

**DEPARTMENT OF AGRICULTURE**

**AGENCY:** Natural Resources Conservation Service, Commodity Credit Corporation

**ACTION: NOTICE**

Conservation Innovation Grants Fiscal Year (FY) 2010 Announcement for Program Funding

Catalog of Federal Domestic Assistance (CFDA) Number: 10.912

**SUMMARY:** The Natural Resources Conservation Service (NRCS) is announcing availability of Conservation Innovation Grants (CIG) to stimulate the development and adoption of innovative conservation approaches and technologies. Applications will be accepted from any eligible entity for projects within the state of North Dakota. North Dakota NRCS is targeting \$150,000 in FY 2010 for grant support with up to 10 percent of the total funds available for applications from Beginning Farmers or Ranchers, Limited Resource Farmers or Ranchers, Indian Tribes or community-based organizations comprised of or representing these entities. Applications are requested from eligible governmental or non-governmental organizations or individuals for competitive consideration of grant awards for projects between 1 and 3 years in duration.

This notice identifies the objectives for CIG projects, the eligibility criteria for projects, and provides the instructions needed to apply to CIG.

**APPLICATION DUE DATE AND ADDRESSES:** Applications must be received in the North Dakota NRCS State Office by 4:00 p.m., Central Standard Time (CST) on **Friday, July 2, 2010**.

The address for hand-delivered applications, applications submitted using express mail or overnight courier service, or the U.S. Postal Service is: Natural Resources Conservation Service; North Dakota Conservation Innovation Grants Program; c/o Jennifer Heglund; 220 East Rosser Avenue, Room 270, P.O. Box 1458; Bismarck, ND 58502-1458.

To submit your application electronically, visit <http://www.grants.gov> and follow the instructions.

**Applications sent by email or by facsimile will not be considered.**

**Applications received after 4:00 pm Central Standard Time (CST) will not be considered.**

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## SUPPLEMENTARY INFORMATION

### I. FUNDING OPPORTUNITY DESCRIPTION

#### A. Legislative Authority

The Conservation Innovation Grants (CIG) was authorized as part of the Environmental Quality Incentives Program (EQIP) [16 U.S.C. 3839aa-8] under section 1240H of the Food Security Act of 1985, as added by section 2509 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246). The Secretary of Agriculture delegated the authority for the administration of EQIP and CIG to the Chief of the Natural Resources Conservation Service (NRCS), who is Vice President of the Commodity Credit Corporation (CCC). EQIP is funded and administered by NRCS under the authorities of the CCC.

#### B. Overview

The purpose of CIG is to stimulate the development and adoption of innovative conservation approaches and technologies, while leveraging the Federal investment in environmental enhancement and protection in conjunction with agricultural production. CIG projects are expected to lead to the transfer of conservation technologies, management systems, and innovative approaches (such as market-based systems) into NRCS policy, technical manuals, guides, and references or to the private sector. CIG does not fund research projects. Projects intended to formulate hypothesis do not qualify. CIG is to apply proven technology which has been shown to work previously. It is a vehicle to stimulate the development and adoption of conservation approaches or technologies that have been studied sufficiently to indicate a likelihood of success, and to be candidates for eventual technology transfer or institutionalization. CIG promotes sharing of skills, knowledge, technologies, and facilities among communities, governments, and other institutions to ensure that scientific and technological developments are accessible to a wider range of users. CIG funds projects targeting innovative on-the-ground conservation, including pilot projects and field demonstrations.

NRCS will accept applications for single or multi-year projects, not to exceed three years, submitted to NRCS from eligible entities, including Federally-recognized Indian Tribes, State and local governments, and non-governmental organizations and individuals. Applications will be accepted from outside of North Dakota however, the project area must be within the State of North Dakota and include EQIP-eligible participants in North Dakota.

Complete applications will be evaluated by a technical peer review panel based on the Criteria for Application Evaluation identified in this document. Applications with technically-based recommendations from the peer review group will be forwarded to the Grants Review Board. The Grants Review Board will make recommendations for project approval to the State Conservationist. Final award selections will be made by the North Dakota NRCS State Conservationist.

#### C. Innovative Conservation Projects or Activities

For the purposes of CIG, the proposed innovative project or activity must encompass the development, field testing, evaluation, implementation, and monitoring of:

- Conservation adoption approaches or incentive systems, including market-based systems;
- Promising conservation technologies, practices, systems, procedures, or approaches; and
- Environmental soundness with goals of environmental protection and natural resource enhancement.

To be given priority consideration, the innovative project or activity:

- Makes use of a proven technology or a technology that has been studied sufficiently to indicate a high probability for success;
- Demonstrates and verifies environmental (soil, water, air, plants, energy use, and animal) effectiveness, utility, affordability, and usability of conservation technology in the field;
- Adapts conservation technologies, practices, systems, procedures, approaches, and incentive systems to improve performance and encourage adoption;
- Introduces conservation systems, approaches, and procedures from another geographic area or agricultural sector; and  
Adapts conservation technology, management, or incentive systems to improve performance.

Successful projects will include on-the-ground project implementation rather than information, education, and outreach alone. Applications that seek to include outreach funding for the single purpose of obtaining operational funds will not be considered. Applications must include funds to implement the projects without additional funds being required of producer's through regular EQIP contracts.

#### **D. CIG Natural Resource Concerns Categories**

For FY 2010 CIG awards must fall into one of the five (5) natural resource categories.

Applications must demonstrate the use of innovative technologies or approaches, or both, to address a natural resource concern or concerns. The five natural resource concerns for possible funding through Conservation Innovation Grants for FY 2010, plus the priority resource issues are:

##### **1. Water Resources**

The objective of this natural resource concern is to implement new technologies and/or approaches to maintain, restore, or enhance water quality and/or quantity in watersheds with predominantly agricultural land uses while sustaining productivity. Subtopics include:

- Reduced nutrient, pesticide, and/or pathogen transport to surface water and groundwater;
- Reduced sediment transport to surface water;
- Improved irrigation management for water conservation;
- A. Improved aquifer recharge or maintenance of groundwater supplies; and
- Increased water supplies and/or availability through alternative treatment; enhanced automation, monitoring or scheduling; reduced system losses; or reuse strategies

##### **2. Soil Resources**

The objective of this natural resource concern is to implement new technologies and/or approaches to maintain, restore, or enhance soil resources associated with agricultural and forest land uses while sustaining productivity. Subtopics include:

- New, innovative methods for erosion control under all land uses;

- Decreased accumulation of harmful levels of constituents in soils, including nutrients, metals, or salts; and
- New and innovative methods to improve soil tilth and soil quality related to maintained or improved productivity.

