



# LOCAL FOOD IN YOUR COMMUNITY PROGRAM

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## FISCAL YEAR 2021 REQUEST FOR APPLICATIONS

The Vermont Agency of Agriculture, Food and Markets (VAAFAM) announces the availability of funds to improve availability of specialty crops and strengthen marketing efforts of local producers and retailers. Projects funded through this program should increase points of access to fresh fruits and vegetables and support specialty crop producers through professional marketing services and market development activities.

## KEY DATES

Application Opens: April 6th, 2021

Application Deadline: May 6th, 2021 at 12:00PM (noon)

Application Notifications: Early June, 2021

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### CONTACT

#### PROGRAM QUESTIONS

Alissa Matthews  
[Alissa.Matthews@vermont.gov](mailto:Alissa.Matthews@vermont.gov)  
(802) 505-1661

#### TECHNICAL SUPPORT

Melissa Moon  
[Melissa.Moon@vermont.gov](mailto:Melissa.Moon@vermont.gov)  
(802) 828-3828

Support is available during business hours: Monday–Friday, 7:45 AM to 4:30 PM EST. Assistance may not be available shortly before deadlines.

Guides and resources for registering and applying through [WebGrants](#) can be found on our [Resources for Applicants and Recipients webpage](#).

### APPLICATION PROCESS

#### REGISTERING IN WEBGRANTS

Applicants that have not previously registered in [WebGrants](#) will need to allow 1-2 business days for their registration to be processed. During that time, applicants will not be able to login to start an application. Please plan your application process accordingly.

*Note: If you or anyone from your organization have previously registered in WebGrants, please do not create another account. Contact [Melissa Moon](#), Grants & Contracts Specialist for assistance with retrieving login information.*

#### SUBMISSION POLICY

It is the applicant's responsibility to adhere to all application instructions including the submission dates and times included in this request for applications (RFA). The Vermont Agency of Agriculture, Food & Markets (VAAFAM) will accept the last validated electronic submission through the grants management system, [WebGrants](#), prior to the posted deadline as the final and sole acceptable submission of an application. Submission or re-submission of incomplete or delayed applications after the posted deadline, barring exceptional circumstances will not be accepted.

**WebGrants will prevent applications from being submitted after the cut-off time.**

#### SUBMISSION CONFIRMATION

When an application has successfully been submitted, the applicant will receive a confirmation email from [<agriculturegrants.vermont@webgrantsmail.com>](mailto:<agriculturegrants.vermont@webgrantsmail.com>). Please add this email address to your "safe senders" list. If you do not receive this confirmation, please check your junk or spam folder.

# **I. PROGRAM OVERVIEW**

## **QUICK FACTS**

### **PROGRAM PURPOSE**

With this program, the Vermont Agency of Agriculture, Food and Markets (VAAFAM) aims to improve availability of specialty crops and strengthen marketing efforts of local producers and retailers. Projects funded through this program should support specialty crop producers through professional marketing services and market development activities and increase points of access to fresh fruits and vegetables.

*Specialty crops are defined in the Farm Bill as: fruits and tree nuts; vegetables; culinary herbs, spices, and medicinal plants; nursery, floriculture, horticulture, and Christmas trees; honey; hops; maple syrup; and mushrooms.*

### **AVAILABLE FUNDS**

Funding for this grant program was secured through the USDA Specialty Crop Block Grant Program (SCBGP). The total amount of funds available for this grant cycle is \$20,000, with maximum awards of \$5,000. Projects primarily benefiting specialty crop producers are not required to demonstrate matching funds but may do so to better explain commitment from partners and full project scope.

### **PROJECT LENGTH**

Each successful grantee will have 2 weeks from the award announcement to sign their grant agreement and begin project work. Within 3 months, grantees must submit all required materials with their 1<sup>st</sup> claim and complete an interim report to receive their initial reimbursement. All grantees must complete the full scope of their projects within 6 months and submit all required reporting and project deliverables, and final claim by December 15, 2021.

