



MONTANA DEPARTMENT OF **AGRICULTURE**



Local Food Purchase Assistance Grant Program **Guidelines**

Effective October 2022

Refer Any Questions to:

Montana Department of Agriculture
PO Box 200201
Helena, MT 59620-0201
406-444-5425
ahamm@mt.gov

OVERVIEW

While Montana is a large producer of commodity crops, the availability of locally grown food products is limited in supply. This is largely an issue of the rural nature of the state, challenging weather conditions and lack of scale among purchasers. Because the state is predominantly underserved due to its rural character, LFPA creates a unique opportunity to address these issues. Specifically, we believe LFPA can be used not only as a tool to ensure that more Montana food is ending up on the plates of Montanans, but also to initiate long term buyer-seller relationships that will grow our local food economy.

Through this project Montana Department of Agriculture will subaward funds to organizations statewide to increase the distribution of local food from and to underserved constituencies, and to facilitate the establishment of business relationships between underserved farmers and food purchasers in underserved communities. The primary objective of sub awardees will be to identify or organize producers or groups of producers in sizes to provide sufficient volume and capacity to serve underserved areas. Once producer groups are identified, funding will be used to supplement the cost of distributing food into underserved communities. The objective in supplementing food purchases is to connect underserved producers with underserved communities, while also working to establish business relationships that will carry on into the future.

Outcomes of this project will be the distribution of local food from and to underserved constituencies, the organization of producer groups, establishment of business relationships with underserved communities, and identification of best business practices. Our goal is that at least 25% of matched sellers and buyers will establish long term, sustainable, business relationships.

The terms and conditions of an LFPA award include generally applicable public laws and Executive orders, the Federal Office of Management and Budget (OMB) regulations and the United States Department of Agriculture (USDA) implementation of them, and Agricultural Marketing Service (AMS)-specific policies and procedures applicable to Grants Agreements. Federal regulations are codified at 7 CFR part 1291, and 2 CFR part 200. These requirements provide the framework for the terms and conditions of an LFPA award. An organization award also may also contain award-specific terms and conditions, as necessary, to address concerns about a Subrecipient's management system, etc.

Program Purpose

The intent of the LFPA program will be:

- the distribution of local food from and to underserved constituencies,
- the organization of producer groups,
- establishment of business relationships with underserved communities,
- and identification of best business practices.

General Criteria for Funding

Projects must be consistent with the goals of the Local Food Purchase Assistance (LFPA) grant program. Other considerations include:

- Commitment to procure from Socially Disadvantaged producers, small producers, and/or vendors.
 - Producers may self-identify if they are considered Socially Disadvantaged. Please note that awardees are encouraged to add on more producers throughout the lifetime of the project.
- Community organizations in a region that cooperatively apply for funding to create a more comprehensive project. However, there needs to be one primary applicant who will hold the agreement as a project lead with MDA. This lead entity shall be responsible for project administration and reporting.
- Regional impact of project to ensure geographic and demographic diversity.

Any successful contractor will be required to follow all the applicable federal and state regulations that pertain to the LFPA.

Funding Available

- Total funding of \$560,000
- Up to \$200,000 in grant award per recipient; minimum award is \$50,000 over two years
- There is no match requirement for this grant opportunity

Deadline for Submission

Applications must be received by 2:00 pm Friday, December 2nd, 2022.

Who Can Apply

Applicants must be part of the local food production and distribution system, including entities that are principally and substantially engaged in the business of production agriculture, farming, ranching, processing and distribution, the emergency food distribution network, community and food organizations, school meal programming (including summer meal sites), and including organizations that provide business planning, technical assistance and information technology services. Eligible applicants must be legally recognized entities within the State of Montana. Applicants are limited to a single proposal.

Open to food hubs and other Montana-based aggregators, food pantries, soup kitchens, and pantry networks, municipalities, producer cooperatives or informal groups of producers with a fiduciary agent, community health centers, mutual aid networks, faith-based organizations, senior centers, for-profit and non-profit grocery stores, as well as food cooperatives, small food retailers such as corner stores, convenience stores, farmers' markets, mobile food markets, or retail food outlets operated by an emergency food program or food hub.

