



GUIDELINES OVERVIEW

2016 LOUISIANA FARM RECOVERY GRANT PROGRAM

Eligibility

| | |
|-------------------------------|--|
| Location | Located in Acadia, Allen, Ascension, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Catahoula, Claiborne, DeSoto, East Baton Rouge, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson Davis, Lafayette, LaSalle, Lincoln, Livingston, Madison, Morehouse, Natchitoches, Ouachita, Point Coupee, Rapides, Red River, Richland, Sabine, St. Helena, St. James, St. Landry, St. Martin, St. Tammany, Tangipahoa, Union, Vermilion, Vernon, Washington, Webster, West Baton Rouge, West Carroll, West Feliciana and Winn Parishes |
| Eligible Crops | Cattle, corn, cotton, crawfish, grain sorghum, hay, rice, soybeans, strawberries, sugarcane, sweet potatoes and wheat. |
| Eligibility Date | Farming prior to March 1, 2016 and in business and planting a crop in the year 2017 |
| Single Employee Firms | Eligible |
| Min. Size (pre-storms) | Annual gross farm revenue of \$25,000 in 2014, 2015 or 2016 |
| Crop Loss | Minimum of \$10,000 (as determined by the crop loss calculator) |
| Documentation | Complete Federal Tax Returns including all schedules for 2014, 2015 and 2016 for the producer business and/or the owners, depending on how the owner files Completed Application, to include all attached forms Completed Crop Loss Calculator Completed FSA verification authorization form Completed RMA verification authorization form Copy of Government Issued ID Proof of Use of Funds (2017 receipts and invoices) for eligible expenses for total grant amount Copies of current payroll registers, payroll forms or federal form 941 Completed LMI Form |
| Application Period | Approximately 36 days |



Awards

| | |
|---------------------|--|
| Grant | <p>100 % grant for working capital expenses for 2017 planting year expenses</p> <p>The applicant's award amount will be based on the amount of its 2016 crop loss as determined by the crop loss calculator and unmet need(s) after duplication of benefits verification. The award may not exceed \$100,000 based on approval and availability of funds. If, after the close of the application period, the total request for funds exceeds the program allocation, the state will use a pro-rata allocation process to make individual awards that are based on applicant's crop loss and unmet need(s).</p> <p>Based on program demand at the close of the application process, the state will announce the final pro-rata formula and allocation if it is found to be necessary.</p> |
| Disbursement | <p>Single or multiple payments, depending on the timing of when an eligible grantee incurs eligible program expenses</p> |
| Method | <p>Electronic Funds Transfer (EFT) or check</p> |



GUIDELINES

2016 LOUISIANA FARM RECOVERY GRANT PROGRAM

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Description

The state's agricultural industry was impacted by two major weather events in 2016. The first was in March 2016 when many areas of North Louisiana received more than 30 inches of rain in a 24 - 48 hour time period. While the initial rain event created significant difficulties for agricultural producers, persistent rainfall that occurred for much of April and May caused additional difficulties and backwater flooding. The LSU AgCenter estimated agricultural damage at roughly \$90 million. The commodities included in this estimate were corn, soybeans, cotton, sorghum, rice, sweet potatoes, wheat, livestock, vegetables, and forage. Given the time of the year of the rains, much of the impact for most commodities was increased production costs associated with having to re-plant commodities. For livestock, the estimates included animal deaths as well as increased costs associated with relocating animals and reduced forage availability.

The second event was in August 2016 when many areas of South Louisiana received upwards of 34 inches of rain in a 24-48 hour time period. While the large rainfall totals were fairly limited to South Louisiana, persistent rainfall for much of August and September throughout the state delayed normal farming operations and added to the negative impact for agricultural producers. The LSU AgCenter estimated agricultural damage at roughly \$277 million. The commodities included in this estimate were rice, soybeans, corn, grain sorghum, cotton, sweet potatoes, sugarcane, livestock, fruits and vegetables, ornamental horticulture, hay and pasture, and honey. For most crop commodities, the agricultural damage estimates included reduced revenue from both quality and quantity impacts as well as increased production and harvest costs. For livestock, the estimates included animal deaths as well as increased costs associated with relocating animals and reduced forage availability. Finally, the estimate also included estimates of infrastructure damage to agricultural operations.

