



Water Quality Grants Program: Instructions

WATER QUALITY GRANT PROGRAM APPLICATION INSTRUCTIONS

The Vermont Farm & Forest Viability Program, a program of the Vermont Housing & Conservation Board, is pleased to announce that grants of \$5,000 to \$40,000 are available on a competitive basis to Vermont farmers for water quality related investments. These grants are designed to help farmers undertake projects that improve water quality, help farms comply with water quality regulations, and improve overall farm viability.

Application Due Dates & Decision Dates:

Round 1	Round 2	Round 3
Applications due October 13, 2017	Applications due November 15, 2017	Applications due February 21, 2018
Decisions made late November, 2017	Decisions made January, 2018	Decisions made April, 2018

Information sessions: We will be holding info sessions for applicants to learn more about the grant process and ask questions. The info sessions in advance of the October 13th due date will be:

- Wednesday, September 20, 2017. 10a-12p, St. Albans Free Library, 11 Maiden Lane, St. Albans, VT.
- Thursday, September 21, 2017. 10a-12p, Neighborworks of Western Vermont Kazon Building, 110 Marble Street, Rutland, VT.
- Friday, September 22, 2017. 10a-12p, Hartland Public Library, 153 US-5, Hartland, VT.

Call, email, or check our website for info session dates and times in advance of subsequent grant rounds.

Application Submission: We prefer that you submit the application using the online form described in Section 4 of these instructions, but if necessary we can accept hard copy applications by mail. Access the online application or download the application form from <http://www.vhcb.org/Farm-Forest-Viability/water-quality-grants/>.

About the Vermont Farm & Forest Viability Program: The Vermont Farm & Forest Viability Program offers one-on-one, in-depth business planning, technical assistance and management coaching to Vermont farm, food and forest products enterprises in order to improve the economic viability of Vermont's working landscape. When funding is available, we provide grants to assist businesses to implement their business plans and improve the economic viability of their operations. The Viability Program is a program of the Vermont Housing & Conservation Board.

Questions? Call 802-828-5587; email Katie@vhcb.org; or check our website: www.vhcb.org/viability.



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Please read through the grant instructions and application fully before beginning to fill out your application.

1. WHO IS ELIGIBLE TO APPLY?

- ✓ Any farm that is required to meet the Required Agricultural Practices and has gross sales of \$15,000 per year or more is eligible to apply.
- ✓ Dairy and livestock farms are likely to be more competitive applicants.
- ✓ Produce farms will be eligible provided they can demonstrate that their project will have significant, positive impacts on water quality.

Non-dairy, non-livestock farmers are encouraged to contact us before applying to ensure your project is eligible and will be competitive.

2. WHAT KINDS OF PROJECTS ARE ELIGIBLE?

Eligible projects include: **construction projects, renovation projects, long-term infrastructure improvements, and in some cases equipment.** All projects must directly impact water quality, and must be for long-term investments rather than annual practices or improvements with a short life span.

Type of Project	Example	Eligible Cost	Non-eligible Cost
Construction, renovation, upgrades, or expansions to farm facilities	New or upgraded manure pit, barn or barnyard construction that will reduce barnyard runoff	Concrete Building supplies	
Conservation-related improvements or practices that are permanent/long-term	Projects in coordination with NRCS or the Agency of Agriculture	Permanent fencing & laneways for grazing system establishment	Annual practices or infrastructure that is short-lived
Equipment	No-till seeders	Equipment that is a long-lived capital asset, will be used frequently, be essential to the business, can't be easily rented, or possibly leads to new, innovative farm practices	We are unlikely to fund equipment that is used infrequently, or that could very feasibly be rented or contracted
Engineering or other professional costs	Design of barn or new structure	Consulting fees are eligible if they are part of a larger request for a construction project	Grant writing Soil or water quality analysis

Compliance with regulations: In order to be eligible for grants, your farm is expected in most circumstances to be in compliance with all labor laws, taxes, water quality regulations, and other applicable regulations. A list of all farms that apply will be shared with the VT Agencies of Agriculture and Natural Resources for a compliance review. Each agency will have the opportunity to express any concerns or let our staff know if farms are out of compliance with state or federal regulations. Being out of compliance does not automatically result in ineligibility for funds; farms that are out of compliance but working with agency staff to come into compliance may be considered a high priority for grant funds. If you are in this situation, your application must explain why you are out of compliance and how the grant project will help you meet regulations. Question 6 in the narrative section of the application gives you a chance to describe your situation if this applies to you.

3. SELECTION PROCESS & CRITERIA

There will be a two-step process for reviewing applications and selecting projects to fund. Because it is highly likely that we will receive more applications than we have funding for, this will be a competitive process.

Step 1 – Eligibility Review

Immediately after we receive your application, Viability Program staff will assess applications to make sure they meet the following eligibility thresholds. Applications that do not meet the minimum thresholds will not be considered for funding.

1. Is the farm eligible (see Section 1 of the instructions)?
2. Are the proposed project expenses eligible?
3. Does the project have a clear and positive impact on water quality?
4. Is the farm required to meet the RAPs?
5. Are there any major questions or concerns about the project or application? Is the application missing any information?

Step 2 – Project Need & Impact Review

After applications are checked for eligibility, reviewers will assess all eligible applications based on the following criteria:

1. How strong is the need for the project?

Does the farm need to complete the project in order to comply with regulations? Does the farm need financial support in order to complete the project? Is the project a critical one that the farm needs to undertake? Does the application demonstrate a positive impact on the business, the farm family, or others in the agricultural community?

2. How significant is the water quality impact of the project?

Does the application clearly explain the connection between the proposed project and possible water quality impacts? Does the farm have a way of measuring those impacts, such as through NRCS application materials, edge-of-field monitoring, or scientific data about the relationship between the project and water quality? (It is not required that water quality improvements be quantifiable.)

