



REQUEST FOR APPLICATIONS (RFA) MICRO-GRANTS FOR FOOD SECURITY PROGRAM GUAM DEPARTMENT OF AGRICULTURE | USDA

Fiscal Year 2022

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7 CFR part 15 Subpart A

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INTRODUCTION

The Guam Department of Agriculture (DOAG) will administer a competitive request for applications to award federal funds for projects to increase the quantity and quality of locally grown food in food insecure communities that import a significant quantity of food. Activities funded by the MGFSP may include small-scale gardening, small-scale herding and livestock operations and expanding access to food and food knowledge of food security through competitive distribution of sub awards to eligible entities. The Micro-Grants for Food Security Program (MGFSP) is authorized by section 4206 of the Agriculture Improvement Act of 2018 (Public Law 115—343), (7 U.S.C. § 7518).

The MGFSP is administered by the USDA Agricultural Marketing Service (AMS), which is required to report on the outcomes of the program at a national scale to demonstrate the performance of the program. The Guam Department of Agriculture will report on the outcomes of the Guam projects to the USDA AMS.

Awards will be made to eligible entities in amounts up to \$5,000 per year for a period that shall not exceed one year in length.

The requirements and procedures listed in this RFA are based on federal rules and regulations for the MGFSP as authorized by section 4206 of the 2018 Farm Act ([7 U.S.C. 7518](#)).

ELIGIBLE ENTITIES

DOAG is seeking applications from eligible entities that are physically located in Guam. Eligible entities must engage in activities that will increase the quantity and quality of locally grown food for food insecure individuals, families, neighborhoods, and communities.

For-profit entities, such as any kind of sole proprietorship, LLC, or L-corp., including farm businesses, are not eligible to apply as per the [MGFSP statute](#).

Eligible entities are:

- Individuals;
- Indian tribes or tribal organizations;
- Non-Profit organizations that are engaged in increasing food security, including—
 - Religious organizations;
 - Food banks; or
 - Food pantries;
- Federally funded educational facilities, including—
 - Head Start programs or an Early Head Start programs;
 - Public elementary schools or public secondary schools;
 - Public institutions of higher education;
 - Tribal Colleges or Universities;
 - Job training programs; or
- Local or Tribal governments that may not levy local taxes under State or Federal law.

Priority will be given to individuals for projects that increase the quantity and quality of locally grown food for food insecure individuals, families, neighborhoods, and communities.

YOU MAY ONLY SUBMIT ONE PROJECT APPLICATION PER INDIVIDUAL. If more than one application per individual is submitted, that individual will be disqualified.

ELIGIBLE ACTIVITIES

Projects must increase the quantity and quality of locally grown food through small-scale gardening, herding, and livestock operations in food insecure communities in areas of Guam that have significant levels of food insecurity and import a significant quantity of food. ([7 U.S.C. 7518](#))

Eligible entities must engage in activities that will increase the quantity and quality of locally grown food for food insecure individuals, families, neighborhoods, and communities. Activities may include:

- *Small-Scale Gardening*

An eligible entity may use funds to purchase gardening tools or equipment, soil, soil amendments, seeds, plants, canning equipment, refrigeration, or other items necessary to grow and store food. Additionally, funds may be used for the purchase or assembly of composting units and towers designed to grow leafy greens. This includes activities associated with extending the growing season, as well as starting or expanding hydroponic and aeroponic farming.

An eligible entity may also use funds to expand an area under cultivation or engage in other activities necessary to be eligible to apply for funding under the USDA's Natural Resources and Conservation Service's Environmental Quality Incentives Program (EQIP) for a high tunnel.

- *Small-Scale Herding and Livestock Operations*

An eligible entity may use funds to purchase animals as well as buy, erect, or repair fencing for livestock, poultry, or reindeer. It may also fund activities or supplies associated with setting up or equipping a slaughter and processing facility approved by the Secretary, including purchasing mobile slaughterhouses.

- *Expanding Access to Food and Knowledge of Food Security*

An eligible entity may use funds to create or expand avenues for the sale of food commodities, specialty crops, and meats that are grown by the eligible entity for sale in the local community, or increase the availability of fresh, locally grown, and nutritious food. This includes paying for shipping of

purchased items related to growing or raising food for local consumption or purchase.

It may also fund travel to participate in agricultural education provided by a state cooperative extension service, land-grant college or university, tribal college or university, Alaska Native- serving institution, or a Native Hawaiian-serving institution, or federal or state agency.

Subsistence hunting and fishing operations, including fish farming, are allowable activities under MGFSP. Hunting and fishing supplies or equipment are allowable costs under MGFSP.

The purchase of any classification of firearm, gun or ammunition is unallowable. Anything relating to guns or firearms is prohibited.

MATCHING REQUIREMENT

Eligible applicants are **not** required to provide funds equal to 10 percent of the amount received under the sub award.

APPLICATION PROCEDURES AND REQUIREMENTS

The Micro-Grants for Food Security Program (MGFSP) requires that the eligible applicants submit the attached application form. The MGFSP Project Form **MUST** be typed with a font no smaller than 12-point.

1. MGFSP Individual Application Form FY22 (Provided)

The following information are descriptions of specific categories within the MGFSP Individual Application Form:

A. Project Information

- Project Title: Provide a descriptive project title in 15 words or less.
- Duration of Project: (Leave this field blank)
 - Projects are required to be completed within a 12-month period. The initiation of project dates will be determined following the deposit of funds by the Department of Administration and after the necessary approval of the USDA State Plan, obtaining proper signatures, and the execution of the MOU.
- Total funds requested: Total the amount of grant funds you intend to spend on your project. Grant recipients are paid for actual project expenses and must not exceed \$5,000. If the total amount of funds requested exceeds \$5000.00, you will be disqualified.
- Applicant Name: Name of applicant who will be completing the project.
- Project Address: Physical address where the project will take place. You will be disqualified for using a P.O. Box address.
- Phone: Provide both a primary and an alternate contact number.

