OMB BURDEN STATEMENT: According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0584-0512. The time required to complete this information collection is estimated to average 60 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

FOOD AND NUTRITION SERVICE

FISCAL YEAR 2010

APPLICATION FOR FUNDING FOR DIRECT CERTIFICATION GRANTS

States are required to use this solicitation to apply for funds to facilitate and implement certification and verification procedures for school nutrition programs.

CFDA: 10.579

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FNS 728

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I. Background and Purpose

Section 9(b)(4) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)(4)) requires State agencies that administer the National School Lunch Program (NSLP) to enter into agreements with the State agencies (within their State) that conduct eligibility determinations for the Supplemental Nutrition Assistance Program (SNAP). The purpose of the agreements is to ensure that children who are members of SNAP households are certified to receive free NSLP and School Breakfast Program meals without further need for the household to submit an application. This process is typically referred to as "direct certification," and does not involve direct contact with the household.

Section 749(h) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2010 (P.L. 111-80) provides $22 million that the Food and Nutrition Service (FNS) must issue as grants to State agencies that administer the NSLP and have the lowest rates of children directly certified for free meals, for the purpose of improving those rates. State agencies may use grant funds, in accordance with FNS requirements, to pay costs associated with improving their direct certification rates.

The purpose of this *Request For Applications* (RFA) is to:

- Describe which entities are eligible to apply for grant funds;
- Describe the types of grants available;
- Solicit applications from eligible entities;
- Describe the requirements for submitting a successful application;
- Describe how applications will be reviewed and selected (or denied);
- Describe the terms and conditions that grantees must adhere to.

In accordance with Congressional intent, FNS intends to work collaboratively with grant applicants and grantees throughout the application process and the life of grants awarded through this RFA. **Accordingly, within three weeks of this RFA's publication, FNS will conduct a conference call with all currently eligible and potentially eligible State agencies to answer questions regarding the RFA and the application process.** FNS Regional Offices will notify appropriate State agencies regarding the date, time, and call-in information for the conference call. Additionally, FNS reserves the option to award these funds using either a grant agreement or cooperative agreement. FNS specifically anticipates awarding the funds associated with the implementation projects as cooperative agreements to allow FNS more active participation with the cooperator during both project development and project execution.

Please note that, to improve readability, the use of the term "you" throughout this RFA refers to potential applicants (i.e., State agencies that administer NSLP in States with the lowest direct certification rates).

II. Grant Types

General

FNS is offering two types of grants: *Planning Grants*, which will be awarded in two rounds (i.e., *First-Round Planning Grants* and *Second-Round Planning Grants*); and *Implementation Grants*, which will be awarded on a rolling, quarterly basis. For more detailed information regarding deadlines and timelines, please see the **CRITICAL DATES** section and **Appendix C: Timelines**. *Eligible State agencies may only apply for and hold one type of grant at a time.* To determine if a State agency is eligible to apply, see the **WHO MAY APPLY** section.

The Planning Grants and Implementation Grants are governed by Cost Principles for State, Local, and Indian Tribal Governments, Office of Management and Budget (OMB) Circular A-87 (2 CFR 225). The Circular establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally recognized Indian tribal governments (governmental units).

OMB Circular A-87 allows costs that are *necessary, reasonable, and allocable, to be charged to grant projects.* However, please see **APPENDIX A: OMB CIRCULAR A-87 (2 CFR 225)** to review all the requirements contained in OMB Circular A-87. FNS issued a memorandum that includes additional discussion regarding allowable uses of grant funds, as well as suggested and potential uses of those funds; please see **APPENDIX B: POTENTIAL USES OF GRANT FUNDS.**

Planning Grants

Planning Grants are intended for NSLP Agencies that know they need to improve their State's direct certification system, but may need to conduct additional *research* to identify the most effective way of doing so and/or *planning* to ensure that a chosen approach is actually the most effective approach. Therefore, potential uses of Planning Grant funds include, *but are not limited to*, identification and refinement of research questions and potential grant activities, conducting an internal review of the State's direct certification system, hiring a contractor or university to conduct a study of the system, consulting with stakeholders, and assessing current technological capabilities and needs. For more information regarding potential uses of Planning Grant funds, please see **APPENDIX B**.

Within 210 days of the Planning Grant Award Date, NSLP Agencies that are awarded Planning Grants *must* (A) complete the activities of that grant *and* (B) apply for an Implementation Grant, *unless* Planning Grant activities reveal that an Implementation Grant is unnecessary. If a determination is made not to proceed with an implementation grant, FNS must be advised accordingly by sending electronic notification to the program officer identified herein.

The maximum amount of any *single* Planning Grant is $75,000. However, we retain authority to award less than the amount requested in the application. . For more information regarding this authority, please see the **APPLICATION REVIEW AND GRANT AWARD PROCESS** section.

FNS anticipates the maximum *total* amount of funds available for Planning Grants will be $3,000,000.

