



WORKING LANDS ENTERPRISE INITIATIVE
www.vermontworkinglands.com

116 State Street
Montpelier, VT 05620
[phone] 802-622-4477
[email] agr.workinglands@vermont.gov
[website] www.vermontworkinglands.com

Agency of Agriculture, Food & Markets
Department of Forests, Parks & Recreation
Agency of Commerce & Community Development

WORKING LANDS ENTERPRISE INITIATIVE BUSINESS GRANTS PRE-APPLICATION GUIDE

FISCAL YEAR 2020 REQUEST FOR APPLICATIONS

The Working Lands Enterprise Board – a collaborative effort of Vermont Agency of Agriculture, Food, and Markets; Department of Forests, Parks, and Recreation; and Agency of Commerce and Community Development – announces the availability of grant funds to support the development of Vermont-based agriculture and forest products businesses.

KEY DATES

Request for Applications Release: October 1, 2019

Pre-Application Opens for Submission: October 8, 2019

Pre-Application Deadline: November 3, 2019 at 11:59 PM (application closes at midnight)

Application Notification of Pre-Application Acceptance/Denial: Late December 2019

Full Application Deadline: January 26, 2020 at 11:59 PM (application closes at midnight)

Award Notification: March 2020

Estimated Project Start: May 2020

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CONTACT

PROGRAMMATIC QUESTIONS

Lynn Ellen Schimoler
LynnEllen.Schimoler@vermont.gov
(802) 622-4477

WEBGRANTS TECHNICAL ASSISTANCE

Diana Ferguson
Diana.Ferguson@vermont.gov
(802) 622-4094

Vermont Agency of Agriculture, Food and Markets (VAAFAM) staff are available to provide assistance during State of Vermont business hours, Monday - Friday, 7:45 AM to 4:30 PM. Assistance may not be available shortly before deadlines.

I. PROGRAM OVERVIEW AND FUNDING ELIGIBILITY

PROGRAM PURPOSE

Approximately 20% of Vermont's working landscape is used for agricultural purposes, and 75% is forested. Vermont prospers and its unique sense of place thrives, in large part, because of intelligent investments in the people and enterprises that comprise its farm, food, and forest-based systems. Strong community engagement and support for the farm and forest sectors leads to enhanced quality of life for Vermont citizens and working lands business owners.

The mission of the Working Lands Enterprise Initiative is to grow the economies, cultures, and communities of Vermont's working landscape. The Working Lands Enterprise Board (WLEB) achieves this by making essential, catalytic investments in critical leverage points of the Vermont farm and forest economy and facilitating policy development to optimize the agricultural and forest use of Vermont lands. [The Working Lands Enterprise Initiative, Act 142](#), created the Working Lands Enterprise Fund (WLEF) and the WLEB. The WLEB is made up of private sector members throughout the supply chains of agriculture and forestry, and staff from the Vermont Agency of Agriculture, Food, and Markets, Vermont Department of Forests, Parks & Recreation, Vermont Agency of Commerce and Community Development, Vermont Housing & Conservation Board, Vermont Economic Development Authority, and Vermont Sustainable Jobs Fund.

HISTORY OF SUCCESS TO DATE

Since its formation in August 2012, the WLEB has awarded over \$5.5 million in grant funds to 200 grantees, leveraging more than \$10 million in matching funds. For a list of previously funded projects, visit <https://workinglands.vermont.gov/history-initiative/funded-projects>.

ELIGIBILITY

ELIGIBLE APPLICANTS

Business grantee organizations must be based in Vermont and registered with the Secretary of State at the time of application submission. All business ownership structures are eligible (e.g., Partnerships, Limited Liability Corporations, Sole Proprietorships, Cooperatives, Corporations, S Corporations, L3Cs; and/or non-profits that are involved in the production of agriculture and/or forest products). Applicants must be in compliance with all state regulations (i.e., water quality, taxes, child support) and in good standing with the State of Vermont at the time of submitting an application and must remain so during the entire grant period.

