



[Via email only:](#)

SUBJECT: Letter of Conditions
Rural Business Development Grant -FY21

Grant Amount:

Dear

Rural Business-Cooperative Service (RBS) hereby establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. Any changes in project cost, sources of funds, scope of services, and/or any other significant changes in the project or applicant must be reported to and approved by RBS by written amendment to this letter. Any changes not approved by RBS shall be caused to discontinue processing of the application.

This letter is not to be considered as grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a grant not to exceed _____

The grant will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," and Form RD 4280-2, "Rural Business-Cooperative Service Financial Assistance Agreement," is mailed to you.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," if you desire that further consideration be given your application. BY SIGNING FORM RD 1942-46, "LETTER OF INTENT TO MEET CONDITIONS," YOU ARE HEREBY AGREEING AND ACKNOWLEDGING THAT THIS RURAL BUSINESS DEVELOPMENT GRANT IS A NON-CONTINUING, NON-RENEWABLE GRANT AND ANY APPROVAL OF THIS GRANT IN NO WAY CONSTITUTES AN ASSURANCE THAT FUTURE GRANTS WILL BE AVAILABLE.

If the conditions set forth in this letter, except those to be met at grant closing, are not met within **60** days from the date hereof, Rural Business-Cooperative Service reserves the right to discontinue the processing of the application. This is not appealable.

Grantees expecting funds from other sources for use in completing projects partially financed with RBS funds will present evidence of commitment of funds from other sources. This evidence will be made available before grant closing. The funds provided by the applicant or other sources must be

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To file a complaint of discrimination, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by mail at U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410; by fax at (202) 690-7442; or by email at program.intake@usda.gov.

spent proportionally, and if leveraged funds are not utilized proportionally with the grant, the Agency reserves the right to take legal action, including terminating the grant.

The funding period of this grant will begin on the date the grant has been obligated. The projected time frame for completion of this project is **12 months** from the date of obligation.

FEDERAL INTEGRITY ACT

To assure the high standards of honesty, integrity, and impartiality maintained by Agency employees, we need to identify any Agency assistance to be provided to Agency employees, their relatives, or their business or close personal associates. This includes grants to organizations. If you know of any relationship or association you may have with an Agency employee, please provide this information.

1. REQUIREMENT FOR SYSTEM FOR AWARD MANAGEMENT (SAM)

This grant is further conditioned upon your providing the Agency with evidence of your Dun and Bradstreet Data Universal Numbering System (DUNS) number and evidence that you are registered in the System for Award Management (SAM). Your organization is actively registered with an expiration date of _____. Please ensure that this account is kept current.

You as the recipient must maintain the currency of your information in the SAM until you submit the final financial report required under this award and all grant funds under this award have been disbursed or de-obligated, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

2. USE OF FUNDS

[See Page10 for the Proposed and Approved Sources and Uses.](#)

3. APPLICANT CONTRIBUTION

The Grantee along with private support agrees to provide _____ in matching funds to be applied to the project. The matching funds will be applied to the project at the same time grant funds are applied on a prorated basis as follows: _____% matching funds and _____% grant funds. Prior to any release of grant funds, the Grantee will provide documentation sufficient to USDA Rural Development that matching funds have been expended on the approved project.

4. SCOPE OF WORK

Grantee will administer the grant in accordance with the approved Scope of Work. USDA Rural Development comments and required changes, if any, in the Grantee's Scope of Work will be provided by the Grantee.

If the Scope of Work indicates the Grantee will sub-contract for the grant assistance to be provided. The Grantee agrees to not turn the responsibility of the grant project over to the contracting party and will oversee and control the project through completion.

Any changes in the Scope of Work, must be approved in writing by USDA. Should project not be completed by the date indicated in the Scope of Work, Grantee must request in writing, to USDA, and receive approval, for an extension of time to complete the project.

Rural Development may, at its discretion (non-appealable) and under certain conditions, consider a one-time extension of the expiration date of the award of up to 12 months. Grantee must notify Rural Development in writing with the supporting reasons and revised expiration date at least 10 days before the expiration date of the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances. Please refer to 2 CFR 200.308 for additional requirements.

5. GRANTEE INSURANCE AND BONDING

Grantee must maintain sufficient hazard insurance, workman's compensation insurance and liability insurance, as recommended by Grantee's attorney, to protect the interests of the Grantee and the government. Grantee shall provide satisfactory evidence to USDA Rural Development that all officers of Grantee organization authorized to receive and/or disburse Federal funds are covered by such bonding and/or insurance requirements as are normally required by the Grantee and approved by USDA.

6. DISBURSEMENT OF GRANT FUNDS

Grant funds will be disbursed by USDA Rural Development on a reimbursement basis not to exceed one reimbursement every 30 days. An original and one copy of Standard Form (SF) 270, "Request for Advance or Reimbursement," will be submitted to USDA Rural Development. The financial management system of the recipient organization shall provide for effective control over and accountability for all funds, property, and other assets.