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## **FUNDING OPPORTUNITY DESCRIPTION**

Projects should focus on ways to improve existing and accelerate emerging market models that serve multiple farmers and/or food businesses and increase food access in Vermont communities. This market development approach will focus on projects that can increase exposure to local products, and specifically specialty crops, to an expanded consumer base. Priority will be given to initiatives that implement improved marketing strategies, support financially viable businesses and sustainable practices, highlight effective partnerships, and foster health-promoting activities to help ensure that local food markets can thrive in the long term.

Local sales of specialty crops and customer data must be collected prior to the start of each community project and compared to a survey and reporting following the implementation of each project. VAAFAM staff will work with grantees to create case studies highlighting the parts of the projects that improved offerings of specialty crops. These reports will outline the new or improved marketing strategies,

## SECTION I: PROGRAM OVERVIEW

technologies, and/or networks along with tracking what proportion of local food sales increased and/or improved availability of specialty crops vs other local products.

In addition to funding, awarded projects will have the opportunity to receive technical assistance and marketing support valued at up to \$2,000.

Examples of technical assistance:

- Assessment of space, marketing displays, store audits, etc.
- Training related to business operations and logistics of sourcing local produce
- Identifying new producer partners and/or distributors
- Guidance to increase viability and visibility of direct-to-consumer market channels
- Development of a marketing strategy and/or communications plan

## ELIGIBILITY

### ELIGIBLE APPLICANTS

- Partnering specialty crop producers, producer groups, food hubs, or farmers markets
- Independent retailers, non-profits, or other food businesses that will partner with and/or provide support to specialty crop producers, producer groups, food hubs, or farmers markets

Only proposals that expand direct-to-consumer or retail markets, increase points of access, and improve marketing for Vermont specialty crop producers will be considered. Expenditures will be limited to allowable costs under the SCBGP and must demonstrate how investments will increase revenue and improve access to specialty crops.

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### EXAMPLES OF ELIGIBLE PROJECTS

- Marketing or related education and outreach programs
- Innovative solutions to logistics and/or distribution
- Accounting or inventory tracking software or other technology
- Website improvements, sales platforms, or app development
- Display improvements such as signage, shelving, labels to promote allowable products

### EXAMPLES OF INELIGIBLE PROJECTS

- Vehicle purchases or land purchases
- Direct purchases of food
- Funding for purchases made prior to award notification
- Community garden projects
- Sponsorship of established festivals and entertainment series

### MATCHING FUNDS

Projects solely benefiting specialty crop producers do not need to demonstrate matching funds but may do so to better explain commitment from partners and full project scope. Eligible match sources include applicant's own capital, outside investment capital, and/or grants from private or public sources. Match support can also come in the form of in-kind time and services related to the community food access activities and must be quantified at fair market value. Applicants can satisfy match requirements through a combination of cash and in-kind services. All matching funds must be directed to the same project for which the applicant is requesting grant funds.

### AWARD INFORMATION

Once award decisions have been made, applicants will receive an email notification from the grant program manager regarding the status of their application. Both successful and unsuccessful applicants will receive notification. Feedback about award decisions will be available upon request.

### ADDITIONAL FUNDING OPPORTUNITIES & RESOURCES FOR BUSINESSES

VAAFM offers a menu of [funding opportunities](#) as well as [business planning and assistance](#) resources available to the Vermont agricultural community:

- Funding Opportunities: [agriculture.vermont.gov/grants](https://agriculture.vermont.gov/grants)
- Business Planning & Assistance: [agriculture.vermont.gov/businessdevelopment/planning](https://agriculture.vermont.gov/businessdevelopment/planning)

