DEPARTMENT OF AGRICULTURE
AGENCY: Natural Resources Conservation Service, Commodity Credit Corporation

ACTION: NOTICE
Conservation Innovation Grants Fiscal Year (FY) 2013 Announcement for Program Funding-Kentucky

Catalog of Federal Domestic Assistance (CFDA) Number: 10.912

SUMMARY: The Natural Resources Conservation Service (NRCS), an agency under the United States Department of Agriculture (USDA), 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 across the commonwealth of Kentucky. NRCS anticipates that the amount available for support of this program in FY 2013 will be up to $150,000. 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, eligibility criteria, and application instructions for CIG projects for Soil Health, Water Quality or Nutrient Management and Agriculture Energy. Applications will be screened for completeness and compliance with the provisions of this notice. Incomplete applications will be eliminated from competition, and notification of elimination will be mailed to the applicant.

DATES: Applications must be received by NRCS before 4 p.m. by April 26, 2013.

ADDRESSES: Applications sent via the United States Postal Service, express mail or overnight courier must be sent to the following address: USDA-NRCS, CIG Program, 771 Corporate Drive, Suite 210, Lexington, Kentucky 40503. Applications sent electronically must be sent through www.grants.gov or to bobby.bradley@ky.usda.gov.

For more information contact:
Robert Bradley
Kentucky CIG Program Manager
USDA/NRCS
771 Corporate Drive, Suite 210
Lexington, KY 40503
Phone: (859) 224-7457
E-mail: bobby.bradley@ky.usda.gov

SUPPLEMENTARY INFORMATION

I. FUNDING OPPORTUNITY DESCRIPTION

A. Legislative Authority

The Conservation Innovation Grants program (CIG) was authorized as part of the Environmental Quality Incentives Program (EQIP) [16 U.S.C. 3839aa-8] under 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 State Conservationist 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 into NRCS policy, technical manuals, guides, and references, or to the private sector. **CIG does not fund research projects and projects intended to test hypotheses do not qualify for a CIG award.** CIG is used to apply or demonstrate previously proven technology. It is a vehicle to stimulate development and adoption of conservation approaches or technologies that have been studied sufficiently to indicate a high likelihood of success, and that are a candidate 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 under this notice for single or multi-year projects, not to exceed 3 years, submitted by eligible entities from across the commonwealth of Kentucky. Eligible entities include Federally recognized Indian tribes, State and local units of government, and non-governmental organizations and individuals.

Applications will be screened for completeness and compliance with the provisions of this notice. Incomplete applications will be eliminated from competition, and notification of elimination will be mailed to the applicant. Complete applications received by applicable deadlines will be evaluated by a technical peer review panel based on the Application Evaluation Criteria identified in the application instructions in section V.B.

Applications, along with their associated technical peer review, will then be forwarded to the Review Board. The Review Board will make recommendations for project approval to the NRCS State Conservationist who will make the final selections.

C. Innovative Conservation Projects or Activities

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

- Conservation adoption approaches or incentive systems; or
- Promising conservation technologies, practices, systems, procedures, or approaches; or

- Environmental soundness with goals of environmental protection and natural resource enhancement.

To be given priority consideration, the innovative project or activity must comply with all federal, state, and local regulations throughout the duration of the project and should:

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

D. State Component

I. Category

For FY 2013, NRCS will consider proposals that demonstrate the use of innovative technologies and/or approaches to address at least one bulleted topic listed below.

- **Soil Health**
- **Water Quality or Nutrient Management**
- **Agriculture Energy**

II. FUNDING AVAILABILITY

NRCS anticipates that the amount available for support of this program in FY 2013 will be up to $150,000.

CIG will fund single and multi-year projects, not to exceed 3 years (anticipated project start date of September 1, 2013). Funds will be awarded through a nationwide competitive grants process. The maximum award amount for any project will not exceed $75,000 in FY 2013.

III. PROGRAM REQUIREMENTS AND INFORMATION

A. Applicant Eligibility

CIG applicants must be a Federally recognized Indian tribe, State or local unit of government, non-governmental organization, or individual.

