

GRANT APPLICATION PACKAGE
Request for Proposals
Woody Biomass Utilization Grants—Forest Restoration Activities on National
Forest System Lands
USDA Forest Service
State & Private Forestry, Technology Marketing Unit
Forest Products Laboratory
Madison, WI 53726–2398

The complete announcement and all required forms are Portable Document Format (PDF) (Adobe Acrobat) files and may be accessed by following the highlighted links. The Adobe Acrobat Reader (version 4.0 or later) must be installed on your system to view or print a PDF document. The Acrobat Reader may be part of your Web browser, or you may [download from Adobe](#) free of charge.

For technical questions, contact Susan L. LeVan-Green, Program Manager, Technology Marketing Unit, Forest Products Laboratory, by phone (608–231–9504) or e-mail (slevan@fs.fed.us).

For general questions, contact Linda Richter, Forest Products Laboratory, by phone (608–231–9504) or e-mail (lrichter@fs.fed.us).

Deadlines: Pre-application Postmark Deadline: November 7, 2008.

Full application Postmark Deadline: February 13, 2009.

Federal Register Announcement	Request for Proposals: Woody Biomass Utilization Grants—Forest Restoration Activities on National Forest System Lands
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[See also www.grants.gov](http://www.grants.gov)

Send Application Package to
USDA Forest Service
ATTN: Patricia Brumm
Forest Products Laboratory
One Gifford Pinchot Drive
Madison, WI 53726–2398

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Form No.	Title
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All forms are hot linked in this site.	

1. Definition of Terms and Federal Regulations

48 FAR, Part 31: Cost Principles for Commercial Organizations (available at <http://acquisition.gov/far/index.html>)

Assets: All the things of value that are owned or due to the firm. Assets are further classified as *Current Assets* or *Fixed Assets*. The sum of *Current Assets* and *Fixed Assets* is called the firm's *Total Assets*.

Balance Sheet: The balance sheet is a snapshot of the company's financial standing at an instant in time. The balance sheet shows the company's financial position, what it owns (assets) and what it owes (liabilities and net worth). The "bottom line" of a balance sheet must always balance (i.e. assets = liabilities + net worth). Liabilities and net worth are composed of creditors and investors who have provided cash or its equivalent to the firm. As a source of funds, they enable a firm to continue in business or expand operations. Assets, on the other hand, represent the firm's use of funds.

Biomass: The term "biomass" means any lignin, waste material that is segregated from other waste materials is determined to be nonhazardous by the Administrator of the Environmental Protection Agency and any solid, nonhazardous, cellulosic material that is derived from—

- (A) any of the following forest-related resources: mill residues, precommercial thinnings, slash, and brush, or nonmerchantable material;
- (B) solid wood waste materials, including waste pallets, crates, dunnage, manufacturing and construction wood wastes (other than pressure-treated, chemically-treated, or painted wood wastes), and landscape or right-of-way tree trimmings, but not including municipal solid waste (garbage), gas derived from the biodegradation of solid waste, or paper that is commonly recycled;
- (C) agriculture wastes, including orchard tree crops, vineyard, grain, legumes, sugar, and other crop by-products or residues, and livestock waste nutrients; or
- (D) a plant that is grown exclusively as a fuel for the production of electricity.

Business Financials: Used for evaluations only. All copies will be destroyed except official copy for records; not accessible through Freedom of Information Act; includes cash flow statements, income statements, and balance sheet 3 years historic and 3 years pro forma.

Cash Flow: The actual net cash, opposed to accounting net income, that flows into (or out of) a firm during some specified period.

Company Cash Flow Analysis: Describes a firm's financial performance of short term current assets (cash) and how the proposed project will influence your organization's future financial performance. Inadequate attention to cash flow can result in the inability of a company to meet its financial obligations because the cash to meet these obligations is not yet in hand. Attention to cash flow is a critical aspect of the financial requirements, as it helps define the prospective working capital needs. Lack of attention to cash flow

and its associated impact on working capital requirements may result in the failure of the firm.

Construction Costs: Costs associated with construction of buildings, roads, infrastructure, and site preparations for equipment that are permanent are not allowed under this grant; however, construction funds can be part of the non-Federal cost share.

Current Assets: Those assets that mature in less than one year.

Current Liabilities: Those obligations that will mature and must be paid within 12 months. These are liabilities that can create a company's insolvency if cash is inadequate.

Direct and Tangible Benefits: Direct and tangible benefits include increased acres treated or reduced National Forest System costs/acre for forest restoration treatments where removals are required, from hazardous fuel treatments, insect and diseased conditions or catastrophic weather events.

Direct/Indirect Costs: Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Direct cost of minor amounts may be treated as indirect costs under the conditions described in subparagraph B.2, OMB Circular 122. After direct costs have been determined and assigned to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefiting cost objectives. A cost may not be allocated to an award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to an award as a direct cost. Because of the diverse characteristics and accounting practices of non-profit organizations, it is not possible to specify the types of cost that may be classified as indirect cost in all situations. However, typical examples of indirect cost for many non-profit organizations may include depreciation or use allowances on buildings and equipment, the costs of operating and maintaining facilities, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting (www.whitehouse.gov/omb/circulars/index.html).

Ecosystem (forest) Restoration: The process of assisting the recovery of a forest that has been degraded, damaged, or destroyed.

Equipment: Equipment is tangible, nonexpendable, personal property having a useful life of more than 1 year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined previously. For questions pertaining to equipment, see GSA circular (www.gsa.gov/far90-37/html/31.html). (See [Equipment Q&A's](#) on the TMU's 2009 woody biomass grant website.)

Fixed Assets: Fixed assets represent the use of cash to purchase physical assets whose life exceeds one year.

Fire Regime Condition Class: (www.frcc.gov)

Condition Class 1: Fire regimes are within a historical range and the risk of losing key ecosystem components is low. Vegetation attributes (species composition and structure) are intact and functioning within the historical range.

Condition Class 2: Fire regimes have been moderately altered from their historical range. The risk of losing key ecosystem components is moderate. Fire frequencies have departed from historical frequencies by one or more return intervals (either increased or decreased). These result in moderate changes to one or more of the following: fire size, intensity and severity, and landscape patterns. Vegetation attributes have been moderately altered from their historical range.

Condition Class 3: Fire regimes have been significantly altered from their historical range. The risk of losing key ecosystem components is high. Fire frequencies have departed from historical frequencies by multiple return intervals. These result in dramatic changes to one or more of the following: fire size, intensity, severity, and landscape patterns. Vegetation attributes have been significantly altered from their historical range.

Forest Service Letter of Support and Biomass Availability: A letter from a Forest Service District Ranger or Forest Supervisor responsible for the forest restoration activities on National Forest System lands is required. At a minimum, the letter shall state that the forest would anticipate that bids for projects or raw material would be available to the public and the applicant is recognized as a qualified bidder. The letter should also include the Forest Service role in the project, if applicable, status of National Environmental Policy Act (NEPA) for the project area, and quantities of biomass available. This letter neither precludes nor replaces the National Forest System lands competitive bid process. This letter shall be submitted with both the pre-application and full-application package. Applications shall be disqualified if letter is not included.

Income Statement: Also known as the profit and loss statement, the income statement shows all income and expenses over a period of time and whether the business is profitable or not. This statement shows the ability of a firm to generate revenue (income) and manage costs. This statement is a measure of financial performance. An income statement does not reveal hidden problems, such as insufficient cash flow problems. Income statements are read from top to bottom and represent earnings and expenses over a period of time.

Indirect or Intangible Benefits: Indirect or intangible benefits can include job creation, improved air quality (reduced air emissions from point and non-point sources), enhanced water quality, improved fire regime condition class, and reduced wildfire risk to homes, watersheds, and wildlife habitat.

In-Kind Contributions: In-kind contributions are property or services that benefit a federally assisted project or program and are contributed by non-federal grantees and their partners without charge to the grantee, or a cost-type contractor under the grant agreement.

Liabilities: Liabilities represent a company's obligations to creditors.

Long-Term Liabilities: Long-term liabilities are long term debt that is not due within the next 12 months. Long-term debt provides cash to be used for long-term asset purchase, either permanent working capital or fixed assets.

Matching Funds: At least 20% matching funds is required by the applicant. Matching funds are 20% of the **total project cost** (Federal share + matching funds). Example: If \$100,000 is the total project cost, which includes the Federal portion and the applicant match, the match requirement is $0.20 \times \$100,000$, or \$20,000 from non-Federal sources. If \$250,000 is the requested federal portion, the minimal amount of match is \$62,500 for a total project cost of \$312,500.

