



**Texas Agricultural Finance Authority
Young Farmer Grant Program
Grantee Requirements & Processes**

CONTACT INFORMATION

Mailing Address:

Texas Department of Agriculture
Trade and Business Development
Grants Office - or -
P.O. Box 12847
Austin, Texas 78711

Physical Address:

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Trade and Business Development
Grants Office
1700 N. Congress Avenue
Austin, Texas 78701

General Contact:

Grants@TexasAgriculture.gov

Main Line: 512-463-7476

Fax: 888-223-9048

Texas Department of Agriculture Grants Office Contacts:

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RESPONSIBILITIES AND ACCOUNTABILITY

TEXAS DEPARTMENT OF AGRICULTURE

The Texas Department of Agriculture (TDA) is responsible for administering the Young Farmer Grant Program (YFG). Administration responsibilities include ensuring the Grant Recipient is in compliance with statutes, regulations, and grant terms and conditions; and conducting performance/compliance reviews to maintain grant programmatic and fiscal integrity. TDA will provide on-going technical assistance and consultation to Grant Recipients during the term of the grant.

RECIPIENT ORGANIZATION

The Grant Recipient has full responsibility for the conduct of the project supported by the YFG program. Each Grant Recipient will monitor the day-to-day performance of the grant project to assure adherence to statutes, regulations, and grant terms and conditions.

Grant Recipient will be accountable for all grant funds awarded and must ensure all funds are used solely for authorized purposes. Grant Recipient needs to ensure:

- Funds are used only for activities covered by the approved project.
- Funds are not used in violation of the restrictions and prohibitions of applicable statutes.
- All budget and performance reports are completed in a timely manner.

The Grant Recipient must ensure they have an adequate accounting system in place and good internal controls to ensure expenditures and reimbursements are reported and maintained for three (3) years after the conclusion of the project.

Failure of Grantee to utilize grant funds to create and/or expand Grantee's agricultural business as described in Grantee's application may result in the withholding or revocation of the Grant, requirement that Grantee refund grant funds received, and/or determination that Grantee is ineligible for future program funds.

REIMBURSEMENT PROCESS

All projects are funded on a cost-reimbursement basis. TDA will reimburse the Grant Recipient for eligible expenditures that are inline with the approved budget in Attachment C of the Grant Agreement. Generally, expenses that are necessary and reasonable for proper and efficient performance and administration of a project are eligible. The Grant Recipient will be reimbursed for allowable grant costs not more frequently than monthly.

Requests shall be submitted not more frequently than monthly, but at least quarterly. Invoices submitted will be reviewed for completeness, accuracy and reasonableness. TDA will promptly notify the Grant Recipient of any incompleteness or deficiencies which appear on the invoice. Once the errors or omissions are corrected, TDA will process the invoice for payment.

- **What do I submit and where?**

A completed GTBD-203 Young Farmer Payment Request (Attachment A), an itemized list of all invoices for purchases, and copies of all invoices must be submitted to TDA for reimbursement.

You may email, fax or mail the completed GTBD-203 and all required documentation to:

Texas Department of Agriculture
Grants Office
P.O. Box 12847
Austin, Texas 78711

Email: Grants@TexasAgriculture.gov
Fax (888) 223-9048

Once all the required information, receipts and back up documentation have been received, the necessary documents will be processed by the grants team and the applicant will receive reimbursement within approximately 30 days from the date TDA received the request. If incomplete information is received, the payment process will be delayed. Grantee will have the opportunity to provide documentation, if needed, to ensure a reimbursement is processed fully.

GENERAL GRANT PROCESSES

PERFORMANCE REPORTS

Performance Reports must be completed by the Grant Recipient and submitted to TDA by deadlines stated in the grant agreement. Reports must be submitted on the form provided by TDA.

These reports require each grantee to details the progress of the project, compared against the measurable outcomes as originally provided in the grant application.

Failure of Grantee to comply with any of the reporting requirements may result in the withholding or revocation of the Grant, requirement that Grantee refund Grant funds received, and/or determination that Grantee is ineligible for future Program funds.

BUDGET COMPLIANCE REQUIREMENTS

Allowable Activities:

Expenditures should be directly related to the Grantee's efforts to create, expand or enhance agricultural production.