B. Project Eligibility

To be eligible for CIG, projects must involve landowners who meet the EQIP eligibility requirements set forth in 16 USC 3839aa-1. Additional information regarding EQIP eligibility requirements can be found at: http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/eqip. Participating producers are not required to have an EQIP contract.

C. Matching Funds Requirements

Selected applicants may receive CIG grants of up to 50 percent of their total project cost not to exceed **$75,000**. CIG recipients must match the USDA funds awarded on a dollar-for-dollar basis from non-Federal sources with cash and in-kind contributions. Of the applicant's required match (50 percent), a minimum of 25 percent of the total project cost must come from cash sources; the remaining 25 percent may come from in-kind contributions.

The 25 percent limit on in-kind contributions does not apply to projects carried out by a Beginning Farmer or Rancher, Limited Resource Farmer or Rancher, Federally recognized Indian tribes, members of Federally recognized Indian tribes, or a community-based organization comprised of or representing them). Instead, up to 37.5 percent of their total project cost may derive from in-kind contributions. This exception is intended to help these individuals and entities meet the statutory requirements for receiving a CIG. The remaining 12.5 percent match must be provided in cash.

Matching funds must be secured at time of application. Applications should include written verification of commitments of matching support (including both cash and in-kind contributions) from third parties. Additional information about matching funds can be found at 2 CFR 215.

D. EQIP Payment Limitation and Duplicate Payments

Subject to limited exception, 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 2014.

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 individuals or entities involved in CIG projects do not exceed the payment limitation. All direct and indirect payments made to individuals or entities 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 individuals or entities has already received funds, or is contracted to receive funds through any USDA programs (EQIP, Agricultural Management Assistance, Conservation Security Program, Conservation Stewardship Program, Wildlife Habitat Incentive Program, etc.) because that would be a duplicate payment. Further, all individuals or entities receiving direct or indirect payments through participation in a CIG project must also meet the EQIP eligibility requirements.

To participate in EQIP financial assistance, an individual or entity must meet the eligibility requirements in 7 C.F.R. 1466.8, which include the following:

Criteria	**Potential Verification Documentation***
Be in compliance with the highly erodible land and wetland conservation provisions (7 C.F.R. Part 12)	Documentation of their compliance status can be obtained by the producer at their local USDA Service Center or through the USDA customer service on-line portal

Have an interest in the agricultural operation as defined in 7 C.F.R. Part 1400	Documentation of their farm interest can be obtained by the producer at their local USDA Service Center or through the USDA customer service on-line portal showing that the producer has farm records established
Have control of the land for the term of the proposed contract period	Documentation can be provided in the form of a deed, lease, or other documents which show the producer has adequate control for the term of the proposed contract period
The average adjusted gross income of the individual, joint operation, or legal entity may not exceed $1,000,000, unless not less than 66.66 percent of the average adjusted gross income of the person, joint operation, or legal entity is average adjusted gross farm income (7 C.F.R. Part 1400)	If using FY 2009-2012 CIG funding, documentation of a producer's AGI eligibility status can be obtained by the producer at their local USDA Service Center, or through the USDA customer service on-line portal.

*Many of the verification documents will require that the producer have current records established with the Farm Service Agency (FSA) or require that the producer establish new records.

E. Activities Limitation and Implementation

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.

The grantee is responsible for providing the technical assistance required to successfully implement and complete the project. NRCS will designate a Program and Administrative Contact.

IV. APPLICATION AND SUBMISSION INFORMATION

All Office of Management and Budget standard forms necessary for CIG submission are posted on the following web site: Grants.gov - Forms Repository.

A. How to Obtain Materials

The announcement for this CIG funding opportunity can be found on the following web sites: www.grants.gov and http://www.ky.nrcs.usda.gov

B. Content and Format

Applications must contain the content, format, and information set forth below in order to receive consideration for funding. Applicants should not assume prior knowledge on the part of NRCS or others as to the relative merits of the project described in their application. Applicants must submit only one original copy of the application in the following format:

- Each page must be on numbered 8½" x 11" white paper that has one-inch margins; and
- The text of the application must be typed single spaced in a font no smaller than 12-point.