Traditionally, the United States Department of Agriculture (USDA), via the Farm Bill and its crop loss programs, has addressed storm related losses, however; in 2008, substantial new changes were incorporated into the Farm Bill. Many of Louisiana's farmers would not qualify for recovery funds from this new USDA program. To assist the agricultural sector recover from the roughly \$367 million damages due to the 2016 floods, the Louisiana Department of Agriculture and Forestry (LDAF) designed the Louisiana Farm Recovery Grant Program (LFRGP or program) to assist farm enterprises.

This program will provide grants to producers impacted by the floods that have shown a commitment to remain in the agricultural industry and can prove losses based on the program's design. Funds can be used by eligible producers to assist with paying unmet expenses necessary for a 2017 crop, a need resulting from storm-related uninsured and non-covered losses. These funds will allow producers to retain or hire employees and/or recover their farming operations.

The total funding available for the 2016 LFRGP is \$9.5 million to provide grants to assist agriculture and forestry producers in recovering from the floods. This program is funded through the Community Development Block Grant Disaster Recovery Program (CDBG-DR from the U.S. Department of Housing and Urban Development (HUD) as eligible under Sections 105(a)(14), 105(a)(17) or 105(a)(22) of the Housing and Community Development Act of 1974). The activities will meet the national objective of urgent need or benefit to persons of low to moderate income.

The Office of Community Development, Disaster Recovery Unit (OCD-DRU), who receives the CDBG-DR grant funds from HUD, serves as HUD's grantee. As OCD-DRU's subrecipient, the program implementation, management and monitoring will be conducted by Louisiana Department of Agriculture and Forestry (LDAF) through the Louisiana Agricultural Finance Authority (LAFA), a public agency



organized pursuant to Louisiana Revised Statutes 3:264 et seq. The program will have separate application documents, underwriting requirements and use of funds stipulations.

Program Documents/Manuals

LDAF and LAFA shall prepare and submit for OCD-DRU approval the comprehensive 2016 Louisiana Farm Recovery Grant Program manual, which shall include program documentation guide, forms, grant agreements, guaranty agreements, and other documents necessary to the implementation of the program. LAFA will consult with OCD-DRU on policy questions that relate to the agriculture industry and the program including additions, revisions and changes to program policies. LAFA will also consult with OCD-DRU on questions relating to CDBG eligibility, monitoring and compliance.

Program Outreach

Producers will be able to sign up to receive information about program timing at www.ldaf.state.la.us. Outreach will be undertaken by LDAF and LAFA staff as per plans to be developed. Outreach will consist of:

1. Use of the LSU and Southern Ag centers
2. Dissemination of information by Farm Service Agents
3. Dissemination of information by bankers
4. Dissemination of information by insurance companies/agencies
5. Advertisement in newspapers
6. Information posted on LDAF website
7. Attendance at meetings as requested
8. Orientation and application workshops for producers throughout Louisiana

Program Administration

- Program implementation, management and monitoring will be conducted by the Louisiana Agriculture Finance Authority (LAFA), a public agency organized pursuant to Louisiana Revised Statutes 3:264 et seq. and regulations promulgated by LAFA for this purpose.
- LAFA will consult with OCD-DRU on policy questions that relate to the agriculture industry and the program including additions, revisions and changes to program policies.
- LAFA will consult with OCD-DRU on questions relating to CDBG eligibility, monitoring and compliance.
- LAFA/LDAF will conduct application intake and may allow producers to apply on an appointment basis.
- Monitoring of the awards shall be performed by the LAFA as detailed below.
- All parties shall comply with the anti-fraud measures detailed below, which shall not be construed to be an exclusive listing.

CDBG Requirements

This program is funded as an eligible activity under CDBG-DR. All requirements of the CDBG-DR program that relate to the economic development activities are applicable to the program including:

- Meeting a national objective. Louisiana Department of Agriculture and the Louisiana Agriculture Finance Authority will collect information on each farmer to demonstrate how they meet one of the following national objectives:
 - Benefit to Low and Moderate Income persons, job creation 24 CFR 570.483 (b)(4), as amended by FR-5989-N-01;
 - Benefit to Low and Moderate Income persons, job retention 24 CFR 570.483 (b)(4), as amended by FR-5989-N-01;



- Benefit to Low and Moderate Income persons, limited clientele (assistance to microenterprises whose owners are LMI) 24 CFR 570.483 (b)(2) as amended by FR-5989-N-01; OR
- Urgent Need 24 CFR 570.483 (d), as amended by FR-5989-N-01.
- Guidelines for evaluating and selecting economic development projects, as per 24 CFR 570.209, and subject to the alternative requirements listed in the applicable disaster recovery waivers and as amended by FR-5989-N-01.
- Other program requirements – 24 CFR 570.601 (Sub part K).
- Financial Records – 24 CFR 570.502 and 2 CFR 200.302.
- 24 CFR 570.603 Labor Standards.
- 24 CFR 570.604 and 24 CFR Part 58 Environmental standards.