### **3. Atmospheric Resources**

The objective of this natural resource concern is to implement new technologies and/or approaches to restore or enhance air quality and atmospheric resources through agricultural, rangeland, and forestry practices while sustaining or improving productivity. Subtopics include:

- Reduced agricultural emissions of particulates, odors, volatile organic compounds, and greenhouse gases;
- Demonstrate innovative approaches to decrease atmospheric concentrations of greenhouse gases by increasing carbon sequestration (e.g.: increasing soil carbon) and/or by reducing greenhouse gas emissions from agricultural operations; and
- Bio-based energy opportunities.

### **4. Grazing Land**

The objective of this natural resource concern is to implement new technologies and/or approaches to maintain, restore, or enhance grazing land while sustaining productivity.

Subtopics include:

- Improved invasive species management and control methods on grazing;
- New and innovative approaches and methods to reduce the effects of pests and diseases on grazing land quality, health, and productivity;
- New and innovative approaches and methods to reduce fragmentation on grazing land quality, health, and productivity;
- Development of new, alternative systems or practices to minimize overgrazing, restore lands suffering effects of overgrazing, and improve forage productivity and utilization;
- Low-input approaches to increasing forage production; and
- Alternative grasses or forages for livestock production that improves or enhances resource conservation.

### **5. Forest Health**

The objective of this natural resource concern is to implement new technologies and/or approaches to maintain, restore, or enhance forest health while sustaining productivity.

Subtopics include:

- Invasive species management on forest land;
- Effects of pests, diseases, and fragmentation on forest health and productivity;
- Fire management on forest land; and
- Improving water and air quality while maintaining forest health and productivity.

## **II. FUNDING AVAILABILITY**

### **A. North Dakota State Component**

The CIG final rule describes the potential for implementing a State component of CIG. The intent of the State Component is to provide flexibility to NRCS State Conservationists to target CIG funds to individual producers and smaller organizations that may possess promising innovations, but may not compete well on the larger scale of the national grants competition.

Effective on the publication date of this notice, the North Dakota NRCS announces the availability of approximately \$150,000 for CIG. North Dakota NRCS and the State Conservationist reserve the right to offer more or less funding. Changes to the amount available will be based upon the quality of the applications received (as determined by NRCS), the amount of additional funding available, and any other factor established by the State Conservationist.

Funds will be awarded through a competitive grants process. Individual projects funded through CIG in fiscal year 2010 may not receive more than \$75,000 from NRCS. CIG will fund single or multi-year projects, not to exceed three years. Applications received from previously funded applicants will be accepted; however the application must demonstrate a clear need for additional funding if the project is a continuation of the previously funded project.

## **III. ELIGIBILITY INFORMATION**

CIG applicants must be a Federally-recognized Indian Tribe; State or local unit of government; non-governmental organization; private business; or individual. Projects must be within the state of North Dakota and must demonstrate a potential benefit to North Dakota agricultural producers.

### **A. Matching Funds**

Selected applicants may receive CIG grants of up to 50 percent of the total project cost. The recipient is required to match the USDA funds awarded on dollar-for-dollar basis from non-Federal sources with cash and in-kind contributions. Only 25 percent of the required match can be contributed as in-kind. In-kind costs of equipment or project personnel cannot exceed 50 percent of the applicant's match (except in the case of projects carried out by either a Beginning Farmer or Rancher, Limited Resource Farmer or Rancher, or Indian tribe or a community-based organization comprised of or representing these entities). The remainder of the match must be provided in cash.

Matching funds must be available at time of application. Additional information about matching funds can be found at the following link: [OMB Circular A-110](http://www.whitehouse.gov/omb/rewrite/circulars/a110/a110.html)  
<http://www.whitehouse.gov/omb/rewrite/circulars/a110/a110.html>.

### **B. Beginning or Limited Farmers or Ranchers or Indian Tribes**

For the FY 2010 grant award process, up to 10 percent of the total funds available for CIG may be set-aside for applications from Beginning Farmer or Ranchers, Limited Resource Farmers or Ranchers, or Indian tribes or community-based organizations comprised of or representing these entities. An exception regarding matching funds is made for projects funded out of the set-aside.

Up to three-fourths of the required matching funds for such projects (up to 37.5 percent of the total project cost) may derive from in-kind contributions. This exception is intended to help Beginning Farmers or Ranchers, Limited Resource Farmers or Ranchers, and Indian tribes meet the statutory requirements for receiving a CIG.

To compete for these set-aside funds, the applicant must make a declaration in the application as described in Part IV.7 in this notice. Applications that are unsuccessful in the set-aside competition will be placed automatically in the general application pool for consideration. Funds not used in the set-aside pool will revert back into the general funding pool.

***Beginning Farmer or Rancher*** - a person or legal entity who:

- Has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years. This requirement applies to all members of an entity who will materially and substantially participate in the operation of the farm or ranch;
- In the case of a contract with an individual, individually, or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch consistent with the practices in the county or State where the farm is located; and
- In the case of a contract with an entity or joint operation, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that each of the members provide some amount of the management or labor and management necessary for day-to-day activities, such that if each of the members did not provide these inputs, operation of the farm or ranch would be seriously impaired.

***Limited Resource Farmer or Rancher*** -

- A person with direct or indirect gross farm sales not more than \$155,200 in each of the previous 2 years (adjusted for inflation using Prices Paid by Farmer Index as compiled by National Agricultural Statistical Service); and
- Has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income in each of the previous 2 years (to be determined annually using Department of Commerce data).

