

FNS Approach to Grant Funding

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FNS Grantmaking

- FNS administers an array of grant programs to achieve its mission.
- FNS is responsible for the award, administration, and monitoring of its grant programs under a variety of legislative authorities, governing regulations, policies, and procedures.



Our mission is to increase food security and reduce hunger in partnership with cooperating organizations by providing children and low-income people access to food, a healthy diet and nutrition education in a manner that supports American agriculture and inspires public confidence.



What legal instruments do federal agencies use to make financial awards?

- Grants
- Cooperative Agreements
- Contracts



What is a grant?

- A federal grant is a legal instrument used to transfer money, property, services or anything of value to the State or local government or other recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute, and **no substantial involvement** is anticipated between the Federal agency and the grantee.

Public Law 95-224-Feb 3, 1978

Federal Grant & Cooperative Agreement Act of 1977

What is a cooperative agreement?

- A cooperative agreement is an award of financial assistance that is used to enter into the same kind of relationship as a grant; and is distinguished from a grant in that **substantial involvement is anticipated** between the Federal agency and the recipient in carrying out the activity contemplated by the award. Substantial involvement means after award, Federal agency staff will assist, guide, coordinate, or participate in project activities.

Public Law 95-224-Feb 3, 1978

Federal Grant & Cooperative Agreement Act of 1977

What is a contract?

- A contract is a legal instrument used to fund an activity whose principle purpose is **acquisition** of property **or** services for the **direct benefit** or use of the Federal government.



Public Law 95-224-Feb 3, 1978

Federal Grant & Cooperative Agreement Act of 1977

What gives FNS the authority to award a grant or cooperative agreement?

- Specific Program Authorizing Legislation
- Appropriation
- General/Statutory Authority

Example of Specific Authorizing Program Legislation Language

SEC. 2. (42 U.S.C. 175) National School Lunch Program

- “It is hereby declared to be the policy of Congress, as a measure of national security, to safeguard the health and well-being of the Nation’s children and to encourage the domestic consumption of nutritious agricultural commodities and other food, by assisting the States, **through grants-in-aid** and other means, in providing an adequate supply of foods and other facilities for the establishment, maintenance, operation, and expansion of nonprofit school lunch programs...”

Richard B. Russell National School Lunch Act, as amended

Example of Specific Authorizing Program Legislation Language cont'd

SEC. 23. [42 U.S.C. 1793] Grants for Expansion of the School Breakfast Program

- “(b) ESTABLISHMENT.—Subject to the availability of appropriations provided in advance in an appropriations Act specifically for the purpose of carrying out this section, the Secretary shall establish a program under which the Secretary **shall provide grants**, on a competitive basis, to State educational agencies for the purpose of providing sub-grants to local educational agencies for qualifying schools to establish, maintain, or expand the school breakfast program in accordance with this section.”

Child Nutrition Act of 1966, as amended

Example of Appropriation Language

Title IV—Domestic Food Programs, Food and Nutrition Service, Child Nutrition Programs

- “...*Provided further*, That of the total amount available, \$25,000,000 shall be available **to provide grants** to State agencies for sub-grants to local educational agencies and schools to purchase the equipment needed to serve healthier meals, improve food safety, and to help support the establishment, maintenance, or expansion of the school breakfast program.”

Consolidated Appropriations Act 2014, Division A –Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
Appropriations Act 2014

Example of General/Statutory Authority Language

SEC. 17. (7 U.S.C. 2026) (a)(1) General Grant Making Authority in the SNAP Program

- “The Secretary may enter into contracts with or **make grants** to public or private organizations or agencies under this section to undertake research that will help improve the administration and effectiveness of the Supplemental Nutrition Assistance Program in delivering nutrition-related benefits. “

Food and Nutrition Act of 2008, as amended

What are the types of grants?

- Entitlement
- Mandatory
- Discretionary
- Earmark (Designated in Legislation)

Definitions of Types of Grants

ENTITLEMENT

- Entitlement grants, a form of mandatory grants, are the vehicle FNS uses to provide funds to eligible individuals and households funding based on a formula, often prescribed in legislation or regulation. The formula is usually based on such factors as population, enrollment, per capita income, or a specific need. Applicants do not compete for these funds. (SNAP, NSLP)

MANDATORY

- Mandatory grants, which include formula and entitlement grants, are prescribed by law or regulation, and based on factors such as population, enrollment, per capita income, or other relevant data. These programs guarantee certain benefits to a particular group or segment of a population, as long as eligibility requirements are met. (TEFAP)

Definitions of Types of Grants cont'd

DISCRETIONARY

- Discretionary project grants, sometimes simply called discretionary project grants are awarded by FNS to eligible grant recipient organizations, usually made based on a competitive review process. The competitive review, typically conducted through a formal panel review process that considers legislative, regulatory, and published selection criteria, allows FNS to exercise its judgment in selecting who will receive the funds. The federal government uses discretionary project grants to fund program activities when it is appropriate and essential for the government to identify the best possible projects to achieve particular program objectives. Discretionary project grants are awards that permit the Federal government, according to specific legislation, to exercise judgment (discretion) in selecting the project or proposal to be supported and selecting the recipient organization through a competitive process. (Team Nutrition Training Grants, NSLP Equipment Grants)