Implementation Grants

Implementation Grants are intended for NSLP Agencies that know *what* they need to do to improve their State's direct certification systems, but lack the resources to implement those changes. Potential uses of Implementation Grant funds include, *but are not limited to*, hiring direct certification staff, developing and delivering training on the direct certification process, upgrading software, purchasing hardware and implementing accordingly. In some circumstances States may propose to use grant funds to *purchase* new software and/or hardware for their own use, LEAs, and/or SNAP agencies. For more information regarding potential uses of Implementation Grant funds, please see **APPENDIX B**.

The maximum amount of any *single* Implementation Grant is $1 million. However, FNS retains authority to award less than the amount applied for. For more information regarding this authority, please see the **APPLICATION REVIEW AND GRANT AWARD PROCESS** section. The size of Implementation Grants will likely vary significantly, based on differences in the size of eligible States, the responsiveness of application packages (see the **SELECTION CRITERIA** section), and a clear need demonstrated throughout application packages.

FNS anticipates the *maximum* total amount of funds available for all Implementation Grants will be $19 million.

III. Who May Apply

General

Per Section 749(h) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2010 (P.L. 111-80), grants are available to (A) State agencies that administer NSLP in (B) States with the lowest rates of children directly certified for free meals. FNS obtains the list of States with the lowest direct certification rates – which we define as States with rates at or below the national median rate – from the annual report on direct certification that we submit to Congress. We submitted the most recent report, covering School Year (SY) 2008-2009, in October of 2009. That report indicated that the national median direct certification rate is 72%.[1]

States That Are Currently Eligible
(Based on the 2008-2009 Report)

Per the 2008-2009 report, the twenty-six States with direct certification rates at or below the national median direct certification rate of 72% are currently:

Alabama	Illinois	New Jersey	Rhode Island
Arizona	Indiana	North Dakota	Vermont
Arkansas	Massachusetts	Ohio	Washington
California	Michigan	Oregon	Wisconsin
District of Columbia	Missouri	Pennsylvania	Wyoming
Georgia	Montana	South Carolina	
Idaho	New Hampshire	South Dakota	

Those States are eligible to apply for either a *First-Round Planning Grant* or an *Implementation Grant*. For descriptions of grant types, please see the **GRANT TYPES** section above.

States That May Become Eligible
(Based on the 2009-2010 Report)

FNS expects to submit its next direct certification report to Congress, covering SY 2009-2010, in October of 2010. That report will likely include a *new* national median direct certification rate. It is probable that some States that *previously* had rates *above* the national median rate will have rates *below* the new national median rate. FNS will publish a list of such States immediately after we submit the new report to Congress. Those States will be eligible to apply for either a *Second-Round Planning Grant* or an *Implementation Grant*. For descriptions of grant types, please see the **GRANT TYPES** section.

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[1] *See* Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis, *Direct Certification in the National School Lunch Program*: *State Implementation Progress.* Report CN-09-DC. Alexandria, VA: October 2009).

States That Were <u>Previously</u> Eligible and <u>Remain</u> Eligible
(Based on the 2008-2009 <u>and</u> 2009-2010 Reports)

FNS expects many States that had rates *below* the national median in SY2008-2009 will *continue* to have rates *below* the national median in SY2009-2010. If such States have not previously been awarded any grant offered through this RFA, they may apply for either a *Second-Round Planning Grant* or an *Implementation Grant*. For descriptions of grant types, please see the **<u>GRANT TYPES</u>** section.

However, if such States have previously been awarded grants through this RFA, certain restrictions and requirements apply. Specifically:

- If you were previously awarded an Implementation Grant under this RFA, you are *prohibited* from applying for any additional grants under this announcement;
- If you were previously awarded a First-Round Planning Grant, you are *prohibited* from applying for a Second-Round Planning Grant;
- If you were previously awarded a First-Round Planning Grant *but* have not yet applied for an Implementation Grant, you *must* apply for such a grant within 210 days of the Planning Grant Award Date *unless* Planning Grant activities reveal that an Implementation Grant is unnecessary.
- If you were previously awarded a First-Round Planning Grant *and* applied for an Implementation Grant, *but* your application was denied, you *may* re-apply for such a grant.

States That Were Previously Eligible (Based on the 2008-2009 Report)
But Are No Longer Eligible (Based on the 2009-2010 Report)

We expect *some* States that had rates *below* the national median in SY2008-2009 to see their rates rise *above* the national median in SY2009-2010. Those States are *ineligible* for *Second-Round Planning Grants*. In addition, they are *generally* ineligible for *Implementation Grants*. For descriptions of grant types, please see the **<u>GRANT TYPES</u>** section.

However, there are three exceptions to these restrictions. Specifically:

- If you were previously eligible for an Implementation Grant (based on the 2008-2009 report), and submitted an application for such a grant on or before November 1, 2010, you remain eligible to be awarded that grant.
- If you were previously eligible for a First-Round Planning Grant (based on the 2008-2009 report), *and* submitted an application for such a grant on or before November 1, 2010, you remain eligible to be awarded that grant.
- If you were previously awarded a First-Round Planning Grant, *but* have not yet applied for an Implementation Grant, you *must* apply for such a grant within 210 days of the

Planning Grant Award Date *unless* Planning Grant activities reveal that an Implementation Grant is unnecessary.