***Socially Disadvantaged Farmer or Rancher*** - a farmer or rancher who has been subjected to racial or ethnic prejudices because of their identity as a member of a group without regards to their individual qualities. Those groups include African Americans, American Indians or Alaska natives, Hispanics, Asians, Asians, and native Hawaiians or Pacific Islanders.

### **C. EQIP Payment Limitation and Duplicate Payments**

Section 1240G of the Food Security Act of 1985, 16 U.S.C. 3839aa-7, imposes a \$300,000 limitation for all cost-share or incentive payments disbursed to individuals or entities under an EQIP contract between fiscal years 2008 and 2012. The limitation applies to CIG in the following manner:

- CIG funds are awarded through grant agreements. These grant agreements are not EQIP contracts; thus, CIG awards in and of themselves are not limited by the payment limitation.
- Direct or indirect payments made to an individual or entity using funds from a CIG award to carry out structural, vegetative, or management practices count toward each

individual's or entity's EQIP payment limitation. Through project progress reports, CIG grantees are responsible for certifying that producers involved in CIG projects do not exceed the payment limitation. Further, all direct and indirect payments made to producers using CIG funds must be reported to the NRCS CIG program manager in the semi-annual report. Direct or indirect payments cannot be made for a practice for which the producer has already received funds, or is contracted to receive funds through any of the USDA programs (EQIP, Agricultural Management Assistance, Conservation Security Program, Wildlife Habitat Incentive Program, etc.) since this would be considered a duplicate payment.

### **Payment Limitation Examples**

Following are two examples of how the \$300,000 EQIP payment limitation applies to CIG projects:

**a.** A CIG grant is awarded to a State environmental agency to demonstrate an innovative, market-based, water quality trading program. The money is used to finance the development of a market infrastructure, and none of the funds are used to implement structural, vegetative, or management practices. Producers in the trading market demonstration area may indirectly benefit from their eventual participation in the market, but there is no direct or indirect transfer payment of CIG dollars. If, on the other hand, part of the CIG award were used to make payments to producers who implement conservation practices on their land as part of a trading program, those payments would count towards each producer's \$300,000 EQIP payment limitation.

**b.** A CIG grant is awarded to a Conservation District to pilot a community-based animal waste treatment technology innovation. EQIP-eligible producers in the area transport their animal waste to a central treatment location. Because producers are not directly or indirectly receiving CIG funds, the payment limitation does not apply. If, however, the producers were paid for their waste, or for transporting their waste to the central treatment location using CIG funds, the payments would be subject to each producer's EQIP payment limitation.

### **D. Project Eligibility**

To be eligible for CIG, projects must involve landowners who meet the EQIP eligibility requirements as set forth in [16 USC 3839aa-1](http://uscode.house.gov/download/pls/16C58.txt) <http://uscode.house.gov/download/pls/16C58.txt>. Further, all agricultural producers receiving direct or indirect payments through participation in a CIG project must also meet the EQIP eligibility requirements. Additional information regarding EQIP eligibility requirements can be found at: <http://www.nrcs.usda.gov/programs/eqip/>. Participating producers are not required to have an EQIP contract. Applications must describe the extent of participation of EQIP eligible producers.

A person or legal entity will not be eligible to receive any benefit during a crop, fiscal, or program year, as appropriate, if the average adjusted gross non-farm income of the person or legal entity exceeds \$1,000,000, unless not less than 66.66 percent of the average adjusted gross income of the person or legal entity is average adjusted gross farm income.

A person who is determined ineligible for USDA program benefits under the Highly Erodible Land Compliance and Wetland Compliance provisions of the Food Security Act of 1985 will not be eligible to receive direct or indirect payments through CIG.

Technologies and approaches that are eligible for funding in a project's geographic area through EQIP are ineligible for CIG funding except where the use of those technologies and approaches demonstrates clear innovation. The burden falls on the applicant to sufficiently describe the innovative features of the proposed technology or approach (applicants should reference the appropriate State's EQIP Eligible Practices List by contacting the State office).

The grantee is responsible for providing the technical assistance required to successfully implement and complete the project. NRCS will designate a Program Contact, Administrative Contact, and Technical Contact to provide oversight for each project receiving an award.

#### **IV. APPLICATION AND SUBMISSION INFORMATION**

##### **A. How to Obtain Application Materials**

All Office of Management and Budget standard forms necessary for CIG submission are posted on the following website: [www.grants.gov/agencies/aapproved\\_standard\\_forms.jsp](http://www.grants.gov/agencies/aapproved_standard_forms.jsp). An application checklist, sample SF424A and instructions, as well as all other forms will be available on the North Dakota CIG website:

[http://www.nd.nrcs.usda.gov/programs/CIG/CIG\\_index\\_10.html](http://www.nd.nrcs.usda.gov/programs/CIG/CIG_index_10.html).

##### **B. Application Content and Format**

Applications must contain the information set forth below in order to receive consideration for a grant. Applicants should not assume prior knowledge on the part of NRCS or others as to the relative merits of the project described in the application. Applicants may not be contacted by NRCS for clarification purposes. Information not clearly explained will not be considered. NRCS will not be responsible for any misunderstanding that results from unclear application information.

Application materials not requested by this announcement, such as letters of support, may be discarded by NRCS at the discretion of the State Conservationist. Application materials will not be returned to the applicant. Applications must be submitted in the following format:

Applications must to be typewritten or printed on 8½" x 11" white paper, double spaced, and on one side only. The text of the application should be in a font no smaller than 12-point, with one-inch margins. If submitting applications for more than one project, submit a separate, complete application package for each project. Applications are to be saved as Microsoft Word or Adobe pdf files on a compact disc (CD), and the electronic copy included in the application package.

- Applications that fail to comply with the required content and format will not be considered for funding.

**Applications must include all required forms and narrative sections described below. Incomplete applications will not be considered.**

- 1. Application Cover Sheet:** Applicants must use **Standard Form 424** Application for Federal Assistance as the cover sheet for each project application. Standard Form 424 can be downloaded from [www.grants.gov/agencies/aapproved\\_standard\\_forms.jsp](http://www.grants.gov/agencies/aapproved_standard_forms.jsp) or obtained from the NRCS website at [http://www.nd.nrcs.usda.gov/programs/CIG/CIG\\_index\\_10.html](http://www.nd.nrcs.usda.gov/programs/CIG/CIG_index_10.html).

