



U.S. Department of Agriculture
Natural Resources Conservation Service
Commodity Credit Corporation
Science and Technology Deputy Area
Ecological Sciences Division

The Wetland Mitigation Banking Program

The Wetland Mitigation Banking Program is authorized by section 1222(k) of the Food Security Act of 1985, as amended by section 2609 of the Agricultural Act of 2014 (16 U.S.C. 3822(k)).

Announcement No. USDA-NRCS-NHQ-WMBP-16-01

For Fiscal Year 2016

Date Issued: January 28, 2016

Applications must be submitted electronically via the www.Grants.gov website. Details are provided under Part XII.

ANNOUNCEMENT TYPE: Announcement for Program Funding – Mitigation Banking Program

AGENCY: Natural Resources Conservation Service (NRCS)

FUNDING OPPORTUNITY NUMBER: USDA-NRCS-NHQ-WMBP-16-01

CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER: 10.933

DATE: NRCS must receive all applications by 5:00 p.m. (Eastern Standard Time) on March 28, 2016.

EXECUTIVE SUMMARY:

The Natural Resources Conservation Service (NRCS), an agency under the United States Department of Agriculture (USDA), works with farmers, ranchers, and private forest landowners nationwide to identify and address natural resource objectives in balance with operational goals to benefit soil, water, wildlife, and related natural resources locally, regionally, and nationally. The purpose of this notice is to announce the availability of Wetland Mitigation Banking Program grant funds for the development and establishment of mitigation banks and banking opportunities solely for agricultural producers with wetlands subject to the Wetland Conservation Compliance provisions of the 1985 Food Security Act (as amended). NRCS has up to \$9 million available for obligation through a nationwide competitive process. The maximum grant award is \$1 million. Agreements governing the establishment of mitigation banks will last for up to 5 years in duration.

NRCS will accept proposals from eligible entities that include federally recognized Indian Tribes, State and local units of government, for-profit entities, and nongovernmental organizations. Proposals will be accepted from applicants in any of the 50 States, the District of Columbia, the Caribbean Area (Puerto Rico and the U.S. Virgin Islands), and the Pacific Islands Area (Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands). NRCS will give priority to proposals from geographic areas with significant numbers of cropped agricultural wetlands.

This notice identifies the objectives, eligibility criteria, and application instructions for mitigation bank proposals. Proposals will be screened for completeness and compliance with the provisions of this notice. Incomplete and noncompliant proposals will be eliminated from the competitive ranking process, and notification of elimination will be sent to the applicant. Selected applicants will work directly with NRCS to develop a mitigation banking instrument that will establish an operational bank, and offer mitigation credits to interested USDA program participants for the purposes of addressing wetland conservation compliance. Program funds cannot be used to acquire any interest in land, including an interest acquired through an easement.

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I. Program Background, Authority and Intent

A. Program Background

The Wetland Mitigation Banking Program is designed to provide an option for producers to meet their wetland conservation compliance responsibilities needed to maintain eligibility for many USDA programs administered by the Farm Service Agency (FSA) and NRCS, as well as maintaining eligibility for Federal crop insurance premium subsidies administered by the Risk Management Agency. Additionally, the program may serve as an alternative for producers to regain eligibility if they are found to be in violation of the wetland conservation compliance provisions (7 CFR 12.4, 16 U.S.C. section 3822). For more information about wetlands conservation compliance, commonly known as Swampbuster, please visit:

<http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/alphabetical/camr/?cid=stelprdb1043554>.

B. Program Authority

The Wetland Mitigation Banking Program is authorized by section 1222(k) of the Food Security Act of 1985, as amended by section 2609 of the Agricultural Act of 2014 (16 U.S.C. 3822(k)). The Secretary of Agriculture delegated the authority for the administration of this program to the Chief of NRCS, who is Vice President of the Commodity Credit Corporation (CCC). The program is funded and administered by NRCS under the authorities of CCC. The overall administrative responsibility for the wetland conservation compliance provisions is delegated to FSA. NRCS' role in wetland conservation compliance involves making wetland determinations, including establishing if certain technical exemptions apply, such as prior converted cropland, and determining if a wetland has been converted.

The wetland compliance provisions allow producers the option to mitigate negative impacts to existing wetlands through either on- or off-site restoration, enhancement, or creation of wetlands. Producers can engage in off-site mitigation through wetland mitigation banking. Mitigation banking generates marketable wetland credits through wetland restoration, enhancement, or creation. Producers then purchase these credits to compensate for negative impacts to existing wetlands.

C. Program Intent:

1. NRCS is seeking proposals to establish mitigation banks for agricultural producers. The intent of the program is for qualified third-parties to operate and manage all aspects of a wetlands mitigation bank with oversight by NRCS. Eligible entities include federally recognized Indian Tribes, State, and local units of government, for-profit entities, and nongovernmental organizations.
2. NRCS will accept proposals under this notice for the development and establishment of mitigation banks, submitted by eligible applicants from any of the 50 States, the District of Columbia, the Caribbean Area (Puerto Rico and the U.S. Virgin Islands), and the Pacific Islands Area (Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands). Program funds may be used to pay for—
 - Administrative functions—management of funds, development of the banking instrument.
 - Identification of suitable mitigation projects, performance of functional assessments to determine credit allotment options.

