6: Enhance the competitiveness of specialty crops through increasing the number of viable technologies to improve food safety

Indicators:

- 1. Number of viable technologies developed or modified for the detection and characterization of specialty crop supply contamination from foodbornethreats:
- 2. Number of viable prevention, control and intervention strategies for all specialty crop production scales for foodborne threats along the production continuum:
- 3. Number of individuals who learn about prevention, detection, control, and intervention food safety practices and number of those individuals who increase their food safety skills and knowledge:
- 4. Number of improved prevention, detection, control, and intervention technologies:
- 5. Number of reported changes in prevention, detection, control, and intervention strategies:

# Outcome 7: Enhance the competitiveness of specialty crops through increased understanding of threats to food safety from microbial and chemical sources *Indicators:*

### Number of projects focused on:

- 1. Increased understanding of fecal indicators and pathogens:
- 2. Increased safety of all inputs into the specialty crop chain:
- 3. Increased understanding of the roles of humans, plants and animals asvectors:
- 4. Increased understanding of preharvest and postharvest process impacts onmicrobial and chemical threats:
- 5. Number of growers or producers obtaining on-farm food safety certifications (such as Good Agricultural Practices or Good Handling Practices):

Outcome 8: Enhance the competitiveness of specialty crops through enhancing or improving the economy as a result of specialty crop development.

Indicators:

- 1. Number of new rural careers created:
- 2. Number of new urban careers created:
- 3. Number of jobs maintained/created:
- 4. Number of small businesses maintained/created:
- 5. Increased revenue/increased savings/one-time capital purchases (indollars):
- 6. Number of new beginning farmers who went into specialty cropproduction:
- 7. Number of socially disadvantaged famers who went into specialty cropproduction:

#### Data Collection to Report on Outcomes and Indicators

Once you have chosen the outcome and defined the indicator, explain how you will collect the required data to report on the outcome and indicator, i.e. Grower, participant or beneficiary web survey, written evaluation after educational presentation, identification through one on one personal meetings, etc.

- 9. **<u>Budget Narrative and Summary</u>** -The budget narrative and summary will list each project cost item below:
  - **Personnel** Persons employed by the grantee organization to work on the project should be listed in this category. The duties must be directly related to the project application. For each paid project participant, indicate title, percent of full time equivalents to be spent on the project (FTE) or number of hours to be spent on grant, and corresponding salary for the FTE. Include an explanation of each individual's duties/responsibilities for the project. Individuals not employed by your organization should be included under *Contractual*.
  - **Fringe Benefits** Provide the rate of fringe benefits for each project participant's salary described in the personnel section.
  - **Equipment** Equipment is defined as items of property having a useful life of more than one year and an acquisition cost of \$5,000 or more per item. If the cost is under \$5,000, then include these items under Supplies. Only equipment rental or depreciation can be charged to the grant.
  - **Supplies** List all items with acquisition cost under \$5,000. This includes anything from office supplies and software to educational or field supplies. **Be specific**, list all items to be purchased. For non-typical materials and supply items, include a brief narrative of how the items fit with the project.
    - For example, Office supplies such as pens, paper, toner, etc \$500 Gardening supplies such as soil and fertilizer - \$500
  - **Travel Expenses** Follow federal requirements for reimbursement rates for mileage, hotel, vehicle rental, or air fare.
    - Travel costs for individuals not employed by the applicant organization must be listed under Contractual.
    - Travel costs may not exceed those established by the Federal Travel Regulation, issued by GSA.
    - Provide the following information for each trip, if applicable:
      - Trip destination;
      - Purpose of trip;
      - Type of expense (airfare, car rental, mileage, etc.);
      - Number of days traveling;
      - Estimated number of miles and mileage rate;
      - Estimated ground transportation costs;
      - Number of travelers claiming expense; and
      - Total funds requested for each expense;

- **Contractual** Provide a short description of the services each contract covers and include the flat rate fee OR the total hourly rate fee for each contract.
  - Contractual hourly rates cannot exceed GS-15, step 10 for your area. To access the GS-15 step 10 rate, visit the website below and click on 2017 General Schedule and Locality Pay Tables. http://www.federaljobs.net/salarybase.htm. If contractor employee and consultant hourly rates of pay exceed the salary of a GS-15 step 10 Federal employee in your area, provide a justification for the expenses.
  - You must indicate that all contractual work on the grant will follow your organization's procurement practices.
- **Other** Include any expenses not covered in any of the previous budget categories:
  - Conferences/Meeting Costs of holding a conference or meeting are included in this category.
  - Speaker/Trainer Fees Provide the amount of the speaker's fees and a description of the services they are providing.
  - Publication Costs Provide the estimated cost of printing of brochures and other program and outreach materials.
  - Data Collection Provide the estimated cost of collecting performance data to measure the project outcomes.
- **Project Income** Program income is gross income—earned by a recipient under a grant—directly generated by the grant-supported activity, or earned only because of the grant agreement during the grant period of performance. Program income includes fees for services performed; the sale of commodities or items fabricated under an award (this includes items sold at cost if the cost of producing the item was funded in whole or in part with grant funds); registration fees for conferences, etc.
- **Matching Funds** –If any matching funds will be used, the expenses to be covered with matching funds must be described separately.

