

submitted to the appropriate USDA Rural Development State Office. The plans must include 3 years of pro forma financial statements, including an explanation of assumptions used to generate the financial statements. The financial statements must include cash flow statements, income statements, and balance sheets. Income statements and cash flow statements must be monthly for the first year, then annual for the next two years. The balance sheet should be annual for all three years. These studies are not to be submitted with the application. No funds will be released until these documents have been received and approved.

4. If requested by the USDA Rural Development State Office, submit copies of any contracts, letters of intent, or other documents cited in addressing any of the various "evaluation criteria". If such a request is made, no funds will be released until those documents have been received and approved.

5. Use Standard Form 270, "Request for Advance or Reimbursement" to request advances and reimbursements. Requests are to be submitted on a monthly basis.

6. Submit a Standard Form 269, "Financial Status Report" and list expenditures according to agreed upon budget categories on a semi-annual basis. Reports are due by April 30 and October 30 after the grant is awarded.

7. Submit semi-annual performance reports which compare accomplishments to the objectives; if established objectives are not met, discuss problems, delays, or other problems that may affect completion of the project; establish objectives for the next reporting period; and discuss compliance with any special conditions on the use of awarded funds.

8. Upon completion of each task outlined in the proposal, grant recipients will deliver the results of the study or activity to the appropriate state office, accompanied by all applicable supporting data. These include, but are not limited to, feasibility studies, marketing plans, business plans, articles of incorporation and bylaws, and an accounting of how working capital funds were spent. All items delivered to the state offices will be held in confidence to the extent permitted by law.

9. Maintain a financial management system that is acceptable to the Agency.

10. Collect and maintain data on race, sex, and national origin of Grantee's membership/ownership.

11. Submit a final project performance report.

### Other Federal Statutes and Regulations That Apply

Several other Federal statutes and regulations apply to proposals considered for review and to grants awarded. These include but are not limited to:

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

7 CFR part 3015—Uniform Federal Assistance Regulations;

7 CFR part 3017—Government wide Debarment and Suspension (Nonprocurement) and Government wide Requirements for Drug-Free Workplace (Grants);

7 CFR part 3018—New Restrictions on Lobbying;

7 CFR part 3019—Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; and

7 CFR part 3052—Audits of States, Local Governments, and Non-Profit Organizations.

### Paperwork Reduction Act

The reporting requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under Control Number 0570-0039.

Dated: August 28, 2003.

**John Rosso,**

*Administrator, Rural Business-Cooperative Service.*

United States Department of Agriculture  
Rural Business-Cooperative Service  
Value-Added Agricultural Product Market  
Development Grant Agreement (VADG)

This Grant Agreement (Agreement) dated \_\_\_\_\_, between \_\_\_\_\_ (Grantee), and the United States of America, acting through the Rural Business-Cooperative Service of the Department of Agriculture (Grantor), for \$ \_\_\_\_\_ in grant funds under the VADG program, delineates the agreement of the parties.

NOW, THEREFORE, in consideration of the grant;

The parties agree that:

1. All the terms and provisions of the VADG NOFA and application submitted by the Grantee for this VADG grant, including any attachments or amendments, are incorporated and included as part of this Agreement. Any changes to these documents or this agreement must be approved in writing by the Grantor.

2. As a condition of the Agreement, the Grantee certifies that it is in compliance with and will comply in the course of the Agreement with all applicable laws, regulations, Executive Orders, and other generally applicable requirements, including

those contained in 7 CFR 3015.205(b), which are incorporated into this agreement by reference, and such other statutory provisions as are specifically contained herein. The Grantee will comply with title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and Executive Order 12250.

3. The provisions of 7 CFR part 3015, "Uniform Federal Assistance Regulations" and part 3019, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations," as applicable are incorporated herein and made a part hereof by reference.

FURTHER, the Grantee agrees that it will:

1. Not use grant funds or matching funds to plan, repair, rehabilitate, acquire, or construct a building or facility (including a processing facility); or to purchase, rent, or install fixed equipment.

2. Use Grant Funds and matching funds only for the purposes and activities specified in the proposal approved by the Agency including the approved budget. Any uses not provided for in the approved budget must be approved in writing by the Agency in advance of obligation by the Grantor.

3. Submit a feasibility study, business operations plans, and other studies and plans required by the Grantor if any part of the grant will be used to establish a working capital account.

4. Deliver the results of a study or activity to the Grantor upon completion of each task outlined in the proposal. These include, but are not limited to, feasibility studies, marketing plans, business operations plans, articles of incorporation and bylaws, and accounting of how working capital funds were spent. All items delivered to the Grantor will be held in confidence to the extent provided by law.

5. Request any cash advances in the minimum amount needed and timed to the actual, immediate cash requirements for carrying out the grant purpose. Standard Form 270, "Request for Advance or Reimbursement," will be used for this purpose.

6. Submit a Standard Form 269, "Financial Status Report" and list expenditures according to agreed upon budget categories on a semi-annual basis. Reports are due by April 30 and October 30 after the grant is awarded.

7. Provide periodic reports as required by the Grantor. A financial status report and a project performance report will be required on a semi-annual basis (due April 30 and October 30). The financial status report must show how grant funds and matching funds have been used to date and project the funds needed and their purposes for the next quarter. A final report may serve as the last semi-annual report. Grantees shall constantly monitor performance to ensure that time schedules are being met and projected goals by time periods are being accomplished. The project performance reports shall include the following:

a. A comparison of actual accomplishments to the objectives for that period.