## **II. APPLICATION**

### **QUESTIONS**

#### **A. APPLICANT INFORMATION**

- Project Title (provide a descriptive title in seven words or fewer)
- Primary Applicant Contact Information, Primary Applicant's Role, Business Name, Vermont Secretary of State Business ID, Legal Entity (e.g. LLC, sole proprietor, etc.)
- DUNS number: A DUNS number may be obtained from Dun & Bradstreet at 866-705-5711 or [fedgov.dnb.com/webform](http://fedgov.dnb.com/webform). There is no fee to obtain a DUNS number, but you must have a DUNS number to submit an application.
- Self-certification of compliance with state regulations and good standing with State of Vermont
- An active Login.gov account to access the federal System for Award Management (SAM). This is an official website of the U.S. government and there is no cost to use SAM or Login.gov. You can create one at: <https://www.login.gov/create-an-account/>

#### **B. BUSINESS DETAILS & ELIGIBILITY**

- Describe your business/organization in terms of size gross sales, number of employees, and number of years in business.
- What advertising and outreach do you currently use to promote your business/organization?
- Briefly describe the geographic focus of your current marketing strategy for your business.
- Provide the types and volume of specialty crops produced and/or sold, and total estimated annual sales of specialty crops.
- Please list any other grants you or your project partners will apply for/have applied for/have received in conjunction with this grant.

#### **C. PROJECT DESCRIPTION & BUDGET JUSTIFICATION**

- Provide an overview of your project. Address the following:
  - Describe the purpose of the project and anticipated improvements to be achieved
  - Explain the issues your project proposing to address and what makes it timely
  - Describe how other enterprises will be involved and/or benefit from the project
- Provide a timeline for the activities of this project. Each task should have an approximate start and completion date. This work plan must demonstrate the ability to meet all goals and required deliverables within the grant period.
- Provide an explanation of:
  - The budget of the project and how funds will be used
  - Why Local Food in Your Community funds are needed
  - How the project would or would not move forward without these funds

## SECTION II: APPLICATION

Budget Table (example)

Expense Category	Local Food in Your Community Grant Request	Applicant Contribution - Cash & In-kind Match	Match Source	Total	Details/Purpose of all Expenses
Personnel	\$1,000	\$1,000	business funds	\$2,000	staff time will be paid at \$20/hr for 100 hours of display design, event planning and preparation
Travel					
Supplies	\$3,000	\$1,000	local partnership - funds from partner business	\$4,000	printing of new signage/sales display - 4 x \$500; printing recipe cards - 4000 x \$.50
Other	\$1,000	\$2,000	business funds	\$3,000	3 months x FPF ads @\$1,000/mo
	\$5,000	\$4,000		\$9,000	

### Budget Narrative

Complete the following questions only for expenses that are covered by grant funds (not matching funds). Please thoroughly describe each category for which you are requesting grant funds, answering all parts of each question.

- If you include Personnel Costs in your budget, for each individual whose time can be directly attributed to grant activities, provide:
  - Individual's title and role; hourly rate; expected number of hours; and grant funds requested
- If you include Travel expenses in your budget, for each trip:
  - List expense types (mileage, etc.); number of travelers; associated grant funds requested; and justification for why this travel is necessary to this project
- If you include Supply expenses (includes materials, supplies, and fabricated parts costing less than \$5,000 per unit) in your budget, list each supply (with a description if needed). For each, provide:
  - Per unit cost; # units purchased; grant funds requested; and justification for why this supply is necessary to this project
- If you include Other expenses (including, but not limited to, meetings and conferences, communications, rental expenses, advertisements, publication costs, and data collection) in your budget, include any expenses not covered in any of the previous budget categories. Be sure to break down costs into cost/unit and provide justification for why the expense is necessary to this project.

