



Agricultural Product Utilization Commission

Grant Guidelines

Effective 8/1/2016

Overview

The North Dakota Agricultural Products Utilization Commission (APUC) derives its mission and authority from the North Dakota Century Code (4.1-01.1) which permits administering grant programs for basic and applied research, marketing and utilization, nature based agritourism, technical assistance for value-added businesses, farm diversification, agricultural prototype development, and agricultural technologies. To enact these grant programs, APUC considers proposals that are consistent with the Code and address opportunities in agricultural product research, development, processing, technologies, and marketing. The following provisions amplify, clarify, and provide process for the state directives.

Objectives

The fundamental mission of APUC is to create new wealth and employment opportunities through the development of new and expanded uses of North Dakota agricultural products. To further this mission, APUC will consider grant requests which:

- lead to and result in new and/or expanded uses for the agricultural products of North Dakota;
- provide processes and/or technologies that improve efficiencies in productivity and value-added;
- are agriculture-based products preferred by consumers;
- diversify agricultural crop and animal industries and collateral uses for agricultural resources;
- focus industry and jobs creation efforts in rural areas of the state;
- include matching funds from other sources, public or private; and
- include a framework for timely progress toward stated objectives.

Program Emphasis

Priority consideration is given to projects most consistent with the mission of APUC. APUC actuates the policy and purpose of Century Code section 4.1-01.1 and provides judgments on the extent to which any proposal meets that policy and purpose. Emphasis will be given to those proposals deemed most likely to generate economic returns and support agricultural-based prosperity of a region or sector of the state.

Application Process

Companies¹ registered with the North Dakota Secretary of State (SOS), higher education agencies, groups, and individuals interested in creating new wealth and employment opportunities through new and expanded uses of North Dakota agricultural products are encouraged to review APUC guidelines available at: www.nd.gov/ndda/apuc to determine the appropriate grant category. Applicants are encouraged to visit with APUC staff and with economic advisors prior to their submission. Applicants must secure a qualified fiscal agent for

¹ A Corporate registration number (for in-state owned companies) or a Corporate Certificate of Authority registration number (for out-of-state companies) is provided by the North Dakota Secretary of State (ND SOS). It is required of all companies who are doing business in North Dakota. The Corporate Division of ND SOS can be reached at 701-328-4284 or at 1-800-352-0867, Extension 8-4284.

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the purpose of administering the project budget and grant funds for the duration of the project. Applicants are invited to present their proposals to the Commission on a quarterly basis. Thirty minutes are allowed for each presentation, including a question and answer period. A maximum of 15 qualified presentations will be heard each quarter. The deadlines for submitting applications are: January 1, April 1, July 1 and October 1. The Commission typically holds its meetings within one month following the deadline. The deadlines for the Prototype/Technology and Technical Assistance grant applications are: December 1, March 1, June 1, and September 1. An agenda is forwarded to applicants shortly after the submission of the proposal.

Applications may be mailed on or before the deadline to:
North Dakota Department of Agriculture
Agricultural Products Utilization Commission
600 E Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020

A complete application must contain all information and supplemental attachments requested and have original signatures of the applicant, project advisor (if applicable), and fiscal agent.

For more information, contact Brad Dean at (701) 955-0181. Parties interested in grant funding opportunities may apply by completing the [APUC Grant Application](#).

Limitations

Each proposal is considered on its own merits and is evaluated in the context of current Commission resources. Funding of a project should not be considered a precedent for funding of an apparently similar proposal. Proposals must be complete yet as succinct as possible. It is the applicant's responsibility to provide information clearly. Missing, poorly stated, or obscure information can reduce evaluation scores and/or funding level. Applicants should follow the provided application format, only including the additional attachments requested.

Generally, applicants are only allowed to apply for one grant at a time, which are limited to a one-year time frame. Completed projects that have advanced can reapply for a second grant. Unless fully justified, uncompleted projects (including final accountability report) will preclude applicants from additional or new funding. Research may be given special consideration.

Generally, grant funds are limited to companies registered with the North Dakota SOS, higher education agencies, groups, and individuals that add value to North Dakota agriculture. Companies from outside North Dakota must have an established relationship with a North Dakota partner (individual, company, or agency) to validate the credibility of the proposal and comply with the intent of the Code.

Records directly indicating the credibility of those submitting proposals, including references and general records may be checked.

Confidentiality will be maintained to the extent allowed under the statutes of the state of North Dakota. By law, North Dakota Century Code 44-04, APUC will limit dissemination of designated confidential information, but in any event, does not assume any liability for inadvertent disclosure. Subject to the policies of participating public programs and entities, rights to use products, processes or services developed under APUC's grant program will remain with the grantee.

Subject to the same policies, ownership and all rights to project outcomes may revert to

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APUC if the grantee or assignee fails to market the product, process or service in accordance with an individually-negotiated funding contract. In such cases, APUC may provide notice and the opportunity to others to assume control of research project outcomes. In these cases, priority will be given to any licensee under such property or others who benefit North Dakota commercially, with first priority being given to small firms in non-urban areas of the state. The decision by the Commission is binding and not subject to review or appeal. Should the process produce a funding level less than the amount requested in the application, APUC staff will confer with the applicant to determine whether the amount recommended would alter the project's feasibility. Unsuccessful grant applications cannot be resubmitted for additional review; however, a grant on the same topic with substantial revisions in scope, objectives, or relevance may be submitted as a new proposal.