3. How feasible is the project, and how much will it contribute to the viability of the farm as a whole?

Does the application demonstrate that the project is well-planned and will be financially feasible for the farm to undertake? Will the project affect the farm business in ways beyond meeting water quality regulations? Does the project improve the farm's bottom line, or other components of farm viability

such as improved labor efficiencies, safety, loan repayment, ability to balance work and personal life, or help complete a farm transfer?

4. Other considerations:

- Is the application complete, clear, and detailed?
- Is the project in a critical watershed area? If competition for funds is very high, we may prioritize applications from the state’s priority sub-watersheds.
- Innovation: Is there a particularly innovative approach as a part of this project? Will funding this project support early adopters of new practices, solutions or technology?

3. MATCHING FUNDS REQUIREMENT

Farmers must have matching funds equal to or greater than the amount of grant funding you are requesting. The matching funds must be spent on the same project for which you are requesting funds, and cannot be used for activities or purchases that occurred before this application deadline.

Eligible match sources include:

- Your own cash or savings
- Loans
- Grants from federal sources, including USDA NRCS
- Grants from state sources, including VT Agency of Agriculture Food & Markets*
- In kind (donations or your/your employees’ labor on the project)
- Other

****Read this section if your project is also utilizing Best Management Practices funds from the VT Agency of Agriculture, Food & Markets:*** If for this project you are also receiving state grant funding from the Vermont Agency of Agriculture’s Best Management Practices program, VAAF’s BMP program requires farmer recipients to contribute a minimum of 10% of project funds. VHCB may award Water Quality Grants to help cover the 10% if:

- You have already reached maximum amounts allowed by the BMP program for a certain time period;
- Paying the 10% can be shown to be extremely detrimental to your business.

This may be a low priority compared to other projects. If you are considering requesting funds to cover all or some of the final 10% of project costs and also using BMP funds to support the project, we encourage you to contact us first to discuss.

4. APPLICATION SUBMISSION

Access the online and print versions of the application at: <http://www.vhcb.org/Farm-Forest-Viability/water-quality-grants/>

Submit online (PREFERRED METHOD):

To send in your application, first read through the entire set of guidelines and the application. Make sure you can answer all the questions and have your budget, financial statements, maps, and any other documents you plan to attach before starting to enter your responses online. Please note that we provide a budget template for you to use, which can be accessed through the online application.

Please try to access the online application well in advance of the deadline. If you experience difficulties with this system and need assistance, please contact us no later than one week before applications are due.

The online application can be saved while you are working on it, so long as you are working on it from the same computer and web browser.

Submit by mail:

If you do not have reliable access to the internet or experience difficulty with the online application, you can submit it in hard copy. You are welcome to handwrite the basic information and budget sheet, but the narrative questions and all other information **MUST BE TYPED**.

Mail to: Katie Michels
 Vermont Farm & Forest Viability Program
 58 E. State Street
 Montpelier, VT 05602

5. REVIEW TEAM, CONFIDENTIALITY & COMPLIANCE REVIEW

By submitting your application materials, you agree to allow them to be read by members of the Dairy Grants Review Committee and by staff of the Vermont Farm & Forest Viability Program. In accordance with our program's Confidentiality Policy, no other persons will have access to your application materials, and all copies will be collected for safekeeping following the meeting of the Review Committee. The Review Committee will be made up of members of the VHCB board as well as farm business and water quality experts. The information they learn while reading applications is considered highly confidential and they will be held to our confidentiality policy as well as required to return all copies of applications and supporting documents.

6. GRANT TERMS AND CONDITIONS

For approved applications, grant checks are disbursed on a reimbursement basis only, meaning that you will have to demonstrate that you have spent the grant and match amount before we can send the check. Grant funding is typically considered taxable income and you will receive a 1099 from the State of Vermont on behalf of the Vermont Housing & Conservation Board for the grant amount. Should you receive funding, you will have to sign a contract that requires the following:

1. You will carry out the project as stated in your application (unless you need to request a waiver to change the uses of funds) and will provide the Viability Program will documentation that proves this.
2. Grant recipients must agree to allow Viability Program staff to visit the farm once the project is complete. You are required to submit observed water quality impacts and annual income & production data via survey approximately 6-12 months after the project has been completed.

7. FINANCIAL STATEMENTS

You are required to submit annual financial statements as a part of the application. **The financial statements are critical to our review process, and will be kept confidential.** Please do not submit tax returns unless you do not track your income and expenses any other way. If you need to submit tax returns, please black out your social security or EIN number.

a. Current Balance Sheet: a snap-shot of financial condition showing assets and liabilities

REQUIRED: 2016 year-end or current balance sheet

OPTIONAL: previous years' balance sheets

b. Historical Income Statement: a listing of farm income and farm expenses (also known as Profit & Loss)

REQUIRED: 2016 (or most recent historical income statement)

OPTIONAL: previous 3 years' income statements

c. Projection or budget for 2017 and 2018: typical cash-based projections of income and expenses for 1-3 years or more. This should take into account income and expenses that affect cash available. Any projections beyond 2018 are optional.

8. APPLICATION ASSISTANCE

If you need assistance writing or reviewing your application, we may be able to provide you with help from a Farm Viability service provider or farm business advisor. These advisors are only available for business and financial planning (not helping to prepare other parts of the grant application). **If you would like support please get in touch as soon as soon as possible, as these services are limited.**

We also recommend asking a trusted advisor to review your application and attachments, such as a family member or friends who have experience with grant writing, a colleague, your accountant, or other business advisors.

For questions about the application, please contact Katie Michels, Viability Program Assistant, at Katie@vhcb.org or 828-5587.