## SECTION II: APPLICATION

### D. OVERVIEW OF OUTREACH, PROJECT PARTNERS, & LETTER(S) OF SUPPORT

- Describe the tactics you will employ to market and promote the availability of specialty crops and plan to engage with the community about your project.
- Select preference of access to technical services and/or marketing specialists to assist project.
- List all agricultural businesses and/or specialty crop producers that will benefit from this project and their locations.
- At least one letter of support is required from a producer, producer group, local market, or organization that will provide support to the applicant or be a partner in the work.
- Applicant may include additional documentation that shows the development of the project idea, explanation of partnerships, and details of other funding received.

### E. PERFORMANCE MEASURES & EXPECTED OUTCOMES

- Explain how the project activities will allow the applicant and partners the applicant will work with to improve access to and promotion of local fruits and vegetables. Goals and strategies for achieving community-based collaboration, project sustainability, and tracking local product sales and consumption will directly impact project competitiveness. Address the following:
  - Provide an overview of the anticipated improvements you expect to achieve as a result of the project
  - Describe the anticipated growth in the number of new producer-market relationships established
  - Provide the estimated increase in volume of specialty crops and other local food products purchased as a result of this project



## **III. EVALUATION CRITERIA**

### **APPLICATION REVIEW**

Applications will be reviewed by an advisory panel which will include representatives from the Vermont Agency of Agriculture, Food, and Markets and the Vermont Farm to Plate Network. Successful applications will be chosen based upon the evaluation criteria as detailed in this RFA and scored, in part, based on the scoring criteria provided below. Applications must meet all RFA eligibility and submission requirements. Applications must adequately explain how grant funds will be used and have a realistic implementation timeline and can be completed within six months.

### **SCORING CRITERIA**

#### **A. APPLICANT INFORMATION *(up to 10 points)***

All required information is complete and accurate.

#### **B. BUSINESS DETAILS & ELIGIBILITY *(up to 15 points)***

Detailed descriptions of business' specialty crop sales and markets are included, and applicant and project meet eligibility requirements.

#### **C. PROJECT DESCRIPTION & BUDGET JUSTIFICATION *(up to 25 points)***

Project description is clear and identifies objectives intended to improve marketing of specialty crops and increase availability of local fruits and vegetables. Timeline and work plan are thorough and demonstrates an ability to meet all goals and required deliverables within the grant period. Budget is reasonable and where appropriate, leverages additional resources, including match. Budget Narrative is clear and defines need for grant funds.

#### **D. OVERVIEW OF OUTREACH, PROJECT PARTNERS, & LETTER(S) OF SUPPORT *(up to 25 points)***

The application addresses the priorities of outreach and engagement through improved marketing and a clear and realistic communication plan. Description is complete and includes all partners and their relationship to the project. Application includes an explanation of how access to technical services and/or marketing specialists would be applied to project. At least one required letter of support is included demonstrating partner collaboration.

#### **E. PERFORMANCE MEASURES AND EXPECTED OUTCOMES *(up to 25 points)***

Application Includes strategies for collaboration, increased access to specialty crops and local food sales, and tracking of local products.

# IV. GRANT MANAGEMENT & REPORTING

## GRANT AGREEMENT & PAYMENT

Prior to receiving funding, successful applicants must sign a grant agreement with the Vermont Agency of Agriculture, Food & Markets (VAAFAM) indicating their intent to complete the proposed project and authorizing VAAFAM to monitor the project's progress. The grant agreement will include provisions (terms and conditions) set by the State of Vermont as well as any program-specific requirements. Review Attachment C - Standard State Provisions and Contracts and Grants (12/15/2017 Revised) at [bgs.vermont.gov/purchasing-contracting/forms](https://bgs.vermont.gov/purchasing-contracting/forms) for the most recent State of Vermont provisions.

## REQUIRED DOCUMENTS

Prior to commencement of work and release of any payments, grantee must submit:

- A. A certificate of insurance consistent with the requirements set forth in Attachment C
- B. A current [IRS Form W-9](#) (Request for Taxpayer Identification Number and Certification), signed within the past six months [Not required if grantee is already a state vendor.]
- C. Confirmation of an active registration in the Federal System for Award Management (SAM) at <https://www.sam.gov>.