- 2. Project Summary Sheet:** Applicants must submit a **Project Summary Sheet** (no more than 2 pages in length) that includes the listed information. A template for the Project Summary Sheet is available on the NRCS CIG website: [http://www.nd.nrcs.usda.gov/programs/CIG/CIG\\_index\\_10.html](http://www.nd.nrcs.usda.gov/programs/CIG/CIG_index_10.html).
- a. Project Title
  - b. Project Director – name, address, telephone, email, and any other contact information (please provide a mailing address, not a P.O. Box)
  - c. Project Collaborators - names and affiliations (NRCS employees may not serve as collaborators)
  - d. Project Purpose
  - e. Project Deliverables/Products
  - f. Project Scope/Area/Location
  - g. Project Start and End Dates (Projects should plan to begin no earlier than August 15, 2010 and no later than September 30, 2010)
  - h. Natural Resource Concern(s) Category to be Addressed
  - i. Certifications – EQIP Eligibility
  - j. Estimated Number of EQIP-eligible Producers Involved in the Project
  - k. Total Project Cost
  - l. Total Federal Funds Requested
  - m. Brief Summary of Project/Work to be Performed
- 3. Project Description:** Each project must be completely and accurately described in no more than twelve (12) typewritten, single sided, double-spaced pages. This limitation applies to everything listed in section “3. Project Description” including any appendices, unless otherwise stated below and will be strictly enforced. Applications that exceed this limit will be cutoff at page 12 and the remaining pages will be discarded. The description must include the following information:
- a. Project narrative: Clearly and concisely describe the proposed project and discuss the expected benefits. The project narrative should provide a clear description of the work to be undertaken and how it will be accomplished. It must be formatted to address each of the merit review criteria listed in section V.B. and provide sufficient information for the reviewers to evaluate the application in accordance with these merit review criteria. The project narrative should mention the amount of money applied for and matching dollars provided. The project narrative should be organized into the following sections:
    - i. Introduction
    - ii. Technical Relevance and Merit
    - iii. Technical Approach/Work Plan
    - iv. Energy Efficiency/Displacement, Rural Economic Development, Environmental Benefits
    - v. Technical, Management, and Facility Capabilities

Note:

- Pages in excess of the 12-page limit will be discarded and not evaluated.
  - Bibliography and references for any references cited in the technical proposal. This section must include only bibliographic citations and will be included in the page count for the project narrative 12-page limit.
  - Resumes or biographical sketches for key personnel may be included. However, the resumes or biographical sketch pages will be included in the page count for the project narrative. The most important information provided should be a brief statement justifying why this individual is a good choice for involvement in the proposed project. Other information such as education, professional positions held, publications, patents, or other activities may be included, as deemed appropriate.
- b. Project background: Describe the history of, and need for, the proposed innovation. Provide evidence that the proposed innovation has been studied sufficiently to indicate a good probability for success of the project.
  - c. Project objectives: Be specific using qualitative and quantitative measures, if possible, to describe the project's purpose and goals. Describe how, based on the description of innovative conservation projects and activities provided in section I.C., the project is innovative;
  - d. Project methods: Describe clearly the methodology of the project and the tools or processes that will be used to implement the project.
  - e. Location and size of project or project area: Describe the location of the project and the relative size and scope (e.g., acres, farm types and demographics, etc.) of the project area. Provide a map, if possible (**project maps are excluded from the 12-page limitation and should fall at the end of this section**).
  - f. Producer participation: Estimate the number of producers involved in the project, and describe the extent of their involvement (all producers involved in the project must be eligible for EQIP).
  - g. Project action plan and timeline: Provide a table listing project actions, timeframes, and associated milestones through project completion (**this table is excluded from the 12-page limitation and should fall at the end of this section**).
  - h. Project management: Give a detailed description of how the project will be organized and managed. Include a list of key project personnel, their relevant education or experience, and their anticipated contributions to the project. Explain the level of participation required in the project by government and non-government entities. Identify who will participate in monitoring and evaluating the project. (**This component is excluded from the 12-page limitation and should fall at the end of this section, however each of the listed personnel are limited to one page each**). NRCS employees will not be providing technical assistance on the project and should not be listed;
  - i. Benefits or results expected and transferability: Identify the results and benefits to be derived from the proposed project activities, and explain how the results will be measured. Identify project beneficiaries, i.e., agricultural producers by type, region, or sector; rural communities; and municipalities.

Explain how these entities will benefit. In addition, describe how results will be communicated to others via outreach activities.

- j. Project evaluation: Describe the methodology or procedures to be followed to evaluate the project, determine technical feasibility, and quantify the results of the project for the final report (grant recipients will be required to provide a semi-annual report of progress, quarterly financial reports, and a final project report to NRCS. Instructions for submitting quarterly reports will be detailed in the grant agreement).

- k. Environmental Information and Assessment of Environmental Impacts: Describe and assess the anticipated environmental effects of the proposed project. The description of the potential environmental and social impacts must address all potential beneficial and adverse impacts of the proposed action. A full description and assessment of the potential impacts to all potentially impacted environmental resources must be disclosed. One line or short descriptions of environmental impacts are not acceptable. The length of the analysis should be commensurate with the complexity of the project proposed and the environmental impacts impacted either directly, indirectly (later in time), or cumulatively. Where possible, information on environmental impacts should be quantified, such as number of acres of wetlands impacted, amount of carbon sequestration estimated, etc. Environmental resources include soil, water, air, plants, and animals, as well as other specific resources protected by law, Executive Order, and agency policy. These resources are outlined in the NRCS Environmental Evaluation Worksheet, form NRCS-CPA-52, which is available at: [NRCS-CPA-52](http://www.nrcs.usda.gov/technical/ECS/environment/CPA-52.doc) <http://www.nrcs.usda.gov/technical/ECS/environment/CPA-52.doc>. The CPA-52 form can be used as a guide for the scope of environmental information that should be prepared for this section of the application. In addition to describing impacts, applicants are required to assess the significance or degree of potential environmental impact of the proposed project on environmental resources. Applicants may consult with the NRCS Environmental Liaison concerning the scope of what should be addressed in this section of the application. A list of the Environmental Liaisons can be found on the following Web site: [Environmental Liaison](http://www.nrcs.usda.gov/technical/ECS/environment/liaison.doc) <http://www.nrcs.usda.gov/technical/ECS/environment/liaison.doc>