SECTION I: PROGRAM OVERVIEW AND FUNDING ELIGIBILITY

Previous recipients of Working Lands Business Grants in the amount of \$20,000 or less are eligible to re-apply for funding during Fiscal Year 2020. Previous recipients of Working Lands grants for more than \$20,000 are not eligible to apply for further Working Lands funding until three years after the start date of their previous grant (i.e., FY16 and earlier grantees are eligible to apply this year). Applicants who have received Working Lands grants in the past will be asked to measure and report on the results of previously funded projects and demonstrate how continued funding will be used to grow or improve their operation.

ELIGIBLE PROJECTS

Projects eligible for funding include:

- Market development, marketing plans, and sales strategy development;
- Enhancing production and/or manufacturing efficiencies;
- Research and development; and/or
- Infrastructure improvements

FUNDING OPPORTUNITY DETAILS

AVAILABLE FUNDS

For the Fiscal Year 2020 grant cycle, the Working Lands Enterprise Board (WLEB) plans to award a total of \$1.15 million to \$1.2 million in Business Grants, in a range of \$5,000-150,000 per award. This includes \$500,000 legislatively mandated funds for dairy-focused projects. As detailed below, Standard Business Grants will be awarded in the range of \$5,000-\$24,999; Supply Chain Impact Grants will be awarded in the range of \$25,000-\$75,000; and Market-Level Impact Grants will be awarded in the range of \$50,000-\$150,000.

DAIRY FOCUSED FUNDS

For this funding round, the Initiative is devoting \$500,000 to specifically target projects from dairy farm applicants. This funding will be allocated across business grant categories, and projects from \$5,000 - \$150,000 are eligible. (See p. 4 for grant type descriptions.) The WLEB has interpreted this legislative mandate by outlining the following eligible activity areas:

- A. Value-added dairy production** – transition into operation as a new processor or expansion as an existing processor
- B. Farm diversification** – new efforts or expansion of existing diversification opportunities (e.g., maple, hemp, grass-fed beef, agritourism opportunities)
- C. Innovative solutions to soil health and water quality**
Note: Proposals in this category should not otherwise be eligible for Natural Resources Conservation Service or VAAF Water Quality Division funding
- D. Other operational transitions** – new or expansion of current efforts, such as:
 1. transition to milk a different species, e.g., goat, sheep;
 2. transition to intensive grazing;
 3. building direct to consumer markets (including marketing/brand development);

SECTION I: PROGRAM OVERVIEW AND FUNDING ELIGIBILITY

The WLEB will not fund water quality or soil health equipment and infrastructure that are eligible for funding under existing programs and funding sources. The WLEB is willing to consider match waivers or lower match requirements for dairy farm applicants. Applicants must explain their reasoning in the application "Match Waiver" section.

STANDARD BUSINESS GRANTS - \$5,000-\$24,999

Project activities for these grants may include:

- **Infrastructure development:** project specific planning, permitting, and/or engineering or architectural plans; purchase and/or construction of physical assets (i.e., building and equipment costs)
- **Market development:** accessing new markets and securing new customers, including institutional and wholesale market expansion, costs associated with achieving humane and/or organic certification
- **Research and development:** testing new systems or technologies; developing innovative solutions to production issues

SUPPLY CHAIN IMPACT BUSINESS GRANTS - \$25,000 - \$75,000

Project activities under these grants will demonstrate how the market or product the applicant is developing or expanding will positively impact multiple businesses within its own supply chain. Characteristics may include:

- Infrastructure improvements that support increased production, processing, and/or distribution of a commodity or value-added product(s), thus benefiting the application and additional enterprises;
- Leveraging supply chain partnerships to reach new or larger markets, e.g. via product aggregation, co-branding, vertical or horizontal efficiencies, etc.

