

3. Have a structure such that the membership is responsible for the governance and operations of the SRDC; and

4. Provide matching funds, or in-kind goods or services, to support the activities of the SRDC, as more fully described below.

Recognition Agreement

SRDCs will enter into a Recognition Agreement with USDA. The Recognition Agreement will conform in all material respects to the form of agreement provided in Appendix A to this Notice, and will provide for a specific term of recognition. It will require compliance with any regulations as may be promulgated by USDA with respect to the NRD that are not in conflict with this Notice or any enforceable Recognition Agreement.

Duties post-Recognition

As specified in the 2002 Farm Bill, upon entering into a recognition agreement with USDA, the SRDC must:

1. Facilitate collaboration among Federal, State, local, and tribal governments and the private and nonprofit sectors in the planning and implementation of programs and policies that have an impact on rural areas of the State;

2. Monitor, report, and comment on policies and programs that address, or fail to address, the needs of the rural areas of the State;

3. In conjunction with the NRDCC, facilitate the development of strategies to reduce or eliminate conflicting or duplicative administrative or regulatory requirements of Federal, State, local, and tribal governments;

4. Provide to the NRDCC an annual plan with goals and performance measures; and

5. Submit to the NRDCC an annual report on the progress of the SRDC in meeting the goals and measures established in the annual plan.

Further, to assure continuing Farm Bill compliance, changes made to the SRDC's bylaws, organizational structure, rules of governance, or any other modifications that change the SRDC's structure or rules of operation must be provided to USDA immediately.

Each federally-funded SRDC must, as required by the NRDCC, submit an annual report to the NRDCC on the use of the funds, including a description of strategic plans, goals, performance measures and outcomes for the SRDC.

Contents of Application Package

A completed application must include the following:

(1) A brief description of the State Rural Development Council, including

the legal structure, membership categories (e.g., corporate, individual, government agency), and the responsible contact person.

(2) Organizational documents for the SRDC and, if different from the SRDC, the proposed Funding Entity. If the SRDC has 501(c)(3) not for profit corporation status, for example, the organizational documents would consist of the corporate charter and any other document that addresses the legal relationship among the members. If the SRDC has a legal structure other than a corporate form, the organizational documents must reflect how the SRDC was established and the legal relationship among the members.

(3) Rules of governance for the SRDC. The rules of governance must provide evidence that the membership is totally responsible for the governance and operations of the SRDC. If the SRDC has 501(c)(3) not for profit corporation status, for example, a copy of the bylaws must be provided. The RBS reserves the right to grant provisional recognition until June 30, 2004 to an SRDC applicant that must consult with other officials on limited governance matters.

(4) A representative list of members, which must identify a minimum of one, and a maximum of five, member(s) of the Council from each of the following six or (if applicable) seven institutional categories: (a) Federal government, (b) state government, (c) local government, (d) regional organizations, (e) not for profit corporations, (f) private for profit corporations, and (if applicable) (g) federally recognized tribal government. It is acceptable that some members on this representative list come from institutions committed to rural advancement that are not included in the aforementioned categories; such representatives should be placed in category (h) other entities committed to rural advancement (this could include colleges, universities, foundations, etc.). Provide the following information for each member person listed: Name, Institutional affiliation, Institutional category, Contact information (mailing address, telephone and fax numbers, and email address).

(5) A copy of the Council's written policy indicating that it operates in a nonpartisan and nondiscriminatory manner, or, in the alternative, a statement, signed by the Council Chair, indicating that the Council operates in a nonpartisan and nondiscriminatory manner.

(6) (a) A summary description of the key economic, social, and political regions of the rural areas of the state and (b) a summary description of how the Council represents the economic, social

and political make-up of the state's rural areas (e.g., cross-reference the members presented in item (4) above with the regions presented here). This section (6) of the application should not exceed two pages.

(7) Evidence that the SRDC is likely to have sufficient matching funds or in-kind goods or services for the period July 1, 2003 through May 13, 2007 to provide at least 33% in-kind or monetary match for any federal funds that might be provided under the provisions of the 2002 Farm Bill to cover SRDC activities during that period. Such evidence shall include letters of intent (or similar documents) from each organization that will provide matching funds or in-kind goods or services. For the period July 1, 2003 through June 30, 2004, these letters shall indicate intent to provide at least \$25,000 (in total, across all letters) in matching funds or in-kind goods or services. In addition, these letters shall indicate intent to provide additional matching funds or in-kind goods and services for the period July 1, 2004 through May 13, 2007.

Evaluation Considerations

The application materials will be reviewed to confirm that the basic eligibility criteria set forth in the 2002 Farm Bill are met. USDA may seek to independently verify that the representations made in the application are correct.

Application Selection Process

All applicants are encouraged to apply in a timely manner. Applications will be reviewed beginning April 21, 2003. An application may be submitted after this date subject to the proviso that it will not be considered if an SRDC for that State has already been granted recognition and remains in good standing under its Recognition Agreement. In the event that more than one application is received for a state, USDA will permit the applicants to work together to develop a single application that may be resubmitted, such that each state is represented by only one SRDC. In the event multiple applicants that are acceptable from one state do not wish to work together to develop a single application, USDA will choose one of those applicants to be the recognized SRDC. In this case, RBS will use the following criterion to choose the SRDC: Which applicant has the largest number of institutions represented as members (as reported in Item (4) above)? If two or more acceptable applicants are tied on that score, the tie-breaker will be: Which applicant has the largest match (as reported in Item (7) above)?