The chart below summarizes who may apply to which types of grants: first round, second round planning, and implementation. Definitions of eligibility are provided within the chart. As the chart does not reflect every exception please refer to the more detailed descriptions above.

Grant Type	**State Eligibility Categories**			
	Currently eligible[1]	May become eligible[2]	Previously eligible and remain eligible[3]	Previously eligible but no longer eligible[4]
First round planning grant	✓	-	✓	✓ **If grant application was submitted on or before 11/1/2010*
Second round planning grant	-	✓	✓	-
Implementation grant	✓	✓	✓	✓ **If grant application was submitted on or before 11/1/2010*

[1] Direct certification rates below the national median in SY 2008/2009
[2] Direct certification rates above the national median in SY 2008/2009 and below in SY 2009/2010
[3] Direct certification rates below the national median in SY 2008/2009 and SY 2009/2010
[4] Direct certification rates below the national median in SY 2008/2009 but above the national median in 2009/2010

For any questions regarding the application process or this solicitation please contact:

Dawn Washington
Grant Officer
3101 Park Center Drive
Alexandria, VA 22302
Phone: 703-305-2450
Email: Dawn.Washington@fns.usda.gov

IV. Available Funds and Deadlines

As noted earlier, approximately $22 million will be available to State agencies that administer NSLP and have the lowest rates of children directly certified for free meals, for the purpose of improving those rates; however, as noted previously, the submission of an application does not guarantee funding.

Funds will be awarded to States that are able to demonstrate their capability to create an efficient process for more effective certification processes and requirements. FNS may adjust the amounts requested in the application to ensure that funds are made available at appropriate levels. In addition, FNS reserves the right to suspend or terminate an award for materially failing to perform in accordance with a State proposal.

The award period for the funds received during FY 2010 may run as long as 210 days for planning grants and from 1 to 3 years depending on the scope and nature of the project. In some limited cases additional years may be granted but not to exceed 5 years.

V. Critical Dates

General

For a graphic representation of the deadlines described in this section, as well as examples of timelines potential applicants will need to adhere to, please see **APPENDIX C: TIMELINE**.

Planning Grants

FNS will award Planning Grants in two rounds.

Hard copy applications for First-Round Planning Grants must be received by FNS no later than November 1, 2010; or submitted electronically, via www.grants.gov, no later than 11:59PM (Eastern Time) on November 1, 2010. FNS intends to award such grants approximately 90 days thereafter (i.e., on or about January 31, 2011).

Hard copy applications for Second-Round Planning Grants must be received by FNS no later than February 28, 2011; or submitted electronically, via www.grants.gov, no later than 11:59PM (Eastern Time) on February 28, 2011. FNS intends to award such grants approximately 90 days thereafter (i.e., on or about May 31, 2011).

States that receive either a First-Round Planning Grant or a Second-Round Planning grant *must* complete the activities of that grant within 210 days of the Planning Grant Award Date. In addition, they must apply for an Implementation Grant within 210 days, *unless* Planning Grant activities reveal that an Implementation Grant is unnecessary.

Implementation Grants

Implementation Grants will be awarded on a rolling, quarterly basis. FNS will determine the duration of the grant by evaluating (A) the proposed grant activities and (B) the NSLP agency's proposed schedule/timeline.

To meet the first quarterly application deadline, hard copy applications must be received no later than November 1, 2010; or submitted via www.grants.gov, no later than 11:59PM (Eastern Time) on November 1, 2010. FNS intends to award such grants approximately 90 days thereafter (i.e., on or about January 31, 2011).

To meet the application deadline in subsequent quarters, hard copy applications must be received – or submitted via www.grants.gov, no later than 11:59PM (Eastern Time) – on January 31, 2011; April 29, 2011; July 29, 2011; October 31, 2011; and January 31, 2012. FNS intends to award grants on or about 90 days after each deadline.

However, please note that, if you were deemed eligible by the SY 2009-2010 report, but did *not* receive a Second-Round Planning Grant, the *last* opportunity for you to apply for an Implementation Grant is *October 31, 2011*. On the other hand, if you were deemed eligible by the SY 2009-2010 report *and* received a Second-Round Planning Grant, the last opportunity for

you to apply for an Implementation Grant is *January 31, 2012*. In other words, only States that received Second-Round Planning Grants are eligible to apply for an Implementation Grant between November 1, 2011 and January 31, 2012.

FNS anticipates the maximum *total* amount of funds available for Implementation Grants will be $19 million. The remainder will be awarded to States that submit their applications on subsequent deadlines (i.e., January 31, 2011, April 29, 2011, etc.).