MARKET LEVEL IMPACT BUSINESS GRANTS - \$50,000-\$150,000 (forestry, wood products, and dairy sectors only)

Project activities under these grants will illustrate how the market, product or service the applicant is developing or expanding will positively impact multiple businesses and/or create a new market for sector-specific commodities and/or value-added products, as noted below. Impacts of the project will be visible across the market and within that industry sector in Vermont. Project characteristics may include:

- Makes significant process and/or infrastructure improvements for medium to large scale production, processing, or distribution enterprises in the forestry, wood products, or dairy sector;
- Scale of the primary product being brought into supply chain has the ability to broaden the industry, address the sector on a market-wide scale, and/or address a market downturn;
- The technology or approach is innovative and will lead to new opportunities for multiple businesses

PROJECT LENGTH

Standard Business Grant projects will be 18 months in duration. Market Level Impact and Supply Chain Impact projects will be 24 months in duration.

FUNDING SOURCE

Grants are funded through a State of Vermont legislative appropriation, with additional philanthropic contributions.

II. GRANT MANAGEMENT AND REPORTING

GRANT AGREEMENT & PAYMENT

Prior to receiving funding, successful applicants must sign a grant agreement with the Vermont Agency of Agriculture, Food & Markets (VAAFM) indicating their intent to complete the proposed project and authorizing VAAFM to monitor progress. The grant agreement will include provisions (terms and conditions) set by the State of Vermont as well as any program-specific requirements. Review [Attachment C - Standard State Provisions for Contracts and Grants](#) (revised 12/15/2017) at bgs.vermont.gov/purchasing-contracting/forms for the most recent State of Vermont grant provisions.

Prior to commencement of work and release of any payments, grantees must submit:

- A current [IRS Form W-9](#) (Request for Taxpayer Identification Number and Certification), signed within the past six months (not required if organization is a previous State of Vermont grant recipient)
- A certificate of insurance consistent with the requirements set forth in [Attachment C](#) of the grant agreement (not required if grantee already has a current certificate of insurance on file with VAAFM)
- A completed [Act 154 Good Standing Certification](#) – find this form at finance.vermont.gov/vendors-and-grantees
- Documentation that verifies pledged matching funds, as applicable.

GRANTEE PAYMENT SCHEDULE

Working Lands Business Grant payments are made on a reimbursement basis, after costs have been incurred, and require documentation of project expenditures (e.g., receipts, paid invoices) to substantiate the total dollar amount of each claim for payment. Grant funds must be matched at a 100% (one-to-one) rate of cash or in-kind services, in accordance with the grant budget.

After grant agreements are fully executed, i.e., have been approved and signed by all parties, Working Lands Grant funds are typically disbursed according to the following schedule:

- Up to 40% of the grant award following receipt and approval of an initial claim for payment via WebGrants containing documentation of expenditures to date for which reimbursement is requested
- Up to an additional 40% of the grant award (80% total) at the mid-point of the project, pending completion and approval of the Interim Report and a second claim containing documentation of project expenditures to date for the requested reimbursement AND matching expenses at one-to-one ratio
- Final 20% (or other remaining amount) of the grant award, pending receipt and approval of the Final Report demonstrating completion of project deliverables and satisfactory achievement of measurable project outcomes, and a final claim, including documentation of project expenses, both claimed and matching.

REPORTING REQUIREMENTS

Prior to receipt of the second and third grant payments, respectively, grant recipients must complete Interim and Final status reports in WebGrants. Reports will include a narrative of project accomplishments to date, progress on meeting expected goals and outcomes, and high-resolution digital photos in jpg format that demonstrate project work. Grantees must also complete an Annual Survey one year following and two years following the grant end date. Grantees will be expected to collaborate with VAAFM staff to measure the impact of their project on their business or organization to promote optimal stewardship of state-awarded funds.

Grantees must be willing to share project details, including successes and challenges, with the public, the WLEB, and the media, which illustrate how the grant is impacting Vermont’s working lands economies. This may occur through media inquiries, press events on location, and/or site visits from VAAFM staff, WLEB members, and/or their stakeholder partners.

III. APPLICATION PROCESS AND CONTENT

HOW TO APPLY

Applications will be accepted only through the online grants management system, WebGrants, at agriculturegrants.vermont.gov. Paper applications will not be accepted. **Note:** If you or your organization have previously registered in WebGrants, please do not create another account.