National Forest System: All lands managed by the USDA Forest Service, National Forest System, which represents 192 million acres of National Forests and Grasslands.

Non-merchantable: The portion of the byproducts of preventive treatments that would not otherwise be used for higher value products.

OMB Circulars:

OMB Circular A-21, Cost Principles for Educational Institutions (Available at www.whitehouse.gov/omb/circulars/index.html).

OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments (Available at www.whitehouse.gov/omb/circulars/index.html).

OMB Circular A-122, Cost Principles for Non-Profit Organizations (Available at www.whitehouse.gov/omb/circulars/index.html).

48 FAR, Part 31, Cost Principles for Commercial Organizations (available at <http://acquisition.gov/far/index.html>)

OMB Circular A-102, Grants and Cooperative Agreements with State and Local Governments (Available at www.whitehouse.gov/omb/circulars/index.html).

OMB Circular A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations (Available at www.whitehouse.gov/omb/circulars/index.html).

OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Available at www.whitehouse.gov/omb/circulars/index.html).

Owner's Equity: Owner's equity represents the owner's investment (net worth) in the firm or the owner's share in the financing of all the assets. Equity is calculated by subtracting total liabilities from total assets.

Outcomes: Expected benefit of activity. In this particular grant program, primary anticipated outcome is meeting Forest Service management objectives on certain forestlands that have increased risk due to overstock stands, insect and disease outbreaks, or catastrophic weather events at a lower per acre cost to Forest Service than without this grant program.

Profit (Loss) Statement: See ***Income Statement***.

Pro Forma: A financial statement (balance sheet, income statement, cash flow analysis) projected to show future financial performance. ***Pro forma*** shows how an actual statement will look if certain specified assumptions are realized.

Program Income: Program income refers to gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award (see exclusions in OMB Circular A110 or A102). Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federally funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. Interest earned on advances of federal funds is not program income. Except as otherwise provided in federal awarding agency regulations or the terms and conditions of the award, program income does not include the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them. (www.whitehouse.gov/omb/circulars/index.html).

Project Budget: Overall project costs, including summary of matching funds, in-kind contributions, federal share, and project expenditures over life of grant.

Project Cash Flow Analysis (http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.doc or http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.xls): Describes the project inflows and outflows of short term assets (cash). Inadequate attention to project cash flow can result in the inability of the project to meet its financial obligations, because the cash to meet obligations is not yet in hand. Attention to cash flow is a critical aspect of the financial requirements, as it helps define the project's prospective working capital needs. Lack of attention to cash flow and its associated impact on working capital requirements may result in the failure of the project.

Project Costs: Project costs are all allowable costs, as set forth in the applicable Federal cost principles, incurred by a recipient and the value of the contributions made by third parties in accomplishing the objectives of the award during the project period. www.whitehouse.gov/omb/circulars/index.html.

Taxable Income: The grant funds are taxed as ordinary income by the IRS and a 1099 shall be reported to the IRS by the Forest Service (see www.irs.gov).

Total Assets: Total assets represent the sum of all the assets (***current assets*** plus ***fixed assets***) owned by or due to a firm.

Total Liabilities: Total liabilities represent the sum of all monetary obligations of a firm and all claims creditors have on its assets.

Wildland-Urban Interface: As defined by local community wildfire protection plan. If no plan exists, the Healthy Forest Restoration Act (PL 108-148) or the Western Forestry Leadership Coalition definition can be applied. (www.wflc.org)

Woody Biomass: This term means non-merchantable material or pre-commercial thinnings that are byproducts of forest restoration treatments, such as trees, wood, brush, thinnings, chips, and slash, that are removed to reduce hazardous fuels, to reduce or contain disease or insect infestations, or to restore forest health.

Woody Biomass Utilization: The harvest, sale, offer, trade, and/or utilization of woody biomass to produce the full range of wood products, including timber, engineered lumber, paper and pulp, furniture and value-added commodities, and bio-energy and/or bio-based products such as plastics, ethanol, and diesel.

2. Eligible Applicants

Eligible applicants are State, local, and Tribal governments, school districts, communities, non-profit organizations, businesses, companies, corporations, or special purpose districts, e.g., public utilities districts, fire districts, conservation districts, or ports. Only one application per business or organization will be accepted. **If applicants have received a Woody Biomass Utilization Grant within the last three years, they are not eligible.** Construction projects involving a permanent building or infrastructure item, such as roads, are not allowed with Federal funds; however construction funds can be part of the non-Federal cost share. For Alaska, only applicants on the Seward Ranger District on the Chugach National Forest are eligible to apply for this grant. Cordova and Glacier Ranger Districts on the Chugach are not eligible. Ranger Districts on the Tongass National Forest are not eligible.

3. Cost Sharing (Matching Requirement)

Of the total project cost, applicants must demonstrate at least 20% matching funds from non-Federal sources for the **total project cost**. **The total project costs include both federal and matching funds.** Matching funds, which can include cash or in-kind contributions, must be from non-federal sources. In-kind, or non-cash contributions, must be reasonable, allowable, and the recipient must be able to demonstrate in the application (as well as a possible audit) that all costs can be shown as actual costs to the recipient in performing the project. Example 1: total costs for project = \$100,000, Federal share = \$80,000; cost share = \$20,000. Example 2: Federal share requested is \$200,000, cost share = \$50,000, total cost for project = \$250,000.

All unit costs must be clearly identified in the budget justification and must be allowable, reasonable, and auditable.

Funds paid by the Federal government under another award, unless otherwise authorized by Federal statute, may not be used for the matching requirement.

In addition, the grantee should be aware that grant funds are taxed as ordinary income by the IRS and a 1099 Misc. will be reported to the IRS by the Forest Service.

4. Grant Information

All applicants must include a Dun and Bradstreet (D&B), Data Universal Numbering System (DUNS) number in their full application. For the purpose of this requirement, the applicant is the entity that meets the eligibility criteria and has the legal authority to apply for an award. For assistance in obtaining a DUNS number at no cost, call the DUNS number request line (1-866-705-5711) or register on-line at <http://fedgov.dnb.com/webform/>. By submission of an application, the applicant acknowledges the requirement that prospective awardees shall be registered in the Central Contractor Registration (CCR) database prior to award, during performance, and through final payment of any grant resulting from this solicitation. Further information can be found at www.ccr.gov. For assistance, contact the CCR Assistance Center (1-888-227-2423).

At least \$4 million are available for granting under this program. Individual grants will not be less than \$50,000 or more than \$250,000. Funds are presently not available for this grant program. The Government's obligation under this program is contingent upon the availability of 2009 appropriated funds from which payment for grant purposes can be made. No legal liability on the part of the Government for any payment may arise until funds are made available to the Grants Officer for this program, and until the Cooperator receives notice of such availability, to be confirmed in writing by the Grants Officer. Successful applicants will be announced by early April 2009. The maximum length of the award is 3 years from the date of award. Written annual financial performance reports and semi-annual project performance reports shall be required. Applicants should be aware that the grant funds are regarded as taxable income and a form 1099 Misc. will be sent by the Forest Service to the IRS. Awardees are expected to follow all OSHA requirements regarding safe working practices and all applicable state and federal regulations pertinent to the proposed project.

5. Evaluation Criteria and Point System

a. Impact on National Forest System Lands Forest Restoration Activities:

Total Points 40

- Condition of the forestlands proposed for the project, such as Fire Regime Condition Class (www.frcc.gov), insect and disease risk conditions, or degraded forestlands due to catastrophic weather events. (5 points maximum)
- Direct, tangible benefits with and without grant (e.g., increased acres treated from forest restoration activities, increased value of raw material removed from forest restoration activities, and reduced Forest Service's cost per acre. (15 points maximum)
- Indirect, intangible benefits (including reduction of air and water pollution, reduction of green house gases, improvements in socio-economic quality, and improvements in wildlife habitats and watersheds). (10 points maximum)
- Opportunities created for using woody biomass material around National Forest System lands in locations where no or limited industry capacity exists. (10 points maximum)

b. Technical Approach Work Plan: Total Points 25

- Technical feasibility of the proposed work (5 points maximum)

- Potential for project to improve efficiencies or to accelerate adoption of cleaner technologies (air, water, waste) for biomass utilization. (5 points maximum)
- Adequacy and completeness of the proposed tasks. (5 points maximum)
- Evaluation and monitoring plan (accountability measures of environmental, social, financial and forest restoration effects of proposed project). (5 points maximum)
- Identified deliverables/tasks. (3 points maximum)
- Timeliness and reasonableness of time schedule. (2 points maximum)

c. Financial feasibility: Total Points 25

- Realistic budget and timeframe
- Thorough financial documentation (see description of required documentation under Section 7.e.)
- Level of matching funds for the grant

