

PLACE ON STATE LETTERHEAD

Date

RE: Letter of Conditions – Rural Energy for America Program

(Select One) Energy Audit or Renewable Energy Development Assistance Project

Project Description:

Grant Amount: \$

Dear :

This letter establishes conditions which must be understood and agreed to by your organization (the Grantee) before further consideration can be given to your organization's application. The grant will be administered on behalf of the Rural Business-Cooperative Service (RBS) by the State staff of USDA Rural Development (Agency). All terms and conditions outlined in the 7 CFR 4280 Subpart B, the Notice of Solicitation of Applications published in the Federal Register (March 31, 2023, Volume 88, No. 62).

This letter does not constitute grant approval, nor does it ensure that funds are or will be available for the project.

Energy Audits will be completed in accordance with 7 CFR Section 4280 Subpart B, 4280.103 and 4280.150(a) and Renewable Energy Development Assistance guidelines are outlined in 4280.103 and 4280.150(b).

Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and pre-approved by the Agency, by written amendment to this letter. If significant changes are made without obtaining such approval, the Agency may discontinue processing the application.

If all conditions in the Letter of Conditions are met, there have been no adverse changes in the Grantee's financial condition or eligibility, and no change in the project's purpose, the Agency will issue the Financial Assistance Agreement.

Please complete and return the following forms, attached, by **DATE if your organization desires further consideration of your organization's application:**

- **Form RD 1942-46, "Letter of Intent to Meet Conditions"**
- **Form RD 1940-1, "Request for Obligation of Funds".**

The docket may be completed based on the following:

1. PROJECT FUNDS

The Project Funds must be utilized in accordance with 4280.150 and as outlined in the application's scope of work.

(As applicable) The application contains ineligible use of funds that must be redirected to eligible uses. Please work with the Agency to revise the application budget prior to obligation of funds.

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Any revisions in this financing plan must have the Agency's concurrence. All documented funding must total the project amount. The Project Funds must be disbursed in accordance with 4280.152(b). The Grantee must maintain all receipts and other documentation for all transactions where grant and matching funds are used for the project cost and provide copies of these documents to the Agency.

2. GRANT AMOUNT

The application may be completed based on a grant not to exceed \$. Grant funds will be used for only eligible costs as identified in RD Instruction 4280-B.

3. MATCHING FUNDS/ PROJECT FUNDS

Your organization's application identified \$XX as matching funds. (If applicable)

Your organization's proposal identified energy audits as part of the project. In accordance with RD Instruction 4280.152(d) the agricultural producer or small business is required to contribute 25% of the cost of the audit. It is recommended that you provide documentation that the agricultural producer or rural small business paid the grantee 25% of the cost of the audit with each reimbursement request. (If applicable)

4. DEBARMENT

Your organization must ensure all contractors, vendors, and their principals engaged with this project are not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. Therefore, your organization must obtain a certification on Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transactions" from each contractor, vendor, and their principals (above \$25,000) doing business with your organization as a result of this Government assistance.

5. EQUAL OPPORTUNITY AND NONDISCRIMINATION REQUIREMENTS

The Grantee will comply with Title VI of the Civil Rights Act of 1964, "Nondiscrimination in Federally Assisted Programs," 42 U.S.C. 2004d4; Section 504 of the Rehabilitation Act of 1973 for Federally Conducted Programs and Activities; the Age Discrimination Act of 1975; and the Americans with Disabilities Act. The Grantee is required to complete and sign RD Form 400-4, Assurance Agreement.

Borrowers and Grantees must take reasonable steps to ensure that Limited English Proficiency (LEP) persons receive the language assistance necessary to afford them meaningful access to USDA programs and activities, free of charge. The Agency has issued guidance to clarify the responsibilities of recipients and sub recipients who receive financial assistance from the Agency and to assist them in fulfilling their responsibilities to LEP persons under Title VI of the Civil Rights Act, as amended, and implementing regulations.

The Agency's LEP guidance will assist in conducting an LEP Four-Factor Analysis and developing a Language Access Plan (LAP). To comply with the LEP requirements, you must complete a 4-Factor Analysis and provide meaningful access to LEP persons.

As a grant recipient, what does my organization need to do?

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- a. Go to the website: <https://www.rd.usda.gov/about-rd/offices/civil-rights>, scroll down and find (under Limited English Proficiency Information) the “USDA Rural Development’s Limited English Proficiency Implementation Strategy for Federally Assisted Programs”. As the grant recipient, your organization will need to set up a file titled “Limited English Proficiency” to document your organization’s compliance with the LEP requirements.
- b. Read the document and review the requirements for LEP. Page 8 of the document describes the Four-Factor Analysis, which is a step-by-step suggested process for conducting an LEP needs assessment.
- c. Complete the Four-Factor Analysis for your Rural Development (RD) assisted project and/or service area(s). Note, if your organization has received assistance for multiple projects or from more than one program, your organization may have multiple service areas that will need to be evaluated. However, the multiple service areas can be combined in the same analysis. There is no need to conduct separate analyses for each area.
- d. The documentation that your organization has gathered for the Four-Factor Analysis is to be saved and filed in your organization’s office LEP file. This documentation will be needed for all future RD Compliance Review visits.
- e. As a recipient, your organization will need to monitor, evaluate, and update the Four-Factor analysis as appropriate and as changes in your organization’s service area warrants. Document any changes or updates in your organization’s office LEP/LAP file.