Allowability of Costs:

To be allowable under state awards, costs must meet the following general criteria:

- a. Be necessary and reasonable for proper and efficient performance of the award.
- b. Be allocable to all appropriate funding sources.
- c. Be authorized or not prohibited under state or local laws or regulations.
- d. Conform to any limitations or exclusions set forth as to the type or amount of cost items.
- e. Be consistent with policies, regulations, and procedures that apply uniformly to both federal or state awards and other activities of the governmental unit.
- f. Be accorded consistent treatment. A cost may not be assigned to a federal or state award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal or state award as an indirect cost.
- g. Be determined in accordance with generally accepted accounting principles.
- h. Not be included as a cost or used to meet cost sharing or matching requirements of any other federal or state award in either the current or prior period, except as specifically provided by law or regulation.
- i. Be adequately documented. Documentation may include, but is not limited to, travel records, time sheets, invoices, contracts, mileage records, billing records, and other documentation that verifies the expenditure amount and appropriateness to the grant in line with the prepared expenditures.

Reasonable Costs. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. Ask yourself, is the cost of a type that is generally recognized as ordinary and necessary for the operation or the performance of the award.

Allocable Costs. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received. A “cost objective” means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.

Non-Allowable Expenses:

Examples of non-allowable expenditures include, but are not limited to, the following items or categories:

- Out-of-state travel;
- Alcohol;
- Entertainment;
- Fundraising;
- Lobbying or other political expenses;
- Charitable contributions;
- Fines or penalties;
- Meal expenses;
- Expenses not attributable to the grant period (e.g.: past due rent, taxes, etc.);
- In-kind or donated services;
- Depreciation of capital assets;
- *Capital assets* valued at \$5,000 or more: TDA grant funds shall not be used for the purchase of capital assets. Capital assets include any equipment that has a useful life of more than one year or a cost of more than \$5,000.
- *Personnel Expenses:* The grantee’s or their spouse’s labor or value of labor/services is not eligible for reimbursement.

Allowable Categories

Expenses must be part of your approved application:

Personnel Expenses:

Personnel expenses may include salaries, wages, benefits and other costs associated with personnel. It may also include contract labor or custom hire work.

Small Equipment Expenses:

An organization may not purchase an item with a unit cost of more than \$5,000; however small equipment items costing less than \$5,000 may be charged to the TDA grant. Grant funds may also be used to rent or lease equipment.

Examples:

- You may not purchase a \$6,000 hay rake.
- You may use \$4,000 of TDA funds towards the purchase of a \$6,000 hay rake.
- You may use TDA funds to purchase a hay rake for \$4,000.

Land.

Grant funds may only be used towards the lease or rental of land. Grant funds may not be used toward a loan payment or purchase of land.

Animals.

Grant funds may be used to purchase animals as outlined in the approved budget. Grant funds may also be used toward any veterinarian/medical costs associated with these animals.

Supplies/General Purchases.

Any supplies that are needed to complete your approved project. Please note that if supplies are purchased and combined to build one unit the total of the supplies may not exceed \$5,000.

Examples:

- All of the supplies needed to build a chicken coop may not exceed \$5,000.
- All of the supplies needed to create an irrigation system may not exceed \$5,000.

GENERAL GRANT PROCESSES

PROPERTY DOCUMENTATION AND DISPOSITION

The grantee shall maintain appropriate records of goods or property purchased with Grant funds and shall develop a control system to ensure adequate safeguards to prevent loss, damage, or theft of such goods.

SCOPE OR OBJECTIVES REVISIONS

When it is necessary to modify the scope or objectives of the award the Grant Recipient should, submit a written justification for the change along with the revised scope or objectives of the award to TDA. If requesting to discontinue all or a portion of a project and add a new activity or objective, the Grant Recipient should submit a written justification for the change along with a project proposal identifying the requested change.

Changes will be approved or denied and should not be considered approved until the Grant Recipient has received written confirmation.

BUDGET REVISIONS PROCESS

Grant projects work on a projected budget. Often expenses that are incurred might cost more or less than originally thought. These funds may only be reallocated to eligible and previously approved line items. Notification of any revisions shall be submitted to the TDA in writing ten (10) business days prior to the subsequent payment request. The GTBD 306 - Budget Revision form should be used for this request. You may obtain it by emailing TDA.

CONTACT INFORMATION CHANGES

Grantee must notify Grantor in writing within 30 days if Grantee's address changes during the Term. Failure to submit required notice may be grounds for termination of the Agreement.

CLOSE OUT PROCESS

The grant close out is the last phase and occurs two ways, if the term of the agreement expires or if all funds have been expended. Once either of the events occur the grant close out process will begin. At least 60 days before the end of the grant term TDA will provide a reminder about the expiration date, any outstanding information needed and any remaining balances of grant funds. The following items will need to be completed before the final payment will be made:

- Tracking of expected measureable outcomes
- Final Performance Report.
- Final Budget Payment Request with proper documentation.

Closeout of a grant does not cancel any requirements for property accountability, record retention, or financial accountability.

Notes