Scoring for Financial Feasibility Documentation:
(See section under Full-Application, Financial Documentation)

d. Qualifications and Experience of Applicant: Total Points 10

- Experience, capabilities (technical and managerial)
- Demonstrated capacity

Scoring for Qualifications:

- 8 to 10 points for demonstrated expertise and knowledge to ensure success
- 6 to 8 points for expertise in another area but project is an expansion of capability
- 4 to 6 points for entering into new area which requires completely new knowledge

6. Pre-Application Information

a. Pre-Application Submission: Pre-applications are required. Each application shall be screened to ensure that it meets the administrative requirements as set forth in the Federal Register announcement and in this grant application package. Specific content and submission requirements for the pre-application are as follows: Each submittal must be composed of two paper copies (single-sided) and one original of the pre-application. Paper copies of the pre-application must be on 8.5- by 11-inch plain white paper with a minimum font size of 11 letters per inch. Top, bottom, and side margins must be no less than three-quarters of an inch. All pages must be clearly numbered. The two paper copies of the application package should be stapled with a single staple at the upper left-hand corner. **Do not staple the original.** No other bindings are accepted.

b. Pre-Application Content

Applications must conform to the following requirements to be considered for funding under this solicitation:

- Project Summary Sheet http://www.fpl.fs.fed.us/tmu/grant-2009/project_summary.doc (**Required form**)
- SF424 (**Required form**)
http://www.grants.gov/agencies/aapproved_standard_forms.jsp#1

(CFDA Number is 10.674 and title of program is Technology Marketing Unit, Woody Biomass Grant Program.)

- SF424A (**Required form**)
http://www.grants.gov/agencies/aapproved_standard_forms.jsp#1.
 Please list the federal and non-federal portions of the budget under Section B. Use column (1) for federal and column (2) for non-federal portions.
- Project Narrative (limit to 5 pages)
 - Statement of Need
 - Project Coordinators and Partners
 - Goals and Objectives
 - Technical Approach Work Plan
 - Impact on National Forest System (NFS) lands
- Budget Justification Including Matching funds (limit to 1 page)
 - Budget spreadsheet Table 1
- Appendices
 - **Required letter** from Forest Service, as well as support letters from other partners (not included in page limitation)
 - Statement of Proponent Qualifications (not included in page limitation)

Pre-Application Content Checklist	
Form No.	Content
	Project Summary Sheet http://www.fpl.fs.fed.us/tmu/grant-2009/project_summary.doc (maximum one page)
SF-424	http://www.grants.gov/agencies/approved_standard_forms.jsp#1
SF-424A	http://www.grants.gov/agencies/approved_standard_forms.jsp#1
	Project Narrative (Not to exceed 5 pages) <ul style="list-style-type: none"> • Statement of need • Project coordinator and partners • Goals and objectives • Technical approach work plan • Impact on National Forest System lands <ul style="list-style-type: none"> - Tangible benefits - Intangible benefits • Evaluation and monitoring
	<ul style="list-style-type: none"> • Budget Spreadsheet http://www.fpl.fs.fed.us/tmu/grant-2009/table_1.doc or http://www.fpl.fs.fed.us/tmu/grant-2009/table_1.pdf Budget Justification Narrative (maximum one page)

Appendices (not included in page limitation)

- Letter of support and woody biomass availability from local USDA Forest Service District Ranger or Forest Supervisor
- Letters of support from partners, individuals, or organizations
- Statement of Key Personnel Qualifications
- List all other federal funds received for this project within the last three years.

c. Directions for Pre-Application Content

(Content information for pre-application. Assemble in the following order:)

Project Summary Sheet (limit to one page and use standard form)

http://www.fpl.fs.fed.us/tmu/grant-2009/project_summary.doc:

- Project Coordinator: Name of principal investigator or person accountable for fiscal and technical matters.
- Phone Number of principal contact.
- Grantee refers to organization name, e.g. company or non-profit. Address is the grantee's address. Please list street address in addition to any post office boxes.
- Congressional District of grantee. Congressional District in which project will take place.
- Forest Service Region: FS region in which project will take place.
- Amount awarded: The total amount of federal funding requested in proposal.
- Matched Funds: The total amount of non-federal funding that is being used as cost share.
- Project duration: The length of time for project after grant is awarded.
- Acres Treated: The total number of Forest Service acres impacted by this grant.
- Regional Representative: See listing under www.fpl.fs.fed.us/tmu (woody biomass grants, additional information)
- Grant officer: Leave blank
- Project Title. The project title should be short (not to exceed 80 characters) but descriptive of the project.
- Description: Provide short executive summary of proposal (maximum of 100 words).
- Collaborative Partners: List organizations of collaborative partners.
- Project Objectives: List in bullet format of primary objectives of project.
- NFS Impact: List the projected number of green tons of woody biomass removed and utilized from National Forest Systems forestlands. Also list the number of additional acres that could be treated by NFS.
- Additional comments:

[Required SF 424](#)

[Required SF 424A](#). Please list the federal and non-federal portions of the budget under Section B of this form. Use column (1) for federal and column (2) for non-federal portions.

Project Narrative

The entire narrative of the proposal is limited to five pages or less that clearly and concisely describe the proposed technical approach work plan, including: tasks, timeline, and the expected benefits. The following items are suggested topics to include in the narrative:

Statement of Need

The statement of need should serve to describe the existing circumstances and what needs to be done to correct the situation. The applicant should be specific and present definite actions that can be taken to accomplish the project. List the geographic area and name of National Forest/Grassland. Describe the forest resource situation, such as fire regime condition class, impact by insect and disease infestation, or impact by catastrophic weather events. Also indicate whether or not the project is located within a designated wildland urban interface area (see definition of terms). In addition, identify the affected community(s), county, and state(s).

Project Coordinator(s) and Partner(s)

This section identifies the project coordinator(s) and describes the role that each will play in meeting the objectives of the project. Qualifications of these individuals should be listed in the Appendix under “Key Personnel Qualifications.” Partners to the project should include a letter confirming their intent to participate and describing respective roles and contribution. These letters are included in the Appendices and do not count in the page limit.

Goals and Objectives

The project goals should be consistent with the purpose and objective of this Request for Proposals. Objectives should be specific, measurable, achievable, relevant, and timely.

Technical Approach Work Plan

The applicant should describe the specific course of action(s) that will be taken to accomplish the stated goal(s) and objective(s), including the techniques or methods that will be used. A work plan and timetable for accomplishing each of the major actions should be presented. The proposal should also describe the specific product and/or outcomes that are expected as a result of this funding. Both direct and indirect benefits should be displayed. The actions presented in the work plan should directly correlate to the budget package presented in the application.

Impact on National Forest Lands

The discussion of the impact on National Forest System lands is a critical component because these proposals are aimed at helping the Forest Service increase the number of acres by lowering the per acre treatment costs for forest restoration activities where

biomass removals are necessary to meet forest management objectives. These treatments include hazardous fuel treatments (as defined under the Healthy Forest Restoration Act, Pub. L. 108-148), and woody biomass removals necessitated by insects and disease infestations, and/or catastrophic weather events. Applicants should describe qualitatively and quantitatively how the project would decrease Forest Service treatment costs and/or increase the price one might offer for the woody biomass. Specifically, proposals should address the following:

- Condition of the forestland or grassland proposed for the project, such as Fire Regime Condition Class (www.frcc.gov), the insect and disease risk conditions, or degraded forestlands due to catastrophic weather events and the consequences of the National Forest System not being able to do treatments because of the cost.
- Direct, tangible benefits with and without the grant (e.g., increased acres treated from forest restoration activities, increased value of raw material removed from forest restoration activities, and reduced Forest Service's costs per acre.
- Indirect, intangible benefits (including reduction or air and water pollution, reduction of green house gases, improvements in socio-economic quality, and improvements in wildlife habitats and watersheds). Guidelines for determining impacts on air and water pollution can be found at the following websites:
 - http://www.epa.gov/woodheaters.what_epa_doing.htm
 - <http://www.epa.gov/EPA-AIR/2005/December/Day-28/a24299.htm>
 - <http://www.epa.gov/EPA-Air/2006/February/Day-16/a1071.htm>
- <http://www.nescaum.org> Opportunities created for using woody biomass material around National Forest System lands in locations where no or limited industry infrastructure exists to use the material removed.
- Anticipated outcomes and measures of success.
- Documentation of costs and benefits of project to the Forest Service as a result of the award.
- Documentation of tangible and intangible benefits. Examples of the tangible and intangible benefits are listed in Section 8 of this document.
- Long-Term Benefits of Project: Applicant should address the length of time the benefits and impacts are anticipated (e.g., project will have long-term consequences, such as equipment improvements, or a one-time benefit, such as a subsidy.)
- Expansion capability: Applicant should address whether or not the project has the potential to expand the application to additional forest treatment areas or to use more of the wood from treatments for higher valued uses.