10. Letters of Support –Letters should demonstrate that there is external support for the project. <u>Support</u> <u>letters should also be signed and on the organization's letterhead.</u>

11. Tax-Exempt Organizations will be required to submit Form 990 with application.

#### **B. Application Due Date**

MDA must receive completed applications no later than 11:59 pm **p.m. on Wednesday, April 7, 2021**.

#### C. Contact Information

Applications must be emailed to: <u>Karen.fedor@maryland.gov</u>. You're strongly encouraged to discuss your application with Karen via email or at 410-841-5773.

#### D. Specialty Crop Block Grant Program Checklist

- Contact Information
  - <u>Check your DUNS number on SAM.gov and business in good standing with the State of Maryland on</u> <u>SDAT. Include screenshots in your application</u>
- Project Description
- Project Purpose
- Project Beneficiaries
- Project Continuation Information
- Other Project Funding
- External Project Support
- Expected Measurable Outcomes
- □ Budget Narrative and Summary
- □ Grant Program Accounting System and Financial Capability Questionnaire
- □ Letters of Support
- 990 Form (if applicable)

#### III. Grant Awards and Reporting

#### A. Application Evaluation Process

All applications will be reviewed by a team of MDA and external reviewers after the grant application submittal deadline. The external review committee is made up of representatives from the specialty crop industry, lending institutions, economic development and producers. Applications are evaluated on the merits of the proposals based on the evaluation criteria listed in Attachment A. Final decisions may include other factors such as beneficiaries and past recipient performance on previous Specialty Crop Block Grants.

Applicants will be notified during the review process if adjustments to the application's scope of work and/or project budgets are necessary. Applicants will be notified by MDA after the review process whether or not the proposal was selected to be included in the Maryland State Plan which will be submitted to USDA in May.

See Attachment B for Evaluation Criteria.

#### B. Notification of Award

Upon USDA approves the Maryland State Plan, applicants will be notified in writing whether or not they will receive a grant award. MDA anticipates that grant awards and notification will be made in November 2019.

#### C. Grant Award Agreement and Payment

Prior to beginning work on the proposed project or spending any funds, each successful applicant will be required to sign a Grant Award Agreement with the MDA indicating their intention to complete the proposed tasks and authorizing MDA to monitor the progress of the proposed project.

Grant Award Agreements must be signed and returned to MDA <u>within 90 days of receipt</u>. Failure to submit an executed copy of the Grant Award Agreement within 90 days of receipt may result in the loss of awarded grant funds, unless the delay is approved by MDA.

Requests for reimbursements will be accepted quarterly. Each reimbursement request must include an itemized invoice, documentation of the work, and proof of paid expenses. Itemization shall include the purpose, amount and date incurred.

To receive reimbursement, grantees must provide assurance that the work has been completed (i.e. include receipts, paid invoices) and clearly outline expenditures on the Request for Reimbursement Form. Twenty percent of the grant funds will be retained until receipt and USDA approval of final program report.

See Attachment C for MDA's General Terms and Conditions.

#### **D.** Reporting Requirements

MDA reserves the right to modify reporting requirements during the course of the project. All interim and final reports must be submitted using the required format.

<u>Annual Reports</u> – Each grantee is required to submit an annual report during the grant period, usually at the beginning of November. These reports shall summarize project activities and progress made since the last report submitted, timeliness of project (ahead or behind proposed timeline), externalities that effected progress/delays, expectations for the next period and a summary of costs and reimbursement requested.

**Final Reports** - A **final performance report** will be required within 60 days following the end date of the grant agreement. The final report will be posted on the USDA-AMS web sites and is important for sharing project findings with Federal and State agencies and the public. In addition to the final project report, MDA reserves the right to conduct a follow-up survey of funded projects to determine long-term impacts of the project.

**Budget Adjustments** - If a material change (20% or greater) in the budget is needed during the project period, a written request must be made to MDA to reallocate budget funds between budget categories.

#### **Attachment A**

#### Allowable and Unallowable Costs and Activities

The following table summarizes allowable and unallowable costs in common categories for SCBGP per USDA AMS Grants Office. This section is not intended to be all-inclusive. The recipient should consult the Federal Cost Principles (Subpart E-Cost Principles of 2 CFR § 200) for the complete explanation of the allowability of costs. If recipients have questions concerning the allowability of costs after reviewing this section, they should contact Karen Fedor at karen.fedor@maryland.gov.

