



North Central Risk Management Education Center

Extension Risk Management Education Grants Program

2011 Request for Applications (RFA)

Pre-proposal Opening Date: November 1, 2010

Pre-proposal Closing Date: December 9, 2010

OVERVIEW

Legislative Background

Section 133 of the Agricultural Risk Protection Act (ARPA) of 2000, Pub. L.106-224 authorizes the Secretary of USDA, acting through the National Institute of Food and Agriculture (the successor agency to CSREES – the Cooperative State Research, Education, and Extension Service), herein referred to as NIFA, to carry out the program Partnerships for Risk Management Education. Under this authority NIFA partners with four Regional Centers to address the risk management educational needs of agricultural producers within their regions. These four Regional Centers have carried out a national competitive grants program in Risk Management Education since 2001, making competitive grants to qualified public and private entities for the purpose of educating agricultural producers about the full range of risk management activities including futures, options, agricultural trade options, crop insurance, cash forward contracting, debt reduction, production diversification, farm resources risk reduction, and other risk management strategies.

The 2008 Farm Bill, in Section 12026, amends this program by placing a special emphasis on risk management strategies, education, and outreach specifically targeted at:

- A. Beginning farmers or ranchers;
- B. Legal immigrant farmers or ranchers that are attempting to become established producers in the United States;
- C. Socially disadvantaged farmers or ranchers;
- D. Farmers or ranchers that
 - a. are preparing to retire; and
 - b. are using transition strategies to help new farmers or ranchers get started; and

- E. New or established farmers or ranchers that are converting production and marketing systems to pursue new markets.

Section 133 of ARPA established the continuing intent of the program, which is to *educate agricultural producers about the full range of risk management activities*. All organizations serving agricultural producers, especially those serving the special emphasis audiences, are strongly encouraged to apply. Applications must clearly identify how agricultural producers will improve their risk management as a result of participating in the proposed project.

Program Purpose

The North Central Risk Management Education Center (North Central Center), in conjunction with The Northeast Center for Risk Management Education, the Southern Region Risk Management Education Center, and the Western Center for Risk Management Education, announces a funding opportunity for projects that help farm and ranch families succeed through targeted risk management strategies. The return sought on the investment of the grant awards is the improved ability of farm and ranch families to manage the risks associated with farming and ranching businesses. Effective risk management means selecting tools and approaches that reduce the adverse financial effects of the uncertainties of weather, yields, prices, credit, government policies, global markets and other factors, including human resources and legal issues that can cause wide swings in farm income or threaten the economic viability of the farm or ranch. Alternative production and management strategies may create a different set of business risks, and/or may sometimes increase those risks. Effective risk management education should help producers make a comparative risk assessment of alternative production or management practices.

The North Central Center will announce 12-month awards (with the possibility of one 6-month no cost extension) by May 2, 2011 for risk management education projects to begin on July 1, 2011 and to be completed on or before June 30, 2012. If your project is funded, we will offer whatever help we can give you to make the project a success. Our goal is to partner with you to create improved risk management education results for agricultural producers and their families.

Size of Awards

Grant awards will normally not exceed \$50,000, with a range of \$5,000 to \$50,000. However, there is no absolute upper or lower limit on the funds provided to a project. The awards will reflect a mix of project sizes to meet our investment goal of a balanced portfolio.

Eligibility

Organizations eligible and encouraged to apply for grants are private and public groups, organizations and institutions including land grant colleges and universities, Cooperative Extension, other colleges and universities, and qualified public and private entities in the region with a demonstrated capacity to develop and deliver educational programs for agricultural producers and their families. These entities include farm organizations, commodity groups, lenders, consultants, marketers, risk management service providers such as crop insurance agents and other non-governmental and community-based organizations. Collaboration between the public and private sectors is strongly encouraged.

Grant awards are not for the purpose of funding individual producers; however farmers and/or ranchers may serve as collaborators, presenters or mentors for the project being proposed. In the same manner, grant funds are not to be utilized for scholarships for producers; instead they are to go toward resources that will support producers' understanding and application of the risk management strategies and tools being taught. Additionally, applicant organizations must have the fiscal capacity necessary to administer a cost reimbursable sub-award, with enough cash flow to pay project vendors, including subcontractors and/or consultants, directly. If you believe you do not have this capacity, please contact your regional Center for further guidance.

This program encourages applications that help producers belonging to the Special Emphasis groups identified in Section 12026 of the 2008 Farm Bill learn about risk management strategies and tools that can be applied to their farm businesses. Organizations that provide risk management education and assistance to these producers are eligible and encouraged to submit applications.

The Extension Risk Management Education Grants Program does not offer funding for personal financial assistance or to pay off debts.

The North Central Center serves Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

If funding is being sought from more than one region, a separate application must be submitted to each regional Extension RME Center.

STAKEHOLDER INPUT

The North Central Risk Management Education Center welcomes comments, suggestions and/or recommendations regarding this RFA from any interested party. These comments will be considered in the development of the next RFA for the Extension Risk Management Education Grants Program. Written stakeholder comments should be submitted by mail to: H. Doug Jose, Director, North Central Risk Management Education Center, 304 Filley Hall, University of Nebraska, Lincoln, NE 68583-0922, or via e-mail to: Doug Jose at hjose1@unl.edu.