*Note: Please be aware that applications for projects with potentially adverse impacts may need to be modified in order to achieve acceptable and beneficial levels of environmental impact. If projects cannot be modified, then there is a potential during the screening process that the application may not be selected.*

- 4. **Budget Information:** Applicants must prepare a Standard Form (SF) 424-A Budget Information Non-Construction Programs to document budget needs. The SF-424A is available at: [Grants.gov-Forms](http://www.grants.gov/forms) [http://www.grants.gov/agencies/aapproved\\_standard\\_forms.jsp](http://www.grants.gov/agencies/aapproved_standard_forms.jsp) or can be obtained from a NRCS State office. For standard grant applications, a budget form is required for each year of requested support. In addition, a cumulative budget is required detailing the requested total support for the overall project period. The budget form

may be reproduced as needed by applicants. Funds may be requested under any of the categories listed on the form, provided that the item or service for which support is requested is allowable under the authorizing legislation, the applicable statutes, regulations, Federal cost principles, and NRCS program guidelines and can be justified, as necessary, for the successful conduct of the proposed project. Applicants must also include a budget narrative to justify their budget requests (see number 3 below). If claiming indirect costs, the applicant must provide an indirect cost rate agreement or indirect cost rate proposal as justification for the rate of indirect costs being claimed. Indirect costs is based on total Federal funds awarded and cannot exceed 15 percent.

In addition to the SF-424A, all applicants must provide a detailed narrative in support of the budget for the project, broken down by each project year. All budget categories for which support is requested must be individually listed (with costs) in the same order as the budget and justified on a separate sheet of paper and placed immediately behind the Budget Form (SF-424A). Discuss how the budget specifically supports the proposed activities. Explain how budget items such as personnel, travel, equipment, etc. are essential to achieving project objectives. Justify the project cost effectiveness and include justification for personnel salaries such as resumes. A budget narrative is also required for the matching portion.

Applications should include written verification of commitments of matching support (including both cash and in-kind contributions) from third parties.

For any third party cash contributions, a separate pledge agreement for each donation, signed by the authorized organizational representative of the donor organization and the applicant organization, which must include: (1) the name, address, and telephone number of the donor, (2) the name of the applicant organization, (3) the title of the project for which the donation is made, (4) the dollar amount of the cash donation, and (5) a statement that the donor will pay the cash contribution during the grant period.

"In-kind" refers to non-cash contributions of goods or services made by third party individuals or organizations to support projects. Examples of in-kind include work done by unpaid volunteers and donations of supplies, facilities, or equipment. In-kind contributions must be necessary to accomplish program activities and are verifiable.

For any third party in-kind contributions, a separate pledge agreement for each contribution, signed by the authorized organizational representatives of the donor organization and the applicant organization, which must include: (1) the name, address, and telephone number of the donor, (2) the name of the applicant's organization, (3) the title of the project for which the donation is made, (4) a good faith estimate of the current fair market value of the third party in-kind contribution, and (5) a statement that the donor will make the contribution during the grant period.

The sources and amounts of all matching support from outside the applicant institution should be summarized on a separate page and placed in the application immediately following the summary of matching support (matching support means a budget narrative broken down by year).

The value of applicant contributions to the project will be established in accordance with the applicable cost principles. Applicants should refer to OMB Circulars, Cost Principles that apply to their entity for additional guidance, and other requirements relating to matching and allowable costs.

- 5. Declaration of Beginning Farmer or Rancher, Limited Resource Farmer or Rancher, or Indian Tribe:** If an applicant wishes to compete in the 10 percent set-aside funding pool, applicants must make a declaration in writing of their status as a Beginning Farmer or Rancher, Limited Resource Farmer or Rancher, or Indian tribe or a community-based organization comprised of or representing these entities. This declaration is also required in order to be eligible for the in-kind contribution exception. (Refer to Part III B that describes the provision of a set-aside pool of funding for Beginning or Limited Farmers or Ranchers and Indian tribes.)
- 6. Declaration of EQIP Eligibility:** Applicants must include a statement indicating that the proposed project will involve EQIP-eligible producers. Applicants must make a declaration in writing that they, or parties involved in the project, are eligible for EQIP (if EQIP eligible producers are not involved, the proposal will be considered ineligible). The declaration must describe and certify the level of involvement by EQIP eligible producers.
- 7. National CIG Competition:** Applicants must specifically state whether this application, with or without an increase in the amount of funding requested, or a similar application that includes this project is being, or has been, submitted for funding consideration in the 2010 national component of CIG.
- 8. Certifications:** All applications must include a signed Standard Form (SF) 424B - Assurances, Non-construction Programs. The SF-424B may be found at: [Grants.gov-Forms http://www.grants.gov/agencies/aapproved\\_standard\\_forms.jsp](http://www.grants.gov/agencies/aapproved_standard_forms.jsp) or by contacting the North Dakota Administrative point of contact identified in Section VII below. Applicants, by signing and submitting an application, assure and certify that they are in compliance with the following from 7 CFR:
  - a. Part 3017, [Government wide Debarment and Suspension \(Non-procurement\)](http://www.access.gpo.gov/nara/cfr/waisidx_04/7cfr3017_04.html)
  - b. Part 3018, [New Restrictions on Lobbying](http://www.access.gpo.gov/nara/cfr/waisidx_04/7cfr3018_04.html)
  - c. Part 3021, [Government wide Requirements for Drug Free Workplace \(Financial Assistance\)](http://www.access.gpo.gov/nara/cfr/waisidx_04/7cfr3021_04.html)
- 9. DUNS Number:** A Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number is a unique nine-digit sequence recognized as the universal standard for identifying and keeping track of over 70 million businesses worldwide. A *Federal Register* notice of final policy issuance (68 FR 38402) requires a DUNS number in every application (i.e., hard copy and electronic) for a grant or cooperative agreement (except applications from individuals) submitted on or after October 1, 2003. Information on how to obtain a DUNS number can be found at:

<http://www.grants.gov/RequestaDUNS> or by calling 1-866-705-5711. Please note that the registration may take up to 14 business days to complete.