- Land surveys and title searches.
 - Design and formulation of mitigation plans.
 - Market research and contracting for mitigation activities.
 - Oversight of implementation of the restoration projects according to design.
 - Tracking and management of wetland mitigation data.
3. NRCS will accept proposals that result in the creation of new banks and proposals from existing banks with established mitigation programs and program criteria.
 4. Activities funded by this program are for the sole purpose of assisting agricultural producers with wetland conservation compliance.

II. Proposal Evaluation, Ranking, and Agreement/Instrument Development

A. Proposal Evaluation and Ranking

NRCS will process and evaluate proposals submitted under this notice using the following procedures:

- a. An interagency technical team, led by the NRCS Wetland Mitigation Banking Program manager, screens proposals for completeness and adherence to with the provisions of this notice. Incomplete and noncompliant proposals are eliminated from competition.
- b. NRCS technical staff evaluates and ranks complete proposals according to the evaluation criteria detailed in Section IV of this notice.
- c. The NRCS Chief makes the final award decisions.

B. Development of Grant Agreement and Mitigation Banking Instrument

1. NRCS will use a grant agreement to provide program funds to each selected applicant. The project budget period, amount of Federal assistance, terms and conditions of the award, and reporting requirements will be described and provided to the selected applicants as part of this process.
2. Subsequently, awardees will work with NRCS to develop a mitigation banking instrument that will provide full details for development, establishment, and operation of a mitigation banking program. Mitigation banking instruments will be developed in conjunction with national and State NRCS staff oversight and are subject to NRCS approval.

III. Eligible Wetland Types and Wetland Credit Generation

A. Eligible Wetland Types that can be mitigated under this program

1. Agricultural wetlands that have been converted, or have the potential to be converted, and are associated with an active farming operation may be mitigated through mitigation banks supported by the NRCS Mitigation Banking Program. *Wetlands that fall under jurisdiction of the Clean Water Act are not eligible for mitigation by producers through this program.* Selected applicants will coordinate with the NRCS program manager to ensure that program funds are used to mitigate the targeted wetlands referenced under item 2 below.
2. Eligible entities who receive funds will ensure the following wetlands receive priority for mitigation under the NRCS Wetland Mitigation Banking Program – (note that the wetland designation labels are those used by NRCS for Swampbuster purposes):

- a. Farmed Wetland (FW).
- b. Farmed Wetland Pasture (FWP).
- c. Wetland (W) less than 5 acres in size that is predominantly bordered by land that has been cropped 8 years of the past 10 years when the wetland is designated as degraded according to a functional assessment tool. This priority criteria represents wetlands that are most often identified for mitigation by agriculture producers. All functional assessment tools must evaluate vegetative diversity, downstream water quality protection, floodwater attenuation, and wildlife habitat. A wetland qualifies as degraded when the functional assessment tool results in a ranking of low for vegetation and one or more other functions.
- d. Converted Wetland (CW) that, prior to conversion, qualified under one of the items of above, as determined by NRCS staff.

B. Wetland Credit Generation Specifics

Wetland credits generated through creation, restoration, or enhancement of wetlands similar to the impacted wetlands are attractive candidates for generating sellable credits through a mitigation bank. Specifically, temporary and seasonally-cropped agricultural wetlands that were converted prior to December 23, 1985, are likely restoration targets for mitigation banking under this program. In some cases, with NRCS oversight and approval, partially drained agricultural sites may be fully restored and used to obtain additional bank credits.

IV. Roles and Responsibilities:

A. NRCS Mitigation Banking Program Roles

1. Role of the Applicant
 - a. The applicant is responsible for explaining how it intends to develop, establish, and administer a wetlands mitigation bank, including—
 - (1) Preparing the mitigation banking instrument in consultation with and approval by NRCS.
 - (2) Acquiring conservation easements or other permanent interest in land.
 - (3) Making final decisions pertaining to the deposit, transfer, and withdrawal of credits from banks.
 - b. The applicant will be responsible for the overall operation and management of the bank in accordance with the terms of the mitigation banking instrument including—
 - (1) Managing and operating individual banks.
 - (2) Drafting the mitigation banking instrument and determining the cost per credit.
 - (3) Ensuring that established credits are only sold to agricultural producers for the sole purpose of assisting them with wetland conservation compliance.
 - (4) Developing land acquisition procedures, if applicable.
 - (5) Employing qualified technical personnel.
 - (6) Planning, designing, and implementing wetland restoration, enhancement, and creation practices according to NRCS standards and specifications.
 - (7) Assessing and evaluating wetland functions and values using the

wetland functional assessment procedures approved by NRCS.

- (8) Working with NRCS to develop a process to determine wetland credits.
- (9) Approving wetland credits, deposits, and transfers.
- (10) Marketing mitigation opportunities to landowners (prospective depositors) and USDA participants (prospective credit buyers).
- (11) Tracking and monitoring all bank activities.
- (12) Developing reports and accounting statements and ledgers.
- (13) Monitoring conservation easements.
- (14) Developing and implementing safeguards to ensure that easement restrictions are being followed.
- (15) Developing a protocol for enforcing easement violations.
- (16) Enforcing easement violations.

