

FREQUENTLY ASKED QUESTIONS (FAQs) NCR-SARE Farmer Rancher Grants

WHO CAN APPLY?

Applicants must be a farmer or rancher. Any farmer or rancher or team or group of farmers or ranchers who farm or operate a ranch in the North Central region may apply.

What is the definition of a farmer or rancher? A farmer or rancher is someone who raises crops or livestock, especially as a business. There is no land requirement or income requirement.

Which states make up the North Central SARE Region? The North Central region consists of 12 states: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

Can Non-Government Organizations (NGOs) apply for Farmer Rancher Grants? Most NGOs should apply for **Partnership Grants** for projects working with farmers and ranchers. See: <http://www.northcentralsare.org/Grants/Our-Grant-Programs/Partnership-Grant-Program>. However, NGOs that have a farm, and a farmer who can apply for the grant can apply for Farmer Rancher Grants. The applicant must be a farmer.

Do I have to be an experienced farmer to apply? Beginning farmers are eligible to apply but should demonstrate that they have the skills and knowledge to successfully farm and carry out the grant project. Applicants may be just beginning the transition to a more sustainable operation or may already be using sustainable practices and want to implement additional changes.

Can I use the funds to start my operation? If you need startup funds check other options such as Slow Money at: <https://slowmoney.org/> or the USDA Value Added Producer Grants at: <http://www.rd.usda.gov/programs-services/value-added-producer-grants>. Farmer Rancher Grants **cannot** be used for startup funds.

Is there an age requirement to receive a grant? No, but grants to applicants under 21 need to be signed by a parent or guardian

BUDGET

Can I be reimbursed for expenses that occurred before receiving the grant? No. Grant recipients will only be reimbursed for actual expenses incurred after the initial funding date for their project. This is typically March 15th.

Can the full cost of items be included in the grant budget? The full cost of some items is allowed, such as Materials and Supplies, Travel, Labor, etc. Only 50% of the cost of Equipment, Permanent fencing, Perennial seeds and plants, and Livestock can be included in the grant budget. See the 50% Rule.

The 50% Rule: Grant funds can only be used for up to 50% of the cost of Equipment, Permanent fencing, Perennial seeds and plants, and Livestock. If you need to purchase these

items for your grant project, you can only include 50% of the cost in your grant proposal budget. The 50% Rule does not apply to Equipment that is rented for a project.

BUILDINGS

My project will take place in a greenhouse. Can grant funds be used to build a greenhouse?

Grant funds cannot be used to build or remodel permanent structures. The funds cannot be used for permanent structures such as a greenhouse or walipini. The only exception is for experimental fabrication. This implies that you will be testing different components as part of designing a system and testing something new. If you have a project idea that involves experimental fabrication, contact the grant coordinator before you complete an application to make sure it is fundable. High tunnels are not necessarily considered permanent structures. See EQUIPMENT for details.

I need to repair a building or build a building for my project. Can I use grant funds? Grant funds **cannot** be used for planning, construction, repair, or remodeling of buildings. You can lease a building, shed, or similar item if need for the project.

Can I use grant funds to buy a tractor or riding mower? Grant funds **cannot** be used to buy motorized vehicles. These items may be leased or rented with grant funds, if they are needed for the project.

DONATIONS

Can I use grant funds to make donations to people or organizations that help me with my project? No. Grant funds cannot be used to make donations. If a person or organization charges you a fee for a service provided, you can use grant funds to pay the fee.

DRONES

Can grant funds be used to pay for a drone operator license? No. Funds can be used for drone software but not the operating license. Projects involving drones need to have an FFA licensed operator in place before the grant project starts. The 23-month timeline of the grants does not allow time to apply for and receive a license.

EQUIPMENT

Equipment is defined as items that cost \$5000 or more and have a useful life of more than one year. Items that cost less than \$5,000 are considered Materials and Supplies.

Can equipment be paid for using grant funds? If equipment is needed for a grant project, it can be included in the budget but the 50% rule applies. (**50% Rule for Equipment, Permanent fencing, Perennial seeds and plants, and Livestock:** Grant funds can only be used for up to 50% of the cost of these items.) The 50% rule does not apply to equipment that is rented or leased for your grant project.

If I am building a new piece of equipment, does the cost of all of the parts have to be added together to determine the equipment cost? No. If you are building a new type of combine for

nut harvest, for example, if none of the parts cost \$5,000 or more, you can include the full cost of each of the parts, up to the limit of the grant. However, if you are modifying an existing combine, and plan to purchase a used combine that costs \$5,000 or more, only 50% of the cost of the combine can be included in the budget. Additional materials used to modify the combine can be included in the budget at full cost if the materials cost less than \$5,000 each.

