

The North Dakota Agricultural Products Utilization Commission (APUC)

The North Dakota Agricultural Products Utilization Commission (APUC) derives its mission and authority from the North Dakota Century Code (4-14.1) which permits administering grant programs for basic and applied research, for utilization and marketing, for nature-based tourism, for technical assistance for value-added businesses, for farm diversification, for agricultural prototype development, for agricultural technologies, and for North American marketing. To enact these grant programs, APUC considers proposals that are consistent with the Code and address opportunities in agricultural research, development, processing, technologies, and marketing. The following provisions amplify, clarify, and provide process for the state directives.

OBJECTIVES

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

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

PROGRAM EMPHASIS

Priority consideration is given to projects most consistent with the mission of APUC. APUC actuates the policy and purpose of Century Code section 4-14.1-01 and provides judgments on the extent to which any proposal meets that policy and purpose. Emphasis will be given to those proposals deemed most likely to generate economic returns and support agricultural-based prosperity of a region or sector of the state.

LIMITATIONS

- Each proposal is considered on its own merits and is evaluated in the context of current Commission resources. Funding of a project should not be considered a precedent for funding of an apparently similar proposal. Proposals must be complete yet as succinct as possible. Missing, poorly stated, or obscure information can reduce evaluation scores. Applications are limited to 10 pages (unless otherwise specified), and generally typed on single or double-spaced 8.5” by 11” pages, including the application form and any attachments. Applicants should follow the provided application format.

- Generally applicants are only allowed to apply for one grant at a time, which are limited to a one-year time frame. Completed projects that have advanced can reapply for a 2nd grant. Unless fully justified, uncompleted projects (including final accountability report) will preclude applicants from additional or new funding
- Generally grant funds are limited to North Dakota companies that add value to North Dakota agriculture products. Companies from outside North Dakota must have an established relationship with a North Dakota partner (individual, company, agency) to validate the credibility of the proposal and comply with the intent of the Code.
- Records directly indicating the credibility of those submitting proposals, including references and general records may be checked.
- Confidentiality will be maintained to the extent allowed under the statutes of the state of North Dakota. APUC will limit dissemination of designated confidential information, but in any event, does not assume any liability for inadvertent disclosure. Subject to the policies of participating public programs and entities, rights to use products, processes or services developed under APUC's grant program will remain with the grantee.
- Subject to the same policies, ownership and all rights to project outcomes may revert to APUC if the grantee or assignee fails to market the product, process or service in accordance with an individually-negotiated funding contract. In such cases, APUC may provide notice and the opportunity to others to assume control of research project outcomes. In these cases, priority will be given to any licensee under such property or others who benefit North Dakota commercially, with first priority being given to small firms in non-urban areas of the state.
- The decision by the Commission is binding and not subject to review or appeal. Should the process produce a funding level less than the amount requested in the application, APUC staff will confer with the applicant to determine whether the amount recommended would alter the project's feasibility.

MATCHING FUNDS

Enhanced consideration will be given to projects which demonstrate a commitment for funding from other sources, from the applicant, or from other private or public sources. Matching funds may be in the form of cash and/or in-kind services. Approved indirect costs may qualify as matching funds.

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

GEOGRAPHIC CONSIDERATION

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

COMMISSIONER'S OPINION

APCU members are appointed according to the Century Code 4-14.1-03. In the appointment, commissioners accept their obligation to work with the highest of ethical standards including diligence, resolution of conflicts-of-interest, accurate accounting, sustaining confidentiality, and compliance with the spirit of open-meeting deliberations. Because commissioner selection is based on their commitment to the future of agriculture as well as a proven record of active involvement, commissioners are allowed flexibility in scoring projects for merit and funding level. Commissioners are provided 10% scoring discretion based largely on individual judgment of the likelihood of success of each proposal.

FUNDING LEVEL

Proposals are not limited to a specific dollar amount. However, APUC's grant monies are finite, and as a mechanism to optimize opportunities, some categories of grants have conventional caps. For example, standard farm diversification grants are up to \$5,000, and prototype grants are up to \$25,000.

APUC reserves the right to increase or decrease or recommend rebudgeting for requested funding based on its findings and on its level of available funds. If APUC requests rebudgeting, the modified request will not count as a second grant. Requests must be justified with respect to the scope of the research.

FUNDING PERIOD

Generally, grants are funded for a single year or for the duration of a designated-term project. With justification, multi-year projects are considered and, if awarded, subject to annual review and funding renewal. Proposals may be submitted any time within the biennium. Deadline dates for submission are: July 1, October 1, January 1, and April 1. A maximum of 15 proposals will be considered by the Commission at their regular meetings. Reviews and grant awards will be made on a quarterly basis. See www.growingnd.com/APUC.

MULTIPLE PROPOSALS AND SUBCONTRACTS

Multiple applications from the same applicant will be considered if each application covers distinctly different research projects. Applications that have been submitted under other state grant programs may be considered simultaneously by APUC.

Applications that contain matching funds from other grant programs must demonstrate contingent approval from appropriate sources prior to release of funds by APUC.

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

EVALUATION PROCESS

Initial screening for completeness and eligibility of all applications will be completed upon

receipt by APUC staff. Should revisions or corrections be deemed necessary, the applicant may withdraw and resubmit. Up to a total of 15 applications from all grant classifications (and the applicants' credentials) will be reviewed and evaluated quarterly. Each application will be considered individually by the full Commission, who will reach a determination to accept, modify or deny the request. Following the Commission's determination, applicants will be promptly notified, and a synopsis of funded projects will be released.

The evaluation scale is available at www.growingnd.com/APUC .

The decision by the Commission is binding and not subject to review or appeal. Should the process produce a funding level less than the amount requested in the application, APUC staff will confer with the applicant to determine whether the amount recommended would alter the project's feasibility.

By law, any member of the commission may not participate in, or vote on a decision of the commission relating to an organization in which that individual has a direct or indirect personal financial interest.

GRANT ADMINISTRATION AND REPORTING

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

Under the terms of all grant contracts, the grantee will be required to submit to the Commission periodic interim reports outlining progress and both timeline and budget compliance. In most cases, the entire grant amount will not be released at the time of the Commission's decision. In such instances, funds released will be tied to the grant contract, and any insufficiencies with the contract may result in withholding of further funding. Should such grave insufficiencies exist that the project appears to the commission to be in jeopardy, the contract may be canceled, and all funds previously released may be recovered through collection procedures.

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

Grantees will be required to submit a final written report describing the work performed and the results obtained, prior to final release of grant funds. This report must be supplemented by a financial report of all expenses actually incurred and income generated by the project.

AUDIT

To comply with the legislative purpose of APUC, protect the investment of APUC and the people of North Dakota, all financial documents, books, receipts, orders, expenditures, electronic data and accounting procedures and practices of the grantee are subject to examination by or for

APUC. APUC, as a member of the ND Commerce Department, is audited by the ND Auditor's Office.

EVALUATION AND FUNDING CRITERIA

Proposals will be evaluated with the following criteria:

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

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

PROBABILITY AND EXTENT OF NEW WEALTH CREATION

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

CREDIBILITY AND MERIT

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

TIMELINESS

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