REGIONAL RISK MANAGEMENT PRIORITIES

The founding legislation for this program was the Agricultural Risk Protection Act (ARPA) which stated the purpose of this program was to “educate producers about the full range of risk management activities”. The 2008 Farm Bill amendment which specified five special emphasis audiences did not supersede ARPA. It essentially pointed out that all producers, regardless of their demographics, the situation in their business careers, or nature of their business are faced with a multitude of business risks. This is particularly pertinent in the current economic environment of general economic recession and major volatility in agricultural input and output prices.

Educators and public and private organizations are encouraged to address the educational needs of farmers and ranchers to meet the challenges of a risky global economy. The purpose of this program is to foster strategic business planning to assist businesses to grow and achieve their

goals. Strategic planning is formulating a plan to overcome inherent business risks where the risks are any adverse events that have the potential to interfere with a business entity's financial stability or its ability to achieve its mission.

This year the North Central Risk Management Center will place all proposals in an unrestricted or competitive category. Proposed programs can address any of the five areas of risk; namely production, marketing, financial, legal/institutional or human risks.

The Center is particularly interested in financial risk management programs which teach financial planning strategies to address the current volatile economic environment. Potential topics include but are not restricted to financial analysis, financial benchmarking, analysis of costs of production, cash flow planning, impacts of changes in interest rates and other input costs and business organization and structure.

Applicants are encouraged to be forward thinking and structure their programs to help participants vision for the future and the alternative outcomes that may occur. Basic financial analysis activities have been conducted for many years. However, financial planning for the future is still critically important. Proposals which take participants to the next level in their financial planning will receive preference. The Center is also interested in programs which address risk management issues that are related to financial management such as regulatory risks and input and output price volatility. This may involve complementing educational programs on specific or local risks, such as food safety regulations for local food markets, with segments on the financial impacts of those risks on businesses.

INVESTMENT CRITERIA

Please read the following information carefully. The return on the investment of any grant awarded through this program is the risk management results that program participants learn, achieve, or apply. This RFA gives clear instructions on the principles of risk management results based grant awards. The first criterion applied to any application is that proposals that fail to follow these principles will be excluded from consideration.

Projects Must Be Results Based

Awards will be made to projects that clearly identify risk management results for the participants, and that have a well thought out approach for achieving those results. Risk Management Results (explained in the following section) are what you believe the participants in your project will achieve. Applicants who take the time to understand results based grant making will have a far greater chance of success in receiving funds from the North Central Center.

Proposed Risk Management Results

The Proposed Risk Management Results for producers are the key focus of project selection. They are the specific, measurable and verifiable results that producers will learn, achieve or apply immediately after, or within six months to a year following completion of a project. Examples of risk management results include: (1) A producer completed a business plan as a result of participating in a project; (2) A producer developed a new market as a result of

participating in a project; and (3) An extended family completed a succession plan as a result of participating in a project. The online application requires that you identify how many producers will achieve each Proposed Risk Management Result. Do not confuse the actions your project team takes or materials they develop with actions that producers will take to improve their ability to manage risk.

Risk Management Education Defined

To put the investment criteria in context, you should understand our definition of Risk Management Education. Risk is an important aspect of the farming business. Risk management involves choosing among alternatives that reduce the adverse financial effects of the uncertainties of weather, yields, prices, government policies, global markets, and other factors that can cause wide swings in farm income. Risk Management Education, within the context of the enabling legislation for the Extension Risk Management Education Program, is defined as *training that improves the ability of agricultural producers and their families to effectively manage risks*. Five general risk categories associated with farm and ranch businesses are described below.

Production Risk is a result of uncertain natural growth processes of crops and livestock. Weather, disease, pests, and other factors affect both the quantity and quality of commodities produced.

Price or Market Risk is created by the variability of prices producers receive for their production, the access they have to markets for their products, and the prices and the availability of inputs.

Financial Risk occurs due to the capital-intensive nature of farming and ranching businesses. Volatility of prices, yields and income impact the debt-repayment ability and a business's cash liquidity. Changing interest rates, credit rules, and the availability of credit are also aspects of financial risk. Financial risk is often intensified by the lack of detailed financial analysis and planning.

Legal/Institutional Risk is generated by uncertainties surrounding and resulting from government policies and regulations related to tax laws, food safety, labeling and marketing, protected species, water use, animal health and welfare, chemical use, animal waste, other environmental issues such as clean air and water, government commodity and income support programs, and the legal liabilities of a variety of litigious issues faced by farms and ranches.

Human Risk refers to human relationships that impact the viability of farm and ranch businesses including communication, labor management and supply, business succession and intergenerational transfer of assets and management, estate planning, and human health and relationship issues including accidents, illness, disability, death and divorce.