- Email: Email address is mandatory, as this will serve as the primary method of communication for your project and any updates related to the grant and/or application.

B. Project Description

- Summary (limited to 250 words) is a clear and concise narrative that identifies a problem and explains your proposed project as part of the solution to improving the quantity and quality of food security in the community. To make the process fair to all applicants, reviewers will base evaluations only on information contained in the application. It's best to explain how you will create this project with the funds awarded (*do not attach websites or brochures of created projects from the internet*). An appropriate timeline must be included. Applications MUST be typed with a font no smaller than 12-point.

C. Project Type

- Choose ONE primary activity for your award; opt for 'Other' for secondary activities. While you can select a combination of activities, ensure that the total does not exceed the maximum award amount of \$5,000.

D. Expected Results

- See examples provided on form.
- Number of Direct Beneficiaries: Provide the number of direct beneficiaries/number of people in your household (under one roof) that will benefit from the project.
- Number Indirect Beneficiaries: Provide the number of indirect beneficiaries/people you will be sharing, selling, or donating food to outside your personal household.

E. Data collection to report on outcomes and indicators

Describe how you will measure and collect data on each of the selected expected results.

- If the project is to increase production, explain how the project will capture/measure this outcome/indicator.
- If the project is to provide agricultural education to increase the quantity and quality of locally produced food, explain how the impact of the education will be determined.
- If the project is to purchase supplies, construct fencing or provide seeds, trees, or propagative material, explain how the data to support the indicator(s) will be collected.

F. Timeline

- Develop a practical schedule for project implementation, outlining a series of activities to be accomplished within this timeframe. The timeline should commence with MONTH 1, spanning the entire project duration, and clearly indicating when budget allocations will be utilized within the work plan.
- A detailed timeline will help both the program coordinator and DOAG determine if the project is on track and facilitate preparing reports and/or whether a time of performance extension should be requested.

G. Budget Narrative - Must align with the Line-Item Budget Categories

- The budget narrative must show the total cost for the project and describe how category costs listed in the budget are derived. If the category costs are not applicable, type N/A.
- Provide sufficient detail in the space provided for the budget categories listed. All requested budget items and activities should correlate to the purpose and goals of the project, as well as demonstrate that they are reasonable and adequate for the proposed work.
- Specify the total expenses for each budget category and show how all numbers were calculated.
- Personnel Costs: This category is for farmer/rancher labor and hired labor. In the budget description, include the name of each project participant and how they will contribute to the grant project. Provide an estimate of the amount of labor and the cost for each participant being paid with grant funds. Personnel costs can make up most or the entire budget, but if they do, explain so reviewers understand why personnel costs (and not supplies, outreach, etc.) are essential to carry out your project. Include everyone who will participate even if they do not receive grant funds. If the participants are not being paid with grant funds, include their name and role, and list \$0 for the grant funds request.
- Supplies: Provide a detailed supplies justification that are appropriate to the proposed project. Use accurate figures rounded to the nearest dollar amount and include a brief item description and justification for your request.
- Program Income: Program income constitutes total earnings derived by a recipient or subrecipient through a grant, directly resulting from the grant-supported activity or acquired solely due to the terms of the grant agreement within the designated period of performance. This encompasses various sources, such as fees for services rendered, proceeds from the sale of commodities or items produced under the grant (including items sold at cost if the production cost was funded wholly or partially with grant funds), and conference registration fees, among others. It is mandatory that any generated income be reported and reinvested back into the project.

APPLICATION EVALUATION AND SCORING CRITERIA

All applications will undergo a competitive review process to select the prospective participants for the Micro-Grants for Food Security Program (MGFSP). Each application will be evaluated and scored based upon a point and rank system – evaluated by a panel of 3 members, who are not affiliated with Guam Department of Agriculture’s Division of Agricultural Development Services. The panel members are technical experts not directly affiliated with the agriculture community but have vast experience with high quality grant proposal submissions and management. Applications with the highest scores will be selected for the program. The weight of each criterion is shown below.

Scoring Criteria for Microgrants for Food Security Projects (100 points):

1. Project Overview- 20 points

- Clarity and coherence of the project description.
- Demonstrated understanding of local food security challenges.

2. Project Objectives- 35 points
 - Clearly defined and achievable goals related to food security.
 - Alignment with the overall mission of improving food security.
 - Clear communication plan for project updates and milestones.
 - Clear indicators for measuring the project's success.
 - Plans for monitoring and evaluating the impact of the project.
3. Feasibility and Timeliness- 10 points
 - Realistic timeline for project implementation.
 - Demonstrated capacity to execute the proposed activities within the given timeframe.
4. Innovation and Creativity- 5 points
 - Innovative approaches to address food security issues.
 - Creativity in designing solutions that go beyond traditional methods.
5. Sustainability- 10 points
 - Plans for the project's long-term impact on food security.
 - Consideration of environmental, social, and economic sustainability.
6. Budget Justification- 20 points
 - Clear and detailed breakdown of the budget.
 - Justification for each expense, outlining the intended use of items within the project.

PROTEST

A protest shall be submitted in writing within five (5) working days after the aggrieved person knows or should have known of the facts giving rise thereto; provided that a protest based upon the content of the solicitation shall be submitted in writing prior to the date set for receipt of offers; and further provided that a protest of an award or proposed award shall be submitted within five (5) working days after the posting of award for the contract.

