TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

AgLink Continuity Grant (AgLink)
Grant Recipient Requirements & Processes

EFFECTIVE JULY 2026

Please read all materials thoroughly and completely. Failure to follow the instructions and requirements described in this Grantee Guidance Publication may result in withholding or revocation of the Grant, requirement that Grantee refund grant funds received, and/or determination that Grantee is ineligible for future program funds.

The Agriculture Grant Program (AGP) was created by the Texas Legislature in 2025 for the purpose of maintaining agricultural businesses, maintaining agricultural uses of land, or fostering supply chain resiliency or the creation and expansion of agricultural businesses by people in this state. This program is administered by the Texas Department of Agriculture (TDA) under the direction of the Texas Agricultural Finance Authority (TAFA).

The AgLink Continuity Grant (AgLink) focuses on assisting certain agriculture facilities/operations that perform key services linking raw commodities to markets and additional processing facilities. Facilities such as gins, grain warehouses, and rice driers must continue operations even when fewer raw materials are delivered for processing or marketing after natural disasters, resulting in reduced revenue and severe financial strain. Unlike producers, these operations do not have access to disaster assistance or crop insurance programs when natural disasters strike. Losing these businesses would directly impact producers' ability to process/market their products in the future. This grant opportunity provides the working capital to help critical agriculture facilities recover from disaster impacts, continue operations until business returns to normal, and implement efficiency and sustainability measures for long-term benefits.

Responsibilities and Accountability

TEXAS DEPARTMENT OF AGRICULTURE

The Texas Department of Agriculture (TDA) is responsible for administering the AgLink Continuity Grant (AgLink) Program grant agreements. Administration responsibilities include ensuring Grant Recipient compliance with statutes, regulations, and grant terms and conditions; and conducting Performance/Compliance Reviews to maintain grant programmatic and fiscal integrity.

TDA will provide on-going technical assistance and consultation to Grant Recipients during the term of the grant project. TDA will be available to answer questions regarding Grant Recipient project administration, state requirements, regulations, and grant agreement terms and conditions.

RECIPIENT ORGANIZATION

Grant Recipients will be responsible for the conduct of the grant project and for the results described in the application. Each Grant Recipient shall monitor the day-to-day performance of the grant project to assure adherence to statutes, regulations, and grant terms and conditions. Grant Recipient must carry out the activities described in the approved scope of work.

Grant Recipient(s) will be accountable for documenting the use of grant funds and must ensure funds are used solely for authorized purposes. Grant Recipient must ensure:

- Funds are used only for activities covered by the approved grant project;
- Funds are not used in violation of the restrictions and prohibitions of the grant agreement or applicable law; and
- All budget and performance reports are completed in a timely manner.

Each Grant Recipient must ensure he or she has an adequate accounting system in place and good internal controls to ensure expenditures and reimbursements are properly reported to TDA. Complete records relating to the grant project, including accounting records, financial records, progress reports and other documentation, must be maintained for four (4) years after the conclusion of the grant project or longer if required by TDA.

What is a reimbursement grant?
The Grant Recipient is required to finance the approved grant project with its own working capital. Grant payments will be made to reimburse the Grantee for actual expenditures supported by adequate documentation.

General Grant Processes

PROJECTED TIMELINE OF EVENTS

All approved projects have a start date of August 1, 2026, and must be completed by April 30, 2028. Grant Recipients have up to the final term date to complete their projects and seek reimbursement for allowable grant expenses, as authorized by the approved project budget.

PERFORMANCE REPORTS

Performance Reports must be completed by the Grant Recipient and submitted to TDA by deadlines stated in the grant agreement. Quarterly Performance Reports are submitted using Jotform*. The reports should reflect activities, progress, and updates for that quarter.

More detailed instructions to follow.

FINAL PERFORMANCE REPORT

The *Final Performance Report* is due thirty (30) days after the expiration or termination of the Grant Agreement, whichever occurs first. This form should be completed and submitted and cover the entire term of the grant. The Final Report will be submitted via JotForm.

CLOSE OUT PROCESS

The grant close out is the last phase and occurs in two ways:

1.) if the term of the agreement expires;

2.) if all funds have been expended and the project's objectives are met.