6. BUSINESS OPERATIONS, ACCOUNTS AND RECORDS

Prior to issuing fund disbursement instructions, your organization must present to the Agency for approval the following documents:

- a. A complete set of financial records to be maintained by your organization.
A project fund tracking system or plan for its development.

7. CLOSING

By acceptance of these conditions, it is agreed that your organization will provide and sign all evidence, forms, documents, and agreements necessary to complete the application.

8. GRANT DISBURSEMENT

The grant disbursement period will encompass the 24 months immediately following the date of the signed Financial Assistance Agreement. If the project exceeds this timeframe, the Agency reserves the right to discontinue processing grant funds, unless the timeframe has been extended in writing. A written request for extension must be submitted to the Agency no later than 30 days before the expiration date of the Financial Assistance Agreement.

Grantee will disburse grant funds within the timeframe scheduled after funds have been obligated and the Financial Assistance Agreement executed.

Requests for reimbursement may be submitted no more than monthly to the Agency. Ordinarily, payment will be made within 30 days after receipt of a proper request for reimbursement.

Standard Form (SF) 270, “Outlay Report and Request for Advance or Reimbursement,” shall be used to request Grant reimbursements.

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Grant funds will be transferred to the Grantee via Electronic Funds Transfer (EFT). The Grantee will complete and deliver to the Grantor/Agency, Form SF 3881, "Electronic Funds Transfer Payment Enrollment Form."

9. REPORTING REQUIREMENTS

a. Semi-Annual Reports

Form SF-425, "Financial Status Report" and a Project Performance Report will be required on a semi-annual basis. The financial status report must show how grant funds and leveraged funds have been used to date and indicate the funds needed and their purposes for the next quarter. A final report may serve as the last semi-annual report. Grantees shall constantly monitor performance to ensure that the time schedules are being met and the projected goals by time periods are being accomplished. The semi-annual project performance reports will also:

- (i) Discuss how objectives and timetables were met or if not met, a summary of any delays or problems that occurred, and a statement of action taken or planned to resolve the situation.
- (ii) Discuss the number of audits performed, number of recipients helped via renewable energy development assistance, and provide a comparison of actual accomplishments to the objectives established for that period.
- (iii) Include a list of recipients, each recipient's location, county, and zip code.
- (iv) Include each recipient's North American Industry Classification System Code.

b. Final Performance Reports

A Final Performance Report will be required with the Federal Financial Report within 90 days after project completion. The Final Performance Report will include all below noted items as specified under the headings of Energy Audit Reports and Renewable Energy Development Assistance Reports.

For Energy Audit Reports:

- (i) Number of audits conducted.
- (ii) A list of recipients with each recipient's North American Industry Classification System Code.
- (iii) Each recipient's location, county, and zip code.
- (iv) The cost of each audit and documentation that the recipient provided 25% of the cost of the audit.
- (v) The expected energy saved for each audit conducted if the audit is implemented.

For Renewable Energy Development Assistance Reports:

- (i) A list of recipients with each recipient's North American Industry Classification System Code.
- (ii) Each recipient's location, county, and zip code.
- (iii) The expected renewable energy that would be generated for each project if the project is implemented.

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c. Outcome Project Performance Report

One year after submittal of the Final Performance Report, the grantee will provide the Agency with a Final Status Report on the number of projects that are proceeding with one or all of the grantee's recommendations, including the amount of energy saved and the amount of renewable energy generated, as applicable.

d. Documentation

Copies of completed audits and renewable energy development assistance materials, including site assessments will be made available to the Agency upon request.

10. SYSTEM FOR AWARD MANAGEMENT REQUIREMENT

Unless your organization is exempt from this requirement under 2 CFR 25.110, your organization, as the recipient, must register with the System for Award Management (SAM) before the Financial Assistance Agreement is executed. Your organization must maintain the accuracy of your information in the SAM until your organization submits the Final Performance Report required under this award or receives the final payment, whichever is later. This requires that your organization review and update the information at least annually after the initial registration, and more frequently if required by changes in your organization's information or another award terms. Additional information about registration procedures may be found at the SAM Internet site at: (<http://www.sam.gov>).

11. COMPLIANCE WITH OTHER FEDERAL LAWS AND REGULATIONS

By signing Form RD 1942-46 "Letter of Intent to Meet Conditions," the signatory attests that [insert corporation name] has not been convicted of a felony criminal violation under Federal law in the 24 months preceding the date of signature, nor has any officer or agent of [insert corporation name] been convicted of a felony criminal violation under Federal law in the 24 months preceding the date of signature.

By signing Form RD 1942-46 "Letter of Intent to Meet Conditions," the signatory attests that [insert corporation name] does not have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

12. OTHER REQUIREMENTS

The Grantee will be responsible for any additional requirements of federal, state, or local governments that may apply in accordance with 7 CFR 4280 Subpart B.

Employee Dishonesty Insurance or bonding is required.

The Grantee will follow the requirements in the Letter of Conditions and the Grant Agreement. No further processing will occur on this application until the attached Forms RD 1942-46 and 1940-1 are signed and returned.

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Sincerely,

Name

Title

Enclosures:

Form RD 1942-46, "Letter of Intent to Meet Conditions"

Form RD 1940-1, "Request for Obligation of Funds"

Form RD 4280-2, "Rural Business-Cooperative Service Financial Assistance Agreement"

Form SF 270, "Request for Advance or Reimbursement"

Form SF 3881, "Electronic Funds Transfer Payment Enrollment Form"

Form SF-425, "Federal Financial Report"

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