Protest shall be submitted in writing to:

Guam Department of Agriculture, Agricultural Division Services, Program Coordinator IV,
Ursula Herrera, 163 Dairy Road, Mangilao, Guam 96913

ADDITIONAL INFORMATION

For additional information on the Micro-Grants for Food Security Program (MGFSP), please view the program website at:
<https://www.ams.usda.gov/services/grants/mgfsp>

DOAG reserves the right to deny any or all applications received; request additional information on project applications; recommend partial funding for proposals that may be less than the amount requested in the application; and link the release of project funds to

completion of necessary, timely progress reports. All funding is subject to the availability and receipt of federal funds.

POST-AWARD MANAGEMENT

A. Sub recipients must ensure they are:

1. Making adequate progress toward achieving the project's goals, objectives, and targets;
2. Expending funds in a way that meets provisions of pertinent statutes, regulations, DOAG administrative requirements, and relevant Office of Management and Budget (OMB) circulars;
3. Aware of the requirements imposed upon them by Federal statute and regulations;
4. In compliance with records retention and access requirements;
5. Using federal funds responsibly per 7 CFR Part 3016.20 or 2 CFR Part 200.302.

B. Change in Key Personnel - When it is necessary to change the program contact for a period of more than three (3) months, submit a written request (email is acceptable) to DOAG. Request should contain the new individual's name and contact information.

C. Scope or Objectives - When it is necessary to modify the scope or objectives of the award, submit a written justification for the change, along with the revised scope or objectives of the award to DOAG.

If requesting to add a new project, submit a written justification for the change along with a project proposal to include the project title, purpose, potential impact, expected measurable outcomes, work plan, budget narrative, project oversight, and project commitment and signature of the Project Coordinator.

D. Extension of Contract - Where an extension of time is required; the extension(s) must be received in writing no later than 60 days prior to the expiration date of the contract. The request must contain the following information:

1. The length of additional time required to complete project objectives and a justification for the extension;
2. A summary of progress to date (status of project timeline and objectives...etc.);
3. An estimate of remaining funds on the scheduled expiration date;
4. A projected timetable to complete the project for which the extension is being requested;

5. Signature of the Program Coordinator.

E. Budget Changes - Where a modification to the approved budget is required, the modification must be approved in writing by DOAG. A request for a budget change shall include: (a) a description of the change; (b) a justification for the change; and (c) the Project Coordinator signature(s).

REPORTING REQUIREMENTS

All financial and written performance reports should be emailed to the assigned Grant Manager and must be submitted on a timely basis. Reporting periods for each project will be determined by the assigned Grant Manager and will be based on the state and federal reporting requirements.

Reporting periods for each project will be determined by the assigned Grant Manager and will be based on the state and federal reporting requirements. Performance reports are required 30 days after the end of the reporting period. Performance report templates, provided by DOAG, must be used to submit the reports.

Final Performance Report

A final performance report will be required no later than 45 days following the end date of the project period, but prior to the expiration or termination of the contract. This represents an important vehicle for sharing project findings with Federal and State agencies and the public. A final report template, provided by the DOAG, must be used to submit the final report.

WHAT TO EXPECT IF YOU ARE AWARDED

If your proposal is funded and you accept the grant, you agree to the following:

- A signed MOU with the Guam Department of Agriculture, Agricultural Development Services (ADS) Division.
- During the project, you will receive an on-site visit from ADS representatives.
- Grant recipients must submit an interim performance report and budget within six months of the received award funds.
- At the end of the project, on or before September 29, 2026, grant recipients must submit: 1) final report; 2) final budget showing how funds were spent.
- Concerning the budget, grant recipients: 1) will only be reimbursed for actual expenses incurred after the initial funding date; 2) must submit a final report and a final budget documenting the project expenditures before DOAG will release final payment; 3) will have a 1099 form automatically filed with the IRS with each payment for tax reporting purposes; and 4) must retain receipts for project expenditures for a period of three years.

- Funds will be disbursed as follows: Grant recipients receive 85% of their grant funding to start their projects. They will receive the remaining 15% upon completion of the project and submission of final performance report. The final payment is a reimbursement.

APPLICATION SUBMISSION

Applications must be prepared and submitted by the grant applicant to the Guam Department of Agriculture’s Division of Agricultural Development Services (ADS) email address, in person, or by mail. Submissions to other email addresses will not be accepted or opened. Mailed applications should be printed single-sided. Submissions received after the due date and time will not be accepted or opened.

- ADS email address: agriculture@doag.guam.gov
 - Include in subject line: **MGFSP3**
- ADS mailing address:

Guam Department of Agriculture
Agricultural Development Services (ADS)
MGFSP FY22
163 Dairy Rd (Wildlife Bldg.)
Mangilao, Guam 96913

Applications are due by 4 p.m. CHST – December 15, 2023

ACKNOWLEDGMENT OF APPLICATIONS

Acknowledgment of received applications will be communicated to the respective offeror through email whenever feasible. Consequently, it is imperative for offerors to include a valid email address in their applications. Notifications regarding late, incomplete, or disqualified applications will not be issued.

DECISION TIMEFRAME

Depending on the number of project applications received, awardees and non-awardees should hear feedback within one hundred twenty days (120) days. Successful and unsuccessful offerors will be advised of the outcome of the competitive process via email.

CHECKLIST OF REQUIRED DOCUMENTS:

- ✓ Endorsement and Acknowledgment Signature Title page (Must be attached as the Cover Page)
- ✓ MGFSP Individual Application Form FY22 (Must be typed)

Incomplete and/or handwritten applications will be disqualified.