Risk Management Areas and Topics

For each Risk Management Result you propose for the producers participating in your project (Proposed Results), you will be asked to select a corresponding Risk Area (from the five categories listed above) and a specific Risk Management Topic within that area. The online application will ask you to identify a Risk Area and a Risk Management Topic from the following list for each Proposed Result:

- Production
 - Economic risks of new technologies
 - Insurance products
 - Product and enterprise diversification
 - Transition to new production systems
 - Water use decisions
- Price
 - Analysis of market fundamentals
 - Cash and futures pricing tools including commodities and inputs
 - Marketing plans and strategies
 - Branded, certified or identity preserved marketing
 - Direct marketing
 - Contract Production
- Financial
 - Agri-tourism
 - Alternative energy investments
 - Asset management including leasing and renting
 - Business and strategic planning
 - Cost of production and benchmarking
 - Economics of input decisions
 - Financial records and analysis
 - Value-added enterprises
- Legal
 - Contracts and leases
 - Environmental regulations
 - Food safety liability
 - Labor regulations
 - Personal and business liability
- Human
 - Employee management and communication
 - Health, stress, and well being
 - Interpersonal, family and business relationships
 - Labor supply, recruitment, and retention
 - Transition and estate planning

Portfolio Approach

In selecting projects for funding, the North Central Center seeks to invest in a balanced portfolio of Risk Management Education projects that represent:

- Diversity in terms of different types of producers to be served
- Diversity in terms of risk management tools and strategies to be taught
- Diversity in terms of the organizations that receive support
- An array of public - private partnerships that will strengthen project results and continuity
- An approach that recognizes the importance of the family to farm/ranch businesses
- A geographical balance of funded projects in the region

PROJECT DIRECTOR DESIGNATION

The designated Project Director must be actively involved at all stages of the proposal process, from the Pre-Proposal through to the Full Proposal (if invited to submit a Full Proposal Application), and is responsible for completing the project. This includes project management, subcontracting, funds oversight, meeting project time schedules, reporting progress and submitting the final report. The Review Panel's assessment of whether or not producers can achieve the proposed risk management results will be based upon the capacity of the Project Director and team to deliver results-based risk management training.

Change in Project Director Designation

The Project Director will be responsible for the entire project. Change in project director designation requires approval from the Center Director (H. Doug Jose, North Central Risk Management Education Center). The existing Project Director must send a letter to the Center Director requesting the change. In addition, the newly designated Project Director must also provide a letter which states his/her qualifications and experiences for assuming the responsibilities associated with the project. Failure to notify the Center of a change in project director designation could result in a pre- or full proposal being withdrawn from consideration, or the withholding of funds if an award has been made.

PUBLIC-PRIVATE PARTNERSHIPS AND COLLABORATION

Applicants must indicate the collaborators they will use to strengthen their project. A project will not be considered for funding unless it identifies meaningful collaborators. Collaborators are outside people and organizations from both the public and private sectors that will provide technical expertise and/or access to producers.

- **Pre-Proposal Stage** – Requires only that you identify collaborators and provide a description of each one's individual responsibilities within the project.
- **Full Proposal Stage** – Requires letters of commitment from Co-Project Directors, Team Members and Collaborators or their organizations.

EVALUATION CRITERIA

- The following evaluation criteria will guide our selection of projects. Because we believe the risk management results producers achieve are the return on investment of our funds, the highest priority will be placed on the Proposed Results for producers. An application that does not identify the risk management results that producer participants will achieve has a limited chance of success. Strong emphasis will also be placed on Producer Demand, Collaborators and Results Verification. Although we are interested in the criteria that deal with innovative approaches and wide application, our primary focus will be on whether or not a project can deliver the proposed risk management results.

Successful applications will address the following criteria by showing the direct connection between what you propose to do and how these activities will lead to risk management results for producers. The evaluation criteria are listed in the order of their importance, with the first one being the most important.

Proposed Results (40 percent weight). Proposed risk management results are what you anticipate producers will learn, achieve, or apply through their participation in a project. At the end of your program delivery, the proposed risk management results should put producers in a better position to manage their overall financial risk, and are the single most important factor the panel considers when deciding whether a project is funded.

Producer Demand (20 percent weight). Producer Demand describes why your target audience will choose to participate in your project. Evidence of producer demand acquired through market awareness of your anticipated audience will strengthen your application, as will information obtained from producers through focus groups, listening sessions, or survey responses from prior workshops and/or conference sessions. An applicant's statement of producers' risk management needs without any evidence of producer demand will not meet the requirements of this criterion.

Collaborators (20 percent weight). Collaborators are outside people or organizations that can provide either technical expertise or access to producers. This may include partners, either individuals or groups, in the public and/or private sectors, working through the joint efforts of existing networks, or the formation of new educational networks. The proposal must adequately demonstrate that the collaborators are really part of the project, and that their participation strengthens the project.

Results Verification (10 percent weight). Results Verification identifies the method and/or tool that you will use to verify (measure) how many producers are able to accomplish the proposed risk management results listed in your application. Careful consideration should be given to selecting verification tool(s) that can most effectively measure the risk management accomplishments of the producers.

Innovative Approaches (5 percent weight). This may include approaches and methods that further contribute to the existing knowledge base, materials and/or tools available. Innovation may also deal with approaches that address the lack of time producers have, the marketing and delivery of the proposed project to potential producers, and other creative techniques that may further motivate producers and their families to participate in the project.

Wide Application (5 percent weight). Demonstration or description of how the proposed project might have wide application. Descriptions of program techniques might include adapting materials to specialized audiences, marketing and promotion techniques, eliciting high interest in basic risk management principles with new methodologies, or other ideas that would enable the project to have wide application. Will aspects of the project contribute to the work of others who may wish to borrow or adopt the processes and procedures being proposed?

HOW TO APPLY

Online Application Website

The Pre-Proposal application (and later Full Proposal application, if requested) must be submitted online through the North Central Center's website (<http://ncrme.org>). If you are unable to complete the application online, please call the North Central Center at (402-472-2039) or e-mail us at clockert2@unl.edu.