VI. Selection Criteria

General

FNS will consider all applications/proposals using the criteria described in this section, but does not guarantee funding. All applications that meet the deadline for submission will be screened for completeness and conformity to the requirements of this solicitation. FNS will screen all applications to ensure they are eligible and fully responsive. Eligible and responsive applications are those that (A) were submitted by eligible applicants, (B) on or before applicable deadlines, and (C) are complete (i.e., include all required information).

To determine if an applicant is eligible, see the **WHO MAY APPLY** section. For applicable deadlines, see the **CRITICAL DATES** section. For discussion regarding the information necessary for an application to be considered fully responsive, see the ***Planning Grants*** and ***Implementation Grants*** sub-Sections below. These sections provide general guidance on the categories of information FNS would like to see addressed in individual proposals.

Planning Grants

For a Planning Grant application to be considered complete, you must include all of the following:

Contact Information: Name, address, phone number, and e-mail address for the NSLP agency staff person(s) responsible for the application.

Description of System: Brief description of how your State's direct certification system operates (two-page maximum). The description must be sufficient to provide a *basic* understanding of that system. At a minimum, you must answer the following questions:

- Which entities are involved in your direct certification process? What are their roles? Examples include the NSLP agency, SNAP agencies, LEAs, individual schools, and TANF agencies.
- What data sources are used to conduct direct certification (i.e., data-matching)? Examples include SNAP data, school enrollment data, and TANF data.
- How often is direct certification conducted? Examples include annually, semi-annually, quarterly, monthly, and weekly. If direct certification is conducted less frequently than quarterly, you must indicate the (approximate) date(s) it is conducted.
- How does the direct certification system work? For example, if your State uses an automated system to identify matches, you must describe the data fields used to identify those matches and indicate whether flexible/probabilistic matching is used (and, if so, how it works). Other examples of information you should provide include descriptions of where/how matches are identified (i.e., at the State or local level), and indication of whether *ad hoc* certifications are used (and, if so, in what circumstances), and a description of how data matches are communicated to the LEAs and/or schools.

Proposed Grant Activities: Brief description of how you propose to use grant funds to (A) identify the reasons for your State's low direct certification rate *and* (B) determine the most effective way(s) to improve that rate (two-page maximum). Your description must be sufficient to provide a *specific* understanding of your proposed grant activities, and *must* include a gap analysis that compares current capabilities with future needs. Examples of potential grant activities include, *but are not limited to*:

- Conducting an internal analysis of your direct certification system. Such an analysis might cover a variety of topics, such as Information Technology (IT) capabilities and deficiencies, policies and procedures governing direct certification, staffing levels and needs, and inter-agency operations and cooperation; *and/or*
- Hiring a contractor, consultant, or university to conduct such an analysis.

Timeline: Your proposed schedule for carrying out the Planning Grant activities. At minimum, your timeline must identify significant project milestones, indicate when those milestones will be met, and indicate when the grant activities will be completed. However, please note that Planning Grants *must* be completed no later than 210 days after the Planning Grant Award Date.

Quantity and Appropriateness of Staff Committed: Description of staff resources you will assign to manage the grant. At minimum, you must:

- Identify the employees you will assign to manage the grant. However, if such employees are not currently on your staff, indicate whether you have the resources to hire them and (if so) when you intend to do so.
- For current employees, describe relevant qualifications and experience, and projected roles and responsibilities. For employees not currently on your staff, describe the qualifications and/or experience you will use to identify potential hires.
- Include a discussion or plan on how activities will be fulfilled should key staff leave or be removed.
- Indicate what percentage of each employee's time will be spent managing the grant; and
- Indicate the total cost of these staffing levels.

Budget: Proposed budget describing *appropriate* use of Planning Grant funds and justifying costs. Please use the Budget Template provided in Appendix D**.** Please see **APPENDIX A: OMB CIRCULAR A-87 (2 CFR 225)** to review OMB Circular A-87, which addresses allowable costs; and **APPENDIX B: POTENTIAL USES OF GRANT FUNDS** to review an FNS document that provides additional information regarding allowable, suggested, and potential uses of grant funds.

Commitment: Certification that, within 210 days of the Planning Grant Award Date you will (A) complete all Planning Grant activities *and* (B) submit a timely, complete, and substantive application for an Implementation Grant, *unless* your Planning Grant activities reveal that an Implementation Grant is unnecessary.

Implementation Grants

For an Implementation Grant application to be considered complete, applicants must structure and develop their proposal using the attached "Direct Certification Proposal Response Guidance" found in **Appendix E**. This guidance is designed to assist state agencies in thinking through all aspects of proposed solutions, with particular emphasis on reducing risks associated with technology related aspects of their proposals prior to the grant award. FNS is hopeful that the guidance will reduce grant project risks for state agencies and increase positive outcomes for the grantees and FNS programs, particularly for projects related to technology improvements.

As this document is to be used when developing your proposal, the content of a proposal submission should align with the questions posed in the response guidance and incorporate all applicable questions.

