

- (4) Applied research; and
- (5) Legal services.

#### *Limitations on Use of Grant Funds*

Grant funds may not be used to:

- (1) Duplicate current services or replace or substitute support previously provided. If the current service is inadequate, however, grant funds may be used to expand the level of effort or services beyond what is currently being provided;
- (2) Pay costs of preparing the application package for funding under this program;
- (3) Pay costs of the project incurred prior to the date of grant approval;
- (4) Fund political activities;
- (5) Pay for assistance to any private business enterprise which does not have at least 51 percent ownership by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence;
- (6) Pay any judgment or debt owed to the United States;
- (7) Plan, repair, rehabilitate, acquire, or construct a building or facility (including a processing facility);
- (8) Purchase, rent or install Fixed Equipment; or
- (9) Pay for the repair of privately owned vehicles.

#### *Grant Approval and Obligation of Funds*

The following statement will be entered in the comment section of the Request for Obligation of Funds, which must be signed by the grantee:

"The grantee certifies that it is in compliance with and will continue to comply with all applicable laws, regulations, Executive Orders and other generally applicable requirements, including those contained in 7 CFR part 4284 and 7 CFR parts 3015, 3016, 3017, 3018, 3019 and 3052 in effect on the date of grant approval, and the approved Letter of Conditions."

#### *Grant Disbursement*

The Agency will determine, based on 7 CFR parts 3015, 3016 and 3019, as applicable, whether disbursement of a grant will be by advance or reimbursement. The Agency may limit the frequency in which a Request for Advance or Reimbursement may be submitted.

#### *Grant Closing*

(1) *Letter of Conditions.* The Agency will notify an approved applicant in writing, setting out the conditions under which the grant will be made.

(2) *Applicant's intent to meet conditions.* Upon reviewing the conditions and requirements in the

letter of conditions, the applicant must complete, sign and return the Agency's "Letter of Intent to Meet Conditions," or, if certain conditions cannot be met, the applicant may propose alternate conditions to the Agency. The Agency must concur with any changes proposed to the letter of conditions by the applicant before the application will be further processed.

(3) *Grant agreement.* The Agency and the grantee must enter into an "Agriculture Innovation Center Grant Agreement" prior to the advance of funds.

#### *Award Requirements*

All approved applicants will be required to do the following:

- (1) Use "Request for Advance or Reimbursement" to request advances or reimbursements, as applicable, but not more frequently than once a month;
- (2) Maintain a financial management system that is acceptable to the Agency; and
- (3) Collect and maintain data on race, sex and national origin of the beneficiaries of the project.

#### *Reporting Requirements*

Grantees must submit the following to USDA:

(1) A "Financial Status Report" listing expenditures according to agreed upon budget categories, on a semi-annual basis. Reporting periods end each March 31 and September 30. Reports are due 30 days after the reporting period ends.

(2) Semi-annual performance reports that compare accomplishments to the objectives stated in the proposal. All tasks completed to date must be specifically identified and documentation provided to support the reported results. If the original schedule provided in the work plan is not being met, the report should discuss the problems or delays that may affect completion of the project. Objectives for the next reporting period should be listed. Compliance with any special condition on the use of award funds should be discussed. Reports are due as provided in paragraph (1). The supporting documentation for completed tasks 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.

(3) Final project performance reports, inclusive of supporting documentation. The final performance report is due within 30 days of the completion of the project.

#### *Confidentiality of Reports*

All reports submitted to the Agency will be held in confidence to the extent permitted by law.

#### *Grant Servicing*

Grants will be serviced in accordance with 7 CFR part 1951, subparts E and O. Grantees will permit periodic inspection of the program operations by a representative of the Agency. All non-confidential information resulting from the Grantee's activities shall be made available to the general public on an equal basis.

#### *Performance*

USDA may elect to suspend or terminate a grant in all or part, or funding of a particular work plan activity, but nevertheless fund the remainder of a request for advance or reimbursement, as applicable, where USDA has determined:

- (1) that the grantee or subrecipient of grant funds has demonstrated insufficient progress in complying with the terms of the grant agreement;
- (2) there is reason to believe that other sources of joint funding have not been or will not be forthcoming on a timely basis; or
- (3) such other cause as USDA identifies in writing to the grantee (including but not limited to the use of federal grant funds for ineligible purposes).

#### *Other Considerations*

(1) *Environmental review.*

All grants made under this subpart are subject to the requirements of 7 CFR part 1940, subpart G or its successor. Applications for technical assistance or planning projects are generally excluded from the environmental review process by 7 CFR 1940.333, provided the assistance is not related to the development of a specific site. Applicants for grant funds must consider and document within their plans the important environmental factors within the planning area and the potential environmental impacts of the plan on the planning area, as well as the alternative planning strategies that were reviewed.

(2) *Civil rights.* All grants made under this subpart are subject to the requirements of title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color and national origin as outlined in 7 CFR part 1901, subpart E. In addition, the grants made under this subpart are subject to the requirements of section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination on the basis of disability;