DOAG Micro-Grants for Food Security Program Contacts

Michelle B. Santos, Program Coordinator II
Michelle.B.Santos@doag.guam.gov

Ursula Herrera, Program Coordinator IV
Ursula.Herrera@doag.guam.gov

Jathan Muña-Barnes, Agriculturalist III
Jathan.Muna-Barnes@doag.guam.gov

(671) 300-7973

Appendix A: List of Selected Costs Contained in OMB Cost Principles Regulations

The following table lists the selected items of cost along with a cursory description of their allowability. The numbers in parentheses refer to the cost item in the applicable regulation. Do not rely exclusively on the summary but place primary reliance on the referenced text. All costs must be associated with activities that increase the quantity and quality of locally grown food for food insecure individuals, families, neighborhoods, and communities.

Selected Items of Cost				
Selected Cost Item	2 CFR 225 (A -87), Appendix B State, Local, & Indian Tribal Gov'ts	2 CFR 220 (A-21), Section J Educational Institutions	2 CFR 230 (A-122), Appendix B Non-Profit Organizations	48 CFR FAR 31.2, Section 31.205 For-Profit Organizations
Advertising and public relations costs	(1) Allowable with restrictions	(1) Allowable with restrictions	(1) Allowable with restrictions	(1) Allowable with restrictions
Advisory councils	(2) Allowable with restrictions	(2) Allowable with restrictions	(2) Allowable with restrictions	Not specifically addressed (28) addresses allowable business expenses such as costs of shareholder meetings
Alcoholic beverages	(3) Unallowable	(3) Unallowable	(3) Unallowable	(51) Unallowable
Alumni/ae activities	Not specifically addressed	(4) Unallowable	Not specifically addressed	Not specifically addressed
Audit costs and related services	(4) Allowable with restrictions and as addressed in OMB Circular A-133	(5) Allowable with restrictions and as addressed in OMB Circular A-133	(4) Allowable with restrictions and as addressed in OMB Circular A-133	Not specifically addressed
Bad debts	(5) Unallowable	(6) Unallowable	(5) Unallowable	(3) Unallowable
Bonding costs	(6) Allowable with restrictions	(7) Allowable with restrictions	(6) Allowable with restrictions	(4) Allowable with restrictions
Commencement and convocation costs	Not specifically addressed	(8) Unallowable with exceptions	Not specifically addressed	Not specifically addressed
Communication costs	(7) Allowable	(9) Allowable	(7) Allowable	Not specifically addressed
Compensation for personal services	(8) Unique criteria for support	(10) Unique criteria for support	(8) Unique criteria for support	(6) Allowable with restrictions
Compensation for personal services-organization-furnished automobile	Not specifically addressed	(10.g) Unallowable for that portion of costs attributed to personal use	(8.g) Unallowable for that portion of costs attributed to personal use	(6.m(2)) Unallowable for that portion of costs attributed to personal use
Compensation for personal services-sabbatical leave costs	Not specifically addressed	(10.f(4)) Allowable with restrictions	Not specifically addressed	Not specifically addressed
Compensation for personal services-severance pay	(8) Allowable with restrictions	(10.h) Allowable with restrictions	(8.k) Allowable with restrictions	(6.g) Allowable with restrictions

Selected Cost Item	2 CFR 225, Appendix B State, Local, & Indian Tribal Gov'ts	2 CFR 220, Section J Educational Institutions	2 CFR 230, Appendix B Non- Profit Organizations	48 CFR FAR 31.2, Section 31.205 For- Profit Organizations
Contingency Provisions	(9) Unallowable with exceptions	(11) Unallowable with exceptions	(9) Unallowable with exceptions	(7) Unallowable with exceptions
Deans of faculty and graduate schools	Not addressed	(12) Allowable	Not addressed	Not addressed
Defense and prosecution of criminal and civil proceedings and claims	(10) Allowable with restrictions	(13) Allowable with restrictions (Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringement)	(10) Allowable with restrictions (Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringement)	(47) Allowable with restrictions
Depreciation and Use Allowances	(11) Allowable with qualifications	(14) Allowable with qualifications	(11) Allowable with qualifications	(11) Allowable with qualifications
Donations and Contributions	(12) Unallowable (made by recipient); not reimbursable but value may be used as cost sharing or matching (made to recipient)	(15) Unallowable (made by recipient); not reimbursable but value may be used as cost sharing or matching (made to recipient)	(12) Unallowable (made by recipient); not reimbursable but value may be used as cost sharing or matching (made to recipient)	(8) Unallowable (regardless of recipient) with exception (costs of participation in community service activities)
Employee morale, health, and welfare costs	(13) Allowable with restrictions	(16) Allowable with restrictions	(13) Allowable with restrictions	(13) Allowable with limitations
Entertainment costs	(14) Unallowable	(17) Unallowable	(14) Unallowable	(14) Unallowable
Equipment and other capital expenditures	(15) Allowability based on specific requirements	(18) Allowability based on specific requirements	(15) Allowability based on specific requirements	(10 and 40) Allowable based on specific requirements
Fines and penalties	(16) Unallowable with exception	(19) Unallowable with exception	(16) Unallowable with exception	(15) Unallowable with exception
Fundraising and investment management costs	(17) Unallowable with exceptions	(20) Unallowable with exceptions (Fundraising)	(17) Unallowable with exceptions	(27) Unallowable with exceptions
Gains and losses on depreciable assets	(18) Allowable with restrictions (Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of Federal programs)	(21) Allowable with restrictions	(18) Allowable with restrictions	(16) Allowable with restrictions