FNS will review and consider the merit of each grant application/proposal. It is FNS' goal to fund all applications, or portions thereof; however, FNS reserves the right to fund only those proposals that are able to demonstrate their capability to improve their direct certification processes and rates. Additionally, FNS may adjust the amounts requested in the application to ensure that funds are made available at appropriate levels. FNS also reserves the right to suspend or terminate an award for materially failing to perform in accordance with a State proposal.

VII. Application Review and Grant Award Process

As noted earlier, using the criteria outlined described in the **SELECTION CRITERIA** section, FNS will screen all applications to ensure they are eligible and fully responsive. Eligible and responsive applications are those that (A) were submitted by eligible applicants, (B) on or before applicable deadlines, and (C) are complete (i.e., include all required information).

Ineligible/nonresponsive applications will be removed from further consideration for grant funds. Thereafter, FNS will review and consider eligible applications in accordance with the evaluation process described in Section VI which requires that all proposals be developed using the "Direct Certification Proposal Response Guidance" found in Appendix E. The guidance is designed to assist state agencies in thinking through all aspects of proposed solutions, with particular emphasis on reducing risks associated with technology related aspects of their proposals prior to the grant award.

A list of all applications/proposals deemed eligible for award will be submitted to the Selection Official for a final decision regarding funding. The Selection Official has ultimate authority to decide which applications are approved and funded, and will *generally* adhere to the recommendations made by the program reviewers provided that funding is available. However, the Selection Official reserves the right to deviate from those recommendations. The Selection Official may take other factors into account when granting awards and/or not awarding a particular award. Other factors the Selection Official may consider include, *but are not limited to*, a State's direct certification rate (relative to other States); the innovation demonstrated in an application; and the geographic, socioeconomic, and demographic diversity of populations a proposed grant would impact.

Lastly, the Selection Official may suggest changes to your application, and make approval of your application contingent on your acceptance of those changes. The reasons the Selection Official may suggest such modifications include, *but are not limited to*, improving the efficiency and/or effectiveness of your proposed grant activities, a decision to approve only some grant activities, and limited availability of funds.

VIII. Administrative Requirements and Terms and Conditions

A. Administrative Requirements. The grant program will be awarded and administered in accordance with the following Federal regulations. These include but are not limited to:

7 CFR Part 175: Trafficking in Persons: Grants and Cooperative Agreements;

7 CFR Part 3015: Uniform Federal Assistance Requirements; implementing OMB directives (OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments now codified at 2 CFR Part 225; OMB Circular A-21, Cost Principles for Educational Institutions now codified at 2 CFR Parts 215 and 220; and OMB Circular A-122, Cost Principles for Non-Profit Organizations now codified at 2 CFR Part 230;

7 CFR Part 3016: Uniform Federal Assistance Requirements for State and Local Governments;

7 CFR Part 3017: Government-wide Debarment and Suspension (Non-procurement);

7 CFR Part 3021: Government-wide Requirements for Drug-Free Workplace (Grants);

7 CFR Part 3018: Restrictions on Lobbying;

7 CFR Part 3052: (OMB Circular A-133) Audits of States, Local Governments, and Non-Profit Organizations.

B. Terms and Conditions. In addition to the administrative requirements mentioned above, the provisions below will also be a part of the agreement between FNS and the SA.

1. Funds authorized cannot be used to replace existing funding (e.g. State Administrative Expense (SAE) funds) earmarked by the SA for certification and verification procedures.

2. Current expenditures of State and local funds for the operation of school nutrition programs shall not be diminished as a result of receipt of funds to implement certification and verification procedures.

3. Funds cannot be used to shift existing staff from their normal duties paid with SAE funds to support the implementation of certification or verification activities unless the staff that are reassigned to the certification and verification activities are replaced with additional staff in the positions that are vacant.

4. Funds cannot be used for local level expenses.

5. Funds must be expended in accordance with the budget estimate submitted with the proposal, except with prior FNS approval or FNS revision. No more than ten percent

of the funds budgeted by the SAs can be shifted from one cost category to another without prior approval from FNS.

6. Any change to a project that is outside the scope of an approved proposal requires prior approval by FNS.

7. Funding for approved proposals will be provided through the Letter of Credit process in the same manner as other funds. However, SAs will be required to separately track and report these funds via a SF-425, Federal Financial Report.

8. FNS will obtain assurance that applicants are neither suspended nor debarred prior to making an award. If chosen, the applicant must also agree to make a good faith effort, on a continuing basis, to (A) maintain a drug-free workplace (including taking specific actions described at 7 CFR Sec. 3021.200 through 3021.230); and (B) identify all workplace locations where work under Federal award will be performed (7CFR sec. 3021.200). Since Federal entities will no longer collect a paper certification, this may include the following:

    a) Notifying all sub-grantees and contractors of the Drug Free Workplace rules;
    b) Making conforming changes to your internal procedures, directives, training materials, etc.; and
    c) Incorporating the new rules into your sub-grantee monitoring practices.