Evaluation and Monitoring Plan

Briefly summarize the units and measures that will be used to document successes for the project such as accountability measures of environmental, social, financial and forest restoration effects of proposed project. In the full application, a complete detailed explanation is required.

d. Directions for Pre-Application Budget Justification

Table 1: Budget Spreadsheet.

An example of the type of budget spreadsheet that is required is given in Table 1. Budgets shall be given for each year that the project will run, as well as for the cumulative total. Table 1 can be downloaded at www.fpl.fs.fed.us/tmu under Woody Biomass Grants. Both the federal and non-federal expenditures must be listed.

Table 1: Woody Biomass Budget, Year 200_					
Year X (begin date–end date) (Required for every year of grant)					
Budget Category (must match 424A Section B, line 6)	Unit Cost (\$)	No. of Units	Non-Federal Portion ⁽¹⁾ (\$)	Federal Portion ⁽²⁾ (dollars)	Total (per category)
a. Personnel					
b. Fringe Benefits					
c. Travel					
d. Equipment (over \$5,000 value)					
e. Supplies (items under \$5,000 value)					
f. Contractors					
h. Other					
j. Indirect Charges					
Total					
⁽¹⁾ Match = 20% of total project cost					
⁽²⁾ Federal Request for each year					

Budget Justification

Budget justification should contain itemized details of the line items presented, as in Table 1. The budget line items should coincide with the work elements provided in the work plan. The detailed budget and budget justification should provide sufficient details (e.g., personnel, equipment, consultants, supplies, administration, partnership contributions) to reflect costs needed to complete activities identified in the work plan. Matching amounts, if listed as in-kind contributions (e.g., personnel time, donated equipment, materials, and matching non-Federal grants), should be based on realistic calculated values. Costs should also provide enough detail to determine if they are reasonable and allowable. The budget should also identify the source of non-Federal resources and the ability to meet matching requirements.

e. Appendices

- Letter of support and woody biomass availability from local USDA Forest Service, National Forest System District Ranger or Forest Supervisor **is required**. This letter should describe the status of NEPA, acres, timeframes, available volumes, and

opportunities for applicant to access these volumes. This letter shall be submitted with both the pre-application and full-application package.

- Letters of Support from Partners, Individuals, or Organizations: Letters of support should document the nature of partner contributions in helping to meet project objectives.
- Statement of Key Personnel Qualifications: Applicant should provide a brief summary of their qualifications as related to this project.
- List all other federal funds received for this project within the last three years. List agency, program name and dollar amount.

f. Pre-Application Delivery

Pre-applications must be post marked by November 7, 2008, and received no later than 5:00 PM Central Standard Time on November 14, 2008, by Patricia Brumm at the Forest Products Laboratory. Hand-delivered, or fax applications shall not be accepted. Electronic submissions shall be submitted through www.grants.gov. NO EXCEPTIONS ALLOWED. Please send pre-applications to the address listed on page 1 of this document.

7. Full-Application Information

Only full applications that have been requested by USDA Forest Service will be considered for funding under this solicitation.

a. Full-Application Submission

USDA Forest Service will request full applications only from those applicants selected in the pre-application process. Each application shall be screened to ensure that it meets the administrative requirements as set forth in the Federal Register announcement and in this grant application package. Specific content and submission requirements for the full-application are as follows: Each submittal must be composed of two paper copies (single-sided) and one original of the full-application. Paper copies of the application must be on 8.5- by 11-inch plain white paper with a minimum font size of 11 letters per inch. Top, bottom, and side margins must be no less than three-quarters of an inch. All pages must be clearly numbered. The two paper copies of the application package should be stapled with a single staple at the upper left-hand corner. **Do not staple the original.** No other bindings are accepted.

b. Full-Application Content

Applications must conform to the following requirements to be considered for funding under this solicitation:

- Project Summary Sheet (limit to one page and use standard form)
http://www.fpl.fs.fed.us/tmu/grant-2009/project_summary.doc
- SF424 (**Required form**)
http://www.grants.gov/agencies/aapproved_standard_forms.jsp#1
(CFDA Number is 10.674 and title of program is Technology Marketing Unit, Woody Biomass Grant Program.)

- SF424A (**Required form**)
http://www.grants.gov/agencies/aapproved_standard_forms.jsp#1.
 Please list the federal and non-federal portions of the budget under Section B. Use column (1) for federal and column (2) for non-federal portions.
- Project Narrative (limit to 10 pages)
 - Statement of Need
 - Project Coordinators and Partners
 - Goals and Objectives
 - Technical Approach Work Plan
 - Impact on National Forest System (NFS) lands
 - Environmental documentation
 - Project Work Plan and Timeline
 - Social Impacts
 - Evaluation and Monitoring Plan
 - Equipment Description
- Budget Justification Including Matching funds (limit to 1 page)
 - Budget spreadsheet Table 1
- Financial Feasibility Statements
 - For-profits: (Information is confidential and not accessible through Freedom of Information Act).
 - Balance Sheet—3 years historic and 3 years pro forma projections
 - Income statements—3 years historic and 3 years pro forma projections
 - Company cash flow analysis—3 years historic and 3 years pro forma projections
 - Budget Spreadsheet (Table 1)
 - Budget justification narrative
 - Project Financial Feasibility Narrative
 - Non-profit Organizations
 - IRS returns for past 3 years (IRS 990/990EZ, 990 Schedule A&B, 990T, etc)
 - Non-profit Organizations Work Plan
 - Project cash flow analysis—3 years pro forma projections
 - Budget Spreadsheet (Table 1)
 - Budget justification narrative
 - Project financial feasibility narrative
 - Governmental Organizations
 - Scope of work and project work plan
 - Budget Spreadsheet (Table 1)
 - Budget justification narrative
 - Project financial feasibility narrative
- Appendices
 - Required letters of support and biomass availability from local USDA Forest Service Unit (not included in page limitation)
 - Letters of support from partners, cooperators and contributors
 - Statement of Key Personnel Qualifications (not included in page limitation)

Full-Application Content Checklist	
Form No.	Content
Project Summary Sheet (limit to one page and use standard form)	
SF-424	http://www.grants.gov/agencies/aapproved_standard_forms.jsp#1
SF-424A	http://www.grants.gov/agencies/aapproved_standard_forms.jsp#1
Project narrative outline (not to exceed 10 pages) <ul style="list-style-type: none"> • Statement of Need • Project Coordinators and Partners • Goals and Objectives • Technical Approach Work Plan, • Impact on National Forest System lands <ul style="list-style-type: none"> – Tangible benefits – Intangible benefits • Environmental documentation • Project Work plan and timeline • Social impacts • Evaluation and Monitoring Plan • Equipment description if applicable 	
Budget Spreadsheet Table 1 Budget Justification, including matching funds (limit to 1 page)	
Financial Feasibility Statements (see Financial Templates at www.sba.gov/library/forms.html) Table 2 Project Cash Flow Analysis http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.doc or http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.xls (use standard form)	
Appendices (not included in page limitation) <ul style="list-style-type: none"> • Required letter of support and biomass availability from local USDA Forest Service District Ranger or Forest Supervisor • Letters of support from partners, individuals, or organizations • Statement of Proponent Qualifications. • List all other federal funds received for this project within the last three years. 	