2. Role of NRCS

a. NRCS will be responsible for—

- (1) Reviewing and approving the mitigation banker's mitigation banking instrument. NRCS will provide appropriate opportunities for public review of each mitigation banking instrument.
- (2) Reviewing and approving the use of easement or other land acquisition and bank administrative and technical procedures.
- (3) Providing guidance on enforcement actions to the bank when requested. When applicable, reviewing and approving the conservation easement deed template, including terms and restrictive uses.
- (4) When applicable, reviewing the land acquisition procedures of a participating bank.
- (5) Providing the conservation practice standards and specifications to be used for wetland restoration, creation, and enhancement.
- (6) Reviewing and approving the wetland functional assessment process that will be used to determine the wetland credits in each bank.
- (7) Completing and issuing certified wetland determinations for sites associated with the Wetland Mitigation Banking Program in accordance with the agency's statutory role. These determinations will be coordinated with the applicant and the individual agricultural producers.
- (8) Working directly with the applicant to develop a procedure for tracking wetland easements associated with the program.
- (9) Reviewing financial assurance procedures, as well as monitoring and protection procedures of all banked lands under easement.
- (10) Conducting a quality assurance process at any time to evaluate the status of the wetlands in the bank and to confirm the number of mitigation credits available.

V. Mitigation Banking Instruments

A. Proposal Content: All selected proposals will develop a mitigation banking instrument that describes in detail how the bank will be established and operated. The required content aligns with the 1995 Federal Guidance for the Establishment, Use and Operation of Mitigation Banks. The mitigation banking instrument will be developed by the applicant in consultation with NRCS, and will be approved and signed by the applicant and

NRCS. The following information will be included, as appropriate, in the mitigation banking instrument:

1. Bank goals and objectives.
2. Authority of the mitigation applicant to acquire and hold conservation easements.
3. Conservation easement acquisition process.
4. Template easement deed.
5. Regional geographic bank service areas.
6. Ecological function and value compensation ratios.
7. Methods for determining wetland credits and debits, including an assessment process and procedures to determine baseline conditions at the bank site and the wetlands to be replaced through mitigation.
8. Wetland restoration, enhancement, and creation of practice standards and specifications.
9. Description of the activities that will be used to develop the credits in the bank.
10. Marketing plan.
11. Monitoring plan.
12. Easement enforcement plan.
13. Accounting procedures.
14. Performance standards for determining bank success.
15. Reporting protocols and monitoring plan.
16. Contingency and remedial actions and responsibilities.
17. Financial assurances (to be described and provided for by the applicant).
18. Process for establishing a price for the credits.
19. Provisions for long-term management and maintenance of the bank sites.
20. A process for addressing amendments to the banking instrument.

VI. Regions, Service Areas, and Credits.

A. Priority Geographic Regions

NRCS will give priority to proposals for mitigation banks in the Prairie Pothole Region, California Vernal Pool Region, Nebraska Rainwater Basin Region, and other areas with significant numbers of conservation compliance requests. According to NRCS data, the top States for wetlands compliance requests are: Minnesota, Iowa, North Dakota, South Dakota, Wisconsin, Ohio, Indiana, Illinois, Georgia, Nebraska, Michigan, Virginia, and Missouri.

B. Regional Bank Service Areas

The mitigation banking instrument will include a map of regional bank service areas that are geographic areas (usually watershed-based) where banked deposits can reasonably be expected to provide appropriate compensation for impacted wetlands. Designation of the regional bank service areas should be based on consideration of hydrologic and biotic criteria, and consider the use of any existing bank service areas developed for mitigation of wetlands subject to the Clean Water Act. NRCS will approve all regional bank service areas.

C. Timeline for Availability of Credits

NRCS will give priority to applications based on the speed with which mitigation credits can be made available to agriculture producers. Applications stating that credits will be available immediately following or shortly after entering into a grant agreement with

NRCS will receive a higher priority than those needing a longer period of time to make credits available. Awardees will have up to 2 years after the agreement is signed to make credits available to producers.

VII. Functional Assessments – Credit Approval

The applicant must use an NRCS-approved functional assessment procedure to determine the number of available credits for each restored bank site.

1. The applicant will maintain adequate documentation to show that the procedure was properly used to determine the functional capacity units for each bank site contained within the bank service area. The approved functional assessment procedures for each awarded bank will be made available for public review.
2. Existing Regional Hydro Geomorphic (HGM) models that have been approved by the U.S. Army Corps of Engineers may be used when available. If not available, NRCS will work with the bank to develop an assessment procedure. Alternative procedures for determining credits may be used at the discretion of NRCS.
3. The number of available compensatory credits for each site will be subject to approval by NRCS. If questions arise on the allocation of mitigation credits, the applicant must demonstrate to NRCS that it correctly implemented the functional assessment procedures and established wetland functions at each bank site.

VIII. Administrative Accounting Procedures

The banking instrument will detail the process to maintain an accounting system to document the activity of all mitigation bank accounts. Each time an approved debit, credit, or transfer occurs at a given bank, the applicant will authorize the transaction and update the accounts. The applicant also will generate an annual accounting report detailing all authorized transactions by bank account. The report must be submitted annually to the NRCS Wetland Mitigation Banking Program manager no later than December 15th of each year.

1. NRCS requires at a minimum, a one-acre-to-one-acre mitigation ratio for activities conducted through these agreements. The producer mitigates the converted wetland and the associated lost wetland values, acreage, and functions through the restoration of a converted wetland, the enhancement of an existing wetland, or the creation of a new wetland. There may be instances in which additional acreage is needed to sufficiently mitigate the functions and values lost due to the wetland conversion. The applicant will make this determination through the use of an NRCS-approved functional assessment procedure.
2. An appropriate functional assessment methodology acceptable to NRCS shall be used to assess available credits, wetland and/or other aquatic resource restorations, as well as wetland creations and enhancement activities within a mitigation bank. Credit may be given for the inclusion of upland areas occurring within a bank only to the degree that such features increase the overall ecological functioning of the bank.
3. Wetland preservation alone is not eligible for crediting under the wetland compliance provisions, and thus credit generation solely through wetland preservation is not permitted under this program.
4. Once an agreement to purchase bank credits has been signed between the producer and the bank, the purchased credits are considered retired and may not

be sold to a third party by the producer. If an impacted wetland site is converted to an NRCS-verified nonagricultural use following the signing of an agreement, the bank may choose to purchase the credits back from the producer. Repurchase of previously sold credits is at the sole discretion of the bank.