Lafa will be required to report on all jobs created or retained through the program. If the producer cannot be categorized as LMI (see below), the awarded producer must still provide job and owner information to Lafa; however in such cases, the awarded producer will be classified as meeting the national objective of Urgent Need.

In order to determine whether the assistance to a producer can be categorized as LMI job creation or retention or LMI Limited Clientele for national objective purposes (24 CFR 570.483 (b) (4)), Lafa will:

- Ensure the producers complete, execute and submit LMI Certification forms as part of the application and collect job creation information from producer within 6 months of grant award;
- Perform a financial analysis of an eligible producer to justify the use of LMI Job Retention as a national objective. Producers may only qualify under LMI Job Retention if:
 - a) 51% or greater of their total jobs retained by the applicant producer are held by LMI persons, as defined by the salary paid to the employee; AND
 - b) The company experienced a 20% decline in gross revenue since the flood events; and/or
- Collect income data on owners of microenterprises considered to be LMI

OCD-DRU will provide LMI Certification forms for each parish along with current income tables for 2017, if available. Awarded producers must complete the LMI Certification form for the parish in which their employees and/or owners reside. OCD-DRU will provide yearly updated LMI Certification forms to Lafa as area median income data defined by HUD becomes available.

Program Definitions

Gross crop revenue (for 2016) is calculated by multiplying total acres harvested times the total average yield times an estimated average selling price. The estimated average selling price is calculated by dividing the applicant's share of crop revenue by the amount of the crop marketed by the applicant.

Expected gross crop revenue (for 2016) is the level of revenue that would have been expected to have been generated in 2016 under normal weather conditions and is calculated using the applicant's response to the number of acres harvested in 2016, a 5 year parish average for crop yields and the estimated average market price in 2016.

Increases in either harvest or production costs are the costs of having to replant crops that were ruined due to high levels of rainfall and flooding; costs associated with harvesting crops under excessively wet field conditions causing reduced harvest speeds and efficiency; and costs associated with increased tillage and land preparation due to damage caused to land resulting from either having to harvest under excessively wet conditions or resulting from the impact of pounding rainfall and flooding.

Loss of stored hay is calculated by using the number of bales destroyed and then converting them into tons of hay assuming an average bale weight of 1,200 pounds. A market value for hay lost due to flooding is then calculated using the average 2016 market price as defined by the 2016 Louisiana Summary publication.



Lost or dead cattle are cattle that were lost or killed and calculated on a value per head by for the two classes of cattle using average 2016 market prices obtained from the 2016 Louisiana Summary publication and assuming an average weight for calves of 500 pounds and breeding animals of 1,200 pounds.

Net estimated losses are the amount of losses eligible for assistance under the 2016 Louisiana Farm Recovery Grant Program calculated by the difference between the total estimated losses and any assistance received by the applicant from other sources.

Producer is one who engages, as an occupation, in farming operations as a distinct activity for the purpose of producing a farm crop and assumes the production and market risks associated with the agricultural production of those crops. A corporation or farmer's cooperative may be a "producer" if engaged in actual farming of the nature and extent there indicated.

Reductions in grazing availability is the economic loss associated with pastures that were flooded making grazing unavailable to cattle which is calculated using a hay equivalent methodology. The methodology assumes the economic loss is equal to the value of the amount of hay that would be needed to compensate for the loss grazing. The methodology assumes that each mature cow weighs 1,200 pounds and eats 2 percent of her body weight per day. With this information, the total amount of hay needed for the number of days grazing was unavailable is calculated. The value of that hay is then estimated using the average 2016 market price for hay as defined by the 2016 Louisiana Summary publication.

Total estimated losses (suffered by the farming operation) is a summation of the estimated economic losses associated with each crop produced and any cattle related losses.