EARMARK/DESIGNATED IN LEGISLATION

- Earmark grants are appropriated by Congress, The term "earmark" is a reference to where Congress may designate that specific appropriated amount be used ("earmarked") for one or more projects – and grant recipients – within a program. It is considered a *hard earmark* when the designation of a specific amount or recipient is included in the appropriation law. A *soft earmark* is when the House, Senate, or conference committee report designates funds without incorporating by reference into the statute, which does not legally bind FNS to compliance. (NFSMI, Congressional Hunger Center)

Period of Availability



- This is the time provided by law that the **Federal agency** has to obligate the funds
- In the world of FNS discretionary project grants, the obligating event is when funding is placed on the GAD, which usually requires a fully executed FNS-529

Period of Performance

- The Period of Performance is the time provided to the **grantee** to obligate and expend the grant award funding FNS has provided
 - ❖ When does it start and end?
 - ❖ What are the impacts to deliverables and reports?
 - ❖ Does the grant award allow for extensions?

Competitive or Non-Competitive?

- Must first review the authorizing legislation to determine if there is a specific approach mandated or if FNS has the flexibility to choose.
- FNS does have a duty to ensure there is competition and this weighs heavily on the decision making process. There are few exceptions in regulation.
- There are times when FNS has the flexibility and deems a formula based approach giving all those who apply or opt in a set amount of funding. These often are awarded via the FNS Regional Office.

Awards made at National Office versus Regional Offices

- Deciding whether to award discretionary project grant funding through the Food and Nutrition Service (FNS) National Office (NO) or Regional Office (RO) takes several factors into consideration. In general, RO awarded and managed grants may occur for the following reasons:
 - 1) The grant funding can be awarded noncompetitively and provided to a State agency under the State's existing Federal/State agreement, or revised State Operational Plan. In these cases, the discretionary project grant funding aligns with normal costs captured in this manner, i.e., administrative costs or is more long term in nature.
 - 2) The grant is noncompetitive, the funds are provided using an equitable and clear formula, and it is determined that awarding and managing the funds at the RO level is more efficient.
 - 3) Reporting is straightforward, minimal, and not subject to ad hoc data requests.
 - 4) The administrative simplicity of the award suggests it could be efficiently managed at the RO level.

Typical FNS Vehicles Used to Award Grants

- FNS-529, Grant Award Agreement
- Federal/State Agreement

Award Vehicle: Federal/State Agreement

Print

INSTRUCTIONS: Sign and submit the original and one copy of this Agreement to your FNS Regional Office. Original signatures must be on all copies of the agreement and attachments, which become part of this Agreement.

**FEDERAL-STATE AGREEMENT
CHILD NUTRITION AND FOOD DISTRIBUTION PROGRAMS
FOOD AND NUTRITION SERVICE
U.S. DEPARTMENT OF AGRICULTURE**

1. What is the purpose of this agreement?

This agreement sets out the requirements for administering the Child Nutrition Programs and the Food Distribution Programs.

2. Who are the parties to this agreement?

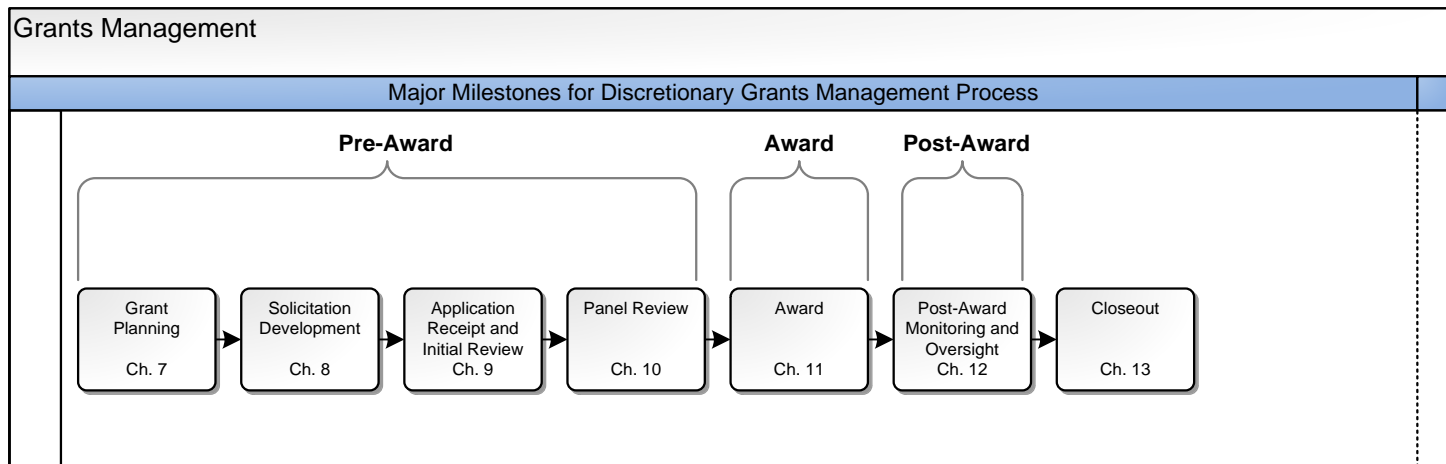
The Food and Nutrition Service (FNS), U.S. Department of Agriculture (USDA) and _____ (State agency). In consideration of the funds and USDA-Donated Foods provided by USDA/FNS to the State agency and the services provided by the State agency, the parties agree to the provisions of this agreement.