Applications must include all required forms and narrative sections described below. Applications that fail to comply with the required content and format will not be considered for funding. If submitting applications for more than one project, submit a separate application for each project. Material exceeding stated page limits will not be considered.

1) **Application Form:** (Standard Form 424 Application for Federal Assistance) Applicants must submit this document for each project application. Standard Form 424 can be downloaded from Grants.gov - Forms Repository.
2) **Project Summary:** (Three (3) page maximum in length) Applicants must submit a brief description including the information below.
   a) Project title;
   b) Project start and end dates;
   c) Project director name, and contact information (including e-mail);
   d) Names and affiliations of project collaborators;
   e) Project purpose;
   f) Project area/location; and
   g) Project summary.
3) **Project Description:** The description must include the following information and is limited to 15 pages in length. Pages in excess of the 15-page limit will be discarded and not evaluated.
   a) Project background: Describe the issue or problem, and 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.
   b) Project objectives: Be specific using qualitative and quantitative measures, if possible, to describe the project's purpose, goals, and relation to the categories/special interest areas selected in Section I.D. Describe how the project is innovative.
   c) Project methods: Describe clearly the methodology of the project and the tools or processes that will be used to implement the project.
   d) 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, demographics, etc.) of the project area. Provide a map, if possible.
   e) EQIP eligible producer participation: Estimate the number of EQIP eligible producers involved in the project, and describe the extent of their involvement (Note: Producers receiving direct or indirect payments through participation in a CIG project must also meet the EQIP eligibility requirements).
   f) Project action plan and timeline: Provide a table listing project actions, timeframes, and associated milestones through project completion. Anticipated project start date of **September 1, 2013**.
   g) 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 governmental and non-governmental entities. Identify who will participate in monitoring and evaluating the project, including their institutional affiliations and qualifications for conducting project monitoring and evaluation.
   h) Project deliverables/products: Provide a list of specific deliverables and products that will allow NRCS to monitor project progress and payment. The proposal shall include a set of technical deliverables designed to evaluate the performance and broader applicability of the project being proposed for implementation. In addition to

project-specific deliverables, selected applicants will be required to provide the following:

1) Semi-annual reports;
2) Supplemental narratives that explain and support payment requests;
3) A final report;
4) Performance items specific to the project that indicate progress
5) A new technology and innovative approach fact sheet; and
6) Participation in at least one NRCS sponsored event during the grant period.

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 progress report, quarterly financial reports, and a final project report to NRCS. Instructions for submitting quarterly reports will be detailed in the grant agreement.

4) **Assessment of Environmental and Social Impacts:** Describe and assess the potential environmental and social impacts 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 environmental resources must be disclosed. The length of the analysis should be commensurate with the complexity of the project proposed and the environmental resources impacted directly, indirectly, 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 resources protected by law, regulation, Executive Order, and agency policy. 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.

   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. NRCS may choose not to select projects that cannot be modified.

5) **Budget Information:** The budget portion of the application consists of the three parts described below. The budget information must include the following information and is limited to 12 pages in length.

a) Standard Form (SF) 424A Budget Information- Non-Construction Programs: Fill in all spaces as appropriate. Section B, Item 6, column 1 should reflect the NRCS funds and Column 2 should reflect the cost share funds. If your cost share is from multiple sources, you may show that in the remaining columns of Item 6. This form is the summary budget for the project.

b) Detailed Budget Description: A specific item-by-item breakdown of the totals provided in Item 6 of the SF-424A should be provided. This detail should show what individual costs were added together to arrive at the totals presented in each of Object Class

Categories on the SF-424. The format of this information, which can be in a chart, spreadsheet, table, etc., should be readable in 8 ½" by 11" printable pages. The information needs to be presented in such a way that the evaluators and NRCS can readily understand what expenses will be incurred to support the project. The breakdown of the federal share and the cost share should be shown separately as in the SF-424A, not combined. This may be in separate documents or in different sections of the same one. Items provided to NRCS in the budget details should include, but are not limited to, the following:

6a. Personnel; A list of personnel, their salary, hourly rate, hours, % time.

6b. Fringe Benefits: % of salary, differing rates for different staff.