Grant funds will not be disbursed until all provisions of any phased environmental review process are complete in accordance with USDA Rural Development regulations.

Grant funds will be transferred to the Grantee via Electronic Funds Transfer (EFT). The Grantee will complete and deliver to USDA Rural Development, Form SF-3881, Electronic Funds Transfer Payment Enrollment Form.

It is the intent of the Grantee that all grant funds will be disbursed within one year from the date of this letter or in accordance with the Grantee's approved Scope of Work. In accordance with RD Instruction 4280-E, 4280.451 (b), "any funds not disbursed within 42 months from the date of obligation will be automatically deobligated." This is non-appealable. Copies of paid invoices, receipts, cancelled checks etc., will be required as supporting documentation for the reimbursement.

7. RURAL AREA

You must certify that the Project is located in a rural area as defined by RD Instruction 4280-E and 7.U.S.C. 1991 (a) (13) (a) and (d) et seq., and you must certify that the activities provided under this grant will be benefiting a rural area.

(Written certification from grantee must be in file – Certification of Rural Area is attached)

8. CONFLICT OF INTEREST

Grantee will certify that no conflict of interest exists as outlined in RD Instruction 4280-E, 4280.406

9. DEBARMENT

You must execute Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions," to certify that your organization is not debarred or suspended from Government assistance. You also must obtain a certification on Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," from any person or entity you do business with as a result of this Government assistance that they are not debarred or suspended from Government assistance.

(FOR CORPORATIONS ONLY)

By accepting this Letter of Conditions, the signatory, a corporation, attests that NON-PROFIT CORPORATION has not been convicted of a felony criminal violation under Federal law in the 24 months preceding the date of signature, nor has any officers or executive director of NON-PROFIT CORPORATION been convicted of a felony criminal violation under Federal law in the 24 months preceding the date of signature.

By accepting this Letter of Conditions, the signatory, a corporation, attests that NON-PROFIT CORPORATION does not have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

10. DRUG-FREE WORKPLACE

You must execute Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - For Grantees Other Than Individuals," to certify that you will provide a drug-free awareness program for employees.

11. EQUAL OPPORTUNITY AND NONDISCRIMINATION REQUIREMENTS

The Grantee will comply with Title VI of the Civil Rights Act of 1964, "Nondiscrimination in Federally Assisted Programs," 42 U.S.C. 2000d, Section 504 of the Rehabilitation Act for Federally Conducted Programs and Activities, the Age Discrimination Act of 1975 and the Americans with Disabilities Act, Executive Order 13166 and Executive Order 11246. RD Forms 400-1, "Equal Opportunity Agreement" and 400-4, "Assurance Agreement", must be completed by the Grantee. The Grantee will be subject to Agency compliance reviews.

RD Instruction 1970-E, "Rural Development Environmental Justice (EJ) and Civil Rights Impact Analysis (CRIA) Certification" provides guidance on how to implement and integrate environmental justice considerations into all Agency programs' environmental reviews as part of the public involvement process. Form RD 2006-38 "Civil Rights Assessment" is to be completed prior to obligation of grant funds and completion of grant project to assure that the major civil rights impacts of imposed actions are identified and the potential for negative effects are addressed prior to approval of the Agency's financial assistance.

Prior to the obligation of funds, RD Instruction 2006-P (2006.754(a) and (b)), requests certifying officials to identify and address major civil rights impacts of proposed policy actions and the potential

for negative effects based on race, color, sex, national origin, religion, age, disability, or marital and/or familial status; and to complete Form RD 2006-38 to assure the Agency that a civil rights impact analysis has been completed and the potential effects of each proposed policy action have been considered before the proposed policy action is approved and implemented.

The policies contained in subpart E of part 1901 apply to grantees. As recipients of Federal financial assistance, RBCS grant and loan program recipients are required to comply with the applicable Federal, State and local laws. Title VI of the Civil Rights Act of 1964 prohibits discrimination by recipients of Federal financial assistance. Grant recipients are required to adhere to specific outreach activities. These outreach activities include, contacting community organizations and leaders that include minority leaders, advertising in local newspapers and other media throughout the entire service area, and including the nondiscrimination slogan. "This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law, "in methods that may include, but not be limited to, advertisements, public broadcasts, and printed materials, such as brochures and pamphlets. All borrowers and applicants must submit and have on file a valid Form RD 400-1, "Equal Opportunity Agreement," (where construction costs of more than \$10,000 is involved) and Form 400-4, "Assurance Agreement" (attached).

By signing Form 400-4, "Assurance Agreement" recipients affirm that they will operate the program free from discrimination. The recipient will maintain the race and ethnic data on the board members and beneficiaries of the program. The recipient will provide alternative forms of communication to persons with Limited English Proficiency.