Cost Category	Description and Guidance
Advisory Councils	Unallowable for costs incurred by advisory councils or committees.
Alcoholic Beverages	<b>Unallowable</b> for alcoholic beverages unless the cost is associated with fulfilling the purpose of the grant program and either approved in the application or with prior written approval.
Buildings and Land – Construction	<ul> <li>Unallowable for the acquisition of buildings, facilities, or land or to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations of an existing building or facility (including site grading and improvement, and architecture fees). This also includes construction and construction-related materials, which may include, but are not limited to, the purchase of building materials such as wood, nails, concrete, asphalt, roofing, gravel, sand, paint, insulation, drywall, or plumbing. <i>Allowable</i> for rental costs of land and building space. However, lease agreements to own (i.e., lease-to-own or rent-to-own) are not allowable. The lease or rental agreement must terminate at the end of the grant cycle.</li> <li>A building is any permanent structure designed or intended for support, enclosure, shelter or protection of people, animals or property, and having a permanent roof supported by columns or walls.</li> </ul>

Conferences	<i>Allowable</i> if the conference fulfills the purpose of a grant program's
contenentes	legislated purpose. Allowable conference costs paid by the non-Federal
	recipient as a sponsor or host of the conference may include rental of
	facilities, speakers' fees, costs of meals (see <u>Meals</u> for restrictions), and
	refreshments, local transportation, and other items incidental to such
	conferences with the exception of entertainment costs that are unallowable.
	If registration fees are collected, the recipient must report fees as program
	income (see <u>Program Income</u> ).
	<b>Allowable</b> to rent a building or room for training; however, where
	appropriate, AMS encourages the use of technologies such as webinars,
	teleconferencing, or videoconferencing as an alternative to renting a building
	or a room. The recipient should use the most cost-effective facilities, such as
	State government conference rooms, if renting a
	building or a room is necessary.
Contingency Provisions	<b>Unallowable</b> for miscellaneous and similar rainy-day funds for events the
	occurrence of which cannot be foretold with certainty as to the time or
	intensity, or with an assurance of their happening. Unallowable
	for working capital for activities/items not already in place.
Contractual/Consultant	Allowable subject to limitations. Contractual/consultant costs are expenses
Costs (Professional	associated with purchasing goods and/or procuring services performed by
Services)	an individual or organization other than the recipient in the form of a
	procurement relationship.
	Allowable for contractor/consultant employee rates that do not exceed the
	salary of a GS-15 step 10 Federal employee in the area (for more
	information, visit the <u>OPM</u> website) and travel that is reasonable and
	necessary. This does not include fringe benefits, indirect costs, or other
	expenses. If rates exceed this amount, the recipient is required to justify the
	allowability of the cost aligning with <u>2 CFR § 200.317-326</u> .
Contributions or	Unallowable for contributions or donations, including cash, property, and
Donations	services, made by the recipient to other entities. A non-Federal entity using
	grant funds to purchase food or services to donate to other
	entities and/or individuals is unallowable.
Electronic Benefit Transfer	Unallowable for the purchase/lease of Supplemental Nutrition Assistance
(EBT) Machines	Program (SNAP) EBT equipment.

Entertainment Costs	Unallowable for entertainment costs including amusement, diversion, and
	social activities and any costs directly associated with such costs (such as
	bands, orchestras, dance groups, tickets to shows, meals, lodging, rentals,
	transportation, and gratuities). Entertainment costs are defined in <u>2 CFR §</u>
	200.438.
	Allowable where the specific cost is considered to meet the requirements
	of the sponsored program and are authorized in the
	approved budget or with prior written approval.
Equipment	<b>Unallowable</b> for acquisition costs of general purpose equipment or lease
	agreements to own (i.e., lease-to-own or rent-to-own).
	Allowable for rental costs of general purpose equipment when provided in
	the approved budget or with prior written approval. Vehicles may be leased
	but not purchased. The lease or rental agreement must terminate at the
	end of the grant cycle.
	For vehicle and equipment leases or rentals with an acquisition cost that
	equals or exceeds \$5,000, rates should be in light of factors such as: rental
	costs of comparable vehicles and equipment, if any; market conditions in
	the area; alternatives available; and the type, life expectancy, condition,
	and value of the vehicle or equipment leased. Allowable when provided in
	the approved budget or with prior written approval for acquisition costs
	and rental costs of special purpose equipment provided the following
	criteria is met:
	<ol> <li>Necessary for the research, scientific, or other technical activities of the grant agreement;</li> </ol>
	2) Not otherwise reasonably available and accessible;
	<ol> <li>The type of equipment is normally charged as a direct cost by the organization;</li> </ol>
	4) Acquired in accordance with organizational practices;
	5) Must be used solely to meet the legislative purpose of the
	grant program and objectives of the grant agreement;
	<ol> <li>More than one single commercial organization, commercial product, or individual must benefit from the use of the anying anti-</li> </ol>
	equipment;
	<ol> <li>Must not use special purpose equipment acquired with grant funds to provide services for a fee to compete unfairly with private</li> </ol>
	companies that provide equivalent services; and
	8) Equipment is subject to the full range of acquisition, use,
	management, and disposition requirements under <u>2 CFR §</u> <u>200.313</u> as applicable.
	Definitions
	<i>Equipment</i> is defined as tangible personal property (including information
	technology systems) having a useful life of more than one year and a per-
	unit acquisition cost that equals or exceeds the lesser of the capitalization
	level established by the non-Federal entity for financial statement purposes,
	or \$5,000.
	Acquisition cost means the cost of the asset including the cost to prepare the
	asset for its intended use. Acquisition cost for equipment is the net invoice
	price of the equipment, including the cost of any modifications, attachments,
	accessories, or auxiliary apparatus necessary to make it usable for its
	acquired purpose.