6c. Travel: basis for airfare, mileage rate (NTE Federal govt. rate), per diem, hotel, car rental, how many trips, how many days, number of staff.

6d. Equipment: type of equipment, cost per item, per batch, per load, quantity.

6e. Supplies: type of supplies, cost per item, per batch, per load, quantity (a general statement such as "office supplies $3,000" is not acceptable).

6f. Contractual; Cost of each subcontract – the total of all subcontracts should be shown on the SF-424, but an itemized budget should be provided for each potential subcontract. The budgets for the subcontracts should follow this same format and be submitted with your proposal.

6g. Construction: N/A.

6h. Other: Cost per item, per batch, per load, quantity.

c) Budget Narrative: Provide a detailed narrative in support of the budget for the project, broken down by each project year. Discuss how the budget specifically supports the proposed activities. Explain how budget items are essential to achieving project objectives. Justify the project cost effectiveness and include justification for personnel and consultant salaries with a description of duties. In addition to the information above, any subcontractors and consultants must also submit a statement of work. The budget narrative should support the federal funds requested and the cost share.

6) Indirect Costs

a. Applicants wishing to claim indirect costs must have a federally approved indirect cost rate. The approved indirect cost rate must be included in the application package.

b. An indirect cost rate not to exceed 15 percent may be approved for applicants without a federally approved indirect cost rate. To be considered for an indirect cost rate not to exceed 15 percent, applicants must submit an indirect cost rate proposal with the application which includes:

1) Applicant's written policy for allocating and identifying direct and indirect costs
2) Contact person information regarding who prepared the proposal.
3) Breakdown of indirect salaries by position title and amount.
4) Line item expenditure description and how the costs are being allocated between direct and indirect.
5) Applicant's tax identification number.
6) Signed certification that certify all costs in the proposal are allowable under OMB cost principles; costs treated as indirect have not been claimed as direct; and similar types of costs have been accounted for consistently and the Federal government will be notified of any account changed that would affect the

rate. Signature should be of approving official for applicant or applicant's chief financial officer.

c. If applicant does not have a federally approved indirect cost rate, it is at the agency's (NRCS) discretion whether to allow indirect cost.

7) **Matching:** Applications must include written verification of commitments of matching support (including both cash and in-kind contributions) from non-federal third parties.

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

In-Kind Match
"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" contributions include work done by unpaid volunteers and donations of supplies, facilities, or equipment. In-kind contributions must be necessary to accomplish program activities and verifiable.

For any third-party in-kind contributions, a separate pledge agreement is required for each contribution, signed by the authorized organizational representatives of the contributing organization and the applicant, which must include: (1) the name, address, and telephone number of the contributor, (2) the name of the applicant's organization, (3) the title of the project for which the contribution 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 contributor will make the contribution during the grant period.

The sources and amounts of all matching support from non-applicants must 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 and Cost Principles for additional guidance and other requirements relating to matching and allowable costs.

8) **Declaration of Previous CIG Projects Involvement:** Identify any previously awarded CIG projects related to this proposal and any of their principal investigators. Detail the purpose, outcomes to date, and how this new proposal relates to the previous award.

9) Declaration of EQIP Eligible Producer Eligibility and Involvement: Applicants must include a statement indicating that the proposed project will involve EQIP eligible producers and describe and certify their level of involvement in the project. Proposals that do not involve EQIP eligible producers are ineligible for a CIG award.

10) **Certifications:** Standard Form (SF) 424B - Assurances, Non-construction Programs. All applications must include this document. The SF-424B may be found at: Grants.gov - Forms Repository or by contacting the State office. In addition, applicants, by signing and submitting an application, assure and certify that they are in compliance with the following federal regulations:
    - 2 CFR Part 417, Government wide Debarment and Suspension (Non-procurement)
    - 7 CFR Part 3018, New Restrictions on Lobbying
    - 2 CFR Part 421, Government wide Requirements for Drug Free Workplace (Financial Assistance)

11) **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. CIG applicants must obtain a DUNS Number. Information on how to obtain a DUNS number can be found at: http://fedgov.dnb.com/webform or by calling 1-866-705-5711. Please note that the registration may take up to 14 business days to complete.