12. COMPLIANCE REVIEWS

In addition to the "Equal Opportunity and Nondiscrimination Requirements" stated above, Each grantee must keep and provide data on race, gender, national origin, and any such records, accounts, and other sources of information and facilities as may be pertinent for USDA RBS to determine whether the Grantee has complied or are complying with the regulations. Grantees should have available, for USDA RBS review, racial and ethnic data showing the extent to which members of minority groups are beneficiaries of Federal assistance program. In addition, the compliance review will ensure that equal access to the Program benefits and activities are provided for persons with disabilities and language barriers.

13. NONDISCRIMINATION STATEMENT

The Nondiscrimination Statement set out below shall be posted in all USDA offices and included on all materials produced by USDA and its Agencies for public information, public education, or public distribution. The statement below lists all the prohibited bases for discrimination contained in the USDA Civil Rights Policy Statement. The statement shall be made available in English, in other languages appropriate to the local population served or directly affected by any USDA program or activity, and in alternative means of communication (e.g., Braille, large print, audiotape, etc.). All laws, regulations, Executive Orders, and policies.

a. USDA's Nondiscrimination Statement

To file a complaint of discrimination, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by mail at U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights,

1400 Independence Avenue, SW, Washington, DC 20250-9410; by fax at (202) 690-7442; or by email at program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.

b. Exceptions to Including the Full USDA Nondiscrimination Statement

If the size of the material is too small to include the full statement, the material will at a minimum, include the following statement in print in the same size as the text:

“USDA is an equal opportunity provider, employer, and lender.”

Where appropriate, a recipient may state: “This institution is an equal opportunity provider.”

Similarly, when an audio or video presentation does not reasonably lend itself to including the full statement, the presentation will, at a minimum include the following statement, presented in a conspicuous and meaningful manner:

“USDA is an equal opportunity provider, employer, and lender.”

Alternatively, where appropriate, a recipient may state: “This institution is an equal opportunity provider.”

c. Recipients

The recipient will post the Nondiscrimination Statement in its entirety containing only those protected bases mandated in applicable Federal law. USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, disability, age, reprisal or retaliation for prior civil rights activity. (Not all prohibited bases apply to all programs.)

The full Nondiscrimination Statement must be included on all print and non-print materials (including but not limited to, audio, video, website, brochures, newsletters, by-laws, etc.). If the size of the material is too small to include the full statement, the material will at a minimum, include the following statement in print in the same size as the text:

“This institution is an equal opportunity provider.”

Recipients are required to notify applicants with disabilities and LEP persons of their right to free language assistance and accommodations and provide free language assistance and accommodations upon request.

d. And Justice for All Posters

The USDA poster “And Justice for All” will be the primary method utilized to inform customers of their rights. The poster will be used for this purpose except when appropriate substitutes in outdoor areas are necessary. There are three versions of the “And Justice for All” poster: Form AD-475-A is the poster that displays information relevant to your program. The grantee must also post “Equal Opportunity Employment is the Law” poster (attached).

Please note that institutions participating in or administering USDA programs are required to display the appropriate "And Justice for All" poster in their facilities where it can be viewed by customers.

All "And Justice for All" posters must be displayed in a specific size: 11" width x 17" height. The minimum text size that will be used on the "And Justice for All" posters is 14 point. Agency officials can obtain "And Justice for All" posters by contacting the Office of Communications. However, recipients must contact the sponsoring Agencies' Civil Rights Division in order to obtain "And Justice for All" posters.

14. REPORTING

Per RD Instruction 4280-E, 4280.449 and 2 CFR 200.328, forms SF-425, "Federal Financial Report" (attached) and a Project Performance Activity Report (template attached) will be required on a quarterly basis (due 30 working days after end of quarter) until all grant funds have been disbursed. Project reporting will begin when the grant is closed which is the date all parties have executed Form RD 1940-1. A final Project Performance Activity Report will be required after all grant funds have been expended or the term of the grant expires, with the last SF-425. The final report may serve as the last quarterly report. Grantees shall constantly monitor performance to ensure that time schedules are being met, projected work by time periods is being accomplished, and other performance objectives are being achieved. **NO USDA FUNDS WILL BE RELEASED WITHOUT ALL REPORTING REQUIREMENTS BEING UP TO DATE.**

Grantee Project Performance Activity Report. The Grantee Project Performance Activity Report shall include, but not be limited to, the following:

- a. A comparison of actual accomplishments to the objectives established for that period.
- b. Reasons why established objectives were not met, if any.
- c. Problems, delays, or adverse conditions which will affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular project work elements during established item periods. This disclosure shall be accompanied by a statement of the action taken or planned to resolve the situation; and
- d. Objectives and timetable established for the next reporting period.