Grant Application Process

There are **two stages** in the Extension RME Program grant application process, which are described below.

Stage One: Submit Pre-Proposal – Pre-Proposals are due by 5 p.m. CST on Thursday, December 9, 2010.

Pre-Proposal Registration:

1. Registration Information – To register, go to the North Central Center’s website (<http://www.ncrme.org>) and click on “Competitive Grants” and then click on “Application Process”.
2. Project Number and Password – After you submit the online registration information, you will be e-mailed a *Project Number* and the *Password* you previously selected. (If you do not receive a direct e-mail within 15 minutes of registering, please check your spam folder, as messages may be sent to that folder dependent upon your security filter.)
3. Pre-Proposal Log In – Via the North Central Center’s website, go back to the Results Verification System page and log in using your new *Project Number* and *Password*. Then follow the instructions for completing the Pre-Proposal application.

Pre-Proposal Defined – The Pre-Proposal is a short application that must be completed online. The information provided in the Pre-Proposal will become part of your Full Proposal application if you are selected to proceed to the next stage of the application process.

Pre-Proposal Content – The Pre-Proposal should provide a clear but brief description of how your project will work to produce specific risk management results for your participants. There must be a clear connection between what you propose to do and the results that producers will learn, achieve or apply. **IMPORTANT:** The Pre-Proposal must stay within the prescribed word limits as indicated in the online application. If you exceed the word count limitations specified in the application instructions, those in excess may not be considered by the reviewers.

Selection Process – Conceptually, it is important to keep in mind that the selection process centers first on whether the applicant has clearly identified the risk management results the producers will learn, achieve or apply. At the Pre-Proposal stage, the application should provide a sense to the panel that the producers can achieve the proposed results by participating in the project. At the Full Proposal stage the application, with its additional detail, must provide sufficient information so that the panel can make an informed decision as to whether agricultural producers will achieve the proposed risk management results through participation in the project.

Project Director Designation – The Project Director must be actively involved at all stages of the proposal process, from the Pre-Proposal through to the Full Proposal (if invited to submit a Full Proposal). Additional information on Project Director Designation is provided on page 7.

Change in Project Director Designation – Change in project director designation requires approval from the Center Director (H. Doug Jose, North Central Risk Management Education Center). Additional information on Change in Project Director Designation is provided on page 7.

Information Required for the Online Pre-Proposal:

- **Proposed Results** – Identify the specific measurable and verifiable risk management results that you want your participants in the project to learn, achieve, or apply. Make sure there is a logical connection between the information you provide in the Project Overview and these Proposed Results. In this section you will also be asked to identify, for each result, the risk area, risk management topic, producer action, and the number of producers you anticipate will achieve that action/result. Next, you will be asked to identify the method and/or tool that you will use to verify (measure) how many participants were able to accomplish the proposed risk management results.
- **Producer Demand** – Describe why your target audience will choose to participate in your project. An applicant’s statement of producers’ risk management needs without evidence of producer demand will not meet the requirements of this section. Provide a brief description of your target audience, why they would be motivated to participate in your project, and what indicators you can provide to convince the Review Panel that your program will attract participants.
- **Audience Emphasis** – Identify the producer audiences your project will intentionally target. If your project will place particular emphasis on risk management strategies, education, and outreach specifically targeted toward one of the audience groups listed, then check the primary audience to whom you will be delivering. You may check up to 3 primary audience groups.
- **Review of Past Projects** – This section will require you to identify and review two past projects that your proposed project may build upon or collaborate with. You can review all previously funded Extension Risk Management Education projects at the following website: <http://www.ExtensionRME.org/projectsearch>. Search *Completed Projects Only*.
- **Project Overview** – In 150 words, your project overview should describe: 1) the risk management education subject(s) you will cover; 2) the methods you will use to deliver your project; 3) your target audience, including the geographical location; 4) the number of workshops or educational activities; 5) the risk management results you expect producers to achieve through participation in the project; and 6) how many producers you expect to achieve these measurable results.

- **Amount Requested** – List the total amount requested (a detailed budget is not required for the Pre-Proposal application). Be sure to consider your indirect costs in this total.
- **Project Team** – List the Project Director (Team Leader), Team Members, and Project Collaborators by name and organization, including phone numbers, e-mail addresses, and each person’s responsibility within the project.

*Please note that Co-Project Director/Team/Collaborator letters, the Extension RME Cover Sheet (SF424), and the online Budget and Budget Narrative are **not** required for Pre-Proposal submission.*

Instructions:

The online application system has a tab labeled “*Instructions*”, which appears in the upper right-hand section of each page. When you click on *Instructions*, a separate smaller window will open that contains the instructions for the page you are working on, along with a table of contents for every section of the application. There is a *Proposal Resources* section (<http://www.ExtensionRME.org/verification/media.htm>) that also contains expanded information and provides definitions for terms that can assist you in completing your application.

FULL PROPOSAL PROCESS

Stage Two: Submit Full Proposal Application (if selected). Full Proposals from finalists are due by 5 p.m. CST on Thursday, March 3, 2011.

Invitation to Submit a Full Proposal:

The North Central Center will notify applicants by January 31, 2011 if they have been selected as finalists, and will request that they submit a Full Proposal Application.