Selected Cost Item	2 CFR 225, Appendix B State, Local, & Indian Tribal Gov'ts	2 CFR 220, Section J Educational Institutions	2 CFR 230, Appendix B Non- Profit Organizations	48 CFR FAR 31.2, Section 31.205 For- Profit Organizations
General government expenses	(19) Unallowable with exceptions	Not specifically addressed	Not specifically addressed	Not specifically addressed
Goods and services for personal use	(20) Unallowable	(22) Unallowable	(19) Unallowable	Not specifically addressed
Housing and personal living expenses	Not specifically addressed	(23) Unallowable	(20) Unallowable as overhead costs	Not specifically addressed
Idle facilities and idle capacity	(21) Idle facilities – unallowable with exceptions; idle capacity – allowable with restrictions	(24) Idle facilities – unallowable with exceptions; idle capacity – allowable with restrictions	(21) Idle facilities – unallowable with exceptions; idle capacity – allowable with restrictions	(17) Idle facilities – unallowable with exceptions; idle capacity – allowable with restrictions
Insurance and indemnification	(22) Allowable with restrictions	(25) Allowable with restrictions	(22) Allowable with restrictions	(19) Allowable with restrictions
Interest	(23) Allowable with restrictions	(26) Allowable with restrictions	(23) Allowable with restrictions	(20) Allowable with restrictions
Interest-substantial relocation	Not specifically addressed	(26.b(6)) Possible adjustment in relocated within 20 years	(23.a(6)(d)) Possible adjustment in relocated within 20 years	Not specifically addressed
Labor relations costs	Not specifically addressed	(27) Allowable	(24) Allowable	(21) Allowable
Lobbying	(24) Unallowable	(28) Unallowable with exceptions	(25) Unallowable with exceptions	(22) Unallowable with exceptions
Lobbying-executive lobbying costs	(24.b) Unallowable	(28.h) Unallowable	(25.d) Unallowable	(22) Unallowable
Losses on other sponsored agreements or contracts	Not specifically addressed	(29) Unallowable	(26) Unallowable (Losses on other awards or contracts)	(23 and 48) - Unallowable
Maintenance and repair costs	(25) Allowable with restrictions (Maintenance, operations, and repairs)	(30) Allowable with restrictions	(27) Allowable with restrictions	(25) Allowable with restrictions (manufacturing and production engineering); (12) Allowable for economic planning costs; (39) Allowable for service and warranty costs
Materials and supplies costs	(26) Allowable with restrictions	(31) Allowable with restrictions	(28) Allowable with restrictions	(26) Allowable with restrictions

Selected Cost Item	2 CFR 225, Appendix B State, Local, & Indian Tribal Gov'ts	2 CFR 220, Section J Educational Institutions	2 CFR 230, Appendix B Non- Profit Organizations	48 CFR FAR 31.2, Section 31.205 For- Profit Organizations
Meetings and conferences	(27) Allowable with restrictions	(32) Allowable with restrictions	(29) Allowable with restrictions	Not specifically addressed
Memberships, subscriptions, and professional activity costs	(28) Allowable as a direct cost for civic, community and social organizations with Federal approval; unallowable for lobbying organizations	(33) Unallowable for civic, community, or social organizations	(30) Allowable for civic and community organizations with Federal approval; unallowable for social organizations	(14 and 43) Allowable for trade, business, technical and professional organizations; unallowable for social organizations
Organization costs	Not specifically addressed	Not specifically addressed	(31) Unallowable except Federal prior approval	(27) Unallowable
Page charges in professional journals	(34.b) Allowable with restrictions (addressed under "Publication and printing costs")	(39.b) Allowable with restrictions (addressed under "Publication and printing costs")	(32) Allowable with restrictions	Not specifically addressed
Participant support costs	Not specifically addressed	Not specifically addressed	(33) Allowable with prior approval of the Federal awarding agency	Not specifically addressed
Patent costs	(29) Allowable with restrictions	(34) Allowable with restrictions	(34) Allowable with restrictions	(30) Allowable with restrictions
Plant and homeland security costs	(30) Allowable with restrictions	(35) Allowable with restrictions	(35) Allowable with restrictions	(29) Allowable with restrictions
Pre-agreement costs	(31) Allowable with restrictions (Pre-award costs)	(36) Unallowable unless approved by the Federal sponsoring agency	(36) Allowable with restrictions	(32) Allowable with restrictions
Professional service costs	(32) Allowable with restrictions	(37) Allowable with restrictions	(37) Allowable with restrictions	(33) Allowable with restrictions
Proposal costs	(33) Allowable with restrictions	(38) Allowable with restrictions	Not specifically addressed	(18) Allowable with restrictions
Publication and printing costs	(34) Allowable with restrictions	(39) Allowable with restrictions	(38) Allowable with restrictions	Not specifically addressed
Rearrangement and alteration costs	(35) Allowable (ordinary and normal); allowable with Federal prior approval (special)	(40) Allowable (ordinary and normal); allowable with Federal prior approval (special)	(39) Allowable (ordinary and normal); allowable with Federal prior approval (special)	Not specifically addressed
Reconversion costs	(36) Allowable with restrictions	(41) Allowable with restrictions	(40) Allowable with restrictions	(31) Allowable with restrictions