AD-1047	www.ocio.usda.gov/forms/ocio_forms.html
AD-1048	www.ocio.usda.gov/forms/ocio_forms.html
AD-1049	www.ocio.usda.gov/forms/ocio_forms.html
AD-1050	www.ocio.usda.gov/forms/ocio_forms.html

c. Directions for Full-Application Content

(Content information for full-application. Assemble in the following order:)

Project Summary Sheet (limit to one page and use standard form)

http://www.fpl.fs.fed.us/tmu/grant-2009/project_summary.doc:

- Project Coordinator: Name of principal investigator or person accountable for fiscal and technical matters.
- Phone Number of principal contact.
- Grantee refers to organization name, e.g. company or non-profit. Address is the grantee's address. Please list street address in addition to any post office boxes.
- Congressional District of grantee. Congressional District in which project will take place.
- Forest Service Region: FS region in which project will take place.
- Amount awarded: The total amount of federal funding requested in proposal.
- Matched Funds: The total amount of non-federal funding that is being used as cost share.
- Project duration: The length of time for project after grant is awarded.
- Acres Treated: The total number of Forest Service acres impacted by this grant.
- Regional Representative: See listing under www.fpl.fs.fed.us/tmu (woody biomass grants, additional information)
- Grant officer: Leave blank
- Project Title. The project title should be short (not to exceed 80 characters) but descriptive of the project.
- Description: Provide short executive summary of proposal (maximum of 100 words).
- Collaborative Partners: List organizations of collaborative partners.
- Project Objectives: List in bullet format of primary objectives of project.
- NFS Impact: List the projected number of green tons of woody biomass removed and utilized from National Forest Systems forestlands. Also list the number of additional acres that could be treated by NFS.
- Additional comments:

Required SF 424 (http://www.grants.gov/agencies/aapproved_standard_forms.jsp#1)

Required SF 424A. Please list the federal and non-federal portions of the budget under Section B of this form. Use column (1) for federal and column (2) for non-federal portions.

Project Narrative

The entire narrative of the proposal is limited to 10 pages or less that clearly and concisely describe the proposed technical approach work plan, including: tasks, timeline, and the expected benefits. The following items are suggested topics to include in the narrative:

Statement of Need

The statement of need should serve to describe the existing circumstances and what needs to be done to correct the situation. The applicant should be specific and present definite actions that can be taken to accomplish the project. List the geographical area and name of the national forest. Describe the forest resource situation, such as fire regime condition class, impact by insect and disease infestation, or impact by catastrophic weather events. Also indicate and whether or not the project is located within a designated wildland urban interface area (see definitions). In addition, identify the affected community(s), county, and state(s).

Project Coordinator(s) and Partner(s)

This section identifies the project coordinator(s) and describes the role that each will play in meeting the objectives of the project. Detailed qualifications of these individuals should be listed in the Appendix under “Key Personnel Qualifications.” Partners to the project should include a letter confirming their intent to participate and describing respective roles and contribution. These letters are included in the Appendices and do not count in the page limit.

Goals and Objectives

The project goals should be consistent with the purpose and objective of this Request for Proposals. Objectives should be specific, measurable, achievable, relevant, and timely.

Technical Approach Work Plan

The applicant should describe the specific course of action(s) that will be taken to accomplish the stated goal(s) and objective(s), including the techniques or methods that will be used. A work plan and timetable for accomplishing each of the major actions should be presented. The proposal should also describe the specific product and/or outcomes that are expected as a result of this funding. Both direct and indirect benefits should be displayed. The actions presented in the work plan should directly correlate to the budget package presented in the application.

Impact on National Forest System Lands on Forest Restoration Activities

The discussion of the impact on National Forest System lands is a critical component because these proposals are aimed at helping the Forest Service increase the number of acres by lowering the per acre treatment costs for forest restoration activities where biomass removals are necessary to meet forest management objectives. These treatments include hazardous fuel treatments (as defined under the Healthy Forest Restoration Act, Pub. L. 108-148), and woody biomass removals necessitated by insects and disease infestations, and/or catastrophic weather events. Applicants should describe qualitatively and quantitatively how the project would decrease Forest Service treatment costs and/or increase the price one might offer for the woody biomass. Specifically, proposals should address the following:

- Condition of the forestlands proposed for the project, such as Fire Regime Condition Class (<http://www.frcc.gov>), insect and disease risk conditions, or degraded forestlands due to catastrophic weather events.

- Direct, tangible benefits with and without the grant (e.g., increased acres treated from forest restoration activities, increased value of raw material removed from forest restoration activities, and reduced Forest Service's costs per acre.
- Indirect, intangible benefits (including reduction of air and water pollution, reduction of green house gases, improvements in socio-economic quality, and improvements in wildlife habitats and watersheds). Guidelines for determining impacts on air and water pollution can be found at the following websites:
 - http://www.epa.gov/woodheaters/what_epa_doing.htm
 - <http://www.epa.gov/EPA-AIR/2005/December/Day-28/a24299.htm>
 - <http://www.epa.gov/EPA-Air/2006/February/Day-16/a1071.htm>
 - <http://www.nescaum.org>
- Opportunities created for using woody biomass material around National Forest System lands in locations where no capacity exists to use the material removed.
- Documentation of costs and benefits of project to the Forest Service as a result of the award
- Documentation of tangible and intangible benefits. Examples of the tangible and intangible benefits are listed in Section 8 of this document.
- Long-Term Benefits of Project: Applicant should address the length of time the benefits and impacts are anticipated (e.g., project will have long-term consequences, such as equipment improvements, or a one-time benefit, such as a subsidy.)
- Expansion capability: Applicant should address whether or not the project has the potential to expand the application to additional forest treatment areas or to use more of the wood from treatments for higher valued uses.

Environmental Documentation

Applicant should provide status reports on environmental documentation and permits, if applicable. Explain the positive and negative environmental consequences to the forest land with and without the project.

Project Work Plan and Timeline

Graphic chart should show various tasks, milestones, and timelines.

Social Impacts

Explain the positive and negative impacts to the surrounding communities with and without the project. Describe any positive or negative impacts of project on local rural community development objectives and community participation.

Evaluation and Monitoring

Applicant should describe how progress would be monitored and what measures will be used to evaluate the degree of progress and success of project. In particular, applicant should provide accountability measures of environment, social, financial and forest restoration effects of proposed project. The monitoring and measurement of achievements should be correlated to the work plan and the various phases of implementation associated with the project. The type of information of interest to agency for performance reporting, both before and after project, includes acres treated, green

tons removed and utilized, reduction in cost per acre to NFS, type and value of forest products produced, amount of reduction in air and water pollution, amount of reduction in green house gases, number of retained or created jobs, economic impact on a community, and other measurable quantities.

Equipment Description

If requesting equipment, provide a description of any commercially available equipment type, including make, model, and year. Letters from equipment vendors **shall be included** in application package. Letters should describe production capacity, estimated life, price quotation and the applicability of equipment to meet proposed project and OSHA safety specifications. Applicant shall also discuss how this equipment improves efficiencies or accelerates adoption of cleaner technologies (air, water, waste) for biomass utilization. Construction costs for permanent buildings or infrastructure are not allowed, except as part of the non-federal cost share. Installation costs of equipment are allowed.

d. Directions for Full-Application Budget Justification

Table 1: Budget Spreadsheet

An example of the type of budget sheet that is required is given in Table 1. Budgets shall be given for each year that the project will run, as well as for the cumulative total. Table can be downloaded at www.fpl.fs.fed.us/tmu under Woody Biomass Grants.

Table 1: Woody Biomass Budget, Year 200_					
Year X (begin date–end date) (Required for every year of grant)					
Budget Category (must match 424A Section B, line6)	Unit Cost (\$)	No. of Units	Non-Federal Portion (\$) ⁽¹⁾	Federal Portion (dollars) ⁽²⁾	Total (per category)
a. Personnel					
b. Fringe Benefits					
c. Travel					
d. Equipment (over \$5,000 value)					
e. Supplies (items under \$5,000 value)					
f. Contractors					
h. Other					
j. Indirect Charges					
Total					
⁽¹⁾ Match = 20% of total project cost					
⁽²⁾ Federal Request for each year					

Budget Justification

Budget justification should contain itemized details of the line items presented. The budget line items should coincide with the work elements provided in the work plan.

The detailed budget and budget justification should provide sufficient details (e.g., personnel, equipment, consultants, supplies, administration, partnership contributions) to reflect costs needed to complete activities identified in the work plan. Matching amounts, if listed as in-kind contributions (e.g., personnel time, donated equipment and materials, matching non-Federal grants), should be based on realistic calculated values. Costs should also provide enough detail to determine if they are reasonable and allowable. The budget should also identify the source of non-Federal resources and the ability to meet matching requirements.

e. Directions for Financial Requirements

All information remains confidential and is not accessible through the Freedom of Information Act. Financial feasibility analysis of the potential wood products business investment is performed to assess economic viability and risk. All financial records and information remains confidential (5 USC 552, (b) (4)). If there are questions or concerns about confidential information, please contact Susan LeVan at slevan@fs.fed.us or 608-231-9518.