Applications may be started in WebGrants at any time beginning on **Tuesday, October 8th** and may remain in editing mode until submission no later than **Sunday, November 3rd at 11:59 PM**. After this time, WebGrants will prevent applications from being submitted. Late applications will not be accepted.

For technical instructions on submitting an application, please see the guide on the Agency of Agriculture, Food and Markets website at <https://agriculture.vermont.gov/grants/howtoapply>.

Upon reaching the “Funding Opportunities” page, you will see two links for Working Lands Business Grants. To apply for a Standard Business Grant (\$5,000-\$24,999), please select “FY20 Working Lands Standard Business Grant”. To apply for a Supply Chain Impact Grant (\$25,000-\$75,000) or a Market Level Impact Grant (\$50,000-\$150,000), please select “FY20 Working Lands Supply Chain/Market Level Impact Grants”. Please begin an application in only one of these categories and save/edit until completion; do not create a duplicate application.

After successfully submitting your application, you will see an **Application Submitted Confirmation** screen with an Application ID number. (See example below.)

Application Submitted Confirmation

You have successfully submitted your Pre-Application for Testing Process Application with Application ID [40504].
Grantor has received your application for evaluation.

SECTION III: APPLICATION PROCESS AND CONTENT

Applicants will be contacted by email in **late December 2019** regarding the acceptance or denial of their pre-application based on review and scoring criteria (see Section IV. Application Review and Scoring).

Agency of Agriculture, Food and Markets staff are available to provide assistance during State of Vermont business hours, Monday - Friday, 7:45 AM to 4:30 PM. Please read the complete application guide at <https://agriculture.vermont.gov/grants/howtoapply> before requesting support. Please plan ahead, as assistance may not be available shortly before deadlines.

PRE-APPLICATION QUESTIONS

A. Applicant Information

- Organization name
- Type of legal entity (e.g. sole proprietorship, LLC, cooperative, 501(c)(3), etc.)
- Contact name
- Title
- Phone number
- Email
- Physical address
- County
- Primary product category
- Secondary product category
- Demonstration of applicant compliance with state regulations and good standing with the State of Vermont – e-signature and date
- How did you learn about this grant opportunity?
- Interest in receiving Working Lands related e-news/events/funding opportunity updates by email (Yes/No)
- Willingness to share contact information with other state and federal funders (Yes/No)

B. Project Information

- Project title
- Project category
- Business Grant type requested
 - Check box here if application is for Dairy Focused Funds
- Working Lands funds requested (\$)
- Matching funds committed (\$) **Please note: must be a minimum of 100% of the amount of funds requested*
- Do you currently have a business plan? **Please Note: Business plans (including current income statement, balance sheet, and projected income/expenses for the next 1-3 years) are required with submission of a full application.*
 - Business plan completion date
- Have you received grants for this specific project (not as an organization), in the past five years?

SECTION III: APPLICATION PROCESS AND CONTENT

- Please list grants received
 - Are you a previous Working Lands Grantee?
 - If so: In what year? What was the grant amount?
 - Please list other grants you are applying for in conjunction with this grant. *If none, please enter N/A*
- C. Project Summary** (1000 character limit): Provide a brief overview of your project, including how requested and matching funds would be used. Explain why your project is being proposed and what makes it timely and important. For Supply Chain Impact or Market Level Impact Grant requests, please include information on how other enterprises will be involved and/or benefit from the project.
- D. Business Description** (1500 character limit): Describe the business in terms of size (gross sales, number of employees, production volume), markets, and number of years in business.
- E. Financial Need** (1500 character limit): Please provide an explanation of why Working Lands Business Grant funds are needed, and how the project would or would not move forward without these funds.
- F. Outcomes/Impact** (1500 character limit): Please describe the intended outcomes of your project (e.g., change in production, sales, marketing, staff positions, business growth, etc.)

Supply Chain and Market Level Impact Grant applicants: Please identify the intended impact of your project on the market or supply chain. (1000 character limit)

- G. Budget and Narrative:** Provide a detailed budget, including Working Lands Grant funds requested and other funding sources supporting the project as matching funds. Costs incurred prior to the signing of the grant agreement are not eligible.