IX. Timing of Credit Withdrawal

Credits may be withdrawn from a bank after wetland enhancement, restoration, or creation activity has led to the generation of credits. Guidance on this process will be included in the mitigation banking instrument with consideration of the following requirements:

1. Wetland restoration plans have been approved, and wetlands have been created, restored, or enhanced.
2. Real estate assurances for the banked site have been secured through an approved conservation easement.
3. Appropriate financial assurances have been established.

X. Long-Term Management, Monitoring, Enforcement, and Remediation

A. The applicant is responsible for assuring the success of all restoration, creation, management, monitoring, and enforcement activities, as well as any needed remediation activities. The applicant also is responsible for the long-term management and monitoring of the conservation easement when applicable.

B. Operational Period and Long-Term Management Requirements

1. The wetlands and other natural resources deposited in a mitigation bank must be protected through an appropriate conservation easement or acceptable alternative real estate arrangement (transfer of title, warranty deed, or deed restrictions). The conservation easement deed or other appropriate instrument will describe compatible and incompatible uses and restrict harmful activities that might otherwise jeopardize the purpose of the project.
2. The applicant is responsible for ensuring the normal operation and maintenance of all banked land during its operational period, as well as for the long-term management of banking sites.
3. The operational life of a bank usually ends when either—
 - a. Mitigation credits have been exhausted and it has been determined that the deposited land is functionally mature and self-sustaining to the degree specified in the mitigation banking instrument.
 - b. Banking activity has been voluntarily terminated with written notice by the landowner holding any residual credits.
4. The mitigation banking instrument will identify the applicant's responsibilities for the long-term protection and management of the wetlands and land associated with each conservation easement and other natural resources within and beyond the operational life of the bank.

C. Wetland Bank Ecological Monitoring Requirements

1. The applicant is responsible for monitoring all deposited lands in accordance with monitoring provisions identified in the banking instrument. Monitoring will include ongoing procedures to determine success, identify problems, and resolve

- inadequacies through remedial action.
2. Monitoring provisions must be based on scientifically sound performance standards prescribed for the bank. Monitoring will be conducted annually for a minimum of 5 years, or until such time the bank manager and NRCS are confident that success has been achieved. The purpose of monitoring is to ensure that wetland plant communities are becoming established, noxious and invasive weeds are being controlled, wetland hydrology has been restored, and if applicable, the easement areas within the bank are being protected.
 3. Monitoring parameters must include all of the following:
 - a. hydrology
 - b. plant diversity and community structure
 - c. photo points
 - d. maintenance activities
 - e. design acreage
 - f. other measures as defined in the mitigation banking agreement.
 4. Ecological and administrative monitoring provisions will be set forth in the mitigation banking instrument. Annual monitoring reports will be submitted to NRCS in accordance with the terms specified in the mitigation banking instrument (see section VII).

D. Easement Enforcement

The applicant is responsible for enforcing all easements (or other acceptable instruments). Specific information for this section is covered under the applicant roles in Section IV.

E. Remedial Action

The mitigation banking instrument will describe procedures for implementing remedial measures. The need for remediation will be determined by NRCS and be based on information contained in the ecological monitoring reports, as well as any agency site inspections. As needed or requested by NRCS, the applicant will provide a status report to indicate the remedial actions that have been completed by the bank, or the bank representative to bring the bank into conformance with the mitigation banking instrument.

F. Public Input and Review

1. The applicant is encouraged to seek public and stakeholder input during the establishment and implementation stages of the bank. Also, the applicant must make an annual presentation to the relevant State Technical Committee(s) on the current status of the bank.
2. NRCS will make publicly available the annual report submitted to the National Wetland Mitigation Banking Program manager and the relevant State Conservationist(s). Prior to making the information publicly available, NRCS will remove personally identifiable or confidential business information.

G. Financial Assurances

1. The applicant is responsible for securing sufficient means and assurances to cover contingency actions in the event of default or failure of the bank. Financial

- assurances may be in the form of legislatively enacted dedicated funds for a local or State Government agency to establish and operate banks, irrevocable trusts, escrow accounts, casualty insurance, or other approved instruments. As described in the mitigation banking instrument, these assurances may be phased out or reduced once it has been demonstrated that the banked land is functionally mature or self-sustaining.
2. If a bank fails, the financial assurances provided by the bank will be used to bring the bank into compliance with the approved mitigation banking instrument.

H. Funding Availability

1. Up to \$9 million is available through this announcement. The maximum amount for any single award will not exceed \$1 million.
2. The Wetland Mitigation Banking Program will fund multi-year project agreements, not to exceed 5 years.