	General Purpose Equipment means equipment that is not limited to
	technical activities. Examples include office equipment and furnishings,
	modular offices, telephone networks, information technology equipment
	and systems, air conditioning equipment, reproduction and printing
	equipment, and motor vehicles.
	Special Purpose Equipment is equipment used only for research,
	scientific, or technical activities.
Farm, Gardening, and	<b>Unallowable</b> for farm, gardening, and production activities, materials,
Production Activities	supplies, and other related costs including but not limited to soil, seeds,
and Supplies	shovels, gardening tools, greenhouses, and hoop houses.
	Allowable where the specific cost is considered to meet the
	requirements of the sponsored program and are authorized in the
	approved budget or with prior written approval.
Fines, Penalties,	<b>Unallowable</b> for costs resulting from violations of, alleged violations of, or
Damages and Other	failure to comply with, Federal, state, tribal, local, or foreign laws
Settlements	and regulations.

Fundraising and Investment	Unallowable for organized fundraising, including financial campaigns, solicitation
Management Costs	of gifts and bequests, and similar expenses incurred to raise capital or obtain
	contributions, regardless of the purpose for which the funds will be used. This
	includes salaries of personnel involved in
	activities to raise capital.
Goods or Services for	Unallowable for costs of goods or services for personal use of the recipient's
Personal Use	employees regardless of whether the cost is reported as taxable income to
	the employees.
Indirect Costs	Unallowable for indirect costs.
Insurance and	Allowable when provided in the approved budget or with prior written
Indemnification	approval as indirect costs for insurance and indemnification.
Lobbying	Unallowable as defined in <u>2 CFR § 200.450</u> .
Meals	Unallowable for business meals when individuals go to lunch or dine together
	although no need exists for continuity of a meeting. Such activity is considered
	an entertainment cost.
	Unallowable for conference attendee breakfasts. It is expected attendees will
	have adequate time to obtain this meal on their own before a conference begins.
	<b>Unallowable</b> for meal costs that duplicate a meeting participant's per diem or
	subsistence allowances.
	Allowable for lunch or dinner meals if the costs are reasonable, and a
	justification is provided that such activity maintains the continuity of the meeting
	and to do otherwise will impose arduous conditions on the meeting participants.
	Allowable for meals consumed while in official travel status. They are
	considered per diem expenses and should be reimbursed in accordance with the
	organization's established written travel policies.

Memberships, Subscriptions, and Professional Activity Costs	<b>Unallowable</b> for costs of membership in any civic or community organization. <b>Allowable</b> for costs of membership in business, technical, and professional organizations when provided in the approved budget or with prior written approval.
Organization Costs	<ul> <li>Unallowable for costs of investment counsel and staff and similar expenses incurred to enhance income from investments.</li> <li>Allowable with prior approval for organization costs per <u>2 CFR §</u></li> <li>200.455.</li> </ul>
Participant Support Costs	<b>Allowable</b> when provided in the approved budget or with prior written approval for such items as stipends or subsistence allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with approved conferences, training projects, surveys, and focus groups.
Political Activities	<b>Unallowable</b> for development or participation in political activities in accordance with provisions of the Hatch Act ( <u>5 U.S.C.§§ 1501-1508</u> and §§ <u>7324-7326</u> ).
Pre-Award Costs	Allowable when provided in the approved budget or with prior written approval if such costs are necessary for efficient and timely performance of the project's scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award. A recipient may incur pre-award costs 90 calendar days before the award. Expenses more than 90 calendar days pre-award require prior approval. These costs and associated activities must be included in the recipient's project narrative and budget justification. All costs incurred before the award are at the potential recipient's risk. The incurrence of pre-award costs in anticipation of an award imposes no obligation on AMS to award funds for such costs.
Printing and Publications	<b>Allowable</b> to pay the cost of preparing informational leaflets, reports, manuals, and publications relating to the project; however, the printing of hard copies is discouraged given the prevalence of electronic/virtual publication means.
Rearrangement and Reconversion Costs	<ul> <li>Allowable as indirect costs with prior approval for cost incurred for ordinary and normal rearrangement and alteration of facilities.</li> <li>Allowable as direct costs with prior approval for special arrangements and alterations costs incurred specifically for the award.</li> <li>Rearrangement and reconversion costs are those incurred in restoring or rehabilitating the non-Federal entity's facilities to approximately the same condition existing immediately before the start of the grant agreement, less costs related to normal wear and tear.</li> </ul>
Salaries and Wages	<b>Allowable</b> as part of employee compensation for personnel services in proportion to the amount of time or effort an employee devotes to the grant-supported project or program during the period of performance under the Federal award, including salaries, wages, and fringe benefits. Such costs must be incurred under formally established policies of the