General Eligibility

In order to be eligible for the benefits under the Louisiana Farm Recovery Grant Program, a producer must meet the following requirements:

- Farm must be located in Louisiana in one of the following parishes impacted by the 2016 Severe Storm and Flooding Events: Acadia, Allen, Ascension, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Catahoula, Claiborne, DeSoto, East Baton Rouge, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson Davis, Lafayette, LaSalle, Lincoln, Livingston, Madison, Morehouse, Natchitoches, Ouachita, Point Coupee, Rapides, Red River, Richland, Sabine, St. Helena, St. James, St. Landry, St. Martin, St. Tammany, Tangipahoa, Union, Vermilion, Vernon, Washington, Webster, West Baton Rouge, West Carroll, West Feliciana and Winn
- Farms must have been affected due to the 2016 March and/or August flooding and have crop losses not fully remediated by other USDA insurance, private insurance or other duplicative assistance.
- Farm must experience a crop loss of cattle, corn, cotton, crawfish, grain sorghum, hay, rice, soybeans, strawberries, sugarcane, sweet potatoes or wheat.
- Sole proprietorships, partnerships (general, limited or LLP), corporations (S Corps, C Corps and LLCs), cooperatives, joint ventures, and other entities may participate.
- Farm must be in operation during 2016 growing season and in operation in 2017.
- Farm must have a minimum of \$25,000 annual gross agriculture revenue in 2014, 2015 or 2016.
- Farm must have experienced a minimum storm related crop loss of at least \$10,000 as determined by the crop loss calculator.

Miscellaneous Eligibility

- Common ownership of different businesses/companies: If two or more companies or businesses with common ownership have an owner with greater than 50% ownership in each, only one company or business may qualify for an award. Owners with a $\geq 50\%$ share in two or more businesses may only qualify for one award each (e.g., a husband/wife team with 50%/50% ownership in two legally distinct farms may qualify for one award each).



- Producers who have received a grant and own a minority share in another farm, do not disqualify that farm by their ownership.
- Producers who have received, or will receive, assistance from any duplicative sources, such as Federal programs, private insurance or flood insurance including the USDA for this same crop loss or forage loss shall have those funds deducted from their eligible awards.
- Applicants who are currently in bankruptcy are not eligible to participate in the LFRGP.
- Applicants who received a grant/loan from the 2008 Louisiana Farm and Agribusiness Recovery Grant and Loan Program and whose files were turned over to the Office of Community Development prior to March 8, 2016 for non-payment are not eligible to participate in the LFRGP.

Award

- Awards will be 100 % grants.
- Total awards will be a maximum of \$100,000 depending on the availability of funds.
- The applicant's award amount will be based on the amount of its 2016 crop loss as determined by the crop loss calculator and unmet need after duplication of benefits verification.
- If eligible requests for funds exceed the dollars available, awards will be made on a pro rata share.

Award Underwriting

Minimum Standard Underwriting – all award applicants must meet the general eligibility and miscellaneous eligibility criteria (above).

Determination of Satisfaction of the Criteria of 24 CFR 570.209¹:

- That the project costs are reasonable.
- CDBG funds are not substituted for non-Federal financial funding support.
- That, to the extent practicable, CDGB funds are disbursed on a pro rata basis with other finances provided to the project.

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¹ There are no objectives or absolute measures of satisfaction of these criteria.



Use of Funds

- Grant proceeds may be used for working capital expenses used to pay 2017 planting year expenses that are related to the preparation, planting, management and harvesting the 2017 crop including, but not limited to:
 - Feed
 - Bait
 - Seed
 - Fertilizer
 - Fuel
 - Chemicals
 - Herbicides
 - Crawfish traps
 - Office supplies
 - Insurance
 - Utilities
 - Labor/payroll
 - Veterinarian services and supplies
 - Custom harvester
 - Custom aerial applicator
 - Written land leases for crawfish producers

Proceeds may **NOT** be used for:

- Acquisition of land or buildings
- Purchase or repair of equipment
- New construction or reconstruction
- Repayment or refinancing loans
- Payments of tax arrearages, government fines or penalties
- Political or religious activities
- Buying out any stockholder or equity holder in a business
- Buying out or reimbursing any family member
- Investment in instruments or investments for the sole purpose of a return on investment
- A loss or expense for which insurance benefits has been or will be paid or financial assistance has been or is to be provided from federal, state, or other source
- Placing new land into production