Once either of the events occur the grant close out process will begin. At least sixty (60) days before the end ofthe grant term TDA will provide a reminder about the expiration date, any outstanding information needed and any remaining balances of grant funds. The following items must be completed before the final payment is made:

- All activities listed in the Work Plan
- Final Performance Report
- Final Budget Payment Request with proper documentation

TDA will notify the Grant Recipient if the Final Performance Report has not been received or approved and withhold ten percent (10%) of the total grant award amount. The final ten percent (10%) will be paid, and the project considered closed once TDA receives and approves the Final Performance Report and Final Budget Payment Request.

Closeout of a grant does not cancel any requirements for record retention, ongoing inventory reporting (if applicable), or financial accountability.

REVISIONS

Scope or Objective Revisions

If it is necessary to modify the scope or objectives of the project, submit a written justification for the change along with the revised scope or objectives to TDA. Changes will be approved or denied and should **not** be considered approved until you have received written confirmation.

Budget revisions are allowed if the change falls within the project scope and original grant objectives. Changes totaling 10% or more of the total grant award require prior approval from TDA. This includes moving funds between cost categories, into a new cost category, and/or requesting reimbursement of items that were not included in the proposal. Approval is gained through submission of a Budget Revision in TDA-GO which will be made available upon request from the TDA Grants Department. **If a budget revision is needed, it MUST be completed prior to initiating a payment request.**

Contact Information Changes

Grantee must notify the TDA in writing within 30 days if Grantee's address changes during the Term. Failure to submit required notice may be grounds for termination of the Agreement.

EQUIPMENT TRACKING

In accordance with Texas Grant Management Standards (Version 2.1), TDA requires Grant recipients to follow specific tracking procedures for any equipment purchased with grant funds that exceeds $10,000 in value.

See the following link for specific instructions.
https://texasagriculture.gov/Portals/0/Publications/ER/AgGrant/Equipment%20Tracking%20Requirements%202026.pdf?ver=GrJ4GSiVGYeo7e51QcmPEw%3d%3d

KEY PAYMENT REQUEST INFORMATION

The AgLink Grant Program is a cost-reimbursement grant. Grant Recipients are responsible for paying all eligible project expenses before requesting reimbursement from TDA. Reimbursement will only be made for eligible expenses that have been incurred, paid, and properly documented in accordance with the Grant Agreement and this Post-Award Guide.

Payment Requests must be submitted electronically through TDA-GO and include all required supporting documentation. Incomplete payment requests may delay reimbursement until all required information has been received and approved.

Before You Submit a Payment Request

Before submitting a reimbursement request, verify that each expense meets the following requirements:

☐ The expense was incurred during the approved grant period.
☐ The expense is included in the approved project budget or has received prior written approval through a budget revision or amendment.
☐ The expense directly supports the approved grant project and its objectives.
☐ The expense has been paid in full by the Grant Recipient.
☐ Acceptable proof of payment is included.
☐ All supporting documentation is complete, accurate, and legible.
☐ The expense has not previously been submitted for reimbursement.
☐ The reimbursement request complies with all Grant Agreement requirements.

Failure to satisfy these requirements may result in delayed processing or denial of reimbursement.

PAYMENT REQUEST CHECKLIST

Each Payment Request should include documentation sufficient to verify that the expense was eligible, reasonable, incurred during the grant period, and paid by the Grant Recipient. Depending on the type of expense, documentation may include:

Required for Most Payment Requests

- Itemized vendor invoice showing goods or services provided
- Proof of payment (cancelled check, bank statement, electronic payment confirmation, paid receipt, etc.)
- Itemized list of expenditures included in the reimbursement request

- Explanation for any differences between the approved budget and the actual purchase, if applicable

Personnel Costs (if approved)

- Payroll register
- Timesheets or activity documentation, if applicable
- Payroll tax and benefit documentation, if applicable
- Proof payroll was paid

Contractual Services

- Executed contract or service agreement
- Itemized invoice
- Proof of payment
- Documentation demonstrating services were completed

Equipment Purchases

- Vendor invoice
- Proof of payment
- Completed TDA Acquisition Form
- Equipment description
- Manufacturer, model number, and serial number (when applicable)
- Delivery or installation documentation, if applicable
- Photographs of installed or operational equipment, when requested by TDA