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	organization, be consistently applied, be reasonable for the services
	rendered, and be supported with adequate documentation.
	Salary and wage amounts charged to grant-supported projects or
	programs for personal services must be based on an adequate payroll
	distribution system that documents such distribution in accordance
	with generally accepted practices of like organizations. Standards for
	payroll distribution systems are contained in the applicable cost
	principles (other than those for for-profit organizations).
	Unallowable for salaries, wages, and fringe benefits for project staff who
	devote time and effort to activities that do not meet the legislated
	purpose of the grant program.
Selling and Marketing Costs –	Unallowable for costs designed solely to promote the image of an
Promotion of an	organization, a general logo, or a general brand.
Organization's Image, Logo,	
or Brand Name	Promotional items could say "Buy STATE/COUNTY Grown     Apples" but not "XVZ Grown", which promotes XVZ generically
	<ul> <li>Apples" but not "XYZ Grown", which promotes XYZgenerically.</li> <li>A promotional campaign to increase producer sales of</li> </ul>
	"STATE/COUNTY Grown fruits and vegetables" is acceptable
	while increasing membership in "STATE/COUNTY Grown"
	generally is not.
Selling and Marketing Costs –	<b>Unallowable</b> for costs for promotion of specific venues, tradeshows,
Promotion of Venues that do	events, meetings, programs, conventions, symposia, seminars, etc. that
not Align with Grant Program	do not align with the legislated purpose of the grant program.
Purpose	
Selling and Marketing Costs –	<b>Unallowable</b> for promotional items, swag, gifts, prizes, memorabilia,
Promotional Items, Gifts,	and souvenirs.
Prizes, etc.	Allowable with conditions to meet the requirements of the sponsored
Prizes, etc.	Allowable with conditions to meet the requirements of the sponsored agreement, in the approved application or with prior approval for
Prizes, etc.	agreement, in the approved application or with prior approval for
Prizes, etc.	agreement, in the approved application or with prior approval for marketing activities directly related to the funded project. Promotional
Prizes, etc.	agreement, in the approved application or with prior approval for marketing activities directly related to the funded project. Promotional items include point-of-sale materials, promotional kits, signs or
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	agreement, in the approved application or with prior approval for marketing activities directly related to the funded project. Promotional items include point-of-sale materials, promotional kits, signs or streamers, automobile stickers, table tents, and place mats, or promotional items of a personal nature (e.g., t-shirt, hats, etc.).
Selling and Marketing Costs – Coupons, Incentives or Other	agreement, in the approved application or with prior approval for marketing activities directly related to the funded project. Promotional items include point-of-sale materials, promotional kits, signs or streamers, automobile stickers, table tents, and place mats, or promotional items of a personal nature (e.g., t-shirt, hats, etc.). <b>Unallowable</b> for costs of the value of coupon/incentive redemptions or price discounts (e.g., the \$5.00 value for a \$5.00 clip-out coupon). <b>Allowable</b> for costs associated with printing, distribution, or promotion
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Selling and Marketing Costs – Coupons, Incentives or Other Price Discounts Selling and Marketing Costs – Food for Displays, Tastings,	agreement, in the approved application or with prior approval for marketing activities directly related to the funded project. Promotional items include point-of-sale materials, promotional kits, signs or streamers, automobile stickers, table tents, and place mats, or promotional items of a personal nature (e.g., t-shirt, hats, etc.). <b>Unallowable</b> for costs of the value of coupon/incentive redemptions or price discounts (e.g., the \$5.00 value for a \$5.00 clip-out coupon). <b>Allowable</b> for costs associated with printing, distribution, or promotion of coupons/tokens or price discounts (e.g., a print advertisement that contains a clip-out coupon) as long as they benefit more than a single program or organization. <b>Unallowable</b> for purchasing food for displays, tastings, and cooking demonstrations.
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Selling and Marketing Costs – Coupons, Incentives or Other Price Discounts Selling and Marketing Costs – Food for Displays, Tastings, Cooking Demonstrations Selling and Marketing Costs – General Marketing Costs	agreement, in the approved application or with prior approval for marketing activities directly related to the funded project. Promotional items include point-of-sale materials, promotional kits, signs or streamers, automobile stickers, table tents, and place mats, or promotional items of a personal nature (e.g., t-shirt, hats, etc.). <b>Unallowable</b> for costs of the value of coupon/incentive redemptions or price discounts (e.g., the \$5.00 value for a \$5.00 clip-out coupon). <b>Allowable</b> for costs associated with printing, distribution, or promotion of coupons/tokens or price discounts (e.g., a print advertisement that contains a clip-out coupon) as long as they benefit more than a single program or organization. <b>Unallowable</b> for purchasing food for displays, tastings, and cooking demonstrations. <b>Allowable</b> where the specific cost is considered to meet the programmatic purpose of the sponsored program and is authorized in the approved budget or with prior written approval. <b>Unallowable</b> for costs designed solely to promote the image of an organization, general logo, or general brand. <b>Allowable</b> for costs designed to promote products that align with the purpose of the grant program.
Selling and Marketing Costs – Coupons, Incentives or Other Price Discounts Selling and Marketing Costs – Food for Displays, Tastings, Cooking Demonstrations Selling and Marketing Costs – General Marketing Costs – Selling and Marketing Costs –	agreement, in the approved application or with prior approval for marketing activities directly related to the funded project. Promotional items include point-of-sale materials, promotional kits, signs or streamers, automobile stickers, table tents, and place mats, or promotional items of a personal nature (e.g., t-shirt, hats, etc.). <b>Unallowable</b> for costs of the value of coupon/incentive redemptions or price discounts (e.g., the \$5.00 value for a \$5.00 clip-out coupon). <b>Allowable</b> for costs associated with printing, distribution, or promotion of coupons/tokens or price discounts (e.g., a print advertisement that contains a clip-out coupon) as long as they benefit more than a single program or organization. <b>Unallowable</b> for purchasing food for displays, tastings, and cooking demonstrations. <b>Allowable</b> where the specific cost is considered to meet the programmatic purpose of the sponsored program and is authorized in the approved budget or with prior written approval. <b>Unallowable</b> for costs designed solely to promote the image of an organization, general logo, or general brand. <b>Allowable</b> for costs designed to promote products that align with the purpose of the grant program. <b>Unallowable</b> for costs associated with sponsorships. A sponsorship is a
Selling and Marketing Costs – Coupons, Incentives or Other Price Discounts Selling and Marketing Costs – Food for Displays, Tastings, Cooking Demonstrations Selling and Marketing Costs – General Marketing Costs – Selling and Marketing Costs –	agreement, in the approved application or with prior approval for marketing activities directly related to the funded project. Promotional items include point-of-sale materials, promotional kits, signs or streamers, automobile stickers, table tents, and place mats, or promotional items of a personal nature (e.g., t-shirt, hats, etc.). <b>Unallowable</b> for costs of the value of coupon/incentive redemptions or price discounts (e.g., the \$5.00 value for a \$5.00 clip-out coupon). <b>Allowable</b> for costs associated with printing, distribution, or promotion of coupons/tokens or price discounts (e.g., a print advertisement that contains a clip-out coupon) as long as they benefit more than a single program or organization. <b>Unallowable</b> for purchasing food for displays, tastings, and cooking demonstrations. <b>Allowable</b> where the specific cost is considered to meet the programmatic purpose of the sponsored program and is authorized in the approved budget or with prior written approval. <b>Unallowable</b> for costs designed solely to promote the image of an organization, general logo, or general brand. <b>Allowable</b> for costs designed to promote products that align with the purpose of the grant program. <b>Unallowable</b> for costs associated with sponsorships. A sponsorship is a form of advertising in which an organization uses grant funds to have its