**10. Required Central Contractor Registry (CCR) Registration:** The CCR is a database that serves as the primary government repository for contractor information required for the conduct of business with the government. This database will also be used as a central location for maintaining organizational information for organizations seeking and receiving grants from the government. CIG applicants must register with the CCR. To register, go to: <http://www.ccr.gov>. Allow a minimum of 5 days to complete the CCR registration.

### **C. How to Submittal A Written Application**

Applicants must submit one signed original and six complete copies (seven total) of each project application. Each copy of the application must be stapled securely in the upper left-hand corner. Hard copies must be accompanied by an electronic copy on a compact disc (CD). Electronic files must be either Microsoft Word or Acrobat (pdf) files.

**Applications submitted via facsimile or e-mail will not be accepted.**

The address for hand-delivered applications or applications submitted using express mail or overnight courier service is:

Submit written applications to:

Natural Resources Conservation Service

North Dakota Conservation Innovation Grants Program

c/o Jennifer Heglund, Assistant State Conservationist for Programs

220 East Rosser Avenue, Room 270, P.O. Box 1458

Bismarck, ND 58502-1458

### **D. How to Submit an Application Electronically**

Applicants may submit applications electronically through [Grants.gov](http://www.grants.gov) <http://www.grants.gov/>, the Federal Government's e-grants portal. Applications submitted through [Grants.gov](http://www.grants.gov) must contain all of the elements of a complete application and meet the requirements described above. Instructions for electronically submitting the required standard forms, abstract, narrative, and declarations are posted on [Grants.gov](http://www.grants.gov).

Applications submitted electronically are date and time stamped by [Grants.gov](http://www.grants.gov) and must be received by the identified closing date. **Note that NRCS is not responsible for any technical malfunctions or website problems related to [Grants.gov](http://www.grants.gov) submissions.**

**Applicants should begin the [Grants.gov](http://www.grants.gov) process well before the submission deadline to avoid problems.**

### **E. Application Due Date**

**Complete Applications Must Be Received in Room 270 at the North Dakota NRCS State Office by 4:00 p.m. CST on July 2, 2010.** An application's postmark date is NOT a factor in whether an application is received on time. The applicant assumes the risk of any delays in application delivery. Applicants are strongly encouraged to submit completed applications via overnight mail or delivery service to insure timely receipt by NRCS.

## **F. Acknowledgement of Submission**

Applications received by the due date will be acknowledged with an official letter. If an applicant has not received an acknowledgement within 30 days of the submission, they must contact the NRCS programmatic contact (See Part VII). NRCS is not responsible for lost or delayed deliveries. Applicants are encouraged to submit early. Failure to do so may result in the application not being considered for funding by the peer review panel.

## **G. Funding Restrictions**

The indirect costs facilities and administration (F& A) for CIG awards may not exceed 15 percent of the total Federal (NRCS) funds provided under each award. Awardees may not use un-recovered indirect costs as part of their matching funds.

CIG funds may not be used to pay any of the following costs unless otherwise permitted by law, or approved in writing by the Authorized Departmental Officer in advance of incurring such costs:

- a. Costs above the amount of funds authorized for the project;
- b. Costs incurred prior to the effective date of the grant;
- c. Costs which lie outside the scope of the approved project and any amendments thereto;
- d. Entertainment costs, regardless of their apparent relationship to project objectives;
- e. Compensation for injuries to persons, or damage to property arising out of project activities;
- f. Consulting services performed by a Federal employee during official duty hours when such consulting services result in the payment of additional compensation to the employee; and,
- g. Renovation or refurbishment of research or related spaces; the purchase or installation of fixed equipment in such spaces; and the planning, repair, rehabilitation, acquisition, or construction of buildings or facilities.

This list is not exhaustive. Questions regarding the allowances of particular items of cost should be directed to the administrative contact person.

## **H. Patents and Inventions**

Allocation of rights to patents and inventions shall be in accordance with USDA regulation [7 CFR §3019.36](#) [http://www.access.gpo.gov/nara/cfr/waisidx\\_01/7cfr3019\\_01.html](http://www.access.gpo.gov/nara/cfr/waisidx_01/7cfr3019_01.html). This regulation provides that small businesses normally may retain the principal worldwide patent rights to any invention developed with USDA support. In accordance with [7 CFR §3019.2](#) [http://www.access.gpo.gov/nara/cfr/waisidx\\_01/7cfr3019\\_01.html](http://www.access.gpo.gov/nara/cfr/waisidx_01/7cfr3019_01.html), this provision will also apply to commercial organizations for the purposes of CIG. USDA receives a royalty-free license for Federal Government use, reserves the right to require the patentee to license others in certain circumstances, and requires that anyone exclusively licensed to sell the invention in the United States must normally manufacture it domestically.

### **I. Environmental Review Requirements**

The Council on Environmental Quality's National Environmental Policy Act (NEPA) regulations at CFR Part 1500-1508 and NRCS' regulation that implements NEPA at 7 CFR Part 650 require that an environmental review be prepared for actions where the agency has discretion and control. Accordingly, NRCS' financial assistance under the CIG program requires compliance with these regulations. As part of the application packet, applicants are required to provide environmental information pertaining to their project to help NRCS determine the appropriate documentation required to comply with NEPA and NRCS regulations. If the application is selected for funding, the NRCS Program Contact and NRCS Environmental Liaison will coordinate with the selected applicant concerning documentation for compliance with NEPA. The selected applicant will be required to prepare and pay for the preparation of the appropriate NEPA document (e.g., Environmental Assessment or Environmental Impact Statement if required for NEPA compliance). Grant funding cannot be approved until the environmental review requirements demonstrating compliance with NEPA are met.