Can grant funds be used for high tunnels? If a high tunnel is necessary to carry out the grant project and is moveable, the cost can be included in the grant budget. If the cost is \$5,000 or more, only half of the cost can be covered with grant funds. Although you can request funds for a high tunnel needed for your project, it is better to look at other options to fund high tunnels such as through the cost share program of the Natural Resources Conservation Service (NRCS). See: <https://www.nrcs.usda.gov/wps/portal/nrcs/site/national/home/>. Click on “Contact Us” to view the State Offices Directory.

Can grant funds be used for irrigation? If irrigation is needed for the project, the portion of the irrigation needed for the project area can be paid for with grant funds if it is above ground irrigation or a moveable system.

My project requires a well or pond to carry out my research. Can a well or pond be paid for with grant funds? Permanent installations such as digging water lines, wells, and ponds **cannot** be paid for with grant funds. Check with the Natural Resources Conservation Service (NRCS) at: <https://www.nrcs.usda.gov/wps/portal/nrcs/site/national/home/> to see if they have programs that can help with funding these items. You may also want to check with your state Department of Agriculture.

LAND

Can I use grant funds to buy land for my project? No. Grant funds cannot be used to buy land. However, you can lease land, if needed for your project. You can only include the cost of leasing the land needed to carry out the project. For example, if you lease 30 acres but only need 5 acres for the grant project, you can only include the cost of leasing 5 acres in your grant budget.

LICENSES and CERTIFICATIONS

Can I use grant funds to pay for Organic Certification?

- a. If the organic certification is part of the research/purpose of the grant, the portion of certification fees that apply to the grant project can be funded. For example, if you are researching the results between crops grown organically vs conventionally, certification is part of the research.
- b. If the organic certification is needed to conduct the project but is not part of the research, then it is not allowed. For example, if you are an organic grower carrying out a project and want to pay for your annual organic certification with grant funds that would not be allowed.

Can grant funds be used for license fees such as a business license? No. You will need to pay for licensing fees with your own funds.

MATCHING FUNDS

Do I need to provide matching funds? Matching funds are not required. Do not show a match. If outside funds are necessary to carry out your project, mention that you have outside resources so reviewers can evaluate your work plan, but don't list the amount.

PAYMENTS

When do I receive grant payments if my project is funded?

First payment (50%). The NCR-SARE Administrative Council typically recommends Farmer/Rancher grants for funding in early to mid-February. Budgets are reviewed by University of Minnesota* accountants for compliance with USDA guidelines and grant contracts are sent out. The approximate date of the first payment of grant funds is between April 1 and May 1 (this depends in part on how quickly grantees return their signed contract). *The University of Minnesota is the NCR-SARE host institution. You will receive the payment as a check coming from the University of Minnesota.

Second payment (35%). Grant recipients are eligible for a second grant payment once their progress report and progress report budget is approved. The progress report and budget update are due at the end of the first year of the project.

Final payment (15%). Grantees have 23 months to complete their projects. The final report is due on or before the project end date. All grant funds should be spent, and the grant project should be completed by this date. Grant recipients are eligible for a final payment once their final report is approved. The final payment is a reimbursement. One-year projects can complete a final report at the end of the first year of their project.

Do I have to repay grant funds? This is not a loan; it is a grant. You do not have to pay back grant funds that you use for your grant project. If you do not complete your grant project, you will have to return unused funds.

Do I have to submit invoices or receipts to receive payments? Keep all invoices and receipts for your own records and do not submit them to NCR-SARE. We only need the budget information you submit as part of your progress report and final report. You must retain receipts for project expenditures for a period of three years.

REPORTING

If my grant is funded, what is required for reporting? As part of the contract for receiving an NCR-SARE Farmer Rancher Grant, grantees are required to provide progress reports and a final report on their research and education efforts on the SARE reporting website. These online reports list contact information, summarize project findings, and outline objectives, research methods/ education efforts, and results. Project coordinators are encouraged to upload supporting materials and products that they have developed through their projects.

The reports also include an updated budget where you can show what you have spent so far. The budget is only visible to administrators, not the public. You can see reports from funded grants at: <https://projects.sare.org/>.

Where can I find instructions on reporting? For more information on reporting see: <https://projects.sare.org/sare-reporting-system-instructions/>. You can also download a PowerPoint that takes you through the process step-by-step at: <https://www.northcentralsare.org/Grants/Manage-Your-Grant/Project-Reports/Submit-a-Report/Reporting-Instructions-for-the-Farmer-Rancher-Grant-Program>

TAXES

Are the grants taxable? Yes. The grant funds are issued as a contract and you will have a 1099 form automatically filed with the IRS with each payment for tax reporting purposes. Talk with a tax consultant if you have questions on how this might affect you.

TIMELINE

When are grant applications available? The grant application and instructions are referred to as the Call for Proposals or CFP.

The Farmer Rancher Grant CFP is released in August of each year.

When are applications due? Applications are typically due in early December. Check the Call for Proposals for the exact date since this changes each year.

QUESTIONS

Who do I contact if I have questions? Contact the Grant Program Coordinator:

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