XI. Proposal Deadline, Program Requirements and Information, and Application Format Instructions

A. Deadline

1. Due Date: Proposals must be received by NRCS before 5:00 p.m. Eastern Daylight Time (EDT) on March 28, 2016.
2. How to Submit:
 - a. Electronically - www.grants.gov. Instructions for application process can be found at <http://www.grants.gov/web/grants/applicants/apply-for-grants.html>.
 - b. Express Mail or Courier Service—must be sent to the following address: USDA-NRCS, Wetland Mitigation Banking Program, 1400 Independence Avenue, SW, Room 6160-S, Washington, D.C. 20250.
 - c. US Postal Service—must be sent to the following address: USDA-NRCS, Wetland Mitigation Banking Program, P.O. Box 2890, Room 6160-S, Washington, D.C. 20013-2890.

B. Eligibility - Who May Submit an Application

1. NRCS will accept proposals under this notice for the development and establishment of mitigation banks, submitted by eligible entities from any of the 50 States, the District of Columbia, the Caribbean Area (Puerto Rico and the U.S. Virgin Islands), and the Pacific Islands Area (Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands).
2. Eligible entities that may submit applications include federally recognized Tribes, State and local units of government, for-profit entities, and nongovernmental organizations.

C. How to Obtain Materials

The announcement and associated Federal forms for this program funding opportunity can be viewed at www.grants.gov. See the Content and Format section for more information on the required forms and information.

D. Content and Format

1. To receive consideration for funding, the proposals must follow the format and include the content and information set forth below. Proposals that fail to comply

with the required content and format will not be considered for funding. Applicants should not assume prior knowledge on the part of NRCS or others as to the relative merits of the project described in their application.

2. Applicants must submit only one original copy of the application in the following format:
 - a. each page must be on 8½” x 11” white paper that has 1-inch margins and page numbers
 - b. the text of the application must be typed single-spaced in a font no smaller than 12-pitch
3. Proposals must include all required forms and narrative sections as described next. Material exceeding stated page limits will not be considered.
 - a. **Application Form**—(Standard Form (SF) 424, Application for Federal Assistance). Applicants must use this document as the cover sheet for each proposal. SF-424 can be downloaded from Grants.gov - Forms Repository.
 - b. **Executive Summary**—(One page maximum). Provide an overview of the funding requested, the geographic area, and the general approach for establishing and operating the mitigation bank.
 - c. **Bank Description**—(Fifteen page maximum). Proposals must clearly indicate the applicant’s technical, financial, and administrative abilities to establish and operate a wetland mitigation bank. The description must include—
 - (1) Bank goals and objectives. Explain how awarded funds will be used and, if applicable, why the funds are needed to establish a functioning bank.
 - (2) Timeline for development and establishment of the mitigation bank.
 - (3) Authority of the mitigation bank to acquire and hold conservation easements or other interests in land.
 - (4) Plan for conservation easement or other land acquisition.
 - (5) Proposed regional geographic bank service areas.
 - (6) A description of the activities that will be used to develop the credits in the bank.
 - (7) Accounting procedures.
 - (8) Performance standards for determining bank success.
 - (9) Financial assurances.
 - (10) The applicant’s background and prior experience with mitigation banking or other relevant experience, such as whether the applicant has experience managing a mitigation bank, whether they have current authority to operate a mitigation bank, etc.
 - (11) The need to establish a bank in the proposed service area.
 - (12) Funding sources for the bank.
 - (13) The proposed timeline for making credits available to producers.
 - (14) Proposed marketing, management, and remediation plans.
 - d. **Budget Information:** (Standard Form 424A Budget Information Non-Construction Programs).
 - (1) Fill in all spaces as appropriate. Section B, item 6, column 1 should reflect NRCS funds and column 2 should reflect the applicant’s matching funds. Applicants must prepare this document to identify budget needs. The SF-424A is available at: Grants.gov - Forms Repository

e. **Budget Narrative:** (One page maximum.) A narrative describing the budget needs and justifying why the budget is appropriate also should be included.

Note: Please note that we understand these are preliminary figures at this point. If the application is approved for full submission there may be differences once the full details of the budget are developed.

4. **Certifications:**

All proposals must include an SF-424B, Assurances, and Non-Construction Programs. The SF-424B may be obtained at: Grants.gov - Forms Repository, or by contacting the State office. In addition, applicants, by signing and submitting an application, assure and certify that they are in compliance with the following Federal regulations:

- (1) 2 CFR Part 417, Non-procurement Debarment and Suspension
- (2) 2 CFR Part 418, New Restrictions on Lobbying
- (3) 2 CFR Part 421, Requirements for Drug Free Workplace (Financial Assistance)

5. **Additional Pre-award Requirements**

The following items must be obtained prior to entering into an agreement with the Federal Government, and for electronic submissions of applications submitted on Grants.gov. Applicants are encouraged to apply early for their Data Universal Numbering System (DUNS)/System for Award Management (SAM) number.

- (1) **DUNS Number:** A Dun and Bradstreet DUNS number is a unique nine-digit sequence recognized as the universal standard for identifying and keeping track of over 70 million businesses worldwide. Wetland Mitigation Banking Program applicants must obtain a DUNS number. Information on how to obtain a DUNS number can be found at: <http://fedgov.dnb.com/webform>, or by calling 1-866-705-5711. Please note that the registration may take up to 14 business days to complete. Information also can be obtained on the Grants.gov website at: <http://www.grants.gov/web/grants/applicants/organization-registration/step-1-obtain-duns-number.html>.