	changership costs will be used. These sects also herefit only the
	sponsorship costs will be used. These costs also benefit only the
	organization offering funding, limiting the beneficiaries to the sponsor organization.
Selling and Marketing Costs –	Unallowable for costs associated with trade show attendance/displays,
Use of Meeting Rooms,	meeting room reservations, and/or any other displays, demonstrations,
Space, Exhibits that do not	exhibits, or rental of space where activities do not specifically align with
Align with Grant Program	the purpose of the grant program. See <u>Conferences</u> for more
Purpose	information.
Supplies and Materials,	Allowable for costs incurred for materials, supplies, and fabricated parts
Including Costs of Computing	necessary to carry out a Federal award. Purchased materials and
Devices	supplies must be charged at their actual prices, net of applicable credits.
	Withdrawals from general stores or stockrooms should be charged at
	their actual net cost under any recognized method of pricing inventory
	withdrawals, consistently applied. Incoming transportation charges are a
	proper part of materials and supplies costs. Only materials and supplies
	used for the performance of a Federal award may be charged as direct
	costs.
	A computing device is a supply if the acquisition cost is less than the
	lesser of the capitalization level established by the recipient for
	financial statement purposes or \$5,000, regardless of the length of its
	useful life. In the specific case of computing devices, charging as direct
	cost is allowable for devices that are essential and allocable, but not
	solely dedicated, to the performance of a Federal award. Where
	Federally donated or furnished materials are used in performing the
	Federal award, such materials will be used without charge.
Training	Allowable when the training is required to meet the objectives of the
	project or program, including training that is related to Federal grants
	management.
Travel – Domestic and	
Foreign	Allowable for travel, when provided in the approved budget or with
Foreign	prior written approval when costs are limited to those allowed by
	formal organizational policy and the purpose aligns with the legislated
	purpose of the program.
	The allowable travel cost of recipients that do not have formal travel
	policies and for-profit entities may not exceed those established by the
	Federal Travel Regulation, issued by <u>General Services Administration</u>
	(GSA), including the maximum per diem and subsistence rates
	prescribed in those regulations. If a recipient does not have a formal
	travel policy, those regulations will be used to determine the amount
	that may be charged for travel costs.