The financial reviewers for the grants will evaluate your financials in terms of the following questions:

- Does the grantee present a reasonable project cash flow analysis indicating sufficient positive cash flow to complete the specific project for which they are requesting grant monies?
- Does the grantee represent a reasonable financial risk as demonstrated by past performance and measured by financial statements (Balance Sheet, Income Statement, and Cash Flow Analysis)?
- Does the grantee present a reasonable projection of financial performance as measured by *pro forma* (projected) financial statements (Balance Sheet, Income Statement, and Cash Flow Analysis)?
- Does the grantee present a logical budget proposal and justification for the specific project for which they are requesting grant monies?

The nature of the information required will vary with different types of projects. It is your objective to provide sufficient information to ensure the U.S. Congress and taxpayers that your project is well organized, planned and will provide direct cost-effective benefits to the National Forests. In addition, the financials must show that the investment of U.S. taxpayer dollars in your organization and in this project is justifiable.

Grant applicants shall use Table 2 (www.fpl.fs.fed.us/tmu under Woody Biomass Grants) Analysis http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.doc or http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.xls to show the project cash flow analysis. The required historic and *pro forma* (projected) financial statements include: balance sheets, income statements, and cash flow statements. Grant applicants can use their own financial statements or can find these financial statements at the Small Business Administration website. Links are listed below at:

<http://www.sba.gov/tools/Forms/smallbusinessforms/fsforms/index.html>

Exceptions to these required financial statements are the following:

- 1) Non-profit organizations may substitute IRS 990 (or equivalent) filings in lieu of historic and *pro forma* financial statements;
- 2) Governmental entities are not required to provide financial statements but do require a narrative describing financial sustainability and documentation of financial controls used by the governmental entity.

To assist reviewers, grant applicants should be as descriptive as possible on their financial assumptions. Grant applicants should use standard business accounting principles for developing the required financial information. For technical assistance in preparing your financial reports, refer to your Small Business Development Center (SBDC). Additional sources for financial assistance is listed at http://www.fpl.fs.fed.us/tmu/grant-2009/additional_fin_assistance.pdf

Recommendations for Preparing Required Financial Elements

Assumptions

Always justify your assumptions used in the Required Financial Elements. The applicant should answer the question “Why this assumption?” and be able to justify it. Attention should be paid to the "justification of assumptions" used in project financial feasibility. Applicants should list the assumptions being used and on what basis these assumptions are valid. Applicants must list and justify the assumptions used in determining the technical and financial feasibility. Justification might include listing credible source of information, letters of reference from partners, equipment vendor quotations, published marketing and technical data.

Other Lessons Learned From Past Years

Given the uncertainties of resource supply, forest products market volatility, and financial viability of wood products business operations, it is essential to consider presenting a logical plan for your proposed project. Successful applicants in the past have demonstrated a clear linkage between the project narrative, budget justification and the budget line items that are presented. Deficiencies in previous year's grant proposals include the following:

- Incomplete submittal of required financial information
- Poorly developed financial information
- Poorly thought out assumptions
- Lack or insufficient justification of assumptions used
- Weak linkage between project description and proposed budget

For-Profit Organization – Requirements for Financial Feasibility Elements

- Table 1—Woody biomass budget (one for each year of the project)
http://www.fpl.fs.fed.us/tmu/grant-2009/table_1.doc or
http://www.fpl.fs.fed.us/tmu/grant-2009/table_1.pdf
- Project budget justification narrative (limit one page)

- Project financial feasibility narrative (limit two pages)
- Table 2—Project Cash Flow Analysis Form/Spreadsheet (3 years projections of project cash flow) http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.doc or http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.xls
- Historic Company Financials (3 most recent years including: company balance sheet, income statement, and company cash flow analysis)
- Projected (*pro forma*) Company Financials (3 years projected: company balance sheet, income statement, and company cash flow analysis)

Description of For-Profit Organization Required Financial Feasibility Elements

- **Table 1.—Woody Biomass Budget (one for each year of the project).**
See Woody Biomass Utilization Program website:
<http://www.fpl.fs.fed.us/tmu/grant-2009/index.html>
- **Project Budget Justification Narrative**—limited to one page maximum.
Budget justification should contain itemized details of the line items presented in Table 1. The budget line items should coincide with the work elements provided in the work plan. The detailed budget and budget justification should provide sufficient details (e.g., personnel, equipment, consultants, supplies, administration, partnership contributions) to reflect costs needed to complete activities identified in the work plan. Matching amounts, if listed as in-kind contributions (e.g., personnel time, donated equipment, materials, and matching non-Federal grants), should be based on realistic calculated values. Costs should also provide enough detail to determine if they are reasonable and allowable. The budget should also identify the source of non-Federal resources and the ability to meet matching requirements.
- **Project Financial Feasibility Narrative**—limited to two pages maximum.
A project financial feasibility narrative is required. It is the responsibility of the applicant to justify why their project is a good project for the USDA Forest Service to invest U.S. taxpayer dollars. Identify critical data needs and assumptions. Briefly describe how you narrowed down potential opportunities and why the project is a good choice.
- **Table 2—Project Cash Flow Analysis**
Cash flow analysis (http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.doc or http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.xls) is used to describe the flow of money through the project accounting books. Inadequate attention to cash flow can result in the inability of a project to meet its financial obligations, because the cash to meet those obligations is not yet in hand. Attention to cash flow is a critical aspect of the financial requirements, as it helps define the prospective working capital needs. Lack of attention to cash flow and its associated impact on working capital requirements may result in the failure of the project and is of concern to the financial evaluators. The grant proposal financial evaluators want to see demonstration of sufficient cash (working capital) to keep the project viable.

- **Historic Company Financials**

The three (3) most recent years of the required company financial statements are used to gauge financial performance by the financial reviewers. These include: company balance sheet, income statement, and company cash flow analysis.

- **Balance Sheet:** 3 years historic and 3 years pro forma balance sheets are required. See definitions for explanation of balance sheet. See www.sba.gov/library/forms.html for standard forms or your accountant may use some other system.
- **Income Statement:** 3 years historic and 3 years pro forma income statements are required. See definitions for explanation of income statements. See www.sba.gov/library/forms.html or www.score.org/template_gallery.html for standard financial template forms or a similar accounting format from your accountant.
- **Company Cash Flow Analysis:** 3 years historic and 3 years pro forma company cash flow analysis is required. See definitions for explanation of company cash flow analysis. The grant proposal financial evaluators want to see demonstration of sufficient cash (working capital) to remain viable. See <http://www.sba.gov/tools/resourcelibrary/index.html> for standard forms or your accountant may use some other system.

- **Projected (*pro forma*) Company Financials**

Projections of the company financial statements - balance sheets, income statements and company cash flow analysis - are also required. **Pro forma** are required for three (3) years into the future and should show the financial impacts of the project on overall company financials. For example, if the project is a major expansion of the current firm, it would be logical to assume that the firm's overhead would increase and that working capital (that is, current assets less current liabilities) would change. With increased revenues, larger inventories may be needed to support higher sales with the possibility of new products. Accounts receivable would also be expected to increase. To at least partially offset the increase in accounts receivable one would expect to see an increase in accounts payable. However, with any change in working capital, applicants will be required to explain how this change will be financed. This should be clearly shown in the *pro forma* financials.

SCORING – For-Profit Organization Financial Feasibility Full Application (25 points)

The required financial information is to be evaluated and ranked using the following criteria:

Score Description

- 0 Missing—required financial information was not submitted and is a conditional fatal flaw for disqualification
- 1 Deficient/Questionable—submitted but incomplete, unjustified assumptions, and/or unable to determine if valid.

- 2 Minimally Sufficient—minor deficiencies but sufficient enough to deem the information fairly credible and accurate, assumptions are at least marginally justified; good financial support for the project.
- 3 Sufficient—no deficiencies, accurate and justified assumptions, indisputable financial support for the project

In addition, one (1) point extra effort can be awarded for project financial feasibility that shows substantial support for the goals and objectives of the Woody Biomass Utilization Grants program. One point extra effort can also be awarded for "Clear, Concise and Complete" documentation for company financials, project budget, and financial feasibility.