3. What programs does this agreement cover?

This agreement covers the programs noted with an "x" in the chart below. If the State agency decides to discontinue or begin administration of any of these programs after signing this agreement, the State agency must provide FNS advance written notice, including the proposed effective date of the change. Upon approval of the request, FNS will enter into a new agreement or amend this agreement.

What are the major milestones for a competitive discretionary project grant awarded at Headquarters?

The discretionary project grant cycle has 7 phases



Discretionary Grant Planning

- Program and Grants staff meet to discuss:
 - Authorizing Legislation
 - Commitment of Funds
 - Timeline (from announcement to award)
 - OMB Requirements for a new grant program
 - Determine whether grant program will be a competition
 - Who will manage the grant program
 - RFA (solicitation) or NOFA – Notice of Funding Availability
 - Panel Process
 - Selection Process
 - Award and Debriefing

What happens during the RFA submission/solicitation phase?

- The RFA is posted on Grants.gov.
- Jointly Program and Grants Officers may conduct a webinar for potential applicants to clarify and explain the RFA.
- Program and Grants Officers respond to applicant questions.
- Potential applicants submit the application via Grants.gov.

What happens during the RFA Panel Review phase?

- The Program Officer is responsible for identifying the review panel members.
- Review Panel members sign a conflict of interest and a non-disclosure form.
- The Review Panel is responsible for reading and scoring the applications based on specific criteria included in the RFA.

What happens during the RFA Panel Review phase?

- A Review Panel meeting is held to discuss the individual scores and results of the evaluation. Scores may be adjusted at this time. The purpose, in part, of this discussion is to ensure that all reviewers considered all applicable information included in the application under review.
- The Review Panel prepares recommendations based on the overall ratings of each applicant (This information will subsequently be shared with the selecting official).

What happens during RFA award negotiations?

- Program and Grants Officers:
 - Review panel comments.
 - Prepare clarification questions, based on review of panel comments and officer's review of the application. Both budgetary and programmatic questions for potential grant recipients with unclear projects will be provided.
 - Conduct additional information gathering for potential grant recipients, as needed.

What happens during the NOFA Submission and Award Process?

- FNS National Office Program and GMAS coordinate on the release a Notice of Funding Availability (NOFA)
- The NOFA is used instead of an RFA as the grants are typically noncompetitive when awarded through the regional offices and based on a formula allocation.
- The NOFA details the purpose of the funding, and addresses items such as if there are any match funding requirements, period of performance, amount to be awarded (some use a set formula), and the required forms FNS will need the grantee to submit.

What happens during the award phase (NOFA and RFA)?

- The award package is developed by the Grants Officer with assistance from the Program Officer.
- The award packet includes:
 - Cover/congratulations letter
 - Grant award document, FNS 529
 - Terms and Conditions
 - Instructions for accessing USDA, FNS, and Government-wide systems (E-Auth, FPRS, ASAP, etc.)



What happens during the award phase specific to an RFA? cont'd

- Applicants not selected for an award are also notified at the same time as awardees.
- Applicants who were not selected are provided with an opportunity for a debriefing (which includes strengths and weakness of their application).
- The Program Officer with CGA, develops the press release.
- At the same time the press release is published, the award package is sent to selected applicants.

What happens during the grant monitoring phase?

- The Terms and Conditions require grantee to submit progress and financial reports at specified intervals, generally quarterly.
- Progress and financial reports and other deliverables are reviewed for completeness and compliance with program requirements.
- Grantee request's for amendments or extensions are sent to the Grants Officer.



What happens during the grant monitoring phase? cont'd

- Program and Grant staff should be in periodic contact with the grantee.
- Contact includes conference calls, or on-site reviews to discuss the status of the project and to resolve any problems encountered including difficulties with accessing funds, inadequate progress, and late reporting.

What happens during grant closeout?

- Receive the final progress and financial reports and deliverables. (Program and Grants)
- Determine if the grantee has satisfied all the terms and conditions of the grant including completion of the project, submission of all required reports.
- Reconcile financial reports (SF-425) with financial information in FMFI.
- De-obligate any unused funds.



Multiple Responsibilities

- Program
- Budget
- Grants
- Regional Office (Program and GMAS)

Questions/Comments

- Any questions?