9. Applicants chosen for award will also be required to ensure that all sub-contractors and sub-grantees are neither excluded nor disqualified under the suspension and debarment rules found at 7 CFR sec. 3017.300 by doing any **one** of the following:

    a) Checking the Excluded Parties List System (EPLS) found at www.epls.gov;
    b) Collecting a certification that the entity is neither excluded nor disqualified. Since a Federal certification form is no longer available, the grantee or sub-grantee electing this method must devise its own;
    c) Including a clause to this effect in the sub-grant agreement and in any procurement contract expected to equal or exceed $25,000, awarded by the grantee or a sub-grantee under its grant or sub-grant;

    d) Sub-grantee and contractor must obtain a DUNS Number and register it in the Central Contractor Register (CCR). All Federal Government awards are required to have a DUNS number. To obtain a DUNS number, contact Dun and Bradstreet at 1-866-705-5711 or visit their website at https://eupdate.dnb.com/requestoptions.asp. There is no charge for a DUNS number. The DUNS number serves as a means of tracking and identifying applications for Federal assistance and is required on all applications for Federal assistance. The applicant must register its DUNS number in the Central Contractor Register (CCR). CCR registration instructions can be found at: https://www.bpn.gov/ccr/grantees.aspx.

10. All SAs receiving funds to implement the new certification and verification provisions are required to submit the following reports in accordance with the deadlines noted:

    a) Quarterly Financial Reports, SF-425. Grantees are required to electronically enter the quarterly as well as the final financial status report (SF-425) into the Food Programs Reporting System (FPRS). This report must be certified by the grantee's chief fiscal officer or an officer of comparable rank. If you are selected for a grant, we will provide further instructions on electronically entering your data into FPRS. This report must be entered within 30 days after the close of each quarter. A Final Financial Report must be entered into FPRS within 90 days of the expiration of the grant agreement. This report must also be certified by the grantee's chief fiscal officer or an officer of comparable rank.
    b) Quarterly Progress Reports. The Quarterly progress report must include **(in narrative form)**: 1) A brief description of what the planned activities were for the report period; 2) Major accomplishments for each activity and dates of accomplishment; 3) A description of any deviations from the proposed plan discussing difficulties encountered and solutions developed; 4) Discuss the budget impact and/or costs associated within this reporting period; 5) List key activities planned for the next report period and 6) Any unique aspects that you would like to share.
    c) An **original and one copy** of the Quarterly Progress Report must be submitted no later than 30 days after the close of each quarter. In addition, at the completion of the grant period, a final report is due within 90 days of the end of the grant period. The Final Progress Report should be a narrative project summary that includes lessons learned, future implications within the State, and transferability to other States.

APPENDIX A:
OMB CIRCULAR A-87 (2 CFR 225)

Link to OMB circular A-87 (2 CFR 225):
http://www.whitehouse.gov/omb/fedreg/2005/083105_a87.pdf.

APPENDIX B:
POTENTIAL USES OF GRANT FUNDS

Introduction

During March 9-22, 2010, the Food and Nutrition Service (FNS) conducted a series of conference calls with the National School Lunch Program (NSLP) State agencies currently eligible to receive direct certification grants, pursuant to Section 749(h) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010.

One purpose of the calls was to give State agencies the opportunity to present their ideas regarding the potential uses of such grant funds. The States provided numerous ideas, which FNS then evaluated for feasibility and allowability under Office of Management and Budget (OMB) Circular A-87 (2 CFR 225), *Cost Principles For State, Local, and Indian Tribal Governments*.

Below, please find the ideas that FNS found both feasible and allowable. FNS encourages eligible State agencies to evaluate all these alternatives prior preparing their applications for Planning Grants or Implementation Grants. However, please note that State agencies do ***NOT*** need to limit their proposed grant activities to those described below.

Purchase Information Technology (IT) Equipment

Many State agencies indicated that the quality and age of the information technology (IT) equipment available to them, local education agencies (LEA), and/or Supplemental Nutrition Assistance Program (SNAP) agencies is often *inadequate*. In addition, they indicated that the IT systems used by the various agencies differ, leading to compatibility issues. Those States indicated that they would use grant funds to *purchase* new software and/or hardware for their own use, LEAs, and/or SNAP agencies.

Improve Match Capabilities of Existing Systems

Many States indicated that they would use grant funds to *enhance* the software used to conduct data-matching. Examples include, but are not limited to, developing flexible/probabilistic match capabilities, increasing the number of data fields used to identify matches, and/or conducting certifications more than once per year (semi-annually, quarterly, monthly, and/or daily).

One State expressed interest in using funds to develop unique State identification numbers for each student. Such numbers could be used, in lieu of highly-sensitive but unique social security numbers, to identify exact matches.

Develop and/or Expand Web Lookup Systems

Many States expressed interest in web lookup systems (i.e., internet-based data-matching systems), particularly for small and/or private LEAs, but also for conducting *ad hoc*

certifications in all LEAs, and indicated that they would use grant funds to develop or expand such systems.