Project Requirements

Purchases and distribution of food and farm products grown in Montana must occur within program dates of December 2, 2022, through May 31, 2024. The majority of project funds must be spent directly on food purchasing and distribution. The remaining funds may cover all other expenses, including staff time, transportation, and food storage costs. Applicants are not required to procure food from multiple producers/vendors; however, projects procuring food and farm products from multiple producers/vendors will be prioritized. Applicants should target underserved populations (see definitions in attachment A) for distribution and include any low-income food insecure household, citizen or non-citizen, who is at or below the federal poverty level. Required reporting on a quarterly basis (see Reporting Requirements below).

Eligible Costs

Applicants may request funds for Salary, Fringe Rates, Supplies, Equipment (see allowable Equipment costs below), Contractual, Other, and Indirect Costs. A predominance of funds must be used for food purchasing and distribution (greater than 51%). Applicants may request direct costs for outreach, program development, program administration, food storage, and distribution expenses. Applicants can review the AMS General Terms and Conditions, Section 8.2 *Allowable and Unallowable Costs and Activities* for more details.

- No more than 10% of total funds requested shall be permitted to go towards indirect costs. Indirect costs, also known as “facilities and administrative costs,” are those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Direct charging of these costs may be appropriate where the following conditions are met:
 - Administrative or clerical services are integral to a project or activity;
 - Individuals involved can be specifically identified with the project or activity;
 - Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
 - The costs are not also recovered as indirect.
- Outreach and program development, which may include technical assistance for Socially Disadvantaged producers to facilitate participation in the LFPA program. Costs associated with outreach and program development must directly relate to LFPA program activities and goals.
- Food storage and packaging costs are eligible expenses if they are part of distribution expenses. rental of equipment (such as cooler/warehouse space, vehicles, etc.) are allowed during the lifetime of the grant.
- Supply costs for outreach and other needs related to this project.

Ineligible Uses

Unallowable costs include:

- Capital purchases
- Construction costs
- General purpose equipment purchased to own (see below)
- Funds cannot be used for individuals to purchase product
- Any expense incurred prior to contract execution
- Land acquisition/mortgages
- Cost of borrowing (points and other fees)
- Expenses related to establishing a new organization/business
- Any portion or expense for which the applicant pays a contractor in merchandise or service in lieu of cash
- Tuition/tuition reimbursement or career-related/scholarship funds
- Routine business expenses (utilities, office supplies, etc.)
- Legal expenses related to litigation
- Indirect (above allowed 10%) or contingency costs of any percentage
- Any expense related to lobbying
- Food storage and infrastructure for producers
- Purchase of vehicles outright, however vehicle modifications for distribution is allowed
- Food safety certification and training (ex. GAP certification)
- Seed or crop insurance
- **Equipment:**
 - Unallowable 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:
 - Necessary for the research, scientific, or other technical activities of the grant agreement;
 - Not otherwise reasonably available and accessible;
 - The type of equipment is normally charged as a direct cost by the organization;
 - Acquired in accordance with organizational practices;
 - Must be used solely to meet the legislative purpose of the grant program and objectives of the grant agreement;
 - More than one single commercial organization, commercial product, or individual must benefit from the use of the equipment;
 - Must not use special purpose equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services; and
 - Equipment is subject to the full range of acquisition, use, management, and disposition requirements under 2 CFR § 200.313 as applicable.
 - Equipment 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

Grant Management and Reporting Requirements

MDA will enter into an agreement with the awarded entity. The signature of an authorized representative of the awarded entity on the cooperative agreement constitutes acceptance of an award and its associated terms and conditions. MDA and the awarded entity must complete an executed agreement prior to any payment being made on the project. Should the entity choose not to accept an award, the awarded entity must notify MDA immediately. The contents of the cooperative agreement are binding on the awarded entity and MDA once the agreement is executed, on condition of any amendment. Agreements are intended to incorporate all provisions required by federal law. Please see Attachment B for further federal requirements.

Recipients will be required to track the following reporting measures on a quarterly basis:

- Number of producers sourced from including business name, product type, quantity, price, and if the producer self-identifies as Socially Disadvantaged. See Attachment A for definitions.
- Number of distributions made including organization or community distributed to, and number of individuals served.
- Financial reports with paid invoices to producers and other recipients as necessary to program. Awardees must show sufficient and appropriate documentation for all expenses incurred during the quarter. If appropriate supporting documentation is not provided, the awardee will not receive additional funding or final invoice reimbursement.
- As part of Final Reporting, the number of partnerships that existed prior to project start date and those that were developed as a result of funding. In addition, recipients will be asked to report on the number of partnerships that are expected to continue beyond the life of the project.