- (2) **SAM:** Official U.S. Government system that consolidated the capabilities of the Central Contractor Registration/FedReg, the Online Representations and Certifications Application, and the Excluded Parties List System. To register, go to: <https://www.sam.gov/portal/public/SAM/>. Please allow a minimum of 5 days to complete the SAM registration. Information can also be obtained on the Grants.gov website at: <http://www.grants.gov/web/grants/applicants/organization-registration/step-2-register-with-sam.html>.

1. **Indirect Costs**

- a. Applicants wishing to claim indirect costs must have a federally approved indirect cost rate. The approved indirect cost rate must be included in the application package.
- b. An indirect cost rate not to exceed 15 percent may be approved for applicants without a preexisting, federally approved indirect cost rate. To be considered for an indirect cost rate not to exceed 15 percent, applicants must submit an indirect cost rate proposal with the application that includes the following:

1. Applicant's written policy for allocating and identifying direct and indirect costs;
 2. The contact information of the person who prepared proposal;
 3. Breakdown of indirect salaries by position title and amount;
 4. Line item expenditure descriptions describing how the costs are being allocated between direct and indirect costs;
 5. Applicant's tax identification number; and
 6. Signed certification attesting that (i) all costs in proposal are allowable under the Office of Management and Budget (OMB) cost principles; (ii) costs treated as indirect have not been claimed as direct; (iii) similar types of costs have been accounted for consistently; and (iv) the applicant will notify the Federal Government of any account changed that would affect the rate. This certification should be signed by the applicant's approving official or the applicant's chief financial officer.
- c. If applicant does not have a federally approved indirect cost rate, it is at NRCS' discretion whether to allow indirect cost.

6. Natural, Cultural, and Historic Resources Review Requirements

The Council on Environmental Quality's National Environmental Policy Act (NEPA) regulations at 40 CFR parts 1500-1508, and the NRCS regulation that implements NEPA at 7 CFR part 650, require that an environmental review be prepared for Federal actions that may have environmental effects. Other laws also may require additional consultations be completed and permits obtained before the project may be implemented. NRCS financial assistance under the Wetland Mitigation Banking Program requires compliance with these requirements. If the application is selected for funding, the NRCS program contact, technical contact, and environmental liaison will coordinate with the selected applicant concerning documentation for compliance with NEPA. Selected applicants may be required to prepare and pay for the preparation of the appropriate NEPA document(s) if an Environmental Assessment or Environmental Impact Statement is needed. Grant funds cannot be awarded until the environmental review requirements demonstrating compliance with NEPA are met.

Upon notification of selection, the recipient must contact the NRCS State office cultural resources specialist or coordinator to evaluate the project's implications under the National Historic Preservation Act (NHPA) section 106 implications. This determination is based upon analysis of whether the project has the potential to affect historic properties (historic, archaeological, historic architectural, cultural, or cultural landscape properties or sites). If the NRCS State office does not have a cultural resources specialist or coordinator on staff, the State resource conservationist will work with the grant recipient.

The NRCS State office may not delegate its NHPA responsibilities to the grant recipient. Thus, if NHPA review and compliance is needed, the NRCS State office will expeditiously complete the section 106 compliance. This compliance will, at minimum, require NRCS to work with consulting parties, State historic preservation officers and federally recognized American Indian Tribes (Tribes). NRCS will need a full description of the project, including location and means of

installation, as soon as possible after notification of selection. Grant funds may not be released or awarded until compliance with NHPA section 106 is complete.

XII. Proposal Delivery/Submission Instructions

A. Preparing and Submitting a Proposal via www.grants.gov

1. Please note that the electronic submission system is relatively complex for first-time users and involves several preliminary registration steps to be taken before the application can be submitted (go to www.Grants.gov and click on “Applicants,” then click on “Get Registered”).
2. If you have completed a prior application for an NRCS program, you may already have completed the registration process. Please allow sufficient time for the proposal to be submitted electronically and for possible computer delays.
3. After registering, to submit a proposal—
 - a. Go to www.Grants.gov (proposal will be accepted from ONLY this site). Information about submitting an application using Grants.gov is located on the www.Grants.gov site with supplementary materials.
 - b. Select the “Applicants” tab.
 - c. On the “Apply for Grants” heading, click on “Apply for Grants Opportunities.”
 - d. Go to Step 1: Download a Grant Application Package, by searching the CFDA number 10.933.

XIII. Review and Notification Information

A. Review and Selection Process

NRCS staff will screen the proposals for completeness and compliance with the provisions of this notice. NRCS staff will eliminate the incomplete and noncompliant proposals from competition, and notify the applicant that it is eliminated from the competition.

Once the proposals have been screened, the technical review panel evaluates complete proposals based on the evaluation criteria detailed below. The technical review panel consists of NRCS national technical specialists, including the National Wetland Mitigation Banking Program manager, Director of the NRCS Ecological Sciences Division, NRCS Director of Farm Bill Programs, National Wetland/ Highly Erodible Land Specialist, and the Prairie Pothole Region Conservation Compliance Specialist. The NRCS technical review panel forwards its recommendation to NRCS leadership. Final award selections are made by the NRCS Chief.

B. Proposal Evaluation and Ranking Criteria

1. Geographic Scope (30 percent weighting factor).

Priority given to banks located in an NRCS-recognized priority location for mitigation (listed on page 8-9 of this Announcement for Program Funding (APF))
2. Applicant Qualifications and Management (35 percent weighting factor).
 - a. The applicant has a proven track record of establishing and operating wetland mitigation banks.
 - b. Timeline and milestones are clear and reasonable.