## PAYMENT TERMS

The Agency will provide 80% of funds upon the receipt of 1) a signed grant agreement and related documents; 2) the submission and approval of a claim with associated invoice in the WebGrants system; and 3) proof that the applicant has obtained any permits that may be required for their project, if applicable. The final 20% of funds will be provided after completion of the project, and when a final report, claim, and invoice have been submitted and approved in the WebGrants system. Only expenses incurred during the grant period are eligible for reimbursement. Project costs occurring prior to or after the end date of an executed grant are not eligible for reimbursement.

## REPORTING REQUIREMENTS

Projects will be required to provide initial data and ongoing metrics as detailed within the project grant agreements. Reporting requirements include:

1. Provide necessary materials for funds disbursement
2. Provide necessary close-out materials after project is completed (report, photos, etc.)

Within 15 days of project completion, project applicant must submit before and after photo(s) of the project, a project close-out report, a final project budget using templates provided by VAAFAM, and a final claim. VAAFAM and its partners may use the photos and written stories in state-related marketing materials.

Once the final close-out materials are submitted and approved by the program manager, the project team will receive an email stating that they have met all the requirements for the Local Food in Your Community Program. Information on expectations for future correspondence will also be provided.

### CERTIFICATE OF INSURANCE

A certificate of insurance (COI) is a common requirement for businesses and organizations; most agents are familiar with it. The State of Vermont must be listed as an additional insured on the grantee's policy. We recommend forwarding the insurance requirements below to prospective insurers for accuracy:

*Insurance: Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the State through the term of this Agreement. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.*

*Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont. Vermont will accept an out-of-state employer's workers' compensation coverage while operating in Vermont provided that the insurance carrier is licensed to write insurance in Vermont and an amendatory endorsement is added to the policy adding Vermont for coverage purposes. Otherwise, the party shall secure a Vermont workers' compensation policy, if necessary, to comply with Vermont law.*

*General Liability and Property Damage: With respect to all operations performed under this Agreement, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:*

*Premises - Operations*

*Products and Completed Operations*

*Personal Injury Liability*

*Contractual Liability*

*The policy shall be on an occurrence form and limits shall not be less than:*

*\$1,000,000 Each Occurrence*

*\$2,000,000 General Aggregate*

*\$1,000,000 Products/Completed Operations Aggregate*

*\$1,000,000 Personal & Advertising Injury*

*Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than \$500,000 combined single limit. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, limits of coverage shall not be less than \$1,000,000 combined single limit.*

*Additional Insured. The General Liability and Property Damage coverages required for performance of this Agreement shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, then the required Automotive Liability coverage shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. Coverage shall be primary and non-contributory with any other insurance and self-insurance.*

*Notice of Cancellation or Change. There shall be no cancellation, change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days written prior written notice to the State.*

## APPENDIX A: ALLOWABLE COSTS & ACTIVITIES

### SELECTED COST CATEGORIES

**Advisory Councils:** Unallowable for costs incurred by advisory councils or committees.

**Alcoholic Beverages:** Allowable only when the costs are associated with enhancing the competitiveness of an eligible processed product (a product prepared or created for the purposes of promoting a specialty crop that requires other ingredients). A processed product is defined as a product that constitutes greater than 50% of the specialty crop by weight, exclusive of added water.

**Buildings and Land – Construction:** 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. 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.

**Conferences:** 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 Meals 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 Program Income).

Allowable 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:** Unallowable 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 Costs (Professional Services):** Contractual/consultant costs are expenses associated with purchasing goods and/or procuring services performed by 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 OPM website). This does not include fringe benefits, travel, indirect costs, or other expenses. Any statutory limitations on indirect costs also apply to contractors and consultants. If rates exceed this amount, the recipient is required to justify the allowability of the cost aligning with [2 CFR §§ 200.317-326](#).