APUC reserves the right to evaluate any proposal under the guidelines of any other grant category if the Commission determines that the proposal is apparently misclassified. It also reserves the right to invite revised and/or reclassified proposals which will not be considered resubmissions. By law, any member of the Commission may not participate in, or vote on a decision of the Commission relating to an organization in which that individual has a direct or indirect personal financial interest.

Funding Level

Generally, proposals are not limited to a specific dollar amount. However, APUC's grant monies are finite, and as a mechanism to optimize opportunities, some categories of grants may have limitations on allowable costs that may be included in the project budget. For more information on specific allowable costs please contact the APUC office.

Grant requests may include an additional fiscal agent administrative fee of up to 5 percent of the amount requested, not to exceed \$5,000, for their services. Generally, any of the following individuals may qualify as a fiscal agent: Local Economic Developers, County Agents, Regional Councils, RC&D Coordinators, Agricultural Loan Officers, Accountants, and Personal Banker/Loan Officers.

APUC reserves the right to increase, decrease, or recommend re-budgeting for requested funding based on its findings and on its level of available funds. APUC also reserves the right to fund specific components within any grant request. If APUC requests re-budgeting, the modified request will not count as a second grant. If an application is approved and funded less than the amount requested, it may be approved contingent the applicant submit a revised scope of work and budget, justifying the project's feasibility and ability to be completed during the duration of the contractual agreement.

Funding Period

Generally, grants are funded for a single year or for the duration of a designated-term project. With justification, multi-year projects are considered and, if awarded, subject to annual review and funding renewal. Under unusual circumstances, generally beyond the control of the grantee, the funding period can be extended. The duration of the extension can be negotiated with APUC staff if adequate justification is provided. Grant awards will be made quarterly. See www.nd.gov/ndda/apuc.

Multiple Awards and Subcontracts

Multiple awards to the same applicant will be considered if each application covers a distinctly different project. Applications that have been submitted under other state grant programs may be considered simultaneously by APUC. Research grants are given special consideration.

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Proposals, or components, which can be construed as subcontracts or contracts for service must provide information on the process by which contractors are selected. Competitive selection processes for subcontracts such as feasibility studies, business plans, consultants, marketing plans, are highly favored. Subcontractors may include their employee salaries for discreet periods and for designated duties. APUC does not provide salaries or operating expenses normally associated with standard business practices.

Evaluation Process

Initial screening for completeness and eligibility of all applications will be completed upon receipt by APUC staff. Should revisions or corrections be deemed necessary, the applicant may withdraw and resubmit. Revised grant applications may be submitted to APUC staff no later than two weeks prior to the date of the quarterly Commission. Up to a total of 15 eligible applications from all grant classifications (and the applicants' credentials) will be reviewed and evaluated quarterly by the Commission.

The evaluation will be based on the written application, an oral presentation of the proposal with a question/answer period to clarify important elements, and information gained during exploration of the project or during background checks. The oral presentation may include a visual aid, which must be submitted to APUC staff no later than five business days prior to the date of the quarterly Commission meeting. Each application will be considered individually by the full Commission, who will reach a determination to accept, modify or deny the request. Following the Commission's determination, applicants will be promptly notified, and a synopsis of funded projects will be released.

The decision by the Commission is based on the best information available at the time of consideration. The Commission's findings are not subject to review or appeal. Should the process produce a funding level less than the amount requested in the application, it may be approved contingent the applicant submit a revised scope of work and budget, justifying the project's feasibility and ability to be completed during the duration of the contractual agreement.

Grant Administration and Reporting

Successful applicants are expected to adhere to the conditions outlined in these guidelines. Following approval of the grant award, a formal grant contract will be executed between APUC, the grantee and fiscal agent. This contractual agreement will specify the agreed-upon objectives, tasks to be performed, timeline and budget, a fund release schedule, and any other conditions specific to the individual application.

Under the terms of some grant contracts, the grantee may be required to submit to the Commission periodic interim reports outlining progress and both timeline and budget compliance. Generally, grant funds will be released to the fiscal agent administering the project budget; which will then be released to the grantee, on a reimbursable basis, as an equivalent amount is expensed on the approved project budget. Project expenditures related to the approved budget may date back to the time of the application due date through the end date stated in the contractual agreement.

In most cases, the entire grant amount will not be released at the time of the Commission's decision. In such instances, funds released will be tied to the grant contract, and any insufficiencies with the contract may result in withholding of further funding. Should such grave insufficiencies exist that the project appears to the Commission to be in jeopardy, the contract may be canceled, and all funds previously released may be recovered through collection procedures.

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Grantees will be required to submit a final written report describing the work performed and the results obtained, prior to final release of grant funds. The report should also indicate how the project benefited the state and people of North Dakota. The fiscal agent is required to submit a supplemental financial report of all expenses actually incurred and income generated by the project with supporting financial documentation.