- c. Project staff has the requisite technical expertise.
- d. The budget is adequately explained and justified.
- 3. Bank Development and Operation (35 percent weighting factor).
 - a. Bank description illustrates high potential for successful establishment and operation of a mitigation bank for agricultural producers seeking to comply with Farm Bill wetlands compliance provisions.
 - b. The application contains a complete description of all items in section XI D.
 - c. Timeframe for availability of credits (priority given to applications that are able to make credits available quickly).

C. Anticipated Announcement and Award Dates

- 1. NRCS anticipates APF selections in **April 2016**. However, NRCS will not distribute any funds, and grantees cannot begin work until the parties execute a grant agreement. Following the awarding of a grant agreement, NRCS will work with selected applicants to develop an associated banking instrument.
- 2. Applicants should plan their projects based on a project start date of **June 1, 2016**.

D. Unsuccessful Proposals

Applicants whose proposals are not selected for funding will be notified of their status within 30 days of the announcement of Wetland Mitigation Banking Program selections.

XIV. Award Administration Information

A. Project Agreement

- 1. Through NRCS, CCC will use a grant agreement with selected applicants to document participation in the USDA Wetland Mitigation Banking Program.
- 2. The agreement will permit the NRCS national technical contact to be involved in overseeing the work performed by the selected recipients. Although NRCS will negotiate precise terms and conditions as part of the award process, the anticipated Federal involvement for this project may include—
 - a. Close monitoring of the recipient’s performance to verify the results.
 - b. Collaborating during performance of the scope of work.
 - c. Reviewing substantive terms of proposed contracts.
 - d. Reviewing qualifications of key personnel (NRCS will not select employees or contractors employed by the award recipient).
 - e. Reviewing and commenting on reports prepared under the agreement (the final decision on the content of reports rests with the recipient).
 - f. Review of documentation indicating that the bank sponsor is authorized to use the bank sites located within the bank service area.
- 3. USDA grant and cooperative agreement awards provide for compensation of actual, allowable program or project costs incurred. NRCS does not have authority to pay profit or management fees on awards under this announcement. Profit is defined as income in excess of costs. Management fee is defined as a charge levied for providing a service. Management fees earned under grants and agreements are considered profit.

B. Award Notification

Applicants who have been selected for funding will receive official notification from

NRCS National Headquarters. However, all selections are contingent upon NRCS' approval of the mitigation banking instrument, as well as the completion of the environmental, cultural, and historic properties/resources review process by the appropriate NRCS State or area office and financial review.

Note: Appropriations Restrictions: Awards made under this solicitation are subject to the provisions contained in the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235), division A, sections 744 and 745, regarding corporate felony convictions and corporate Federal tax delinquencies.

C. Reporting Requirements

1. The following reports will be required from all award recipients:

Report	Due Date
Detailed bank accounting report documenting all debits, credits, and transfers that occurred with the bank.	Annually, no later than November 15.
A financial report showing all authorized transactions associated with the banking instrument. Form SF-425, Federal Financial Report.	Within 45 days of the end of each fiscal quarter, and 90 days after the completion of the project.
A monitoring report detailing how the compensatory mitigation project is progressing towards meeting its performance standards.	Annually, no later than November 15.

2. Selected applicants will be required to submit an SF-425 and a Federal Financial Report to the NRCS administrative contact no later than 45 days after the end of each quarter, and 90 days after completion of project.
3. Form SF-425, Federal Financial Report [SF-425](http://directives.sc.egov.usda.gov/OpenNonWebContent.aspx?content=37096.wba) (<http://directives.sc.egov.usda.gov/OpenNonWebContent.aspx?content=37096.wba>), is required quarterly and is due 45 days after the end of each fiscal quarter until the final Federal financial report is submitted. Specific requirements include:
 - a. Within 45 calendar days after the end of each Federal fiscal quarter, the SF-425 must be submitted by mail to the NRCS administrative contact under part XVI.
 - b. If after 45 calendar days recipient has not submitted a report, the account will be placed in a manual review status. Funds may be withheld for accounts with delinquent reports.
 - c. Reporting unused grant funds and interest earned using section 12 of the SF-425.
 - d. The grantee will submit a final SF-425 no later than 90 calendar days after the grant agreement completion date and promptly return any unobligated Federal cash advances.
 - e. Revision to the final SF-425 will be considered only when the revision results in a balance due to the Government; the grantee must submit a revised final SF-425 and refund the excess payment whenever the overcharge is

discovered, no matter how long the lapse of time since the original due date of the reporting.

XV. General Provisions

A. Cost Principles, Audit, and Administrative Requirements

The grant recipient is subject to the following regulations that are incorporated herein by reference:

- a. 2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- b. 2 CFR part 400, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- c. 2 CFR part 415, General Program Administrative Regulations
- d. 2 CFR part 416, General Program Administrative Regulations for Grants and Cooperative Agreements to State and local Governments

B. Method of Payment

The grant will be disbursed by the National Finance Center in New Orleans, Louisiana, on behalf of NRCS, National Headquarters, Washington, D.C., using electronic funds transfer to the grant recipient's bank account. The grant recipient must complete the required form (provided at award time), and return the form to NRCS before disbursement can be made.