**Contributions or Donations:** Unallowable for contributions or donations, including cash, property, and 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 (EBT) Machines:** Unallowable for the purchase/lease of Supplemental Nutrition Assistance Program (SNAP) EBT equipment. The USDA Food and Nutrition Service (FNS) has existing funding to expand the availability of SNAP EBT equipment and services at farmers markets through the Farmers Market Coalition and State SNAP agencies.

**Entertainment Costs:** Unallowable for entertainment costs, defined in [2 CFR § 200.438](#), 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).

**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.

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. 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 such factors 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 for acquisition costs and rental costs of special purpose equipment provided the following criteria are met: (1) necessary for the research, scientific, or other technical activities of the grant award; (2) not otherwise reasonably available and accessible; (3) the type of equipment is normally charged as a direct cost by the organization; (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 award; (6) more than one single commercial organization, commercial product, or individual must benefit from the

use of the equipment; (7) 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 (8) equipment is subject to the full range of acquisition, use, management, and disposition requirements under [2 CFR § 200.313](#) as applicable.

**Equipment – Information Technology Systems:** Unallowable for 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 in accordance with GAAP by the recipient for financial statement purposes or \$5,000. Acquisition costs for software includes those development costs capitalized in accordance with GAAP.

Information technology systems include computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. Examples of unallowable information technology systems include service contracts, operating systems, printers, and computers that have an acquisition cost of \$5,000 or more.

Allowable for website development, mobile apps, etc., that are not considered to be information technology systems, but rather social media applications.

**Fines, Penalties, Damages and Other Settlements:** Unallowable for costs resulting from violations of, alleged violations of, or failure to comply with, Federal, state, tribal, local or foreign laws and regulations.

**Fundraising and Investment Management Costs:** Unallowable for organized fundraising, including financial campaigns, solicitation 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 Personal Use:** Unallowable for costs of goods or services for personal use of the recipient’s employees regardless of whether the cost is reported as taxable income to the employees.

**Lobbying:** Unallowable as defined in [2 CFR § 200.450](#).

**Meals:** Unallowable for business meals when individuals decide to go to lunch or dinner together when no need exists for continuity of a meeting. Such activity is considered an entertainment cost.

- Unallowable for breakfasts for conference attendees because it is expected these individuals will have sufficient time to obtain this meal on their own before the conference begins in the morning.
- Unallowable for meal costs that are duplicated in a 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: Unallowable** for costs of membership in any civic or community organization. Allowable for costs of membership in business, technical, and professional organizations.

**Organization Costs:** Unallowable for costs of investment counsel and staff and similar expenses incurred to enhance income from investments. Allowable with prior approval for organization costs per [2 CFR § 200.455](#).

**Participant Support Costs:** Allowable 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:** Unallowable for development or participation in political activities in accordance with provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and §§ 7324-7326).

**Pre-Award Costs:** Allowable if such costs are necessary for efficient and timely performance of the scope of the project 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 VT SCBGP grantee may incur pre-award costs 90 calendar days before the Vermont Agency of Agriculture receives the Federal award. Expenses more than 90 days pre-award require prior approval. These costs and associated activities must be included in the grantee's project profile and budget. All pre-award costs incurred are at the potential recipient's risk. The incurrence of pre-award costs in anticipation of an award imposes no obligation on AMS or the VT SCBGP to award funds for such costs.

**Printing and Publications:** Allowable 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:** Allowable as direct costs with prior approval for special arrangements and alterations costs incurred specifically for the award. 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.

**Salaries and Wages:** Allowable 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 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. Example: Salaries and wages charged to the SCBGP for a farmers' market manager to manage and advertise a farmers market that includes non-specialty crop items are unallowable, while salaries and wages for personnel to conduct a cooking demonstration on how to prepare fruits and vegetables are allowable.