12) **Central Contractor Registry (CCR) Registration:** The CCR is a database that serves as the primary government repository for contractor information required to conduct business with the Federal Government. This database is also used as a central location for maintaining organizational information for individuals or entities seeking and receiving Federal grants. CIG applicants must register with the CCR. To register, go to: https://www.sam.gov/portal/public/SAM/. Please allow a minimum of 5 days to complete the CCR registration.

13) **Appropriations Restrictions:** Awards made under this solicitation are subject to the provisions contained in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012 (P.L. No. 112-55), Division A, Sections 738 and 739 regarding corporate felony convictions and corporate federal tax delinquencies.

C. How to Submit an Application

Applicants may submit applications electronically through Grants.gov or to the e-mail address listed below. Alternatively, applications may be submitted via express mail, overnight courier service, or U.S. Postal Service to the addresses listed below. All applications must contain all of the elements of a complete package and meet the requirements described above. Instructions for electronically submitting the required standard forms, and instructions for adding attachments are posted on Grants.gov. Grants.gov provides date and time stamps on applications submitted through its website. All applications regardless of how they are submitted must be received by **April 26, 2013.** E-mailed applications must be received by NRCS before the submission deadline.

Note: NRCS is not responsible for any technical malfunctions or web site problems related to Grants.gov or e-mailed submissions. Applicants should begin the Grants.gov process or send their e-mail in advance of the submission deadline to avoid problems.

The address for submitting an application by e-mail is bobby.bradley@ky.usda.gov

The address for submitting an application via the United States Postal Service, express mail or overnight courier service is:
USDA-NRCS, CIG Program
771 Corporate Drive, Suite 210
Lexington, KY 40503

Note: Applicants must submit only one signed original copy of each project application. Applications submitted by fax will not be considered. The use of Federal Government postage-paid envelopes, e-mail and/or equipment in filing applications is a violation of federal law and will disqualify you from consideration.

D. Due Date

Applications must be received at USDA/NRCS, 771 Corporate Drive, Suite 210 by 4:00 p.m. EST by **April 26, 2013.** The applicant assumes the risk of any delays in application delivery. Applicants are strongly encouraged to submit completed applications early e-mail to ensure timely receipt by NRCS.

E. Acknowledgement of Submission

NRCS will acknowledge receipt of timely applications via e-mail. An applicant who does not receive such an e-mail acknowledgement within 30 days of their submission but believes he/she submitted a timely application must contact the NRCS program contact below within 30 days. Failure to do so will result in the application not being considered.

CIG Program Contact:
Robert Bradley
Kentucky CIG Program Manager
771 Corporate Drive, Suite 210
Lexington, KY 40503
Phone: (859) 224-7457
E-mail: bobby.bradley@ky.usda.gov

F. Withdrawal

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.

G. Funding Restrictions

Awardees may not use unrecovered 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:

1) Costs above the amount of funds authorized for the project;
2) Costs incurred prior to the effective date of the grant;
3) Costs which lie outside the scope of the approved project and any amendments thereto;
4) Entertainment costs, regardless of their apparent relationship to project objectives;
5) Compensation for injuries to persons, or damage to property arising out of project activities;

6) 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,
7) 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 listed on Part VI.

H. Review

Applications will be screened for completeness and compliance with the provisions of this notice. Incomplete applications will be eliminated from competition, and notification of elimination will be mailed to the applicant. Complete applications will be evaluated by a technical peer review panel based on the Application Evaluation Criteria identified in the application instructions in section V.B.

Applications, along with their technically-based recommendations from the peer review groups, will then be forwarded to the Review Board. The Review Board will make its recommendations for project approval to the NRCS State Conservationist who will make the final selections.

I. Patents and Inventions

Allocation of rights to patents and inventions shall be in accordance with 7 CFR §3019.36. 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.

J. Environmental Review Requirements

The Council on Environmental Quality's National Environmental Policy Act (NEPA) regulations at 40 CFR parts 1500-1508 and the 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.