Application Submission Instructions

Applications can be submitted through Amplifund at the following link:

<https://mt.amplifund.com/RequestForProposals/Opportunities/Details/195>

Evaluation Criteria

MDA will conduct a review of submitted applications and applications will be evaluated by a panel of reviewers representing multiple facets of both food and agriculture. The review panel will make final recommendations to the Director for a final decision. The following criteria will be used in the evaluation:

- Project Description (15 pts)
 - Does the project meet the purpose of the LFPA program?
 - Are the goals and objectives clearly identified?
- Outreach & Impact (25 pts)
 - Does the project include a plan to identify and organize producers?
 - Has the applicant identified an area of need where these activities will be carried out?
- Collaboration (20 pts)
 - Has the applicant engaged with other partners?
 - Does the application include a plan for coordination with partners?
- Capacity (25 pts)
 - Does the applicant
 - Is the timeline for completion feasible?
 - Has the applicant identified metrics for measuring impact?
- Budget & Budget Narrative (15 pts)
 - Is the Budget clear, detailed and consistent with the size and scope of the project?
 - Has the applicant demonstrated that a majority of funds will be used for food purchasing and distribution?

For Application Assistance

Contact the local Food and Agriculture Development Center (<https://agr.mt.gov/Food-and-Ag-Development-Centers>) network and/or Small Business Development Center (<https://sbdc.mt.gov/>) network before you begin the application process.

Attachment A – Definitions

- **Local or Regional Producers**
 - Farmers, ranchers, producers, processors or distributors and other businesses involved in food production or distribution that are located in the state or tribal region or within 400 miles of the delivery destination.
- **Local or Regional Food**
 - Locally and Regionally Produced Food means food that is raised, produced, aggregated, stored, processed, and distributed in the locality or region where the final product is marketed to consumers, so that the total distance that the product travels between the farm or ranch where the product originates and the point of sale to the end consumer is at most 400 miles, or both the final market and the origin of the product are within the same State, territory, or tribal land.
- **Domestic Food**
 - “Agricultural Commodity” means a product grown, processed, and otherwise prepared for sale or distribution exclusively in the United States or its territories, except with respect to minor ingredients. Minor ingredients from nondomestic sources will be allowed to be utilized as a United States product if such ingredients are not otherwise:
 - (1) produced in the United States; and
 - (2) commercially available in the United States at fair and reasonable prices from domestic sources.
 - The following ingredients are determined by AMS Commodity Procurement as not available at fair and reasonable prices and are waived from U.S. origin restrictions: (1) Vitamin A (Retinol Palmitate), (2) Vitamin D, (3) Carageenan (stabilizing agent), (4) Sorbic Acid (preservative), (5) Potassium Sorbate (preservative), (6) Rennet (coagulant), (7) Items excepted from the Buy American Act under FAR 25.104 Nonavailable Articles.
- **Socially Disadvantaged Producers, including Farmers or Ranchers**
 - Socially Disadvantaged Farmer or Rancher is 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.
- **Underserved Communities**
 - Those communities defined in accordance with federal Executive Order 13985, Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, Jan 20, 2021:
 - Sec. 2. Definitions. For purposes of this order: (a) The term “equity” means the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities;

lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.

- The term “underserved communities” refers to populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the preceding definition of “equity.”

Attachment B– Additional Federal Guidelines

Subrecipients are responsible for identifying the Federal regulations appropriate to their organization and for the consistent application of these regulations to the LFPA grant funds. Subrecipients are also responsible for ensuring their contractors/consultants comply with applicable Federal regulations.

Uniform Administrative Requirements

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are contained in the Code of Federal Regulations (CFR) at 2 CFR 200.

Cost Principles

Cost Principles All recipients of federal funds should familiarize themselves with the Cost Principles. The following general guideline is provided as a reference on determining the allowability of costs to be charged to a federal grant. All spending of grant funds should be accompanied by a thorough review of 2 CFR 200.