Audit

To comply with the legislative purpose of APUC, protect the investment of APUC and the people of North Dakota, all financial documents, books, receipts, orders, expenditures, electronic data and accounting procedures and practices of the grantee are subject to examination by or for APUC. APUC, as a member of the ND Commerce Department, is audited by the ND Auditor's Office.

Evaluation and Funding Criteria

Qualified APUC grants are submitted by, or at the request of companies registered with the North Dakota SOS, higher education agencies, groups, and individuals developing and marketing agriculture-based products or services that add value to North Dakota agriculture.

Proposals will be evaluated with the following criteria:

- probability and extent of new wealth creation
- credibility and merit
- market potential and commercialization feasibility, including technical and financial feasibility
- scientific merit
- innovation
- technical qualification and competence of project principals
- probability of successful commercialization and application of research
- presence, source and level of matching funds
- geographic location of an applicant
- economic impact of the application

Applications are rated on a 100-point scale:

- Up to 30 points for the demonstration of a high level of probability of jobs and wealth creation.
- Up to 30 points for the scientific and technical merit of any project, as well as the qualifications of the project's principals. An application with substantial market and commercial potential will be favored over one with little perceived economic impact. Further, research applications should be innovative as well as commercially plausible.
- Up to 15 points for the demonstration of a high level of probability of successful commercialization.
- Up to 10 points for projects which demonstrate a shared commitment for funding from other sources (e.g. from the application and/or other public and private sources).
- Up to 5 points for geographical considerations.
- Up to 10 additional points may be awarded based upon an individual Commission member's judgment for the potential success of a proposal.

Each grant request and application will be judged on these criteria. Within a framework of 100 points maximum, each of the criteria will be considered as follows.

Probability and Extent of New Wealth Creation

APUC's objectives and mission are plainly stated. North Dakota is heavily dependent upon the revitalization of the agricultural economy. The creation of new industry, jobs and wealth are critical to any grant request; preference will be given accordingly. While APUC does not make any strict requirements for jobs created per dollar granted, return on investment is a prime consideration of all requests. *Up to 30 points will be awarded on this criterion.*

Credibility and Merit

Critical to the success of this program is the scientific and technical merit of any project, as well as the qualifications of the project's principals. APUC will judge each proposal for its perceived feasibility, both technical and commercial. The stated goal of APUC is to foster new wealth in rural North Dakota. An application with substantial market and commercial potential will be favored more than one with little perceived economic impact. Additionally, applications which feature a project that is innovative as well as commercially plausible will receive preference. A literature search will be required to demonstrate the relative innovativeness of each project application. A final criterion will focus on the relative competence and technical qualifications of the project principals. *Up to 30 points will be awarded on these criteria.*

Timeliness

It is the desire of APUC that the project it funds leads to timely application, commercialization and ultimate wealth creation. In keeping with this goal, preference will be given to applications demonstrating a high probability of successful commercialization. *Up to 15 points will be awarded on this criterion.*

Matching Funds

Enhanced consideration will be given to projects which demonstrate a commitment for funding from the applicant or from other private or public sources. Matching funds may be in the form of cash and in-kind services. Generally, grant applicants must commit a minimum match dollar investment of 25 percent of the total amount requested from APUC, exclusive of the fiscal agent administrative fee. In-kind support must not exceed 50 percent of the total match funding and must be supported by a detailed explanation as to how that amount was comprised (*prior approval required*). Approved indirect costs may qualify as matching funds.

Disbursement of APUC funds will be contingent upon evidence that matching funds have been allocated to the proposal. APUC desires to make the best use of its biennial grant pool. Consequently, preference will be given to proposals which allow APUC the most return on investment.

Applications that contain matching funds from other grant programs must demonstrate contingent approval from appropriate sources prior to release of funds by APUC. *Up to 10 points will be awarded on this criterion.*

Geographic Consideration

The majority of APUC's funding is derived from rural North Dakota. Accordingly, preference will be given to proposals which center efforts on non-urban locales. When the proposal requires specific research which cannot possibly be carried out in rural North Dakota, consideration will be given to the ultimate development and commercialization of the results of the proposal, with the same rural preference.

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APUC encourages and facilitates new agricultural products and processes within the state of North Dakota for the benefit of the state and its people. Grantees are expected to respect this objective and use any innovation funded by the program within North Dakota, or at a minimum demonstrate the direct benefit for North Dakota. *Up to 5 points will be awarded on this criterion.*

Commissioner's Opinion (Merit)

APUC members are appointed according to the Century Code 4.1-01.1. In the appointment, Commissioners accept their obligation to work with the highest ethical standards including diligence, resolution of conflicts-of-interest, accurate accounting, sustaining confidentiality, and compliance with the spirit of open-meeting deliberations. Because the selection of Commissioners is based on their commitment to the future of agriculture as well as a proven record of active involvement, Commissioners are allowed flexibility in scoring projects for merit and funding level. Commissioners are provided 10 percent scoring discretion based largely on individual judgment of the likelihood of success of each proposal. *Up to 10 points will be awarded on this criterion.*