Salaries

Many States noted that they have historically been short-staffed, and that these staffing difficulties have been exacerbated by the budget difficulties currently gripping many States. Consequently, they expressed interest in using grant funds to pay salaries of individuals (A) employed by the NSLP State agency and/or LEAs and (B) who conduct direct certification activities.

Training

Many States noted that LEA and SNAP personnel responsible for conducting direct certification activities often do not have adequate training to carry out their duties. The reasons for this vary, but include high turnover rates within LEAs and SNAP agencies, inexperienced replacement staff, the fact that the direct certification process is only conducted once a year (causing staff to forget the appropriate procedures in the intervening time), and difficulties in accurately completing the 742 verification form by LEA and SNAP personnel. In addition, States noted that *all* personnel would be unfamiliar with any new enhancements made to existing systems, new IT equipment, and new or expanded web lookup systems purchased with grant funds.

Consequently, such States indicated that they would use grant funds to provide appropriate training to State, LEA, and SNAP personnel. States expressed interest in a variety of training approaches, including development and delivery of in-person training, developing online training (i.e., webinars, interactive training modules or courses, etc.), and developing guidance documents (i.e., FAQ, memoranda, etc.).

Outreach

Some States asserted that parents and other government entities (i.e., LEAs and SNAP agencies) often provide incorrect data (such as names, birthdays, etc.) for children on official documents (such as SNAP applications, school enrollment forms, etc.), resulting in lower direct certification rates. Those States expressed interest in using grant funds to conduct outreach to raise awareness regarding the importance of providing correct data on government documents. A number of States thought it would be useful to hire and/or work with advocacy groups to conduct the outreach activities.

Consult with Other State Agencies To Explore Possible Collaboration

Some State agencies expressed interest in consulting with other State agencies within their own state (i.e., SNAP agencies, IT departments, Departments of Social Services, etc.) to explore ways to improve their direct certification systems and/or interagency collaboration. For example, some States expressed interest in exploring the feasibility of developing web lookup systems, identifying programs other than SNAP that could be used for direct certification, and identifying

areas where inter-agency cooperation could be improved. Such States could use grant funds to pay the administrative costs of such consultations.

Contractors

Many States expressed interest in using grant funds to hire contractors to conduct activities related to their States' direct certification system. Specifically, they indicated that they might use contractors to write applications for direct certification grants, research the current status of a State's direct certification system, recommend system and/or procedural improvements, develop and/or implement system improvements, develop and/or deliver training, and administer the data-matching process.

Universities

Some States expressed interest in partnering and/or hiring university personnel (i.e., research centers, academic departments, graduate students, etc.) related to their States' direct certification system. Specifically, they indicated that they might use university personnel to write applications for direct certification grants, research the current status of a State's direct certification system, and recommend system and/or procedural improvements.

Appendix C: Timelines

Below, please find a tabular representation of the timeline (i.e., deadlines) governing the submission and processing of applications for First-Round Planning Grants, Second-Round Planning Grants, and Implementation Grants; as well as examples of timelines/deadlines that would apply to certain types of applicants.

Tabular Timeline/Deadline

	Planning Grants	Implementation Grants
November 1, 2010	Deadline to apply for First-Round Planning Grants.	Deadline to apply for Implementation Grants (Rolling Deadline #1).
January 31, 2011	Target date for awarding First-Round Planning Grants. [**NOTE**: Within 210 days of the Award Date, Grantees must submit an application for an Implementation Grant, *unless* Planning Grant Activities reveal that an Implementation Grant is unnecessary.].	Deadline to apply for Implementation Grants (Rolling Deadline #2). Target date for awarding Implementation Grants applied for on or before Rolling Deadline #1.
February 28, 2011	Deadline to apply for Second-Round Planning Grants.	
April 29, 2011		Deadline to apply for Implementation Grants (Rolling Deadline #3). Target date for awarding Implementation Grants applied for on or before Rolling Deadline #2.
May 31, 2011	Target date for awarding Second-Round Planning Grants. [**NOTE**: Within 210 days of the Award Date, Grantees must submit an application for an Implementation Grant, *unless* Planning Grant Activities reveal that an Implementation Grant is unnecessary.].	
July 29, 2011		Deadline to apply for Implementation Grants (Rolling Deadline #4) Target Date for awarding Implementation Grants applied for on or before Rolling Deadline #3.
October 31, 2011		Deadline to apply for Implementation Grants (Rolling Deadline #5) Target Date for awarding Implementation Grants applied for on or before Rolling Deadline #4.
January 31, 2012		Deadline to apply for Implementation Grants (Rolling Deadline #6) Target Date for awarding Implementation Grants applied for on or before Rolling Deadline #5.

Examples of Timelines/Deadlines

Example #1:

- Per FNS' School Year (SY) 2008-2009 report to Congress regarding direct certification (the SY 2008-2009 Report), the NSLP Agency (NSLPA) in the State of Utopia was eligible to apply for either a First-Round Planning Grant or an Implementation Grant.

- NSLPA submitted a fully responsive application for a First-Round Planning Grant, which FNS received on *November 1, 2010*.