Loan or Equipment Payments (if approved)

- Loan statement identifying the payment made
- Documentation identifying principal and interest, when applicable
- Proof of payment

Construction or Capital Improvements (if approved)

- Contractor invoices
- Proof of payment
- Photographs documenting project progress or completion
- Inspection reports, permits, or other supporting documentation, if applicable

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Documentation Standards

Supporting documentation submitted with a Payment Request must:

- Clearly identify the vendor or contractor;
- Include dates of purchase or service;
- Describe the goods or services purchased;
- Identify quantities and unit costs, when applicable;
- Show the total amount paid; and
- Demonstrate that payment has been successfully processed by the Grant Recipient.

TDA may request additional documentation if submitted records are incomplete, unclear, or insufficient to determine the allowability of an expense.

HOW TO SUBMIT A PAYMENT REQUEST

Submission of Payment Request and supporting documentation must be completed in TDA-GO: https://tda-go.intelligrants.com/. **See Payment Request PowerPoint for step-by-step instructions for how to create a payment request in TDA-GO.**

- https://youtu.be/mVtkw0fxk5w- TDA-Go Payment Reimbursement Webinar

All projects are funded on a cost-reimbursement basis and TDA will reimburse the Grant Recipient for eligible expenditures. Generally, expenses that are necessary and reasonable for proper and efficient performance and administration of a project are eligible. **The Grant Recipient will be reimbursed for allowable grant costs not more frequently than monthly.**

Once expenditures against the grant have been incurred, the Grant Recipient may request payment for all except ten percent (10%) of their total grant award amount. The Grant Recipient may request payment for the remaining ten percent (10%), or the entire amount of the grant once their project has been completed (see “Final 10%” below).

Invoices submitted will be reviewed for completeness, accuracy and reasonableness. TDA will promptly notify the Grant Recipient of any incompleteness or deficiencies which appear on the invoice. Once the errors or omissions are corrected, TDA will process the invoice for payment.

- Timeframe – Payment takes approximately 30 to 45 days. If incomplete information is received, payment will be delayed.
- Must provide documentation (invoices, receipts, statements, etc.)
- Documentation must show payment was processed successfully. Acceptable proof of payment includes:
    - Receipts must have date, amount, itemized list of expenses, method of payment.
    - Dated itemized invoice showing a zero ($0) balance and payment method.
    - Processed check with bank stamp (show copies of front and back of check).
    - Bank account statement showing the expense paid (black out account numbers).
    - Salary Documentation Requirements

Once all the required information and back up documentation have been received, the necessary documents will be processed by the grants team and the Grant Recipient will receive reimbursement within approximately 30-45 days from the date TDA received the request or any supplemental required information, whichever is later. If incomplete information is received, the payment process will be delayed. Grant Recipient will have the opportunity to provide documentation, if needed, to ensure a reimbursement is processed fully.

? *Tips:*

- *When compiling your receipts and back up documentation, it is recommended that the documents be in same order as you have them listed on the "Itemized List of Expenditures".*
- *Review your approved grant proposal & budget to ensure proposed costs in the agreement budget match actual costs incurred.*
- *Are you moving more than 10% of the total grant award into a new cost category and/or requesting reimbursement of items that were not approved? If yes, follow protocols for budget revisions.*
- *Double-check number entries for transposition errors.*

ELIGIBLE EXPENSES

Generally, expenses that are necessary and reasonable for proper and efficient performance and administration directly related to the project are eligible. Examples of eligible expenditures are:

a. Personnel costs – both salary and benefits (grant funds may be used for directly supporting salaries and wages of employees)
b. Equipment – Personal property or other capital items with a cost of more than $10,000 may be allowable only with written approval from TDA/TAFA. Equipment may be considered allowable if it substantially increases capacity, efficiency, or safety.
    i. Special Purpose Equipment– an article of nonexpendable, tangible personal property having a useful life of more than one year and a cost of more than $10,000. This type of equipment is not intended for general use and is essential for conducting specialized tasks within the agriculture operation.
    ii. Capital Expenditure- A capital expenditure is the total cost of an asset, including all costs necessary to place the asset into service. For equipment, this includes the net invoice price and the cost of any required modifications, attachments, accessories, or auxiliary apparatus needed for the equipment to be usable for its intended purpose. *<u>Any new capital expenditures not included in the approved application must receive written approval from TDA/TAFA prior to purchase or expenditure</u>*. Capital expenditures incurred without prior written approval will be disallowed and not reimbursed;
    iii. Other capital assets –buildings and improvements to buildings or land that materially increase their value or useful life
c. Supplies and direct operating expenses – costs for materials, supplies, utilities, machine repairs, and fabricated parts necessary to carry out the grant project;

i. Non-capitalized equipment – nonexpendable, tangible personal property having an acquisition cost of less than $10,000.