V. APPLICATION REVIEW AND NOTIFICATION INFORMATION

A. Review and Selection Process

Applications will be screened for completeness and compliance with the provisions of this notice. Incomplete applications will be eliminated from competition, and notification of elimination will be mailed to the applicant. NRCS staff will evaluate complete proposal applications based on how they demonstrate the use of innovative technologies and/or approaches to address at least one of the topics provided in section I.D. of this notice.

There are three steps in evaluating full CIG proposals. First, proposals will be divided among technical peer review groups and then will be reviewed by a Technical Peer Review Panel. The Technical Peer Review Panel consists of NRCS state technical specialists, and technical specialists from other appropriately related Federal agencies, and non-Federal agencies. Applications will be reviewed based on the CIG Technical Evaluation Criteria listed in Part V.B below.

The Technical Peer Review Panel will forward their recommendations to the NRCS State Conservationist for final review and selection.

B. Application Evaluation Criteria

The Technical Peer Review Panels will use the following criteria to evaluate project proposals:

1) Purpose, Approach, and Goals
   - Design and implementation of project based on sound methodology and demonstrated technology.
   - Promotes environmental enhancement and protection in conjunction with agricultural production.
   - Project outcome is clearly measurable.
   - Potential for successful completion.
   - Both beneficial and adverse impacts are considered and an acceptably significant level of improvement will be achieved.
2) Innovative Technology or Approach
   - Project is innovative (national, regionally, and/or local in nature).
   - Project conforms to description of innovative projects or activities in proposal request announcement.
3) Project Management
   - Timeline and milestones are clear and reasonable.
   - Project staff has technical expertise needed.
   - Budget is adequately explained and justified.
   - Experience and capacity to partner with and gain the support of other organizations, institutions and agencies.
4) Transferability
   - Potential for producers and landowners to use the innovative technology or technologies.
   - Potential to transfer the approach or technology nationally or to a broader audience or other geographic or socio-economic areas, including limited resource, socially disadvantaged and other historically underserved producers and communities.
   - Potential for NRCS to successfully use the innovative approach or methods.
   - Project will result in the development of technical or related technology transfer materials (technical standards, technical notes, guide sheets, handbooks, software, etc.).

C. Anticipated Announcement and Award Dates

NRCS anticipates announcing CIG selections by **August 9, 2013**, and awarding all grants by **September 1, 2013**. However, NRCS will not distribute any funds, and grantees cannot begin work until the parties execute an appropriate CIG agreement.

Applicants should plan their projects based on a project start date of **September 1, 2013**.

VI. AWARD ADMINISTRATION INFORMATION

A. Award Notification

Applicants who have been selected for funding will receive a letter of official notification from Kentucky State Office. However, all selections are contingent upon successful completion of the environmental review process and financial review. NRCS reserves the right to have grant award(s) administered by a third party. In the event that a third party administers the grant award(s), the applicant/recipient will be notified in writing.

B. Grant Agreement

The CCC, through NRCS, will use a grant agreement with selected applicants to document participation in the CIG component of EQIP.

C. Environmental Review Requirements

Upon notification of selection, the applicant must contact the NRCS Environmental Liaison 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.

Selected applicants may be required to prepare and pay for the preparation of the appropriate NEPA document(s) 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.

D. Reporting Requirements

Selected applicants will be required to submit a SF-425, Federal Financial Report, no later than 30 days after the end of each quarter and 90 days after completion of project. In addition, every six months the selected applicant must submit a written performance progress report to the NRCS program contact and the NRCS technical contact. This report is distinct from the quarterly financial report described above. Each progress report shall 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.

To satisfy the requirements of EQIP (7 CFR 1466) compliance measures, the selected applicant is required to submit as a component of the semi-annual progress report:

- A list of producers, identified by name and social security number, of all EQIP-eligible producers or entities involved in the project.

- 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.
- 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.

E. Freedom of Information and Privacy Act

Applicants should be aware that part or all of the information submitted in their application may become a matter of public record and therefore may be subject to public disclosure through a Freedom of Information Act (FOIA) request. Applicants are advised to mark confidential information, such as proprietary information, to prevent disclosure.