Final Report: A final project performance report will be required with the final Federal Financial Report. The final report must provide the Grantee's assessment and evaluation of the success of the project.

Other Report:

RBS may require the Grantee to prepare a report suitable for public distribution describing the accomplishments made through the use of the grant and, in the case where the grant funded the development or application of a "best practice," to describe that "best practice."

"For RBDG where grant funds are used to acquire or improve an asset, such as a business incubator, real estate, or equipment, the grantee will verify and report to RBS the performance measures annually for 3 full grantee's fiscal years after the project completion."

15. AUDITS BASED UPON FEDERAL FINANCIAL ASSISTANCE RECEIVED

An annual audit is required in accordance with the Code of Federal Regulations, 2 CFR 200 Subpart F, 2 CFR 200.500-521 "Uniform Administrative Requirements, Cost Principles and Audit Requirements for federal awards.

Grantees expending \$750,000 or more of Federal assistance per year must submit an audit in accordance with the provisions of 2 CFR 200.500-200.521. The audit requirements apply to the years in which grant funds are received and years in which work is accomplished that will be paid for with grant funds. Grantees that expend less than \$750,000 a year in Federal awards must provide a compilation and management report. Additionally, a Federal Agency, Inspectors General or Government Accountability Office (GAO) may conduct or arrange for additional audits, which are necessary to carry out its responsibilities under Federal statute or regulation. All audit records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office.

16. RESPONSIBILITIES OF THE GRANTEE

1. The Grantee must comply with the requirements set forth in RD Instruction 4280-E and Form RD 4280-2 Rural Business-Cooperative Financial Assistance Agreement.
2. Grantee will certify in writing, that they are in compliance with and will continue to comply with all applicable laws; regulations; Executive Orders; and other generally applicable requirements, including those contained in 2 CFR 200 and 2 CFR 400 in effect on the date of grant approval; and the approved "Letter of Conditions"
3. Grantee must certify in writing as being in compliance with the procurement requirements of 2 CFR Part 200 Subpart D, as required in 2 CFR 200.324 C (2), as well as compliance with all applicable State, Local, and Tribal laws and regulations relating to contracting and procurement as identified in 2 CFR Part 200.318.

17. START OF PROJECT

The Grantee is cautioned that expenditures should not be undertaken for which reimbursement is anticipated under this grant application until notified in writing that the grant has been approved and funds reserved.

18. PROGRAMMATIC CHANGES

The Grantee shall obtain prior approval for any change to the scope or objectives of the approved project. Failure to obtain prior approval of changes to the scope or budget the Agency may suspend, terminate, and recover the grant funds.

19. OTHER REQUIREMENTS

The Grantee will be responsible for any additional requirements of federal, state or local governments that may apply in accordance with RD Instruction 4280-E and 2 CFR Part 200.

20. CLOSING INSTRUCTIONS

The above conditions are based on the proposed use of funds as outlined and financing arrangements as stated. The conditions as stated may be modified if the scope or cost of the Project is changed or the financial arrangements are adjusted. Any change or modification of the conditions of the Project must have prior approval by USDA Rural Development.

21. GRANT MONITORING AND SERVICING

Grant will be monitored and serviced in accordance with RD Instruction 4280-E, part 4280.443, Form RD 4280-2, "Rural Business-Cooperative Service Financial Assistance Agreement," and 2 CFR Chapter IV.

If you have any questions concerning this letter, please contact Faith Harris at faith.harris@usda.gov or (503) 414-3358.

Sincerely,



Mandie Cole
Business & Cooperative Director

Enclosures:

ENCLOSURES FOR LETTER OF CONDITIONS

- RD 1940-1, "Request for Obligation of Funds"
- RD 1942-46, "Letter of Intent to Meet Conditions"
- RD 4280-2, "Grant Agreement"
- Scope of Work
- SF 425, "Federal Financial Report"
- Procurement Standards Handbook (if applicable)
- SF 270, "Request for Advance or Reimbursement"
- SF-3881, "Electronic Funds Transfer Payment Enrollment Form"
- Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters -Primary Covered Transactions"
- Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -Lower Tier Covered Transactions"
- Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I –For Grantees Other Than Individuals"
- Form RD 400-4, "Assurance Agreement"
- Form RD 400-1, "Equal Opportunity Agreement"
- Requirements for Quarterly, Final and Audits Reporting
- Performance Reports (Quarterly and Final)

- **POSTERS:** *If need, please contact RBS Specialist*
- "And Justice for All"
- "Equal Employment Opportunity is the Law"

Sources and Uses of funds

The sources and uses of funds are proposed and approved as follows:

Uses Categories	Leveraged Funds	RBDG	Total
Personnel			
Fringe Benefits			
Travel			
Supplies			
Contractual			
Other:			
Total			

Sources Categories	Leveraged Funds	RBDG	Total
USDA – RBDG Grant			
Total			