d. Contracts – agreements made with private parties to perform a service related to a portion of the award;
e. Other direct expenses – any expenses that do not fall into the above categories but are itemized on the approved project budget, including loan and equipment payments;

INELIGIBLE EXPENSES

Expenses may be prohibited by state or federal law or determined to be ineligible by program guidelines. Examples of these expenditures include, but are not limited to the following:

a. Alcoholic beverages;
b. Contributions, charitable or political;
c. Controlled assets are defined as certain items valued $500.00 - $9,999.99 which must also be inventoried, link to Controlled Property Listing. (computers, cameras, TVs, phones, drones, and similar general technology items)
d. Depreciation;
e. Entertainment;
f. Costs incurred prior to the date the Agreement is executed unless prior approval is granted by TDA/TAFA;
g. Expenses not listed in the project budget or that fail to meet the intent of the program;
h. Gift Card/Certificates;
i. Indirect expenses;
j. Land (except for lease expenses);
k. Payment of dividends, bonuses, or owner draws;
l. Refinancing costs associated with existing debt;
m. Tips/gratuity;
n. Travel – including lodging, transportation, or meals; and
o. Expenses that are not adequately documented during the payment request process, which would otherwise be eligible if properly documented.

PROCUREMENT STANDARDS

Grant Recipients are responsible for ensuring that all goods and services purchased with grant funds are necessary, reasonable, and directly related to the approved grant project. Procurement decisions should promote sound business practices and provide reasonable assurance that grant funds are spent efficiently and in accordance with the approved grant agreement.

At a minimum, Grant Recipients should:

- Purchase only those items and services included in the approved grant budget or subsequently approved by TDA through a budget revision or amendment.
- Ensure all costs are reasonable based on current market conditions and consistent with prices normally paid for similar goods or services.
- Maintain documentation supporting the basis for vendor selection, pricing, and procurement decisions.
- Avoid conflicts of interest or the appearance of conflicts of interest when selecting vendors or contractors.
- Ensure all procurement activities comply with applicable federal, state, and local laws and regulations.

Price Reasonableness

Grant Recipients are responsible for demonstrating that expenditures are reasonable and necessary to accomplish the approved project.

Price reasonableness may be supported through documentation such as:

- Vendor quotes or estimates;
- Competitive bids;
- Catalog or published pricing;
- Historical purchase information;
- Market comparisons; or
- Other documentation demonstrating the price paid is consistent with current market value.

TDA may request additional documentation if the cost of an item appears excessive or cannot otherwise be determined to be reasonable.

Vendor Selection

Grant Recipients should select vendors based on factors such as price, quality, availability, experience, and the ability to deliver the goods or services needed for the approved project.

Although competitive bidding is not required for every purchase, Grant Recipients are encouraged to obtain multiple quotes whenever practical, particularly for high-cost purchases, to help demonstrate that grant funds were spent prudently.

Conflicts of Interest

Grant Recipients shall avoid procuring goods or services from any individual or organization when a real or perceived conflict of interest exists.

A conflict of interest may occur when an owner, officer, employee, family member, or other individual associated with the Grant Recipient has a financial or personal interest in the selected vendor or contractor.

Any actual or potential conflict of interest should be disclosed to TDA before the purchase is made. Failure to disclose a conflict of interest may result in the expenditure being determined ineligible for reimbursement.

Related-Party Transactions
Purchases from businesses owned or controlled by the Grant Recipient, its owners, officers, employees, immediate family members, or affiliated entities may be subject to additional review. The Grant Recipient must fully disclose any related-party transaction and provide documentation demonstrating that:

- the purchase was necessary;
- the price is reasonable;
- the transaction was conducted at arm's length; and
- the purchase represents the best value for the grant project.