C. Additional Regulations

In addition to the regulations governing wetland mitigation banking (16 U.S.C. 3822(k), this grant also is subject to the following additional regulations, as applicable:

- a. 2 CFR part 180, Office of Management and Budget Guidelines to agencies on government-wide Debarment and Suspension (Non-procurement)
- b. 2 CFR part 417, Non-procurement Debarment And Suspension
- c. 2 CFR part 182, government-wide Requirements for Drug-Free Workplace (Financial Assistance)
- d. 2 CFR part 421, Requirements for Drug-Free Workplace (Financial Assistance)
- e. 2 CFR part 418, New Restrictions on Lobbying

D. Additional General Terms and Conditions

1. Advances and Reimbursements
Grantees must use the SF-270, Request for Advance or Reimbursement, (Form and Instructions) to request advances and reimbursements.
2. Appeals
Appeals will be handled according to regulations at 7 CFR parts 11, 614, and 780.
3. Audit
 - a. Grantees must comply with the audit requirements of the following:
 - (1) 2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
 - (2) 2 CFR part 400, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
 - b. The audit requirements apply to the years in which grant funds are received

and years in which work is accomplished using grant funds.

4. Availability of USDA Information

Section 2004 of the Farm Security and Rural Investment Act of 2002 and section 1619 of the Food, Conservation, and Energy Act of 2008 describe the type of information that can be shared by USDA with any individual or applicant outside USDA. USDA is prohibited from disclosing information about an agricultural operation, its land, its farming or conservation practices, and any geospatial information. Information may be released to any person or agency that is working in cooperation with USDA to provide financial or technical assistance to a producer or to respond to a disease or pest threat. Payment information, aggregated or statistical data, and information that a producer consents to release may be disclosed. However, producer consent to disclose information cannot be a prerequisite for participation in a USDA program.

5. Civil Rights

- a. USDA prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment, or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)
- b. To file a complaint of discrimination, complete, sign, and mail the USDA Program Discrimination Complaint Form (PDF), located online at http://www.acer.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. Send your completed complaint form or letter to us by mail at:
USDA
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410
or by email at program.intake@usda.gov
- c. Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an Equal Employment Opportunity (EEO) or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (Spanish).
- d. EEO Data Posted Pursuant to the No Fear Act – This is the reporting page for the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (NO FEAR Act), Public Law 107-174.

6. Close-out Procedure

Upon submittal of the final SF-425, Federal Financial Report, to NRCS, close-out procedures will be initiated for the agreement. Each agreement is a separate action and will be closed out in accordance with the applicable general provisions.

7. Delegation of Fiscal Responsibility

Unless the terms and conditions of the grant provide otherwise, the grantee

may not, in whole or in part, delegate or transfer to another person, institution, or organization the responsibility for use or expenditure of grant funds.

8. Fiscal Integrity

The recipient will notify NRCS of any significant problems relating to the administrative or financial aspects of the grant, such as misappropriation of Federal funds.

9. Modification Authority, Change in Scope, or Objectives

The grant agreement may be modified in writing by mutual consent of NRCS and the grantee. However, the grantee must obtain prior approval from NRCS for any change to the scope or objectives of the approved project. Failure to obtain prior approval of changes to the scope of work or budget may result in suspension, termination, or recovery of grant funds.

10. Freedom of Information and Privacy Act

Applicants should be aware that some or all of the information submitted in their application may be subject to public disclosure through the Freedom of Information Act. Applicants are advised to mark confidential information, such as proprietary information, in the materials provided to the agency.

11. APPLICANTS ARE ENCOURAGED TO DOUBLE CHECK THE CONTENTS OF THEIR APPLICATION PACKAGE BEFORE SUBMITTING THEIR APPLICATION TO ENSURE THAT ALL REQUIRED ITEMS BEGINNING ON PAGE 13 ARE INCLUDED.

A checklist is provided:

- application submitted on 8.5" x 11" paper
- text is no smaller than 12 pitch
- completed SF-424 and SF-424-B
- one page executive summary completed
- bank description and items 1-14 on page 13 have been fully addressed
- Grants.gov registration process completed if submitting electronically

XVI. Supplemental Information

A. Program Contact

Shaun Vickers
National Mitigation Banking Program Manager
USDA-NRCS
8000 South 15th Street
Lincoln, Nebraska 68508
Phone: (402) 560-1309

shaun.vickers@wdc.usda.gov

B. Administrative Contact

Frankie Comfort
Grants and Agreements Team
USDA-NRCS
1400 Independence Avenue, SW, Room 6815-S
Washington, D.C. 20250
Phone: (202) 720-0242

Email: frankie.comfort@wdc.usda.gov

For questions related to www.Grants.gov:

Telephone: (800) 518-4726

Email: support@grants.gov

C. Reference Links

For access to grants.gov application website: <http://www.grants.gov>.

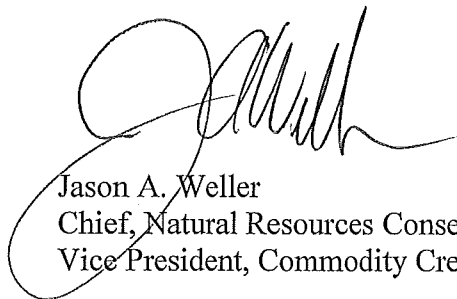
For access to Grants.gov applicant resources:

<http://www.grants.gov/web/grants/applicants/applicant-resources.html>.

For access to NRCS' website: www.nrcs.usda.gov.

Any inconsistency between the original printed document and the disk or electronic document will be resolved by giving precedence to the printed document.

Signed on this day of 1 / 11 / 2016



Jason A. Weller
Chief, Natural Resources Conservation Service
Vice President, Commodity Credit Cooperation