Matching funds should equal at least 100% of the Working Lands Enterprise funds requested and may be comprised of either cash or in-kind sources. At least 50% of the match must be cash; the rest may be in-kind (see below for examples). Match sources must be identified by the time of application submission and in place by the time of grant agreement execution (estimated May 2020).

- Examples of **cash match** include funds in the bank, third party funds, and applicant labor directly associated with the proposed project
- Examples of **in-kind match** include goods or services provided during the grant period for which no expenditure is made (e.g. contractors, consultants, or equipment provided pro bono for the project, volunteer labor, and/or donated supplies that are not part of the normal cost of doing business)
- **Indirect costs** (i.e. facilities/administrative costs) are allowed for up to 10% of requested Working Lands Grant funds. Additional indirect costs may be used as match.

SECTION III: APPLICATION PROCESS AND CONTENT

Example:

\$20,000 Working Lands grant request x 10% = \$2,000 (up to \$2,000 could be indirect costs)

\$20,000 x 1 = \$20,000 minimum cash or in-kind match (could include additional indirect costs)

\$20,000 + \$20,000 = \$40,000 total project cost (grant request + match amount)

Under limited circumstances, match requirements may be reduced or waived for projects that can justify the need for a reduced match. Waiver requests must outline the impact of the project and indicate if the project benefits an underserved sector of the working lands economy. For consideration, waiver requests must be outlined in the budget narrative.

Budget Template: Enter each line item of your budget into the appropriate field, along with a brief explanation of anticipated costs in each category. Applicants invited to submit a full grant application will be able to revise this section prior to their final submission.

Expense Category	Working Lands Request	Applicant Contribution		Match Source	Details/Purpose	Total
		Cash	In-Kind			
Salaries/Wages (Personnel)						
Benefits						
Travel						
Machinery/Equipment						
Supplies						
Contractual						
Other Direct Costs						
Indirect Costs						
TOTAL						

Budget Narrative (1000 character limit for each question):

- Describe how Working Lands Business Grant funds will be used to support your project.
- Please provide the source(s) for all matching funds and your timeline or plan for securing these commitments.
 - If a match waiver is requested, provide justification here.

IV. APPLICATION REVIEW AND SCORING

APPLICATION REVIEW

Working Lands Business Grant funds will be awarded to projects benefitting agriculture and forest-based businesses through a competitive review process. A committee of Working Lands Enterprise Board members, state agency staff, and industry stakeholders will review submitted applications and make funding recommendations to the full Working Lands Enterprise Board (WLEB). The WLEB will make final decisions for official approval of awarded projects. Applicants will be notified by email of application approval or denial by the end of December 2019. Unsuccessful applicants can request to receive feedback on their pre-application from the Working Lands Enterprise Board.

APPLICATION SCORING

Criteria that will inform scoring of application quality are as follows:

Quality of Proposal: The proposal is comprehensible and clear, and the proposed project fits within the eligibility criteria outlined in the Request for Applications.

Innovation: The proposed project suggests there will be new ideas or business models deployed which may include but are not limited to showing a new solution to an old problem, creating a new product or crop, commercializing a researched product or process.

Business Viability: The organization possesses characteristics of a viable business.

Collaboration (*for Supply Chain Impact and Market Level Impact Grants only*): The project is collaborative among enterprises to maximize the benefits among the working landscape.

Financial Need: The applicant demonstrates a clear need for Working Lands Enterprise Funds.

Outcomes/Impact: The applicant demonstrates how the business will enhance Vermont's working landscape, with performance outcomes that may include job creation and retention; increased sales; increased product output; increased and/or retained acres in active forestry or agricultural use.

Budget: Applicant has prepared a clear budget reflecting realistic, well-planned components, including required matching funds. Budget narrative supports and further details items in budget table.