Selected Cost Item	2 CFR 225, Appendix B State, Local, & Indian Tribal Gov'ts	2 CFR 220, Section J Educational Institutions	2 CFR 230, Appendix B Non- Profit Organizations	48 CFR FAR 31.2, Section 31.205 For- Profit Organizations
Recruiting costs	(1.c) Allowable with restrictions (addresses costs of advertising only)	(42) Allowable with restrictions	(1) Allowable with restrictions	(34) Allowable with restrictions
Relocation costs	Not specifically addressed	(42.d) Allowable with restrictions	(42) Allowable with restrictions	(35) Allowable with restrictions
Rental cost of buildings and equipment	(37) Allowable with restrictions	(43) Allowable with restrictions	(43) Allowable with restrictions	(36) Allowable with restrictions
Royalties and other costs for use of patents	(38) Allowable with restrictions	(44) Allowable with restrictions	(44) Allowable with restrictions	(37) Allowable with restrictions
Scholarships and student aid costs	Not specifically addressed	(45) Allowable with restrictions	Not specifically addressed	Not specifically addressed
Selling and marketing costs	(39) Unallowable unless allowable as a public relations cost	(46) Unallowable unless allowable as a public relations cost	(45) Allowable with Federal prior approval	(38) Allowable with exceptions
Specialized service facilities	Not specifically addressed	(47) Allowable with restrictions	(46) Allowable with restrictions	Not specifically addressed
Student activity costs	Not specifically addressed	(48) Unallowable unless specifically provided for in the sponsored agreement	Not specifically addressed	Not specifically addressed
Taxes	(40) Allowable with restrictions	(49) Allowable with restrictions	(47) Allowable with restrictions	(41) Allowable with restrictions
Termination costs applicable to sponsored agreements	(41) Allowable with restrictions	(50) Allowable with restrictions	(48) Allowable with restrictions	(42) Allowable with restrictions
Training costs	(42) Allowable for employee development	(51) Allowable for employee development	(49) Allowable with limitations	(44) Allowable with limitations
Transportation costs	Not specifically addressed	(52) Allowable with restrictions	(50) Allowable	(46) Allowable with limitations
Travel costs	(43) Allowable with restrictions	(53) Allowable with restrictions	(51) Allowable with restrictions	(46) Allowable with limitations
Trustees	Not specifically addressed	(54) Allowable with restrictions	(52) Allowable with restrictions	Not specifically addressed

Appendix B: Unallowable and Allowable Costs

Unallowable Costs

All costs must be associated with project activities. Failure to mention a particular item of cost in this section is not intended to imply that it is allowable. Please see [2 CFR Part 225](#) for further guidance on cost principles.

- *Advertising and Public Relations* - Costs of advertising and public relations designed to promote the recipient in general.
- *Alcoholic beverages* - except when the costs are associated with enhancing the competitiveness of wine grapes and prior approval is given from the awarding agency.
- *Bad debts* - Including losses (whether actual or estimated) arising from uncollectable accounts and other claims, related collection costs, and related legal costs.
- *Capital Expenditures for General Purpose Equipment* - Capital expenditures for general purpose equipment, buildings, and land. "General purpose equipment" means equipment, which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.
- *Contingency Provisions*. Contributions to a contingency reserve or any similar provision made for events the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening.
- *Donated Services*. Donated or volunteer services may be furnished to a governmental unit by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or indirect cost.
- *Donations and Contributions*. Contributions or donations, including cash, property, and services, made by the governmental unit, regardless of the recipient.
- *Entertainment*. Amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities).
- *Excessive Airfare Costs*. Airfare costs in excess of the customary standard commercial airfare (coach or equivalent), Federal Government contract airfare, or the lowest commercial discount airfare.
- *Fines and Penalties*. Fines, penalties, damages, and other settlements resulting from violations (or alleged violations) of, or failure of the governmental unit to comply with, Federal, State, local, or Indian tribal laws and regulations.
- *Fundraising*. Organized fund raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions regardless of the purpose for which the funds will be used.
- *Goods or Services for Personal Use*. Costs of goods or services for personal use of the governmental unit's employees regardless of whether the cost is reported as taxable income to the employees.
- *Investment Management Cost*. Costs of investment counsel and staff and similar expenses incurred to enhance income from investments.
- *Lobbying*. Development or participation in lobbying activities including costs of membership in organizations substantially engaged in lobbying.
- Business meals may not be charged as project costs when individuals decide to go to lunch or dinner together when no need exists for continuity of a meeting. Such activity is considered to be an entertainment cost. In contrast, lunch or dinner meals may be charged to the project if a justification is provided that such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants. *Breakfasts for conference attendees are usually considered unallowable as it is expected these individuals will have sufficient time to obtain this meal on their own before the conference begins in the morning.*

Note: Meals consumed while in official travel status do not fall in this category. They are considered per diem expenses and should be reimbursed in accordance with the State's established written travel policies.

- *Political Activities.* Development or participation in political activities in accordance with provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7324-7326).

Allowable Costs

All costs must be associated with project activities that increase the quantity and quality of locally grown food for food insecure individuals, families, neighborhoods, and communities. Failure to mention a particular item of cost in these sections is not intended to imply that it is unallowable. See 2 CFR Part 225 for further guidance on cost principles.

- *Advertising and Public Relations.* Advertising and public relations costs increase the quantity and quality of locally grown food for food insecure individuals, families, neighborhoods, and communities.
- *Advisory Councils.* Costs incurred by advisory councils or committees
- *Capital Expenditures for Special Purpose Equipment.* With prior approval from AMS, costs associated with capital expenditures for special purpose equipment with a unit cost of \$5000 or more. "Special purpose equipment" means equipment which is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.
- *Compensation for Personnel Services.* Compensation for personnel services during the period of performance under the Federal award, including salaries, wages, and fringe benefits to the extent that they are reasonable for the services rendered and they are supported with adequate documentation in accordance with 2 CFR 225 App. B ¶8h.
- *Communication Costs.* Costs incurred for telephone services, local and long-distance telephone calls, telegrams, postage, messenger, electronic or computer transmittal services and the like.
- *Foreign travel.* With prior approval from AMS, direct charges for foreign travel. Each separate foreign trip must receive such approval. For purposes of this provision, "foreign travel" includes any travel outside Canada, Mexico, the United States, and any United States territories and possessions. However, the term "foreign travel" for a governmental unit located in a foreign country means travel outside that country.
- *Materials and Supplies.* Costs incurred for materials, supplies, and fabricated parts necessary to carry out the project. Purchased materials and supplies shall be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs. Only materials and supplies actually used for the performance of the specified project may be charged as direct costs. Where federally donated or furnished materials are used in performing the Federal award, such materials will be used without charge.
- *Meetings and Conferences.* Costs of meetings and conferences with the primary purpose of dissemination of technical information. This includes costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences with the exception of entertainment costs as described under unallowable costs.
- *Professional service costs.* Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the governmental unit when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Federal Government.
- *Proposal costs.* Costs of preparing proposals for potential Federal awards. Proposal costs should be treated as indirect costs and should be allocated to all activities of the governmental unit utilizing the cost allocation plan and indirect cost rate proposal.
- *Publication and Printing Costs.* Publication costs include the costs of printing (including the processes of composition, platemaking, press work, binding, and the end products produced by