- On *January 27, 2011*, FNS awarded NSLPA a First-Round Planning Grant.

- Thus, NSLPA *must* complete all its Planning Grant activities *and* submit an application for an Implementation Grant on or before *August 25, 2011* (i.e., *210 days* after the Planning Grant award date), *even if* the State of Utopia has a direct certification rate above the national median rate when the SY 2009-2010 Report is issued in November of 2010.

Example #2*:*

- Per the SY 2008-2009 Report, NSLPA was eligible to apply for either a First-Round Planning Grant or an Implementation Grant.

- NSLPA submitted a fully responsive application for an Implementation Grant, which FNS received on *November 1, 2010*.

- On *January 27, 2011*, FNS awarded NSLPA an Implementation Grant, and informed NSLPA of the *grant duration* (based on the nature of the approved grant activities).

Example #3*:*

- Per the SY 2008-2009 Report, NSLPA was eligible to apply for either a First-Round Planning Grant or an Implementation Grant.

- NSLPA submitted a fully responsive application for a First-Round Planning Grant, which FNS received on *November 2, 2010*.

- Because the application was received *after November 1, 2010*, FNS removed it from consideration for First-Round Planning Grant funds.

Example #4:

- Per the SY 2008-2009 Report, NSLPA was eligible to apply for either a First-Round Planning Grant or an Implementation Grant, but did not submit an application for either.

- When the SY 2009-2010 Report is issued in November of 2010, NSLPA's State has a direct certification rate higher than the national median identified in that report.

- Thus, NSLPA may *not* apply for either a Second-Round Planning Grant or an Implementation Grant.

Example #5:

- Per the SY 2009-2010 Report issued in November of 2010, NSLPA is eligible to apply for either a Second-Round Planning Grant or an Implementation Grant.

- NSLPA submitted a fully responsive application for a Second-Round Planning Grant, which FNS received on *February 28, 2011*.

- On *May 16, 2011*, FNS awarded NSLPA a Second-Round Planning Grant.

- Thus, NSLPA *must* complete all its Planning Grant activities *and* submit an application for an Implementation Grant on or before *December 12, 2011* (i.e., *210* days after the Planning Grant award date), *even if* NSLPA's State has a direct certification rate above the national median rate when the SY 2010-2011 Report is issued in November of 2011.

Appendix D: Planning Grant Budget Template

This budget template should be used in the development of a planning grant. **NOTE:** The proposed project budget must align with the activities outlined in the proposal. FNS reserve the right to request information not clearly addressed in the proposal and or budget.	**YES**	**NO**
Personnel		
Did you include all key employees paid for by this grant under this heading?		
Are employees of the applicant's organization identified by name and position title?		
Did you reflect the current yearly salary as a percentage of time to be devoted to the project?		
Fringe Benefits		
Did you include your organization's fringe benefit amount along with the basis for the computation?		
Did you list the type of fringe benefits to be covered with Federal funds?		
Travel		
Are travel expenses itemized? For example origination/destination points, number and purpose of trips, number of staff traveling, mode of transportation and cost of each trip.		
Are the Attendee Objectives and travel justifications included in the narrative?		
Is the basis for the lodging estimates identified in the budget? For example include excerpt from travel regulations.		
Equipment		
Is the need for the equipment justified in the narrative?		
Are the types of equipment, unit costs, and the number of items to be purchased listed in the budget?		
Is the basis for the cost per item or other basis of computation stated in the budget?		
Supplies		
Are the types of supplies, unit costs, and the number of items to be purchased reflected in the budget?		
Is the basis for the costs per item or other basis of computation stated?		
Contractual: (FNS reserve the right to request information on all contractual and sub-grant awards associated costs after a contract or sub-grant is awarded.)		
Are the products to be acquired or the professional services to be funded described in the budget?		
Has the justification for the need to contract or sub grant been included in the budget?		
For professional services, are the hours to be devoted to the project and the amounts to be charged to the project clearly stated?		
Is the methodology on how the applicant determined the contractual costs included in the budget?		
Are there sole-source contracts listed under this heading? If so, has sufficient information been provided in order to approve the use of a single source?		
Other		
Consultant Services. All associated costs must be clearly related to the consulting services and the proposal. Details to justify the costs should include: a description of services being considered; an itemized list of all potential direct cost and fees, including labor estimates; number of personnel including related position titles; and specialized qualifications as appropriate.		
Consultant Services. – Are all instances in which consultant services would be required listed in the budget?		
Consultant Services. – Is the need for consultant services justified in the budget?		

For all other line items listed under the “Other” heading, list all items to be covered under this heading along with the methodology on how the applicant derived the costs to be charged to the program.		
Indirect Costs		
Is the amount requested based upon a rate approved by a Federal Agency? If yes, is a copy of the negotiated rate agreement must be provided along with the application?		
If no approved federal agency negotiated agreement exists, the basis and the details of the indirect costs to be requested should also be reflected in the budget narrative?		