2 CFR 200.403 Factors affecting allowability of costs

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also §200.306 Cost sharing or matching paragraph (b).
- (g) Be adequately documented. See also §§200.300 Statutory and national policy requirements through 200.309 Period of performance of this part.

The fact that the MDA awards a request for funds by an applicant does not indicate a determination of allowability.

Allocation of Costs

The following is adapted from 2 CFR 200.405:

- (a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

- (1) Is incurred specifically for the project;
 - (2) Benefits both the project and other work of the subrecipient and can be distributed in proportions that may be approximated using reasonable methods; and
 - (3) Is necessary to the overall project and is assignable in part to the project in accordance with the principles.
- (b) All activities which benefit from the non-Federal entity's indirect (F&A) cost, including unallowable activities and donated services by the subrecipient or third parties, will receive an appropriate allocation of indirect costs.
- (c) Any cost allocable to a particular Federal award under the cost principles may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.
- (d) Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also the following sections of 2 CFR 200.310 Insurance coverage through 200.316 Property Standards and 2 CFR 200.439 Equipment and other capital expenditures.

Financial Management System

Subrecipient is required to meet the standards and requirements for financial management systems set forth or referenced in 2 CFR 200.302, as applicable. Subrecipients must use Federal funds in a responsible manner that includes adequate internal controls and cash management consistent with Department of the Treasury requirements.

Subrecipient must expend and account for grant funds in accordance with State and Federal laws and procedures for expending and accounting for funds. Subrecipient's financial management systems, including records documenting compliance with this award, must be sufficient to permit: 1) preparation of required reports; and 2) traceability of expenditures to establish that award funds were used in accordance with all applicable terms, conditions, and restriction.

These financial management systems must provide:

- (a) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received;
- (b) Accurate, current, and complete disclosure of the financial results of each Federal award;

- (c) Records that adequately identify the sources of funds for Federally-funded activities and the purposes for which the funds were used, including authorizations, obligations, unobligated balances, assets, expenditures, program income, and interest. Accounting records must be supported by source documentation such as canceled checks, paid bills, payrolls, time and attendance records, contracts, and subgrant award documents;
- (d) Effective control over and accountability for all funds, property, and other assets to assure they are adequately safeguarded and used only for authorized purposes. In cases where projects are not 100% federally funded, effective internal controls must be in place to assure that expenditures financed with Federal funds are appropriately allocated to the grant-supported project;
- (e) Comparison of actual to budgeted expenditures for each approved subgrant;
- (f) Written procedures for determining the allowability of costs in accordance with the applicable Federal cost principles, program regulations, and other requirements cited in applicable award terms and conditions;
- (g) Written procedures to minimize the time elapsing between the transfer of Federal funds to Subrecipient and the disbursement of the funds for direct program costs and the proportionate share of any allowable indirect or facilities and administrative costs; and
- (h) All grant funds must be obligated (encumbered) by the expiration date of the grant agreement and liquidated within 90 days after the expiration date.

Subrecipient must notify MDA when financial management problems are discovered. Deficiencies in Subrecipient's financial management system, whether Subrecipients report them or they are identified by MDA, may result in the imposition of special award conditions or other increased monitoring by MDA.

Compliance Reviews

Compliance reviews are conducted on a basis determined by the risk evaluation matrix tool. The risk evaluation matrix is a tool used by MDA to quantify the risk factors demonstrated by a grantee and is completed by staff at the start of each grant year. The purpose of compliance review is to determine whether measurable outcomes are being met, evaluate accomplishments, and review financial practices and documentation to ensure that necessary policies and procedures are in place to comply with Federal cost principles and grant terms and conditions.

Site visits are generally conducted during the term of the Grant Agreement, but may be conducted after the Grant Agreement has ended. Subrecipients must allow access to records and documentation relevant to the Grant Agreement, as well as any employees who may reasonably have information related to the Grant Agreement. Subrecipients may be required to submit supporting documentation for desk review by MDA. Documentation may include but is not limited to policy and procedure manuals, timesheets and payroll records, travel logs that document mileage, invoices/receipts for operating costs, lodging, and meals, and contractor/consultant contracts and invoices.

Audit Requirements

Subrecipients are responsible to obtain audits in accordance with the requirements of 2 CFR Subpart F – Audit Requirements. The standards require any non-Federal entity that expends \$750,000 or more in Federal awards during their fiscal year to have a single or program-specific audit conducted.