Application and Award Process Flow

- Applicant attends information session in local region that will be held by LAFA/LDAF.
- Applicant obtains application from information session or from the LDAF website. Applicant may also contact LAFA/LDAF to apply on an appointment basis.
- Applicant contacts LAFA/LDAF via phone or e-mail with questions or to request assistance.
- Applicant completes application and submits to LAFA/LDAF by mail or electronically.
- LAFA/LDAF reviews application for completeness and eligibility.
- LAFA/LDAF enters application information into database.
- If eligible, LAFA/LDAF contacts applicant to inform of additional information needed for complete underwriting.
- Applicant provides necessary information requested.
- LAFA/LDAF conducts external reviews as needed (Louisiana Department of Revenue, FSA, etc.). If necessary, LDAF/LAFA may conduct site visits to verify acreage.
- LAFA/LDAF conducts duplication of benefits check.
- LAFA/LDAF performs a calculation of award amount.



- LAFA/LDAF notifies recipients of award amounts via US mail or email (as chosen by applicant). For applicants not approved to receive an award, a certified letter will be mailed.
- LAFA/LDAF closes with recipients and establishes a draw down schedule. In the event an applicant provides all receipts necessary for the full award amount to be released prior to closing, all funds will be released at one time. If at the time of the closing, the applicant has not provided receipts sufficient to receive the entire amount of the award, LAFA will permit the applicant to submit additional receipts.
- LAFA/LDAF requests funds from OCD-DRU providing the support documentation necessary for reimbursement.
- LAFA/LDAF transmits funds to recipient.

Duplication of Benefits

Generally, financial assistance received from another source that is provided for the same purpose as the Farm Recovery Grant Program funds is considered a Duplication of Benefit (DOB). To prevent the payment of DOBs to applicants, program controls include, but are not limited to:

1. Certification that applicants acknowledge all potential DOBs as part of the information submitted in their applications and subsequent to receiving an award from the Farm Recovery Grant Program.
2. Verification of specific DOBs through various available sources. The DOB verification process will be carried out in the following steps:
 - a) Applicants will be required to provide insurance provider contact information, policy coverage information and ID, claims information and amounts received and approved for all potentially duplicative sources.
 - b) Applicants will be required to authorize LAFA to contact all potentially duplicative funding sources on their behalf to verify all funding sources received and/or approved.
 - c) LAFA will collect information on potentially duplicative funding sources from all applicants during the application phase.
 - d) Using information collected from the applicant and the authorization provided to LAFA by the applicant, LAFA will perform a verification of benefits received and/or approved on all applicants. LAFA may work directly with applicant to expedite this process.

LAFA will use this information to calculate final eligible award amounts for applicants.

Below is the process flow of the DOB process and a sample calculation:

| | | |
|----|---|-----------|
| 1. | LAFA Identifies Applicant Business' Eligible Use of Funds | \$100,000 |
| 2. | LAFA Identifies All Potentially Duplicative Assistance through the Program Application | \$35,000 |
| 3. | LAFA Verifies All Duplicative Assistance Received or Approved for the Applicant Business and Determines only \$30,000 is considered to be Duplicative with the LFRGP program award. | |
| 4. | LAFA Deducts Assistance Determined to be Duplicative from the Applicant Business' Eligible Use of Funds | \$30,000 |
| 5. | LAFA Calculates Final Unmet Need (Step 1 minus Step 4) | \$70,000 |
| 6. | Maximum Program Benefit | \$100,000 |
| 7. | Maximum Grant Award Amount (lesser of Step 5 or 6) | \$70,000 |



If the program is oversubscribed, the maximum grant award amount will be pro-rated based on the total need approved through the program's application review process.

Ongoing Grant Monitoring and Servicing of Recipients

LAFa Monitoring

Note: The monitoring process detailed below generally describes currently anticipated monitoring processes and shall not limit the LAFa, LDAF, OCD, their auditors, the Louisiana Legislative Auditor, HUD or federal auditors in the scope of any audits which any of them may deem prudent to perform. This monitoring process may change.

