IMPLEMENTATION GRANT INSTRUCTIONS

The Vermont Farm & Forest Viability Program, a program of the Vermont Housing & Conservation Board, is pleased to announce that grants of $1,000 to $10,000 are available on a competitive basis to Viability Program clients who participated in the program in 2020, 2021, or 2022. These grants help prior clients undertake projects identified through the business planning process. *Applications are due Friday, May 13th, 2022, and decisions will be made in June 2022.*

Focus areas for this grant are investments that:

- Address pandemic related challenges
- Address climate change and climate adaptation
- Improve and/or increase production or processing of local food or forest products

*Note: Viability Program staff are working remotely and can be reached most readily by email.*

1) **Eligibility requirements:** To be eligible, your business must:

- Be a commercial-scale farm, food, or forest products business grossing $15,000 or more annually; and
- Have participated in the Vermont Farm & Forest Viability Program and completed a full business plan, enterprise analysis, cash flow analysis, or transfer/succession plan in 2020, 2021, or 2022

Farm, food, and forest products business owners are all eligible to apply for this grant program.

2) **Eligible uses of the funds:** *The maximum award amount is $10,000.*

**Capital improvements, such as:**

- Capital improvements including construction costs, materials and equipment;
- Conservation investments or other ecological management practices, especially those that are innovative or cannot be funded through other grant programs; and
- Expansion-related investments.

**Other eligible expenses include:**

- Equipment;
- Technical assistance, such as certain market development costs (such as having a marketing specialist or graphic artist develop a product label) or food safety planning.
- If you are interested in seeking funds for technical assistance, please contact us first, as there may be other ways to get this assistance without applying for an Implementation Grant.
Non-eligible uses:
- Grants cannot fund working capital or other ongoing operating costs (for ex: labor, utility payments, facility rental).
- Grant funds cannot be used towards applicant labor to execute the project, however applicant (owner or employee) labor may contribute to match.

3. 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. Please contact us to discuss your situation if you know you are out of compliance.

4. 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
Viability Program staff will assess applications to make sure they are complete and meet the following eligibility thresholds:
1. Is the farm eligible to apply?
2. Are the proposed project expenses eligible?
3. Has the farm secured, or have a plan for securing, the required matching funds?
4. Are there any major questions or concerns about the project? 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?
2. How significant is the impact of the project for the business? How much will it contribute to the viability of the farm as a whole?
3. How feasible is the project? Does the application and business plan demonstrate that the project is well-planned and will be financially feasible for the farm to undertake?
4. Does this project address any of the following priority areas:
   - pandemic related challenges;
   - climate change and climate adaptation; and/or
Improving and/or increasing production or processing of local food or forest products?

5. Other considerations:
   - Is the application complete, clear, and detailed?
   - What is the project timeline, and does it match the grant period (i.e. the project will not start before May 13, 2022)?
   - 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?

5. Matching Funds Requirement: Farmers must have matching funds equal to or greater than 25% of the total project cost. 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 May 13, 2022.

   Note: if your situation makes the match challenging, please reach out to viability staff to discuss the possibility of being eligible for a match waiver.

Eligible match sources include:
   - Farm cash or savings
   - Loans
   - Grants from federal sources, such as USDA NRCS, or state sources, such as the Vermont Agency of Agriculture, Food & Markets
   - Farm Labor or other in-kind donations
   - Other

Example

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>AMOUNT</th>
<th>PERCENT OF TOTAL PROJECT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Match: Farm cash</td>
<td>$250</td>
<td>2%</td>
</tr>
<tr>
<td>Match: In-Kind Labor</td>
<td>$750</td>
<td>6%</td>
</tr>
<tr>
<td>Match: State Grant</td>
<td>$2,000</td>
<td>17%</td>
</tr>
<tr>
<td>TOTAL MATCH</td>
<td>$3,000</td>
<td>25%</td>
</tr>
<tr>
<td>VHCB REQUEST</td>
<td>$9,000</td>
<td>75%</td>
</tr>
<tr>
<td>TOTAL PROJECT COST</td>
<td>$12,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
6. Application Submission:

Submit Online (PREFERRED METHOD):

Please follow this link to complete your application. Please follow the instructions within the application to upload all attachments.

If you are unable to submit your applications electronically, please connect with Betsy McGavisk by email (betsy@vhcb.org) or phone (802-828-5562) to create a plan that ensures we receive all application materials.

7. Review Team, Confidentiality, and Compliance Review: By submitting your application materials, you agree to allow them to be read by members of the Implementation Grant 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 is made up of members of the Viability Program Advisory Board. The information they learn while reading applications is considered highly confidential. Review committee members will be held to our confidentiality policy as well as required to return all copies of applications and supporting documents.

8. 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. Please save all receipts related to the project.

The project cannot start before May 13, 2022, and should be completed within eighteen months of the award.

Grant funding is typically considered taxable income and you will receive a 1099 for the grant amount.

Should you receive funding, you will have to sign a grant agreement that requires the following:

1. You will carry out the project as stated in your application and will provide the Viability Program with documentation that proves this.
2. Once the project is complete, grant recipients must agree to allow Viability Program staff to visit the farm. Grantees should expect to submit observed impacts and annual income and production data via survey for up to five years after the project is complete.

Please inform VHCB if you will be engaging in any financial transaction funded by this grant or matching funds with a related party during any part of this project. This includes, but is not limited to, the following examples: paying a family member or other related party for labor; the
purchase of materials; and/or renting or purchasing equipment. We define a family member or related party as either an individual (sibling, spouse, grandparent, child, or grandchild), or a company (corporation, partnership, LLC, or other entity) that is partially or fully owned by a related individual as listed above.

If you anticipate hiring or purchasing equipment/materials from a family member or related party, please contact VHCB to discuss this situation. You will need to document why you are choosing to work with a family member; demonstrate that their labor, equipment, or any other service is at a fair price; and receive written permission from VHCB to move forward with this transaction.

9. Required Application Materials

1. IMPLEMENTATION GRANT APPLICATION - REQUIRED

2. VIABILITY PROGRAM DOCUMENTS – REQUIRED

   Please attach your business plan, transfer plan, cash flow, or enterprise analysis, or an updated version of these documents, from your work with your Viability Program advisor.

3. PROJECT BUDGET – REQUIRED

4. FINANCIAL STATEMENTS - REQUIRED

   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. Required documents:

   a) 2021 Balance Sheet
   b) 2021 Income Statement
   c) Cash flow projection for 2022 and/or beyond

10. Application assistance: If you need assistance with your application or your business plan, please contact Betsy McGavisk at Betsy@vhcb.org or 802-828-5562.
Viability Program Staff will be hosting two virtual informational sessions on our Implementation Grant Program in order to answer questions about project and/or farm eligibility and provide application assistance. Register for these virtual informational sessions using the links below:

- April 7, 2022, 3pm-5pm
- May 4, 2022, 3pm-5pm