New sections must be completed in the Full Proposal. The information submitted in the Pre-Proposal will automatically be included (pre-populated) in the Full Proposal Application; however, you will be able to edit that information. Please refer to the online application *Instructions* for guidance on completing all sections required for the Full Proposal.

Checklist of Information Required for the Online Full Proposal:

- Project Information
- Proposed Results
- Producer Demand
- Audience Emphasis
- Project Steps
- Project Results Narrative
- Tools and Curriculum
- Project Team
 - Project Director and Team Members
 - Project Collaborators
 - Team Capacity
- Project Overview
- Budget
- Budget Narrative

Online Budget and Budget Narrative Instructions – this document, which provides specific instructions on how to complete the Budget and Budget Narrative sections of the application, may be found in 3 locations: ***Appendix A*** to this RFA, the online application ***Instructions***, and the ***Proposal Resources*** (<http://www.ExtensionRME.org/verification/media.htm>).

- Requested Documents
 - Cover Sheet – Extension RME Cover Sheet (SF424) (Download from Final Checklist section of the online application)
 - Letters of Commitment from Co-Project Directors, Team Members and Project Collaborators
 - If** a portion of your proposed project will be performed by a subcontractor organization, or will utilize the services of a paid consultant, additional budget detail must be provided (uploaded) in the Requested Documents section of the online application system.

Requested Documents:

Extension RME Cover Sheet (SF424) – Refer to the online application *Instructions* and/or the *Proposal Resources* (<http://www.ExtensionRME.org/verification/media.htm>) for specific instructions on how to complete this form.

Letters of Commitment – Letters of commitment from a Co-Project Director, Team Members and Collaborators or their organizations are required for projects selected to submit a Full Proposal.

- Letters of commitment must identify the specific responsibilities and/or contributions of a Co-Project Director and each of the team members and collaborators. Form letters and letters which only state general support for the project will not be considered.
- Co-Project Director, team and collaborator letters of commitment must be sent to the applicant; who will then submit them as uploaded documents through the Requested Documents section of the online application as PDF File Attachments. All letters must be received by the North Central Center **on or before the date** on which Full Proposals are due.
- Special permission may be obtained from the North Central Center for the applicant to submit letters as hard copies.
- All letters must be submitted through the applicant. Individual letters submitted either electronically or via hard copy directly to the North Central Center will not be accepted.
- **Signed** and dated letters must be written on the letterhead of the Co-Project Director's/ team member's/collaborator's organization, and addressed to H. Doug Jose, Director, North Central Risk Management Education Center, 304 Filley Hall, University of Nebraska, Lincoln, NE 68583-0922.

Online Application Process:

The Full Proposal application must be submitted via the online application system by **Thursday, March 3, 2011 at 5 p.m. CST**. All requested materials (including Co-Project Director, team member and collaborator commitment letters), must be submitted as uploaded documents within the Requested Documents section of the online application or, with special permission, as hard copies mailed to the North Central Center by the same closing time (Thursday, March 3, 2011 at 5:00 p.m. CST). You may either upload a copy of the Extension RME Cover Sheet (SF424) as a PDF document or mail the Cover Sheet to your Regional Center. The Extension RME Cover Sheet (SF424) is available in the *Final Checklist* section of the online application.

Additional Information:

Indirect/F&A Costs – The authorizing legislation for this grant program does not allow indirect costs to be restricted. Therefore indirect costs will be allowed up to your organization's federally negotiated rate. If your organization does not have a federally negotiated indirect cost rate, please refer to Appendix A, sections A & B, salaries. You are allowed to include in your budget only those administrative costs that are directly related to the administration of your grant.

Salary Guidelines – Charges by academic institutions for work performed by faculty members during the summer months or other periods outside the base salary period are to be at a monthly rate not in excess of that which would be applicable under the base salary and other provisions of the applicable cost principles. All salaries requested must be consistent with the regular practices of the institution.

Subcontractors and Consultants – If a portion of your proposed project will be performed by a subcontractor organization, or will utilize the services of a paid consultant, additional documents are required and must be submitted as part of your online Full Proposal application. Please see *Appendix A* to this RFA for specific details on what is required. It is also the applicant's responsibility to know and follow their own organization/institution's regulations for subcontracts and consultants, and other fee for contract services such as honorariums for speaker fees. Refer to the online application *Instructions* and/or the *Proposal Resources* (<http://www.ExtensionRME.org/verification/media.htm>) for more information.

Purchasing of Curriculum – Note: Projects that propose to use a purchased curriculum must identify the title, cost, and source of the curriculum, and identify specifically how the project intends to pay for the curriculum. The budget narrative must identify if any North Central Center funds will be used to pay for trainer certification fees. The applicant will need to identify how or whether producer participants will be asked to pay a fee to help offset the cost of that curriculum. If the applicant has used the curriculum previously, he/she should be prepared to provide evidence, if asked, of the past success of the curriculum, including producer response.

Online Budget and Budget Narrative Instructions – this document, which provides specific instructions on how to complete the Budget and Budget Narrative sections of the application, may be found in 3 locations: *Appendix A* to this RFA, the online application *Instructions*, and the *Proposal Resources* (<http://www.ExtensionRME.org/verification/media.htm>).