such processes), distribution, promotion, mailing, and general handling. Publication costs also include page charges in professional publications. If these costs are not identifiable with a particular cost objective, they should be allocated as indirect costs to all benefiting activities of the governmental unit. Page charges for professional journal publications are allowable as a necessary part of research costs where: (1) The research papers report work must be directly related to the grant project; and (2) The charges are levied impartially on all research papers published by the journal, whether or not by federally-sponsored authors.

- *Reconversion.* Costs incurred in the restoration or rehabilitation of the governmental unit's facilities to approximately the same condition existing immediately prior to commencement of Federal awards, less costs related to normal wear and tear.
- *Rental Costs of Buildings and Equipment.* To the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased. Rental arrangements should be reviewed periodically to determine if circumstances have changed and other options are available.
- *Training Costs.* The cost of training provided for employee development.
- *Travel Costs.* Travel costs for transportation, lodging, and related expenses incurred by employees who are in travel status on official business of the government may be charged on an actual cost basis. Meals will be reimbursed on a per diem basis consistent with the State of Hawaii guidelines.

Appendix C: Budget Narrative (MGFSP Project Form)

Although there is no specific format for the supplemental budget, the budget should contain a narrative in paragraph format for each project in order for AMS to determine the costs are reasonable and allowable.

1. *Personnel* – Persons employed by the grantee or subgrantee organization should be listed in this category. Those employed elsewhere would be listed as subcontractors or consultants in the “Other” category.

In order for secretarial and clerical salaries to be allowable as direct charges to the awards, a justification of how that person will be directly involved in the project must be included in the narrative. General administrative or accounting duties are not considered acceptable. The duties must be directly related to the project plan.

For each project participant, indicate their title, percent of full time equivalents (FTE), and corresponding salary for the FTE.

For example, if a project participant’s salary is \$50,000 and they are participating 50% of their time on the project, the total budgeted salary cost would be \$25,000.

2. *Fringe Benefits* – Provide the rate of fringe benefits for each project participant’s salary described in the personnel section.
3. *Travel* – Please provide the following information in the narrative if applicable: destination; purpose of trip; number of people traveling; number of days traveling; estimated airfare costs; estimated ground transportation costs; estimated lodging and meals costs; estimated mileage costs.

Mileage information at <https://www.gsa.gov/portal/content/100715>

Domestic per diem information at <https://www.gsa.gov/portal/content/104877>

For consistency, interisland travel costs should be estimated as \$200 round trip airfare per person and for travel costs, refer to the website:

<http://www.defensetravel.dod.mil/site/perdiemCalc.cfm>

Include justification if other costs are applied.

4. *Equipment* – This category includes items of property having a useful life of more than one year and an acquisition cost of \$5,000. If the cost is under \$5,000, then include these items under SUPPLIES.

Provide an itemized list of equipment purchases or rentals, along with a brief narrative on the intended use of each equipment item, and the cost for all the equipment purchases or rentals.

Please see Section VII Restrictions and Limitations on Grant Funds for further guidance on equipment.

- Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct and indirect charges.
- Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5000 or more have the prior approval of AMS.
- Rental costs of buildings and equipment are allowable as direct costs in accordance with the cost principles in Subpart T of 7 CFR Part 3015.

5. *Supplies* – This is anything with acquisition cost under \$5,000 and could be anything from office supplies and software to educational or field supplies. For non-typical materials & supplies items, include a brief narrative of how this fits with the project.

Provide an itemized list and estimate the dollar amount for each item.

For example, office supplies such as pens, paper, toner, etc. - \$500; Gardening supplies such as soil and fertilizer - \$500.

Items such as telephone, postage, fax and express mail are more appropriately listed under the "Other" category.

6. Contractual – Provide a short description of the services each contract covers and include the flat rate fee OR the total hourly rate fee for each contract.

Compensation for contractor/consultant services should be reasonable and consistent with that paid for similar services in the marketplace. Contractual hourly rates that exceed the salary of a GS-15 step 10 Federal employee in your area (\$82.26/hour)

https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2021/HL_h.pdf, unless one of the following justifications is provided.

1. A description of the steps you took to hire a contractor, which includes obtaining a cost/price analysis from at least three contractors who can perform the service. The purpose of the cost analysis is to review and evaluate each element of cost to determine reasonableness. (Please provide company name and contract amount for each analysis.)

OR

2. Due to the complexity or uniqueness of the project, the pool of available and qualified contractors is limited. Therefore, the selected contractor's specialized qualifications necessitate hiring at a rate beyond a GS-15 step 10. (Please outline the unique qualifications of the contractor.)

If the contract is for service or maintenance, costs should be in direct correlation to the use of the equipment for the project (i.e., if a particular machine is used 50% of the time for the project, the project should only be charged 50% of the service contract paid from Federal funds.)

7. Other – Provide a detailed description of all other direct costs such as:
- a. Conferences/Meeting - Costs of holding a conference or meeting are included in this category. Some examples are the rental of facilities or equipment for the meeting. Details of costs for each conference or meeting should be broken out and provided in the budget.