VII. AGENCY CONTACTS

CIG Program Contact
Robert Bradley
State CIG Program Manager
USDA-NRCS
771 Corporate Drive, Suite 210
Lexington, KY 40503
Phone: (859) 224-7457
E-mail: bobby.bradley@ky.usda.gov

CIG Administrative Contact
Bruce Lawrence
Grants and Agreement Specialist
USDA-NRCS
771 Corporate Drive, Suite 210
Lexington, KY 40503
Phone: (859) 224-7457
E-mail: bobby.bradley@ky.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 _____ day of _____ in **Lexington, Kentucky**.

_____
Karen A. Woodrich
State Conservationist

Attachments

Important: Applications Missing Any of These Required Items Will Not Be Considered

CONSERVATION INNOVATION GRANTS
FISCAL YEAR 2013 PROPOSAL PACKAGE CHECK LIST

☐**1. Application Form:** Submit Standard Form 424 Application for Federal Assistance
☐**2. Project Summary:** Submit a brief description including the information below (Three (3) pages maximum in length).

a) Project title
b) Project start and end dates
c) Project director name, and contact information (including e-mail)
d) Names and affiliations of project collaborators
e) Project purpose
f) Project area/location
g) Project summary

☐**3. Project Description:** (15 pages maximum, single-spaced, single-sided, 12 point font)

a) Project background
b) Project objectives (Describe the project's purpose, goals and relation to the categories/special interest areas selected in Section I.D)
c) Project methods
d) Location and size of project area (include a map if possible)
e) Producer participation (Note: Producers receiving direct or indirect payments through participation in a CIG project must also meet the EQIP eligibility requirements)
f) Project action plan and timeline
g) Project management
h) Project deliverables/products
i) Benefits or results expected and transferability
j) Project evaluation

☐**4. Assessment of Environmental and Social Impacts**
☐**5. Budget Information:** Submit a completed Standard Form 424A (SF-424A) Budget Information-Non-Construction Programs. (12 pages maximum)

a) Complete SF-424A
b) Detailed budget description
c) Budget narrative

☐**6. Indirect Costs**
☐**7. Matching Information**
☐**8. Declaration of Previous CIG Projects Involvement.**
☐**9. Declaration Environmental Quality Incentives Program (EQIP) Eligibility:** Include a statement indicating that the proposed project will involve EQIP-eligible producers (If EQIP eligible producers are not involved; the proposal will be considered ineligible). Note: Producers receiving direct or indirect payments through participation in a CIG project must also meet the EQIP eligibility requirements)
☐**10. Certifications:** Complete Standard Form 424B (SF-424B) Assurances-Non-Construction Programs.
☐**11. DUNS Number:** For information about how to obtain a DUNS number, go to http://fedgov.dnb.com/webform or call 1-866-705-5711. Please note that the registration may take up to 14 business days to complete.
☐**12. Central Contractor Registry (CCR):** To register, visit

https://www.sam.gov/portal/public/SAM/. Allow a minimum of 5 days to complete the CCR registration.

☐**13. Appropriations Restrictions:** Awards made under this solicitation are subject to the provisions contained in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012 (P.L. No. 112-55), Division A, Sections 738 and 739 regarding corporate felony convictions and corporate federal tax delinquencies. Provide a statement indicating that the entity or agent has not been convicted of a felony criminal violation under any Federal or State law within 24 months preceding the award or does not have a tax delinquency.

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers. If you believe you experienced discrimination when obtaining services from USDA, participating in a USDA program, or participating in a program that receives financial assistance from USDA, you may file a complaint with USDA. Information about how to file a discrimination complaint is available from the Office of the Assistant Secretary for Civil Rights.

USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex (including gender identity and expression), marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.)

To file a complaint of discrimination, complete, sign and mail a program discrimination complaint form, available at any USDA office location or online at www.ascr.usda.gov, or write to:

USDA

Office of the Assistant Secretary for Civil Rights

1400 Independence Avenue, S.W.

Washington, D.C. 20250-9410

Or call toll free at (866) 632-9992 (voice) to obtain additional information, the appropriate office or to request documents. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay service at (800) 877-8339 or (800) 845-6136 (in Spanish). USDA is an equal opportunity provider, employer and lender.

Persons with disabilities who require alternative means for communication of program information (e.g., Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).