FINAL REVIEW OF FULL PROPOSALS

Follow-up Telephone Call – A Possibility

After the full proposals are reviewed by the respective regional Extension RME Center Review Panel, a Center Director may contact finalists to clarify any issues raised during the review process. In addition, a Center Director, at the request of the Review Panel, may contact individuals who know about you and your past leadership experience to see if they think you are likely to be successful with the proposed project. It is possible that North Central Center staff may also contact your collaborators or team members. A collaborator you have identified who is not familiar with your project may jeopardize your success in receiving funds.

Notification of Awards

Awardees will be notified by May 2, 2011. All grants will be finalized by July 1, 2011. However, situations may arise over which the Extension RME Center has no control, and which could possibly delay this date.

Reporting Requirements and Other Information for Grant Awardees

Reporting System – All reporting is online and is submitted through the Extension Risk Management Education Results Verification System, the same system where Pre-Proposal and Full Proposal applications are entered. It is a simple and straight-forward process, with sections of the Full Proposal already available online for project leaders to report against.

Progress Reports – Grantees will be contractually required to submit three progress reports – by October 1, February 1 and May 1. A fourth progress report will be required the following October 1 if a project receives approval for one six-month no cost extension. If desired, additional progress reports may be submitted.

Final Report – Upon project completion, awardees must also make a final report on the achievement of producers reaching the Risk Management Results identified in the application. The final report is due within the time frame directed by each Regional Center. Upon review and approval the final report for each project will become a public document, and will be made available for viewing through the national Extension Risk Management Education Program website: <http://www.ExtensionRME.org>. Additionally, educational materials developed as part of your project may be uploaded to the Ag Risk Education Library.

Provision of Materials Developed as a Result of the Project – Electronic copies of all project materials (promotional materials, educational materials, and evaluations/reports) must be uploaded as part of the online final report.

Final Payment – Final payment (or up to 15 percent of project costs) will be withheld until all reporting requirements are met.

APPLICANT ASSISTANCE

Contact Us for Help

It is strongly recommended that applicants carefully read all [Proposal Resources](http://www.ExtensionRME.org/verification/media.htm) (<http://www.ExtensionRME.org/verification/media.htm>). We also encourage you to contact us if you have questions. If you would like more information about any of our concepts, principles, or directions for the grant application process, or if you have questions regarding your specific Pre-Proposal or Full Proposal, please contact:

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North Central Risk Management Education Center
University of Nebraska-Lincoln
308A Filley Hall
Lincoln, NE 68583-0922
Voice: (402) 472-2039
Fax: (402) 472-0776
clockert2@unl.edu
www.ncrme.org

A training workshop for writing a successful grant application will be conducted via the web on Tuesday, November 23, 2010 from 10 to 11 A.M. CST. For more information and for

instruction on how to log-on, please visit our website www.ncrme.org.

Key Deadline and Announcement Dates

Closing date for Pre-Proposal submission:	December 9, 2011, 5 p.m. CST
Finalists are selected and invited to submit a Full Proposal application:	February 1, 2011
Finalists' Full Proposals with required materials are due:	March 3, 2011, 5 p.m. CST
Award decisions are announced:	May 2, 2011
Awards are finalized (subcontracts begin):	July 1, 2011

IMPORTANT INFORMATION

Pre-Proposal Elimination

A Pre-Proposal application may be disqualified from consideration for funding by the Extension Risk Management Education Competitive Grants Program for any of the following reasons:

- Failure to follow the instructions contained in this Request for Applications.
- Submission of an incomplete Pre-Proposal (all required sections of the online application must be completed).
- Failure to submit the Pre-Proposal application by the stipulated deadline.

Full Proposal Elimination

A Full Proposal application may be disqualified from consideration for funding by the Extension Risk Management Education Competitive Grants Program for any of the following reasons:

- Failure to follow the instructions contained in this Request for Applications.
- Failure to submit the Full Proposal application by the stipulated deadline.
- Submission of an incomplete proposal. A Full Proposal application may be deemed incomplete if it is missing ANY of the following:
 - Information required in the online application (all sections must be completed).
 - Letters of Commitment from Co-Project Directors, Team Members and Collaborators.
 - The signature of an Authorized Representative on the Extension RME Cover Sheet (SF424).
 - The additional documentation that is required if the services of a subcontractor organization or paid consultant are included in the proposal.

Do Not Miss the Deadline

Online applications received after the posted submission deadlines will not be accepted for review. However, in the event of an extraordinary circumstance not under the control of the applicant (such as a blizzard, hurricane, tornado, or other natural or man-made disaster) that results in the shutdown of the submitting organization, or results in courier or mail service delays, a determination will be made on a case-by-case basis by each respective Extension RME Center regarding whether to accept a late submission for review. The provision of supporting evidence is the responsibility of the applicant organization and/or the Project Director.

Definitions

Definitions for terms used in this RFA, and in the supporting documents required for Full Proposal applications, are available in the *Proposal Resources* section:
<http://www.ExtensionRME.org/verification/media.htm>.

Risk Management Education Reference Materials

Applicants seeking additional information on risk management for agricultural producers can find a wide range of materials at the Extension Risk Management Education website:
<http://www.ExtensionRME.org>.

Another useful resource in the General Risk section of the Ag Risk Education Library is the USDA-RMA/CSREES publication, *Introduction to Risk Management*, by Alan Baquet, Ruth Hambleton and Doug Jose (<http://www.agrisk.umn.edu/library1/a0000001.pdf>)

University of Nebraska-Lincoln Extension educational programs abide with the nondiscrimination policies of the University of Nebraska-Lincoln and the United States Department of Agriculture.