Required Financial Feasibility Elements – For-Profits (25 points maximum)

- Project budget—10 points maximum
 - Table 1—Woody Biomass Budget (0 to 3 points)
 - Project budget justification narrative (0 to 3 points)
 - List of assumptions and justifications (0 to 3 points)
 - Clear, concise, and complete project budget information (1 point extra effort)
- Project financial feasibility including discussion of justification of assumptions – 4 points maximum
 - Project financial feasibility narrative (0 to 3 points)
 - Clear, concise, and complete financial feasibility information (1 point extra effort)
- Project cash flow analysis, historic and pro forma projections (3 years each) of company financial statements including list of assumptions and justification of assumptions—10 points maximum
 - Project Cash Flow Analysis Form/Spreadsheet (0 to 3 points)
http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.doc or
http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.xls
 - Historic Company Financial Statements (0 to 3 points)
 - Projected (pro forma) Company Financial Statements (0 to 3 points)
 - Clear, concise, and complete financial information (1 points extra effort)
- Financial feasibility substantially supports the goals and objectives of the Woody Biomass Utilization Grants program (1 point extra effort)

Non-Profit Organization – Requirements for Financial Feasibility Elements

- Table 1—Woody biomass budget (one for each year of the project)
http://www.fpl.fs.fed.us/tmu/grant-2009/table_1.doc or
http://www.fpl.fs.fed.us/tmu/grant-2009/table_1.pdf
- Project budget justification narrative (limit one page)
- Project financial feasibility narrative (limit two pages)

- Table 2—Project Cash Flow Analysis Form/Spreadsheet (3 years projections of project cash flow) (http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.doc or http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.xls)
- IRS Returns (i.e., 990/990-EZ and 990 Schedule A 990-PF (private foundations), or similar for the 3 most recent IRS Returns)
- Documentation of the Non-Profits Financial Controls

Description of Non-Profit Organization Required Financial Feasibility Elements

- **Table 1.—Woody Biomass Budget (one for each year of the project).**
See Woody Biomass Utilization Program website at www.fpl.fs.fed.us/tmu under Woody Biomass Grant for forms.
- **Project Budget Justification Narrative**—limited to one page maximum.
Budget justification should contain itemized details of the line items presented in Table 1. The budget line items should coincide with the work elements provided in the work plan. The detailed budget and budget justification should provide sufficient details (e.g., personnel, equipment, consultants, supplies, administration, partnership contributions) to reflect costs needed to complete activities identified in the work plan. Matching amounts, if listed as in-kind contributions (e.g., personnel time, donated equipment, materials, and matching non-Federal grants), should be based on realistic calculated values. Costs should also provide enough detail to determine if the costs are reasonable and allowable. The budget should also identify the source of non-Federal resources and the ability to meet matching requirements.
- **Project Financial Feasibility Narrative**—limited to two pages maximum.
A project financial feasibility narrative is required. It is the responsibility of the applicant to justify why their project is a good project for the USDA Forest Service to invest U.S. taxpayer dollars. Applicant should identify critical data needs and assumptions; briefly describe the decision process for the selection of potential opportunities; and describe why the project is a good choice.
- **Table 2—Project Cash Flow Analysis**
Cash flow analysis (http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.doc or http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.xls) is used to describe the flow of money through the project accounting books. Inadequate attention to cash flow can result in the inability of a project to meet its financial obligations, because the cash to meet those obligations is not yet in hand. Attention to cash flow is a critical aspect of the financial requirements, as it helps define the prospective working capital needs. Lack of attention to cash flow and its associated impact on working capital requirements may result in the failure of the project and is of concern to the financial evaluators. The grant proposal financial evaluators want to see demonstration of sufficient cash (working capital) to keep the project viable.
- **IRS (Internal Revenue Service) Returns (990/990-EZ and 990 Schedule A 990-PF (private foundations), or similar for the three most recent IRS Returns)**

In lieu of submitting the organization's financial statements, non-profits can submit the three most current IRS returns for the organization as long as the woody biomass utilization project proposal will not generate taxable income, such as from an unrelated trade or business operated by or affiliated with the non-profit organization.

If exempted from filing an annual return by IRS, non-profit organizations should submit the required financial statements as described under For-Profit organizations (see above). Organizations generally not required to file Form 990 or Form 990-EZ include the following:

- Churches and certain church-affiliated organizations
- Some organizations affiliated with governmental units (e.g., a public school district)
- Organizations (other than private foundations) with annual gross receipts of less than \$25,000
- Organizations covered by a group return (e.g., a state credit union)

NOTE: Woody biomass utilization projects proposed by non-profit organizations and operated as part of an unrelated trade or business of the non-profit must comply with the financial reporting requirements of For-Profit organizations listed above. An example might be a Resource Conservation and Development (RC&D) Council that is engaged in performing forest restoration treatment services as an unrelated trade of business. If the activity generates reportable taxable income to the Internal Revenue Service (IRS), financial statements described in For-Profit organizations are required. Submitting IRS Returns are not required for those non-profit organizations that choose to submit financial information as requested for For-Profit organizations.

- **Documentation of the Non-Profits Financial Controls**
Provide documentation of the non-profit's fiscal controls. Examples might include: organizational financial policy summary, financial audit summaries, and other similar documentation.

SCORING – Non-Profit Organization/Private Foundation Financial Feasibility Full Application (25 points)

The required financial information is to be evaluated and ranked using the following criteria:

Score Description

- 0 Missing—required financial information was not submitted and is a conditional fatal flaw for disqualification
- 1 Deficient/Questionable—submitted but incomplete, unjustified assumptions, and/or unable to determine if valid.
- 2 Minimally Sufficient—minor deficiencies but sufficient enough to deem the information fairly credible and accurate, assumptions are at least marginally justified; good financial support for the project.

- 3 Sufficient—no deficiencies, accurate and justified assumptions, indisputable financial support for the project

In addition, one (1) point extra effort can be awarded for project financial feasibility that show substantial support the goals and objectives of the Woody Biomass Utilization Grants program

Required Financial Feasibility Elements – Non-Profits (25 points maximum)

- Project budget—10 points maximum
 - Table 1—Woody Biomass Budget (0 to 3 points)
 - Project budget justification narrative (0 to 3 points)
 - List of assumptions and justifications (0 to 3 points)
 - Clear, concise, and complete project budget information (1 point extra effort)
- Project financial feasibility including discussion of justification of assumptions – 4 points maximum
 - Project financial feasibility narrative (0 to 3 points)
 - Clear, concise, and complete financial feasibility information (1 point extra effort)
- Project cash flow analysis, IRS 990 returns (or equivalent), and documentation of financial controls—10 points maximum
 - Project Cash Flow Analysis Form/Spreadsheet (0 to 3 points)
(http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.doc or http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.xls)
 - 3 most recent IRS Returns 990/990-EZ and Schedule A and 990T for taxable income or similar appropriate required IRS Returns and/or disclosure of financial information are required in lieu of financial statements (0 to 3 points)
 - Documentation of the Non-Profits Financial Controls (0 to 3 points)
 - Clear, concise, and complete financial information (1 points extra effort)
- Financial feasibility substantially supports the goals and objectives of the Woody Biomass Utilization Grants program (1 point extra effort)

Governmental Organizations – Requirements for Financial Feasibility Elements

Governmental groups, such as local, state, and Tribal governments as well as special purpose districts require the following:

- Table 1—Woody biomass budget (one for each year of the project)
(http://www.fpl.fs.fed.us/tmu/grant-2009/table_1.doc or http://www.fpl.fs.fed.us/tmu/grant-2009/table_1.pdf)
- Project budget justification narrative (limit one page)
- Project financial feasibility narrative (limit two pages)

- Table 2—Project Cash Flow Analysis Form/Spreadsheet (3 years projections of project cash flow) (http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.doc or http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.xls)
- Financial Sustainability—describe the sustainability of the governmental entity
- Documentation of Fiscal Controls used by the government entity

Description of Governmental Entity's Required Financial Feasibility Elements

- **Table 1.—Woody Biomass Budget (one for each year of the project).**
See Woody Biomass Utilization Program website at www.fpl.fs.fed.us/tmu under Woody Biomass Grant for forms.
- **Project Budget Justification Narrative**—limited to one page maximum.
Budget justification should contain itemized details of the line items presented in Table 1. The budget line items should coincide with the work elements provided in the work plan. The detailed budget and budget justification should provide sufficient details (e.g., personnel, equipment, consultants, supplies, administration, partnership contributions) to reflect costs needed to complete activities identified in the work plan. Matching amounts, if listed as in-kind contributions (e.g., personnel time, donated equipment, materials, and matching non-Federal grants), should be based on realistic calculated values. Costs should also provide enough detail to determine if the costs are reasonable and allowable. The budget should also identify the source of non-Federal resources and the ability to meet matching requirements.
- **Project Financial Feasibility Narrative**—limited to two pages maximum.
A project financial feasibility narrative is required. It is the responsibility of the applicant to justify why their project is a good project for the USDA Forest Service to invest U.S. taxpayer dollars. Identify critical data needs and assumptions. Briefly describe how you narrowed down potential opportunities and why the project is a good choice.
- **Table 2—Project Cash Flow Analysis**
Cash flow analysis (http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.doc or http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.xls) is used to describe the flow of money through the project accounting books. Inadequate attention to cash flow can result in the inability of a project to meet its financial obligations, because the cash to meet those obligations is not yet in hand. Attention to cash flow is a critical aspect of the financial requirements, as it helps define the prospective working capital needs. Lack of attention to cash flow and its associated impact on working capital requirements may result in the failure of the project and is of concern to the financial evaluators. The grant proposal financial evaluators want to see demonstration of sufficient cash (working capital) to keep the project viable.
- **Financial Sustainability of the Governmental Entity**
Describe the sustainability of the governmental entity in terms of funding sources and expenditures. These might include: line item budget, bonds, revenue streams, other

sources of matching project fund sources, and expenses. Explain the funding mechanisms and how secure the funding is that is provided to the government entity. Explain if there have been budget short falls and how these budget short falls have been resolved.