- 1) LAFa will monitor 100% of awarded grants.
- 2) Additional or other audits may also be performed from time to time at the discretion of either LDAF, the Office of the Governor, the Division of Administration, the Department of Housing and Urban Development and/or the Legislative Auditor.
- 3) There will be two levels of monitoring performed by LAFa:
 - a. Monitoring of Application and data entry
 - i. Applications will be checked for completeness
 - ii. Application will be checked for accuracy
 - iii. Review of supporting documentation;
 - iv. Application back up materials will be checked
 - v. Data entry of application information in to data base or CRM program
 - vi. Adherence to underwriting procedures will be verified
 - b. Monitoring of appropriate use of funds
 - i. Award recipients may be visited on site
 - ii. Evidence of use of funds may be verified via:
 - aa. Visual inspection of assets;
 - bb. Review of overall company or farm data, including financial records;
 - cc. Review of compliance with environmental clearance, if required; and/or
 - dd. Review of compliance with labor standards, if required

Monitoring Findings

All monitoring findings shall be recorded in detail by LAFa/LDAF, and shall detail both compliance of application and use of funds. Issues of non-compliance shall be categorized as either material or administrative. Recipients found to be in material non-compliance, or which received funds in error, may be required to repay grant funds to the State, as per the Terms and Conditions agreement.

Recipients found to be willfully fraudulent will be prosecuted.



Business Verification Process: Anti-Fraud, Waste and Abuse

A. Multiple verification of business eligibility

As part of their application process, applicants will be required to submit from the following documents in order to establish eligibility:

| <u>Category</u> | <u>Required Documents</u> |
|---|---|
| Application | <ul style="list-style-type: none"> Application form completed and signed by all owner(s) |
| Proof of Ownership Proof of having planted or harvested an eligible crop in 2016 | <ul style="list-style-type: none"> 2016 Business tax return, Schedule K-1 or related statement 2016 Personal tax return, Schedule C or Schedule F (PROVIDE WITH APPLICATION) |
| Proof of Farm Address in Eligible Parish in Louisiana | <ul style="list-style-type: none"> Farm Service Administration (FSA) verification authorization form for 2016 or 2017 crop (PROVIDE WITH APPLICATION) |
| Proof of Farm Revenue over \$25,000 | <ul style="list-style-type: none"> 2014, 2015 or 2016 1065 or 1120 Business tax return 2014, 2015 or 2016 Personal tax return, Schedule C or Schedule F |
| Proof of Crop Loss of Over \$10,000 | <ul style="list-style-type: none"> Completed crop loss calculator (PROVIDE WITH APPLICATION) |
| Proof of Crop Planted or Harvested an Eligible Crop in 2017 | <ul style="list-style-type: none"> Receipts showing recent purchases |
| Proof of Identity of Owner(s) | <ul style="list-style-type: none"> Government issued photo ID (PROVIDE AT CLOSING) |
| National Objective Documentation | <ul style="list-style-type: none"> Hard copy LMI form (TO BE COMPLETED AT CLOSING) Payroll register, payroll form or federal form 941 |

B. Statement of Understanding, including signed attestation of truth on grant application

In order for an application to be complete, producers and business owners are required to sign an attestation that includes:

Duplication of Benefits (SBA, Crop Insurance, USDA assistance, etc.): The Department of Agriculture and Forestry and Louisiana Agricultural Finance Authority will review all applicants for “Duplication of Benefit.” The undersigned understands that the 2016 Farm Recovery Grant Program and its subrecipients have the authority to confirm application and award status with the SBA. If it is found that you received an SBA loan, crop insurance, USDA loan, private insurance, other assistance listed above for farmers or other state or federal benefits or financial assistance for your business for the purpose of working capital expenses (i.e., wages and benefits, inventory, etc.) or equipment due to the March or August floods and that you are now applying to receive an award for the same purpose, your award amount will be based on the unmet need remaining.

Louisiana Department of Revenue: The undersigned understands that the Farm Recovery Grant Program administrator has the authority to confirm with the Louisiana Department of Revenue that the award recipient is in good standing with the Louisiana Department of Revenue. Award recipient must be in good



standing with the Louisiana Department of Revenue in order to receive funds. If the Louisiana Department of Revenue cannot verify that the award recipient is in good standing, they will notify LDAF and a letter will be issued to the award recipient informing them that they should contact the Louisiana Department of Revenue to discuss their account.

Farm Service Agency Confirmation: The undersigned understands that LAFA/LDAF retains the right to share information with and receive confirmation from the USDA Farm Service Agency parish office in which the producers is located. The undersigned further understands and will complete and submit with this application an authorization form allowing LAFA/LDAF access to the producer's State or local FSA production information.