The audit must meet the standards specified in Generally Accepted Government Auditing Standards (GAGAS). Subrecipients must follow a systematic method to ensure timely and appropriate resolution of audit findings and recommendations, whether discovered because of a Federal audit or an audit initiated by the pass-through entity.

Other Policy Requirements

As a subrecipient, you agree to comply with the following Federal statutes and regulations as applicable to your award. These include but are not limited to the ones listed below. The full text of Code Federal Regulations references can be found at: eCFR-Code of Federal Regulations.

Federal statutes and regulations found on the SF-424B “Assurances –Non-Construction Programs.”

2 CFR § 25 – System for Award Management and Universal Identifier Requirements

2 CFR § 170 – Reporting Subaward and Executive Compensation Information

2 CFR § 175 – Award Term for Trafficking in Persons

2 CFR §§ 180 and 417 – OMB Guidelines to Agencies on Government-Wide Debarment and Suspension (Nonprocurement) and USDA Nonprocurement Debarment and Suspension

2 CFR § 182 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)

2 CFR § 183 – Never Contract with the Enemy

2 CFR § 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

2 CFR § 400 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

2 CFR § 415 – General Program Administrative Regulations

2 CFR § 416 – General Program Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

2 CFR § 418 – New Restrictions on Lobbying

2 CFR § 421 – Requirements for Drug-Free Workplace (Financial Assistance)

7 CFR § 1, subpart A – Official Records (Freedom of Information Act)

7 CFR § 1(b) – National Environmental Policy Act

7 CFR § 3 – Debt Management (OMB Circular No. A-129)

7 CFR § 15, subpart A – Nondiscrimination in Federally-Assisted Programs of the Department of Agriculture—Effectuation of Title VI of the Civil Rights Act of 1964

7 CFR § 331 and 9 CFR § 121—USDA implementation of the Agricultural Bioterrorism Protection Act of 2002

37 CFR § 401 – Rights to Inventions made by Nonprofit Organizations and Small Business Firms under Government Grants, Contracts, and Cooperative Agreements

41 CFR §§ 301-10.131 to 301-10.143 – Use of United States Flag Air Carriers, which implements the Fly America Act (49 U.S.C. 40118). For more information see

<http://www.gsa.gov/portal/content/103191>.

48 CFR subpart 31.2 – Contracts with Commercial Organizations

8 U.S.C. § 1324a – Unlawful employment of aliens

29 U.S.C. § 794 – Nondiscrimination under Federal grants and programs

44 U.S.C. § 3551 et seq. (P.L. 107-347) – Federal Information System Security Management Act of 2002 (FISMA)

EO 13166, Improving Access to Services for Persons with Limited English Proficiency, take reasonable steps to ensure that LEP persons have meaningful access to programs in accordance with LEP Implementation Strategy for AMS' Federally Assisted Programs.

EO 13798, Promoting Free Speech and Religious Liberty. As a recipient you must not discriminate against sub recipients on the basis of their religious character.

EO 13858, Strengthening Buy- American Preferences for Infrastructure Project (Except for Section 5, revoked by EO 14005)

EO 13933, Protecting American Monuments, Memorials, and Statues and Combating Recent Criminal Violence

EO 13988, Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation

EO 13991, Protecting the Federal Workforce and Requiring Mask-Wearing

EO 13999, Protecting Worker Health and Safety

EO 14005, Ensuring the Future Is Made in All of America by All of America's Workers

Motor Vehicle Safety – Highway Safety Act of 1966, as amended (23 U.S.C. §§ 402 & 403); Government Organization and Employees Act, as amended (5 U.S.C. § 7902 (c)); Occupational Safety and Health Act of 1970, as amended (29 U.S.C. § 668); Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. § 101, et seq.); Increasing Seat Belt Use in the United States (EO 13043); Federal Leadership on Reducing Text Messaging While Driving (EO 13513)

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.

Procurement Management

Subrecipients may acquire commercially available goods or services in connection with a grant project. In doing so, you must use your own documented procurement procedures which may reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards 2 CFR §200.318 GENERAL PROCUREMENT STANDARDS through § 200.326 CONTRACT PROVISIONS.