Appendix A

Extension Risk Management Education Competitive Grants Program

ONLINE BUDGET AND BUDGET NARRATIVE INSTRUCTIONS

The Extension Risk Management Education Centers review proposed project costs to make certain those costs are reasonable to the project and allowable per the following federal statutes and regulations which apply to project grants awarded under this program. The statutes include but are not limited to:

- **2 CFR, Part 215** (OMB Circular A-110) - Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.
- **2 CFR, Part 230** (OMB Circular A-122) - Cost Principles for Non-Profit Organizations.
- **OMB Circular A-133** - Audits of States, Local Governments, and Non-Profit Organizations.
- **2 CFR, Part 220** (OMB Circular A-21) - Cost Principles for Educational Institutions.
- **7 CFR 3015** - USDA Uniform Federal Assistance Regulations.
- **7 CFR 3019** - USDA Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.

Copies of the applicable Code of Federal Regulations and USDA Federal Assistance Regulations may be found at the following web-site:

<http://www.csrees.usda.gov/business/awards/fedregulations.html>

To assist in this review, as well as to expedite the award process, proposals are required to have both a budget and budget narrative detailing the various line items. The categories listed below are examples of some of the more common items found in project budgets. All items should be described in the narrative in sufficient detail to enable the Centers to determine that the costs are reasonable and allowable for the project per the regulations.

BUDGET SECTIONS A & B:

Salaries – Show the number of work months that will be charged to the project for which salary is paid by USDA [e.g., two project directors on a 12 month project – one will spend 100% of time (12 months) and one will spend 50% of time (6 Months); total work months would be 18 months]. List the funded months in either Academic and Summer or Calendar months depending on the academic appointment of the person. Non-academic institutions would report salary months under the Calendar category.

Profit and Non-Profit organizations salary rates of pay should not exceed an Executive Level IV salary range (in 2010, this rate is currently at \$155,500 a year or \$595.78 a day). This rate does not include any fringe benefits, G&A, overhead, or other expenses. Provide a justification for the higher rate if any salary rates exceed this amount.

Information on future Executive Level IV salary rates may be found at the Office of Personnel Management website: <http://opm.gov>. Click on “Salaries and Wages”.

Please note that only persons employed by the recipient organization should be listed in this category. Those employed elsewhere would be listed as subcontractors or consultants in the “Other Direct Costs” (ODC) category.

Secretarial and Clerical Salaries – For these salaries to be allowable as a direct charge to the award, a justification of how that person will be directly involved in the project must be included in the narrative. General administrative duties such as answering telephones, filing, typing, or accounting duties are not considered acceptable. The duties must be directly related to the project plan.

Fringe Benefits – Show the total of allowable fringe benefits.

BUDGET SECTION C:

Equipment – Equipment is not allowed under the program. Equipment is defined as an article of equipment equal to or in excess of \$5,000 and having a useful life of more than one year.

BUDGET SECTION D:

Travel – Domestic travel (includes Canada, Mexico and U.S. Possessions). Provide information used in estimating the cost such as: the destination if known, purpose, number of travelers, and estimated cost per trip (e.g., St. Louis, Missouri to attend a conference, 2 persons - \$1,000 ea.). This includes all travel paid directly by the grantee organization.

Use the GSA Domestic Per Diem Rate Schedule if you are unsure of the maximum rates allowable for specific locations. Travel and subsistence should be in accordance with organizational policy. Regardless of the organizational policy, allowances for airfare will not normally exceed round trip jet economy air accommodations.

BUDGET SECTION E:

Participant/Trainee Support Costs – Applicant should leave this section blank. If you are conducting a train-the-trainer project and/or your project has a train-the-trainer component, please consult with your regional Center to determine how these costs should be listed.

BUDGET SECTION F:

Other Direct Costs (ODC) are those anticipated direct project charges not included in other budget categories. A description and cost must be included in the budget narrative for each item. Items in ODC should be listed with the corresponding dollar amounts, along with an explanation of the costs provided in the Budget Narrative. Examples of items are:

- 1. Materials and Supplies** – List materials and supplies with estimated costs. This could include items such as office supplies, software, educational or field supplies. For items

that are not typical materials & supplies, a detailed narrative of how the item fits the program must be included.

2. Publication Costs – This line is associated with commercial printing of brochures and program materials. Photocopying costs should be included under the “Other” category.

3. Consultants – A consultant is someone who renders expert advice in his/her field. The consultant should not be affiliated with the performing organization. Include the name of the consultant and his/her organization, a statement of work, and a breakdown of the amount being charged to the project (e.g., number of days of service, rate of pay, travel, per diem, etc.). A resume or vita for each consultant should be included. A letter of collaboration or intent signed by the consultant or the Authorizing Representative of the consultant organization should also be included.

Consultant rate of pay should not exceed an Executive Level IV (currently \$155,500 per year or \$595.78 per day based on an 8 hour day). This does not include fringe benefits, G&A or overhead or other expenses. Rates exceeding this amount must be documented and justified as to why the person or persons command a higher salary rate.

Information on future Executive Level IV salary rates may be found at the Office of Personnel Management website: <http://opm.gov>. Click on “Salaries and Wages.”