FULL APPLICATION INFORMATION

Applicants whose pre-application is approved for advancement will be able to begin editing their full application at any point after receiving their approval notification by email. The message will contain instructions and required full application content in detail. In addition to information required in the pre-application (e.g., project summary, budget, etc. – which will automatically populate from pre-application responses), the full application will require the following new information to be submitted:

SECTION IV: APPLICATION REVIEW AND SCORING

- Financial management data, including system used for accounting
- Experience and successes implementing similar past work
- Current business plan (uploaded in PDF format)
- Project goals and specific, measurable performance outcomes, with timeline for achieving within the grant period
- Anticipated increase in sales, product output, number of employees, and/or acreage in agricultural or forestry usage as a result of project
- Marketing plan description
- Description of intended supply chain/market level impact (*Impact Grant applicants only*)
- Project work plan including key activities, completion timeline, and responsible personnel
- Letter(s) of support/commitment
- Optional additional attachments (project renderings or plans, equipment cost estimates, etc.)

Additional details regarding the full application will not be shared publicly and will be sent only to applicants whose pre-application has been approved for advancement. Full applications must be submitted in WebGrants by **Sunday, January 26, 2020 at 11:59 PM**. Applicants will receive final award notification or denial via email by March 2020.

RELATED FUNDING OPPORTUNITIES & RESOURCES

VAAFM offers a range of [funding opportunities](#) for agriculture-related organizations, which can be found at agriculture.vermont.gov/grants. In addition, [business planning and assistance](#) resources available to the Vermont agricultural community can be found at agriculture.vermont.gov/businessdevelopment/planning

APPENDIX A: PROGRAM PROVISIONS

Working Lands Grant agreements are held between the State of Vermont and the business or, where applicable, the business entity. Should the business entity cease to exist, or if the business entity to which this grant is issued becomes inactive, the State may suspend or cancel this Grant immediately, and the State shall be under no obligation to pay or further pay grantee.

Ready to begin work: Grantee must be ready to begin project work immediately following execution of this grant agreement. If grantee anticipates a delay or experiences a delay of more than two months, grantee shall submit to the grant manager via email an explanation for the delay and note the extent to which the delay will/will not impact project completion. Similarly, grantees should submit their initial claim for funds reimbursement within two months of receipt of the grant agreement. An explanation must be sent to the grant administrator if no request for reimbursement is anticipated within the first two months of the grant.

Publicly known and open to inspection: Except for grantee proprietary and personal identifying data, as noted per 1 V.S.A. § 317(c), grantee names, projects, the amount of grant awards, and all other information regarding Working Lands grant projects are considered public information and are open to inspection. Grantee can also anticipate communication from other Working Lands partners and stakeholders regarding project successes and accomplishments.

Grantee Confidential and/or Proprietary Information: Grantee is responsible for noting all information, data, project results and narrative text which it considers confidential and/or proprietary in its reports and communications with the state. Grantee financials are automatically classified as confidential by the state.

Working Lands Enterprise Initiative, as a public instrumentality, is subject to the Vermont Public Records Law, 1 VSA § 315 - 320. The statute contains specific exemptions for tax-related information of persons, financial information of an individual or business, and trade secrets. This information will be held in confidential files by the Working Lands Enterprise Board and will not be available for public inspection under the Public Records Law.

The Working Lands Enterprise Board and the state of Vermont consider the following information about applicants to be subject to public record: contact information of applicants; names, description, and contact information of applying enterprise or organization; the purpose and amount of any Working Lands Enterprise Funds received; and grantee communications. Other information may be shared in aggregate form (without identifying individual business info).

Acknowledgement: All meetings and gatherings held as a result of this grant will recognize the Vermont Agency of Agriculture, Food and Markets and the Working Land Enterprise Board as a funder. Written and electronic materials produced shall include text acknowledging the same and shall also feature a Vermont Agency of Agriculture, Food and Markets graphic. Grantee may be required to reprint event flyers, posters, and/or brochures or repost meeting announcements if the State learns of grantee's failure to acknowledge the Working Lands Enterprise Board as a funder.

Tax Implications: We recommend that all entities consult with a tax accountant as needed regarding how to report grant awards for tax purposes, including advising on your tax return. State of Vermont staff and Working Lands partners are not authorized to advise or provide input on tax-related information, including the completion of federal forms.