- State recipients must follow the same policies and procedures the State uses for procurements from non-Federal funds. The State will comply with 2 CFR §200.322 PROCUREMENT OF RECOVERED MATERIALS and ensure that every purchase order or other contract includes any applicable provisions described in Appendix II of 2 CFR §200.

- All other non-Federal recipients and subrecipients, including subrecipients of a state, must follow 2 CFR §200.318 GENERAL PROCUREMENT STANDARDS through §200.326 CONTRACT PROVISIONS.

- The requirements of the Federal award also apply to any subcontract. You are responsible to ensure that all of your contracts made in connection with the project contain the applicable provisions described in Appendix II of 2 CFR §200.

Any publications, data, or other copyrightable works developed under an LFPA may be copyrighted without prior approval from MDA. In all cases, whether LFPA funded all or part of the project or program resulting in the data, USDA-AMS and MDA reserve a royalty-free, nonexclusive, and

irrevocable license to reproduce, publish or otherwise use and to authorize others to use for government purposes (i) the copyright in any work developed under a grant and (ii) any rights of copyright to which a grantee purchases ownership with grant support. Subrecipient and contractor has no obligation to the Federal Government with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award.

Publicity and Acknowledgement

Subrecipients may acknowledge MDA's LCPA support whenever projects funded, in whole or in part, are publicized in any news media, brochures, publications, audio visuals, or other types of promotional material. A copy of the publication acknowledging MDA's LCPA support should be submitted to MDA for its files. State Acknowledgement The statements below contain suggested language for recognition:

- "This project is possible with funding from the Montana Department of Agriculture's Local Food Purchase Assistance Program."
- "This project is funded by the Montana Department of Agriculture's Local Food Purchase Assistance Program."
- "Funding provided by the Montana Department of Agriculture's Local Food Purchase Assistance Program."
- "This project is funded in part by the Montana Department of Agriculture's Local Food Purchase Assistance Program."

Federal Acknowledgement

Subrecipients are not required to acknowledge USDA, AMS support through oral or written presentation; however, if you choose to add an acknowledgement of support, it must read as follows:

- This publication [or project] was supported by the U.S. Department of Agriculture's (USDA) Agricultural Marketing Service through grant [Insert Agreement Number]. Its contents are solely the responsibility of the authors and do not necessarily represent the official views of the USDA. Note that USDA symbols or logos are only intended for the official use of the USDA. They are expressly excluded from use to imply endorsement of a commercial product or service. The symbol or logo may not be used by anyone outside of USDA without permission.

Remedies for Noncompliance

Subrecipient's failure to comply with the terms and conditions of an award may cause MDA to take one or more remedies for non-compliance, depending on the severity and duration of the non-compliance. MDA will undertake any such action in accordance with applicable statutes, regulations, and policies. MDA generally will afford Subrecipient an opportunity to correct the deficiencies before taking enforcement action unless public health or welfare concerns require immediate action. However, even if Subrecipient is taking corrective action, MDA may take proactive steps to protect the Federal government and State of Montana's interests. When the special conditions are imposed, MDA will notify Subrecipient of the nature of the additional requirements, the reason why they are being imposed, the type of corrective action needed to remove the additional requirement, the time allowed for completing corrective actions, and the method for requesting reconsideration of the additional requirements imposed. MDA will promptly remove any additional requirements once

Subrecipient corrects the conditions that prompted them. The decision to modify the terms of an award—by imposing special conditions, by withdrawing approval of the Grant Project Contact or other key personnel, or otherwise—is discretionary on the part of MDA and not subject to appeal. If MDA determines that noncompliance by Subrecipient cannot be remedied by imposing specific conditions, MDA may take one of more of the remedies for noncompliance as outlined in 2 CFR 200.338.

(a) Temporarily withhold payments pending correction of the deficiency by the Subrecipient or more severe enforcement action by the Federal awarding agency or pass-through entity.

(b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.

(c) Wholly or partly suspend or terminate the Federal award.

(d) Recommend suspension or debarment proceedings be initiated, as authorized under 2 CFR part 180, by the Federal awarding agency.

(e) Withhold further Federal awards for the project or program.

(f) Take other remedies that may be legally available.