**Selling and Marketing Costs – Promotion of an Organization's Image, Logo, or Brand Name:**

Unallowable for costs designed solely to promote the image of an organization, general logo, or brand.

- Promotional items could say "Buy Vermont Grown Apples" but not "Vermont Grown", which promotes Vermont generically.
- A promotional campaign to increase producer sales of "Vermont Grown Co-op Vegetables" is acceptable while increasing membership in "Vermont Grown Co-op" generally is not.

**Selling and Marketing Costs – Promotion of Venues that do not Align with Grant Program Purpose:**

Unallowable for costs for promotion of specific venues, tradeshow, events, meetings, programs, conventions, symposia, seminars, etc. that do not align with the legislated purpose of the grant program.

**Selling and Marketing Costs – Promotional Items, Gifts, Prizes, etc.:** Unallowable for promotional items, swag, gifts, prizes, memorabilia, and souvenirs.

**Selling and Marketing Costs – Coupons, Incentives or Other Price Discounts:** Unallowable for costs of the value of coupon/incentive redemptions or price discounts (e.g., the \$5 value for a \$5 clip-out coupon).

Allowable 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.

**Selling and Marketing Costs – Food for Displays, Tastings, Cooking Demonstrations:** Allowable for food for displays, tastings, and cooking demonstrations with prior approval.

**Selling and Marketing Costs – General Marketing Costs:** Unallowable for costs designed solely to promote the image of an organization, general logo, or general brand.

Allowable for costs designed to promote products that align with the purpose of the grant program.

**Selling and Marketing Costs – Sponsorships:** Unallowable for costs associated with sponsorships, defined as a form of advertising in which an organization uses grant funds to have its name and/or logo associated with certain events and where the organization does not necessarily know how the funds associated with sponsorship costs will be used.



**Selling and Marketing Costs – Use of Meeting Rooms, Space, Exhibits that do not Align with Grant**

**Program Purpose:** Unallowable for costs associated with trade show attendance/displays, meeting room reservations, and/or any other displays, demonstrations, exhibits, or rental of space unless the activities specifically align with the purpose of the grant program. See **Conferences** for more information.

**Selling and Marketing Costs – Cookbooks, Recipe Cards, Food Pairings: Unallowable** for costs of separate complementary non-specialty crop products. A separate complementary non-specialty crop product means a product closely associated with a specialty crop product, the purchase of one encouraging consumers to buy the other (e.g., cheese and wine).

Allowable for costs promoting the specialty crops in processed products (products prepared or created for the purposes of promoting a specialty crop but that require other ingredients are considered a processed product). A processed product is defined as a product that consist of greater than 50% of the specialty crop by weight, exclusive of added water.

**Supplies and Materials, Including Costs of Computing Devices:** Allowable for costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award. Purchased materials and 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 actually 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:** Allowable for domestic travel, when costs are limited to those allowed by formal organizational policy and the purpose aligns with the legislated purpose of the program.

Unallowable for travel costs for conferences, venues, tradeshow, events, meetings, programs, conventions, symposia, workshops, seminars, etc. that include non-specialty crop activities, such as farmers' market annual conferences and general marketing tradeshow, when these costs cannot be specifically identified and easily and accurately traced to activities that enhance the competitiveness of specialty crops. Example: Travel costs for travel to a farmers market conference is generally unallowable, while travel to a vegetable food safety educational session is allowable.

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 General Services Administration (GSA), including the maximum per diem and subsistence rates prescribed in those regulations.

**Travel – Government Officials:** Allowable only with prior approval per 2 CFR § 200.444.

**Travel – Foreign:** Foreign travel includes any travel outside Canada, Mexico, the United States, and any United States territories and possessions. “Foreign travel” for a governmental unit located in a foreign country means travel outside that country. Projects must provide justification for foreign travel. Search the Foreign Agricultural Service database of GAIN reports to ensure that proposals will not duplicate information that already exists.