Louisiana Company: The undersigned understands that the Farm Recovery Grant Program administrator has the authority to confirm with the Louisiana Secretary of State that the undersigned is registered to do business in Louisiana and is in good standing. The Secretary of State website may also be used to verify additional business information supplied in the application.

Income Tax Reporting: The undersigned understands that an IRS 1099G will be issued to grant award recipients. Award recipient understands that all or a portion of the grant funds may be treated as taxable income for U.S. or State income tax purposes.

Public Announcements: If the award recipient wishes to issue a public announcement concerning this award, the text of the proposed announcement must be submitted to LAFA/LDAF for review and approval prior to the release date. The Louisiana Department of Agriculture & Forestry and the Office of Community Development must be mentioned in any public announcements.

No Right of Assignment or Delegation: The award recipient may not assign or otherwise transfer its rights or delegate any of its obligations under this letter unless expressly approved by LDAF/LAFA and OCD.

Revocation: LAFA/LDAF reserves the right to revoke this award if the funds are not used for the stated purpose. The award recipient understands and agrees that revocation of this award will require the return of all funds disbursed. The recipient will be obligated to repay some or all funds received under this program in the event that (a) its application including any information provided therewith or thereafter contains any material misrepresentations; or (b) the award was made in error and the applicant is not entitled to some or all assistance under the Program Guidelines.

Monitoring & Records:

- a) This award may be used only for the purposes stated herein. Documents providing evidence of the use of the funds from this award shall be retained by award recipient for five years after the close out of the program.
- b) LDAF/LAFA reserves the right to monitor usage of award funds. Such monitoring will include review that the entire amount of the award was used only for the expenses as specified above in accordance with your proposal.
- c) LDAF/LAFA may, during regular business hours and on reasonable notice to award recipient, inspect, audit, or copy records pertaining to this award. It is further agreed that the LDAF/LAFA, Legislative Auditor of the State of Louisiana, the Office of Community Development (OCD), Disaster Recovery Unit (DRU), Division of Administration, and/or the U.S. Department of Housing and Urban Development (HUD) auditors or auditors contracted by them, shall have the option of auditing all records and accounts of award recipient that relate to this grant at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data.
- d) Recipient's failure to cooperate in such review will result in forfeiture of the award amount and recipient will be responsible for repaying the full amount of funds disbursed.

Information Access Authorization: For determination of eligibility, the applicant shall submit information requested on the Application Checklist.



In the event that additional information not included with the initial application checklist is required to obtain an approval of the application, the undersigned agrees to provide that information in a timely manner to the LDAF/LAFA employee processing the request.

The undersigned gives permission to LDAF/LAFA to use its name in LDAF/LAFA's mandated reports to the OCD-DRU, and/or HUD. No financial details will be released, except possibly the award amount, as this is considered public record.

The undersigned authorizes LAFA/LDAF to obtain personal credit reports and business credit reports, and also acknowledges that all information relative to the grant request, including the application and related documentation, becomes the property of LAFA/LDAF and will not be returned to the applicant.

Affirmation of Information Provided in Application: By the applicant's signature below, the applicant represents and warrants that he/she has read this application and Statement of Understanding and attests that all information and documentation furnished in connection with the application is true, accurate and complete to the best of his/her knowledge and that any regulations relative to the LFRGP program will be followed. Individuals and/or businesses found to be willfully providing fraudulent information may be prosecuted.

C. Consolidated entry of grant application into a universal electronic database

Entry of all applications into a single database will allow for screening and elimination of duplicate applications. All applicants will be cross referenced by individual name, farm name and number, business name and Federal Tax ID number or Social Security number.

D. Checking of recipients against Louisiana Department of Revenue

Each recipient will be checked against the Louisiana Department of Revenue for tax compliance.

E. Monitoring of Awards

All grants will be subject to detailed monitoring by the state, which may include verification of official documents against state records, review of all application materials, and physical site visits to verify appropriate use of funds.

F. Review of awardees against Federal Debarment

LAFA/LDAF will verify all business owners and business entities are eligible to receive federal funds and are not debarred from receiving federal assistance prior to executing a loan agreement with an awarded business. Information on whether a business owner or entity is debarred from receiving federal assistance can be found at <https://www.sam.gov/portal/SAM/>.