### **J. Withdrawal of Applications**

Applications may be withdrawn by written notice at any time before selections are made. Applications may be withdrawn by the applicant, or by an authorized representative thereof, if the representative's identity is made known and the representative signs a receipt for the application.

## **V. APPLICATION REVIEW**

### **A. Application Review and Selection Process**

Prior to technical (peer) review, each application will be screened for completeness and compliance with the provisions of this notice. **Incomplete applications and those that do not meet the provisions of this notice will be eliminated from competition, and notification of elimination will be mailed to the applicant.**

Applications meeting the provisions of this notice will be reviewed by a Peer Review Panel based on the Criteria for Application Evaluation identified below. Reviewed applications will be forwarded to a Grants Review Board, which will certify the peer review panels' recommendations and ensure that the application evaluations are consistent with program objectives. The Grants Review Board will make recommendations to the State Conservationist for final selection and funding decisions. Applicants who have been selected will be notified by mail within ten business days of the final selection. Applicants whose applications have not been selected will be notified within 15 business days of the final selection.

## B. Criteria for Application Evaluation

Peer review panels will use the following criteria to evaluate project applications:

<b>CIG Technical Evaluation Criteria</b>
<p><b><u>Purpose, Approach, and Goals</u></b></p> <ul style="list-style-type: none"><li>a) The purpose and goals are clearly stated;</li><li>b) There is strong potential for successful completion;</li><li>c) Outcome is clearly measurable with regards to the CIG natural resource concern(s);</li><li>d) Project conforms to APF description of innovative projects or activities;</li><li>e) Design and implementation of project is based on sound methodology and/or demonstrated technology;</li><li>f) Project promotes environmental enhancement and protections in conjunction with agricultural; and</li><li>g) The project has a significantly positive environmental impact in consideration of potentially adverse impacts.</li></ul>
<p><b><u>Innovative Technology or Approach</u></b></p> <ul style="list-style-type: none"><li>a) Project is innovative</li><li>b) Project conforms to description of innovative projects or activities in proposal request announcement.</li></ul>
<p><b><u>Project Management</u></b></p> <ul style="list-style-type: none"><li>a) Timeline and milestones are clear and reasonable.</li><li>b) Project staff has technical expertise needed.</li><li>c) Budget is adequately explained and justified.</li><li>d) Experience and capacity to partner with and gain the support of other organizations, institutions and agencies.</li><li>e) Percentage that project leverages non-Federal matching funds above the required 50 percent (degree to which non-Federal matching funds are leveraged).</li></ul>
<p><b><u>Transferability</u></b></p> <ul style="list-style-type: none"><li>a) Potential for producers and landowners to use the innovative technology or technologies.</li><li>b) Potential to transfer the approach or technology statewide or to a broader audience or other geographic or socio-economic areas, including limited resource, socially disadvantaged, and other traditionally underserved producers and communities.</li><li>c) Potential for NRCS to successfully use the innovative approach or methods.</li><li>d) Project will result in the development of technical or related technology transfer materials (technical standards, technical notes, guide sheets, handbooks, software, etc.)</li></ul>

### **C. Anticipated Announcement and Award Dates**

CIG Awards are anticipated to be announced by July 30, 2010. Funds are not awarded, and work may not start until an agreement is signed by both NRCS and the grantee. All agreements are expected to be awarded by September 17, 2010.

## **VI. AWARD INFORMATION AND ADMINISTRATION**

### **A. Award Notification**

Applicants who have been selected will receive a letter of official notification from the State Conservationist. Upon notification of selection, the applicant should contact the NRCS Environmental Liaison in order to determine the scope and level of NEPA documentation required for the project. The environmental documentation prepared to meet NEPA requirements must be prepared prior to award of grant funds. The official notice signed by the authorizing official indicates that awardees should contact the NRCS Administrative Contact prior to proceeding with their projects. NRCS must develop a grant agreement (as outlined in VI.C.) with the successful applicant prior to project initiation. Applicants who are not selected will be notified by official letter.

### **B. Environmental Review Requirements**

Project proponents that are selected to receive grant funding must work with the NRCS Program Contact and NRCS Environmental Liaison concerning what documentation will need to be prepared for compliance with NEPA and NRCS regulations. Selected applicants may be required to prepare and pay for the preparation of the appropriate NEPA document if an Environmental Assessment or Environmental Impact Statement is needed. Grant funds cannot be awarded until the environmental review requirements demonstrating compliance with NEPA are met. A list of the NRCS Environmental Liaisons can be found at the following Web address: [Environmental Liaison](http://www.nrcs.usda.gov/technical/ECS/environment/liaison.doc)  
<http://www.nrcs.usda.gov/technical/ECS/environment/liaison.doc>.

### **C. Grant Agreement**

The Commodity Credit Corporation, through NRCS, will use a grant agreement with selected applicants to document participation in the CIG component of EQIP. The grant agreement will include:

1. Project purpose
2. Project objectives
3. Project deliverables
4. Final project plan listing cooperators in the project and identifying the grant applicant and project manager
5. Project timelines and expected project completion date
6. Project progress and budget reporting requirements
7. Award amount and budget information
8. Information regarding requests for advance of funds or reimbursement
9. Role of NRCS technical oversight in the project
10. Reporting requirements including attendance at CIG grantee biannual meeting.
11. Changes in project plans

12. Other requirements and terms deemed necessary by the CCC to protect the interests of the United States

Neither the approval of any application nor the award of any grant agreement commits or obligates the United States to provide further support of a project or any portion thereof or implies any endorsement.

**D. Reporting Requirements**

Grantees receiving an advance of Federal funds of more than \$25,000 are required to submit a SF-272 (Report of Federal Cash Transactions) and, when necessary, the continuation sheet, SF-272-A, no later than 15 days following the end of each quarter or 90 days after project completion. These reports are used to monitor cash advanced to recipients and to obtain disbursement and outlay information for each award.