- i. Meals may not be charged as project costs when individuals decide to go to lunch or dinner together when no need exists for continuity of a meeting. Such activity is considered to be an entertainment cost. Meals may be charged to the project if such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants. Some examples of acceptable reasons are that the conference facility is located in a remote area where public facilities are not accessible; there will be a speaker and business discussions during the meal; there is insufficient time available to allow participants to go out on their own. If one or more of these justifications cannot be met, or if there are no other acceptable and compelling reasons, then the meals should not be charged to the award. The attendees should be responsible for providing their own meals.

- ii. Breakfasts for conference attendees are usually considered unallowable as it is expected these individuals will have sufficient time to obtain this meal on their own before the conference begins in the morning. This does not pertain to persons in a travel status. When paying for the travel of a person to attend a conference, meals and lodging may be included in the cost without additional justification.

- b. Communications – Mailings, postage, express mail, faxes, and telephone long distance charges. Provide the estimated cost for this category.
 - c. Speaker/Trainer Fees- Provide the amount of the speaker’s fees and a description of the services they are providing
 - d. Publication Costs –Provide the estimated cost of printing of brochures and other program materials or scientific or technical journals.
 - e. Data collection - Provide the estimated cost of collecting performance data to measure the project outcome measures.
8. PROGRAM INCOME – Indicate the nature or source of program income (for ex: registration fees) If program income is earned it may be used for 1) expanding the project or program; 2) continuing the project or program after the grant or sub grant support ends; and 3) supporting other projects or programs that further the broad objectives of the grant program.

APPENDIX D: Use of Subgrant Funds by Eligible Entities ([7 U.S.C. 7518](#))

(4) USE OF SUBGRANT FUNDS BY ELIGIBLE ENTITIES. —An eligible entity that receives a subgrant under this section shall use the funds to engage in activities that will increase the quantity and quality of locally grown food for food insecure individuals, families, neighborhoods, and communities, including by—

- (A) purchasing gardening tools or equipment, soil, soil amendments, seeds, plants, animals, canning equipment, refrigeration, or other items necessary to grow and store food;
- (B) purchasing or building composting units;
- (C) purchasing or building towers designed to grow leafy green vegetables;
- (D) expanding an area under cultivation or engaging in other activities necessary to be eligible to receive funding under the environmental quality incentives program established under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) for a high tunnel;
- (E) engaging in an activity that extends the growing season;
- (F) starting or expanding hydroponic and aeroponic farming of any scale;
- (G) building, buying, erecting, or repairing fencing for livestock, poultry, or reindeer;
- (H) purchasing and equipping a slaughter and processing facility approved by the Secretary;
- (I) traveling to participate in agricultural education provided by—
 - (i) a State cooperative extension service;
 - (ii) a land-grant college or university (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103));
 - (iii) a Tribal College or University (as defined in section 316(b) of the Higher Education Act of 1965 (20 U.S.C. 1059c(b)));
 - (iv) an Alaska Native-serving institution or a Native Hawaiian-serving institution (as such terms are defined in section 317(b) of the Higher Education Act of 1965 (20 U.S.C. 1059d(b))); or
 - (v) a Federal or State agency;
- (J) paying for shipping of purchased items relating to growing or raising food for local consumption or purchase;
- (K) creating or expanding avenues for— H. R. 2—177
 - (i) the sale of food commodities, specialty crops, and meats that are grown by the eligible entity for sale in the local community; or
 - (ii) increasing the availability of fresh, locally grown, and nutritious food;and
- (L) engaging in other activities relating to increasing food security (including subsistence), as determined by the Secretary.

APPENDIX E: Restrictions and limitations on MGFSP grant funds

- Grant funds may not be used to fund political activities in accordance with provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7321-7326).
- Development or participation in lobbying activities pursuant to 31 U.S.C. 1352, including costs of membership in organizations substantially engaged in lobbying, are unallowable costs.
- Capital expenditures for general-purpose equipment, buildings, and land are unallowable as direct charges.

Capital expenditures means expenditures for the acquisition of capital assets (equipment, buildings, land), or expenditures to make improvements to capital assets that materially increase their value or useful life. Acquisition cost means the cost of the asset including the cost to put it in place. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in-transit insurance, freight, and installation may be included in, or excluded from the acquisition cost in accordance with the governmental unit's regular accounting practices.

General purpose equipment means equipment that is not limited to research, scientific or other technical activities. Examples include office equipment and furnishings, telephone networks, information technology equipment and systems, reproduction and printing equipment, and motor vehicles.

Equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost, which equals or exceeds the lesser of the capitalization level established by the governmental unit for financial statement purposes, or \$5,000.

- Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior approval of DOAG, and that the item will only be used to increase the quantity and quality of locally grown food. Special purpose equipment means equipment, which is used only for research, scientific, or other technical activities.
- Refer to 7 CFR Part 3015 Subpart R – Property and 7 CFR 3016.32 or 2 CFR part 200 Property Standards that requires the State to use, manage, and dispose of equipment acquired under the MGFSP in accordance with State laws and procedures. Sub awardees will:
 - Maintain property records.
 - Conduct an inventory and reconciling results at least once every 2 years.
 - Develop a control system to ensure adequate safeguards for loss, damage or theft.
 - Develop adequate maintenance procedures to keep property in good condition.

- When the equipment is no longer needed by the sub awardee and the per unit fair market value is less than \$5,000, the sub awardee may retain, sell, or dispose of the equipment with no further obligation to the State. If, on the other hand, the per unit fair market value is \$5,000 or more, then the State must request disposition instructions from the USDA AMS.
- Rental costs of buildings and equipment are allowable as direct costs in accordance with the cost principles in Subpart T of 7 CFR 3015.

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