- **Documentation of Financial Controls used by the Governmental Entity**
Provide documentation of the governmental entity's fiscal controls. Examples might include: organizational financial policy summary, financial audit summaries, bond rating, and other similar documentation.

SCORING – Governmental Organization Financial Feasibility Full Application (25 points)

The required financial information is to be evaluated and ranked using the following criteria:

Score Description

- 0 Missing—required financial information was not submitted and is a conditional fatal flaw for disqualification
- 1 Deficient/Questionable—submitted but incomplete, unjustified assumptions, and/or unable to determine if valid.
- 2 Minimally Sufficient—minor deficiencies but sufficient enough to deem the information fairly credible and accurate, assumptions are at least marginally justified; good financial support for the project.
- 3 Sufficient—no deficiencies, accurate and justified assumptions, indisputable financial support for the project

In addition, one (1) point extra effort can be awarded for project financial feasibility that show substantial support the goals and objectives of the Woody Biomass Utilization Grants program

Required Financial Feasibility Elements – Governmental (25 points maximum)

- Project budget—10 points maximum
 - Table 1—Woody Biomass Budget (0 to 3 points)
(http://www.fpl.fs.fed.us/tmu/grant-2009/table_1.doc or http://www.fpl.fs.fed.us/tmu/grant-2009/table_1.pdf)
 - Project budget justification narrative (0 to 3 points)
 - List of assumptions and justifications (0 to 3 points)
 - Clear, concise, and complete project budget information (1 point extra effort)
- Project financial feasibility including discussion of justification of assumptions – 4 points maximum
 - Project financial feasibility narrative (0 to 3 points)
 - Clear, concise, and complete financial feasibility information (1 point extra effort)

- Project cash flow analysis, financial sustainability, financial controls—10 points maximum
 - Project Cash Flow Analysis Form/Spreadsheet (0 to 3 points) (http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.doc or http://www.fpl.fs.fed.us/tmu/grant-2009/table_2.xls)
 - Financial Sustainability of the Government Entity narrative (0 to 3 points)
 - Documentation of Financial Controls used by the Governmental Entity (0 to 3 points)
 - Clear, concise, and complete financial information (1 points extra effort)
- Financial feasibility substantially supports the goals and objectives of the Woody Biomass Utilization Grants program (1 point extra effort)

f. Appendices

- Required letter of support and woody biomass availability from local USDA Forest Service District Ranger or Forest Supervisor—This letter must describe the status of NEPA, acres, timeframes, available volumes, and opportunities for applicant to access these volumes. These letters should be submitted with both the pre-application and full-application package.
- Letters of Support from Partners, Individuals, or Organizations—Letters of support should document the nature of partner contributions in helping to meet project objectives.
- Statement of Key Personnel Qualifications—Applicant should provide a brief summary of their qualification as related to this project.
- List all other federal funds received for this project within the last three years. List agency, program name and dollar amount.

g. Full-Application Delivery

Full applications must be postmarked by February 13, 2009, and received no later than 5:00 PM Central Standard Time on February 20, 2009, by Patricia Brumm at the Forest Products Laboratory. Hand-delivered, or fax applications will not be accepted. Electronic submissions shall be submitted through www.grants.gov. NO EXCEPTIONS ALLOWED. Please send full applications to the address listed on page 1 of this document.

h. Sources of Technical Assistance in Developing Your Proposal

Assistance is available from a variety of sources. Many successful applicants have consulted with USDA Forest Service staff specialists in developing their grant proposals (http://www.fpl.fs.fed.us/tmu/grant-2009/additional_fin_assistance.pdf). The following is a list of suggested assistance providers:

- Contact your local Regional Forest State & Private Forestry office for assistance.
- Forest Service Staff Specialists—assistance in preparing the financial elements (http://www.fpl.fs.fed.us/tmu/grant-2009/FS_regional_reps.pdf)

- National Forest System (Forest Supervisor and District Ranger) —available acres and letters of support
- Independent Contractors—assistance in preparing the required financial information
- Small Business Development Centers (SBDC) – assistance in preparing the financial elements. Go to <http://www.sba.gov/aboutsba/sbaprograms/sbdc/sbdclocator/index.html>
- Small Business Administration (SBA)—forms at www.sba.gov/library/forms.html

8. Examples of Tangible and Intangible Benefits for National Forest System Lands

Example 1—Equipment Purchase: A small Tribal business enterprise has experience contracting for small forest and cultural restoration projects on Tribal lands. The manager anticipates changes at a nearby sawmill to add a small-log processing line and expects increased fuels treatment activities on Federal lands. The enterprise manager sees opportunity for the crew to become competitive by acquiring additional equipment for fuels treatment and pre-commercial thinning projects on nearby Forest Service and Bureau of Land Management lands. The tribal enterprise may submit a proposal for purchase of felling and skidding equipment geared for small-log and biomass harvest. To complete its capital requirements, the tribal enterprise is also making application for a loan from a commercial lender.

Documentation of Tangible Benefits: Estimated per acre costs of hand felling, piling, and burning is \$1,250/acre cost to Forest Service. Estimated cost per acre of mechanized harvest and removal is \$1,000/ acre cost to Forest Service. Tangible benefits reduce cost per acre by \$250/acre.

Documentation of Intangible Benefits: Documentation of restrictions, prohibitions, lawsuits or litigation that could interfere with completing the hazardous fuel reduction project in a timely manner, such as restrictions on open burning. Proposal should cite documentation and include intangible benefits in project narrative explaining that, because of these restrictions, only through mechanical treatments can the hazardous fuel reduction projects take place.

Documentation of Indirect Benefits: Total number of jobs retained or created by this project.

Example 2—Biomass Energy Project: On a fuels reduction project, 40% of the material is coming from a wildland-urban interface hazardous fuel treatment activity that involves both National Forest System lands and private lands. The material removed cannot be burned on site because of fire risk to private property and smoke management issues. The total cost of this land treatment is \$500/acre. The material is being chipped and hauled away at a cost of \$25/ton. The land treatment is generating 10 tons/acre; therefore, the cost of disposing of the material is \$250/acre. Thus, total treatment and disposal costs without a grant are \$750/acre.

Investment in a wood chip-fired heating facility at a school campus will provide revenue for those chips. The school system is willing to pay \$30/ton for green chips or \$300/acre, thereby, reducing the treatment costs to \$450/acre. The advantage of the project results in \$300/acre of value to reduce the treatment cost. Future cost of treating acres in this manner would be \$200/acre.

The remaining 60% of the area is being burned to dispose of the material that is cut and piled. The burning will cost \$5/ton or \$50/acre. The \$30/ton paid by the school covers the cost of chipping and hauling and leaves \$5/ton extra. The savings for land treatment is the combination of the dollars saved by not burning and the \$5/ton paid by the school over the cost of chipping and delivery. The result is \$10/ton or \$100/acre of reduced cost of the hazardous fuel activity.

Example 3—Value-Added Manufacturing: Investment in the production of flooring-grade material versus manufacturing into studs results in a higher value and thus higher price that can be paid for small logs. The studs sell for \$350/thousand board feet (mbf) and the flooring blanks sell for \$1200/mbf. Manufacturing costs are \$650 over the stud manufacturing, resulting in an additional \$200/mbf of profit, which translates into the ability to pay more for the raw logs. Assuming 10% of the logs are of a quality to use for flooring, it would mean the mill could pay up to \$20/mbf more than without the flooring manufacturing capability. If there is 3 mbf/acre, then this would translate to a \$60/acre reduction in treatment costs.