### Attachment B Maryland Specialty Crop Block Grant Program Evaluation Criteria

The following chart is used by grant reviewers when evaluating grant applications.

It is printed here for your information and reference.

Evaluation Criteria	YES	NO
1.Grant Application		
<ul> <li>Is the project well organized, thought out, and explained in a way that makes sense and sounds like it can be carried out successfully?</li> </ul>		
2. Project Purpose		
<ul> <li>How well does the applicant define the need for and purpose of the project?</li> <li>Are the project objectives clear and appropriate?</li> <li>Is the project important and timely?</li> </ul>		
3. Potential Impact and Industry Support		
<ul> <li>Does the project have a positive impact on the targeted specialty crop industry? Will it be effective at enhancing the competitiveness of that industry?</li> <li>Does the number benefiting justify the investment?</li> <li>Is it apparent that the project is important to and supported by the impacted specialty crop industry?</li> <li>Will industry be actively involved in the project?</li> </ul>		
4. Expected Measurable Outcomes		
<ul> <li>Is the outcome realistic and achievable? Does the applicant have the ability to measure the outcome?</li> <li>Does the project directly benefit producers or processors of Maryland specialty crops?</li> <li>Will the project benefit them within the next five years?</li> <li>Is there a plan for monitoring performance toward meeting each outcome?</li> </ul>		
5. Tasks and Activities		
<ul> <li>Do the tasks seem appropriate to complete the project objectives</li> <li>Do the activities relate to the expected measurable outcomes?</li> </ul>		
6. Budget and Narrative		
<ul> <li>Is the amount requested reasonable? Are line items reasonable and appropriate?</li> <li>Does the budget narrative adequately explain the line items?</li> <li>Are matching funds or in-kind donations provided? How well does applicant leverage funds?</li> </ul>		
8. Funding Priority		
<ul> <li>Does the project clearly address one of the 2017 funding priorities? Is the funding priority discussed anywhere in the narrative?</li> <li>TOTAL</li> </ul>		

### Attachment C

### Maryland Department of Agriculture's (MDA) General Terms and Conditions

1. <u>Grant</u>. Subject to the continuing availability of funds, as determined by MDA, MDA agrees to provide Grantee with funds in an amount not to exceed \_\_\_\_\_\_ Dollars (\$\_\_\_\_\_\_.00) (the "Grant") to assist Grantee in performing the work and achieving the goals set forth in this Agreement.

2. <u>Application</u>. Grantee warrants and certifies that all of the information and representations contained in the Grant Application are and remain true and complete in all material respects.

3. <u>Use of Funds—Prohibitions</u>. Grantee shall not use any Grant Funds to make contributions:

- (a) To any persons who hold, or are candidates for, elected office;
- (b) To any political party, organization, or action committee; or
- (c) In connection with any political campaign or referendum.

In addition, the Grantee shall not use Grant Funds for any purpose which lies outside the scope of the approved project(s) and any amendments thereto. Allowable costs will be determined in accordance with the purpose of the award, and the terms and conditions of award as contained herein.

4. <u>Inspection of Records</u>. Grantee shall allow any duly authorized representative of MDA, or the State to inspect and audit, at reasonable times, all records and documents of Grantee relating to this Grant, which records shall be retained by Grantee for at least three (3) years after the termination of this Agreement.

5. <u>Unused Funds</u>. Grantee shall repay to MDA any disbursed grant funds not spent or obligated by Grantee on or before \_\_\_\_\_\_, \_\_\_\_.

6. <u>Fair Practices Certification</u>. Grantee certifies that it prohibits, and covenants that it will continue to prohibit, discrimination on the basis of: (a) political or religious opinion or affiliation, marital status, race, color, creed, or national origin; or (b) sex or age, except when age or sex constitutes a bona fide occupational qualification; or (c) the physical or mental handicap of a qualified handicapped individual. Upon the request of MDA, Grantee will submit to MDA information relating to its operations, with regard to political or religious opinion or affiliation, marital status, physical or mental handicap, race, color, creed, sex, age, or national origin.