Please note that any limitation or prohibition of indirect costs on the Program also applies to the consultants. The authorizing legislation for this grant program does not allow indirect costs to be restricted. Therefore indirect costs will be allowed up to your organization’s federally negotiated rate. If your organization does not have a federally negotiated indirect cost rate, you are allowed to include in your budget only those administrative costs that are directly related to the administration of your grant. (See RFA page 37 and also Budget Section H, Indirect Costs)

4. Computer (ADP) Services – This represents the charges associated with the organization’s shared computer system (i.e., line charges or computer processing usage costs). Charges for Internet access may be included in this category. Equipment purchases should be listed under “Equipment Costs” or “Materials and Supplies” as appropriate.

5. Subawards/Consortium/Contractual Costs – When a portion of the work proposed will be performed by outside sources, as part of your online submission a statement of work (proposal), budget and budget narrative from the proposed subcontractor must be submitted (uploaded). The proposal should include a letter of collaboration or intent signed by the subcontractor’s Authorizing Representative. The level of detail required for the subcontract budget is the same as the applicant organization. All funds cannot be allocated to subcontracts, as it is expected the awardee organization will have some involvement on the project.

Profit or non-profit subcontractor employee rates of pay should not exceed an Executive Level IV (currently \$155,500 per year or \$595.78 per day). This does not include fringe benefits, G&A, or overhead or other expenses. Rates exceeding this amount must be documented and justified as to why the person or persons command a higher salary rate.

Information on future Executive Level IV salary rates may be found at the Office of Personnel Management website: <http://opm.gov>. Click on "Salaries and Wages." Please note that any limitation or prohibition of indirect costs on the Program also applies to the subawards.

6. Equipment/Facility Rentals/User Fees –

a. **Equipment Rental** – When there is a need to rent equipment for use on the project, provide information regarding the type of equipment to be rented, the purpose or use on the project, the length of time needed, and the rental rate.

b. **Facility** – When it is necessary to rent office or other facility spaces for project implementation, and the space(s) are located off-site from the organization's main facility in space not owned by the recipient organization, the cost of the rent may be charged against the award if the space is used specifically for the project. The budget narrative should provide details on the normal monthly rental charge and how the rent is pro-rated to the project.

7. Alterations/Renovations – Alterations/Renovations are not allowed under the program.

8. Other – For other costs not specifically listed above. Identify and provide details of the costs involved. Some of the more common items included in this category are:

a. **Communications** – Mailings, postage, express mail, faxes, and telephone long distance charges. Specific dollar amounts are not required.

b. **Photocopying** – In-house photocopying of materials associated with the program. Photocopying should not be confused with Publications/Page Charges which are costs related to publishing in a journal or commercial printing of brochures and other materials. Specific dollar amounts may not be required.

c. **Service or Maintenance Contracts** – Costs should be in direct correlation to the use of the equipment for the project (i.e., if a particular machine is used 50% of the time for the project, the project should only be charged 50% of the service/maintenance costs). Provide details of the type of equipment and the amount of the service contract to be paid from Federal funds.

d. **Conferences/Meetings** – Costs of holding a conference or meeting are included in this category. Some examples are the rental of facilities and equipment for the meeting, honorariums or fees for trainers or guest speakers, and

travel and per diem for participants and speakers. Details of costs for each conference or meeting should be broken out and provided in the budget narrative.

Meals may not be charged as project costs when individuals decide to go to breakfast, lunch, or dinner together when no need exists for continuity of a meeting. Such activity is considered to be an entertainment cost. In contrast, it is NIFA policy that a formal group meeting being conducted in a business atmosphere may charge meals to the project if such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants. Breakfast meals are generally not allowable because no continuity of the meeting exists.

e. **Speaker/Trainer Fees** – Information on speakers should include the fee and a description of the services they are providing.

f. **Honorariums** – Honorariums to persons providing a service are allowable. Provide information regarding the honorarium amount (rate of pay) and a brief statement regarding what the person is doing to earn the honorarium.

BUDGET SECTION H:

Indirect Costs – The authorizing legislation for this grant program does not allow indirect costs to be restricted. Therefore indirect costs will be allowed up to your organization’s federally negotiated rate. If your organization does not have a federally negotiated indirect cost rate, please refer to Sections A & B, salaries.

Other Items of Note:

Cost Sharing/Matching – This program does not require cost share or matching funds.

UNALLOWABLE COSTS

The following is a list of selected items of costs which are usually unallowable. This list is not all inclusive. For more information on whether costs are allowable, please refer to Section J., General Provisions for Selected Items of Cost, in the Office of Management and Budget Circular A-21: http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html.

- Alcoholic beverages
- Entertainment costs
- Promotional give away items such as tote bags, coffee mugs, t-shirts, etc.
- Incentives such as gift certificates, cash, etc. given to entice participation in meetings, surveys, and other events.
- Rent for grantee owned facilities
- Award ceremonies

- Receptions
- Proposal writing costs
- Meals:
 - o Business meals may not be charged as project costs when individuals decide to go to breakfast, lunch, or dinner together when no need exists for continuity of a meeting. Such activity is considered to be an entertainment cost. In contrast, it is USDA/NIFA's policy that a formal group meeting being conducted in a business atmosphere may charge meals to the project if such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants.
 - o Note: Meals consumed while in official travel status do not fall in this category. They are considered to be per diem expenses and should be reimbursed in accordance with the organization's established travel policies. If you have questions concerning meals please contact your appropriate regional Center.