Withholding of Support

MDA may decide not to make an award within the current award cycle for one or more of the following reasons:

- Subrecipient failed to meet the terms and conditions of a previous award;
- Subrecipient failed to submit an application by the published application deadline; and/or
- For whatever reason, continued funding would not be in the best interests of the Federal or State government. If an award is withheld (denied) because a Subrecipient failed to comply with the terms and conditions of a previous award, Subrecipient may appeal that determination, by submitting a written request to MDA. Suspension or Termination The regulatory procedures that pertain to suspension and termination are specified in 2 CFR 200.338 -342.

Suspension

Department may suspend a grant and allow Subrecipient an opportunity to take appropriate corrective action before making a termination decision.

Termination

Department may terminate the Grant Agreement for the following causes:

1. Failure to Drawdown: MDA may terminate obligation of funds without further cause unless Subrecipient commences the timely drawdown of funds.

2. Failure to Comply: MDA may terminate this agreement at any time for non-compliance with any contract terms or requirements set forth in the LFPA Grant Management Manual. In the event this agreement is terminated, Subrecipient, at the discretion of Department, shall return to Department all funds awarded and all results of the project to date.

3. Failure to Perform: Except as otherwise provided in this section, either party may terminate this agreement for failure of the other party to perform after giving thirty (30) days' written notice by registered mail or personal delivery to the other party. The written notice must demand performance of the stated failure within a specified time period of not less than thirty (30)

days. If the demanded performance is not completed within the specified time period, the termination is effective at the end of that specified time period.

4. Payment for Work Performed: Except as provided in the sections entitled "Failure to Comply" and "Failure to Perform", in the event of termination, Subrecipient shall be paid for the work performed and expenses incurred pursuant to this agreement through the date of termination, and all results of the project to the date of termination including, but not limited to, the original copies of all forms, notes, maps, specimens, photographs, and data prepared by the Subrecipient prior to termination shall become the property of Department and shall be delivered to Department.

Records Retention and Access

Requirements In accordance with Federal regulations, Subrecipient must retain all records relating to the grant for a period of 3 years after the final report is accepted by USDA or until final resolution of any audit finding or litigation. See 2 CFR 200.333- 337 for exceptions and qualifications to the 3-year retention requirement (e.g., if any litigation, claim, financial management review, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken). Those sections also specify the retention period for other types of grant-related records, including property records.

Methods of Collection, Transmission & Storage of Information

In accordance with the May 2013 Executive Order on Making Open and Machine Readable the New Default for Government Information, Subrecipient should, whenever practicable, collect, transmit, and store Federal award-related information in electronic formats rather than on paper.

Access to Records

The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and MDA, or any of their authorized representatives, shall have the right of access to any pertinent documents, papers, or other records of Subrecipient which are pertinent to the award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the Subrecipient's personnel for the purpose of interview and discussion related to such documents.

Fraud and Waste Abuse

Anyone who becomes aware of the existence (or apparent existence) of fraud, waste, or abuse related to LFP program grants or use of grant funds should report this information to USDA.

The USDA Office of the Inspector General (OIG) provides several means, including toll-free numbers, for this purpose. You may reach the OIG hotline by:

Office of the Inspector General, United States Department of Agriculture,
Attn: HOTLINE
PO Box 23399
Washington, DC 20026-3399
Telephone: 1-800-424-9121 (toll free) or
202-690-1202 (TDD);

Fax: 202-690-2474

E-mail: usda.hotline@oig.usda.gov

Internet: <http://www.usda.gov/oig/hotline.htm>

Fraud, waste, and abuse includes, but is not limited to, embezzlement, misuse, or misappropriation of grant funds or property, and false statements, whether by organizations or individuals. Examples are theft of grant funds for personal use; using funds for non-grant-related purposes; theft of federally owned property or property acquired or leased under a grant; charging inflated building rental fees for a building owned by the recipient; submitting false financial reports; and submitting false financial data in bids submitted to the recipient (for eventual payment under the grant). Callers are not required to give their names and, if they do, OIG keeps their identities confidential.

The Federal government may pursue administrative, civil, or criminal action under a variety of statutes that relate to fraud and false statements or claims. Even if the Federal government does not award a grant, the applicant may be subject to penalties if the information contained in or submitted as part of an application, including its certifications and assurances, is found to be false, fictitious, or fraudulent.