7. <u>Anti-Discrimination</u>. Grantee covenants that it will not discriminate on the basis of race, color, sex, religion, or national or ethnic origin in its hiring of contractors to carry out any portion of the project funded by the proceeds of the Grant. Grantee further covenants that it shall prohibit its contractors from engaging in such discrimination in the hiring of subcontractors to carry out any portion of the project funded by proceeds of the Grant.

8. <u>Legal Compliance</u>. Grantee covenants that it shall comply with all applicable federal, State, and local laws and regulations.

#### 9. Grantee's Certifications. Grantee certifies to MDA that:

(a) Grantee, if a corporation or other form of limited liability entity, is duly organized and validly existing under Maryland law, and has all requisite power and authority to enter into this Agreement; and

(b) This agreement has been duly authorized, executed and delivered by Grantee in such manner and form as to comply with all applicable laws to make this agreement the valid and legally binding act and agreement of Grantee.

#### 10. Default, Repayment and Remedies.

(a) A default shall consist of (i) any use of Grant funds for any purposes other than authorized by this Agreement; or (ii) any breach of any covenant, agreement, provision, representation or warranty of Grantee which was made in this Agreement.

(b) Upon the occurrence of any default, MDA immediately may suspend Grantee's authority to receive any undisbursed Grant funds by written notice at any time to Grantee.

(c) Upon the occurrence of any default, Grantee shall have 30 days from the date MDA's notice is postmarked to cure the default. After the conclusion of this 30 day period, if Grantee has not cured the default to the satisfaction of MDA, MDA may terminate this Agreement. In the event of termination:

(i) Grantee's authority to request a disbursement shall cease and Grantee shall have no right, title or interest in or to any of the Grant funds not disbursed;

(ii) MDA may immediately demand repayment of all or any portion of the Grant funds which have been disbursed; and

(iii) MDA's remedies of withholding disbursement and of obtaining repayment as described in Section 10(c)(i) and (ii) above may be exercised contemporaneously with remedies pursuant to Section 10(d) below, and all of such rights shall survive any termination of this Agreement.

(d) If a default occurs, MDA may at any time proceed to protect and enforce all rights available to MDA, by suit in equity, action at law, or by any other appropriate proceedings.

11. Indemnification. Grantee releases MDA, the Department, the State, and its employees or agents from, agrees that MDA, the State, and its employees or agents shall not have any liability for, and agrees to protect, indemnify and save harmless MDA, the State, and its employees or agents from and against any and all liabilities, suits, actions, claims, demands, losses, expenses and costs of every kind and nature incurred by, or asserted or imposed against, all or any of them, as a result of or in connection with the Grant. All money expended as a result of such liabilities, suits, actions, claims, demands, losses, expenses, expenses or costs, together with interest at a rate not to exceed the maximum interest rate permitted by law, shall constitute an indebtedness of Grantee and shall be immediately and without notice due and payable by Grantee to MDA, the Department, the State, and/or its employees or agents, as their interests may appear.

12. <u>Notices</u>. All notices, requests, approvals and consents of any kind made pursuant to this Agreement shall be in writing. Any such communication, unless otherwise specified, shall be deemed

effective as of the date it is postmarked, postage prepaid, addressed as follows:

(a) Communications to MDA shall be mailed to:

(b) Communications to Grantee shall be mailed to: Name and address of Grantee here

13. <u>Amendment</u>. This Agreement, or any part hereof, may be amended from time to time only by a written instrument executed by both parties or, in the case of a modification that does not substantially alter the terms of this Agreement, by action of MDA.

14. <u>Assignment</u>. Grantee may neither assign all or any of the benefits of, nor delegate all or any of the duties imposed upon Grantee by this Agreement, without the prior written approval of MDA.

15. <u>Governing Law</u>. This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Maryland.

16. <u>Term of Agreement</u>. This Agreement is effective upon execution by MDA. Unless sooner terminated pursuant to Section 10 of this Agreement or by the mutual consent of Grantee and MDA, this Agreement shall remain in effect until the final amounts of the Grant have been disbursed, all reports and records due by the Grantee have been received by MDA, and there has been a final settlement and conclusion between MDA and Grantee of all issues arising out of the Grant.

17. <u>Drug and Alcohol-Free Workplace</u>. Grantee warrants that Grantee shall comply with the State's policy concerning drug and alcohol-free workplaces as set forth in COMAR 01.01.1989.18.

18. <u>Severability</u>. It is understood and agreed by the parties hereto that if any of these provisions shall contravene, or be invalid under the laws of the particular state, county, or jurisdiction where used, such contravention or invalidity shall not invalidate the whole agreement, but the Agreement shall be construed as if not containing the particular provision or provisions held to be invalid in the said particular state, county, or jurisdiction, and the rights and obligations of the parties shall be construed and enforced accordingly.

19. Sample of Agreement available upon request.