Grantees must submit a Federal Financial Report (SF-425) no later than 30 days after the end of each quarter and 90 days after completion of project. The SF-272 and SF-425 are available at: Grants Management Forms [http://www.whitehouse.gov/omb/grants\\_forms/](http://www.whitehouse.gov/omb/grants_forms/).

In addition, the grantee must submit a written performance progress report to the NRCS Program Contact and Technical Contact every 6 months. This report is distinct from the quarterly financial report described above. Each progress report must cover work performed during the previous 6-month period, including any funded or unfunded time extensions, a comparison of actual accomplishments to project goals, and a statement of work projected to be completed in the next 6-month period.

The grantee is responsible for providing the technical assistance required to successfully implement and complete the project. NRCS will designate a Program Contact, an Administrative Contact, and a Technical Contact to provide oversight for each project receiving an award. These individuals will have technical oversight responsibility for the project.

To satisfy the requirements of EQIP ([7 CFR 1466](#) [http://www.access.gpo.gov/nara/cfr/waisidx\\_02/7cfr1466\\_02.html](http://www.access.gpo.gov/nara/cfr/waisidx_02/7cfr1466_02.html)) compliance measures, the grantee is required to submit as a component of the semi-annual progress report:

1. A list of producers, identified by name and social security number, of all EQIP-eligible producers or entities involved in the project.
2. The dollar amount of direct and indirect payment made to each individual producer or entity for any structural, vegetative, or management practices. Both quarterly and cumulative payment amounts must be submitted.
3. A self-certification indicating that each individual or entity receiving a direct or indirect payment through this grant is in compliance with the EQIP Payment Limitation, AGI, HEL, and Wetlands Conservation Compliance Farm Bill provisions.

A progress report template will be provided to grantees by the NRCS. This template is available on the NRCS CIG Web site at: [Information for Grantees](http://www.nrcs.usda.gov/technical/cig/InfoForGrantees.html)  
<http://www.nrcs.usda.gov/technical/cig/InfoForGrantees.html>.

The grantee must send copies of each semi-annual progress report to the NRCS contacts and comply with any requests for information from them. NRCS recommends that the grantee work closely with these subject matter experts throughout the course of the project.

Upon passage of the completion date of the project, a final report must be submitted within 90 days detailing project activities, funding received, funding expended, results, and potential for transferability of results. The final report should address completion of the project deliverables listed in the grant agreement.

## VII. AGENCY CONTACTS

For programmatic questions (e.g. natural resource concerns), please contact:

Ronald Herr, Resource Conservationist  
Natural Resources Conservation Service  
220 East Rosser Avenue, P.O. Box 1458  
Bismarck, ND 58502-1458  
Phone: (701) 530-2051  
E-mail: [ronald.herr@nd.usda.gov](mailto:ronald.herr@nd.usda.gov)

For Administrative questions (e.g., indirect costs, grant agreements), please contact:

Linda McArthur, Contract Specialist  
Natural Resources Conservation Service  
220 East Rosser Avenue, P.O. Box 1458  
Bismarck, ND 58502-1458  
Phone: (701) 530-2010  
E-mail: [linda.mcarthur@nd.usda.gov](mailto:linda.mcarthur@nd.usda.gov)

Additional information about CIG, including fact sheets and frequently asked questions, is available on the CIG Web page at: <http://www.nrcs.usda.gov/technical/cig/index.html>.

Signed this 4<sup>th</sup> day of June, 2010 in Bismarck, ND.

Paul Sweeney  
State Conservationist  
North Dakota State Office  
Natural Resources Conservation Service

## VIII. OTHER INFORMATION

### APPLICATIONS MISSING ANY OF THESE REQUIRED ITEMS WILL NOT BE CONSIDERED North Dakota CIG FISCAL YEAR 2010 APPLICATION PACKAGE CHECKLIST

- 1. **Application Cover Sheet:** Complete Standard Form 424 (SF-424).
- 2. **Project Summary Sheet:** (2 page maximum; template available)
  - a. Project Title
  - b. Project Director - name and contact information (including e-mail)
  - c. Project Collaborators - names and affiliations
  - d. Project Purpose
  - e. Project Deliverables/Products
  - f. Project Scope/Area/Location
  - g. Project Start and End Dates (Projects should plan to begin no earlier than August 15, 2010 and no later than September 30, 2010)
  - h. Natural Resource Concern(s) Category to be Addressed
  - i. Certifications - EQIP Eligibility
  - j. Estimated Number of EQIP - Eligible Producers Involved in the Project
  - k. Total Project Cost
  - l. Total Federal Funds Requested
  - m. Brief Summary of Project
- 3. **Project Description:** (12 pages maximum, double spaced, 12 point font)
  - a. Project Narrative
  - b. Project Background
  - c. Project Objectives
  - d. Project Methods
  - e. Location and Size of Project Area (include a map if possible)
  - f. Producer Participation
  - g. Project Action Plan and Timeline
  - h. Project Management
  - i. Benefits or Results Expected and Transferability
  - j. Project Evaluation
  - k. Environmental Impacts
- 4. **Budget Information:** Submit a completed SF-424A, a DETAILED budget narrative, and DOCUMENTATION showing matching funds available.
- 5. **Declaration of Beginning Farmer or Rancher, Limited Resource Farmer or Rancher, or Indian Tribe:** If applicable, include a statement declaring your status as a Beginning Farmer or Rancher, Limited Resource Farmer or Rancher, Indian Tribe, or Community-based Organization representing these entities.
- 6. **Declaration of EQIP Eligibility:** Include a statement indicating that all producers receiving direct or indirect payments will be eligible for EQIP participation.
- 7. **National CIG Competition.**
- 8. **Certifications:** Complete Standard Form 424b (SF-424b).
- 9. **DUNS Number:** For information about how to obtain a DUNS number go to <http://www.grants.gov/RequestaDUNS> or call 1-866-705-5711. Please note that the registration may take up to 14 business days to complete.
- 10. **Required CCR Registration:** Visit [www.ccr.gov](http://www.ccr.gov) to register. Allow a minimum of 5 days to complete the CCR registration.