TDA reserves the right to deny reimbursement for related-party transactions that cannot be adequately justified.

Documentation
The Grant Recipient shall maintain procurement records sufficient to support each reimbursement request, including, as applicable:

- Vendor quotes or pricing documentation;
- Contracts or purchase agreements;
- Purchase orders;
- Itemized invoices;
- Proof of payment;
- Delivery receipts; and
- Any correspondence supporting the procurement decision.

These records must be retained in accordance with the record retention requirements of the Grant Agreement and made available to TDA upon request.

TDA Review
TDA reserves the right to review procurement documentation at any time during the grant term or during any monitoring, audit, or closeout review.

Failure to maintain adequate procurement documentation or demonstrate that costs were necessary, reasonable, and consistent with the approved project may result in delayed reimbursement, denial of reimbursement, recovery of grant funds, or other remedies available under the Grant Agreement.

RECORDKEEPING REQUIREMENTS

Grant Recipients are responsible for maintaining complete, accurate, and organized records sufficient to demonstrate compliance with the Grant Agreement, applicable laws, and all program requirements. All records must support the allowability, necessity, reasonableness, and payment of expenditures reimbursed with grant funds.

Grant Recipients shall maintain records in a manner that allows TDA to readily verify that grant funds were used solely for approved project activities.

At a minimum, Grant Recipients must maintain records related to the grant project, including but not limited to:

Financial Records

- General ledger or accounting records related to the grant;
- Itemized invoices and receipts;
- Proof of payment (cancelled checks, bank statements, electronic payment confirmations, etc.);
- Payment request documentation submitted to TDA;
- Loan payment records, if applicable;
- Payroll records, timesheets, and payroll tax documentation for personnel costs;

Procurement Records

- Vendor quotes or estimates;
- Contracts and purchase agreements;
- Purchase orders;
- Documentation supporting vendor selection;
- Price comparison documentation, when applicable;
- Documentation of any conflicts of interest or related-party transactions.

Project Records

- Approved Application and Grant Agreement;
- Approved budget and any subsequent budget revisions or amendments;
- Performance reports;
- Correspondence with TDA regarding project approvals or modifications;
- Documentation demonstrating completion of project activities.

Equipment Records

For equipment purchased in whole or in part with grant funds, Grant Recipients shall maintain records including:

- Description of the equipment;
- Manufacturer, model number, and serial number (when applicable);
- Date of purchase;
- Purchase price;
- Vendor information;

- Physical location of the equipment;
- Documentation demonstrating the equipment is being used for the approved grant project;
- Maintenance or service records, when applicable; and
- Documentation of disposition or transfer, if approved by TDA during the grant term.

Supporting Documentation
Grant Recipients should also maintain any additional documentation necessary to support reimbursement requests or demonstrate compliance, including photographs, inspection reports, permits, certifications, delivery receipts, or other records applicable to the approved project.

Record Retention
All grant-related records must be retained for a minimum of four (4) years following the official closeout of the grant, or longer if:
- required by law;
- requested by TDA;
- subject to an audit, investigation, litigation, or claim; or
- otherwise required under the Grant Agreement.

If any audit, litigation, claim, or investigation begins before the end of the retention period, all records shall be retained until all issues have been fully resolved and written notification is provided by TDA.

Access to Records
Upon request, Grant Recipients shall provide TDA, the Texas Agricultural Finance Authority (TAFA), the Texas State Auditor's Office, or other authorized governmental entities with timely access to grant records for the purpose of monitoring, auditing, evaluating, or verifying compliance with the Grant Agreement.

Records may be reviewed through desk reviews, site visits, payment request reviews, audits, or other monitoring activities.

Failure to maintain adequate records or provide requested documentation may result in delayed reimbursement, denial of reimbursement, recovery of grant funds, termination of the Grant Agreement, or other remedies available under applicable law.

Electronic Records
Grant Recipients may maintain records electronically provided that:
- records are complete, legible, and readily accessible;
- electronic copies accurately reflect the original documents;
- records can be reproduced upon request; and
- appropriate safeguards are in place to prevent unauthorized alteration or deletion of records.

Electronic records are subject to the same retention and access requirements as paper records.

FRAUD, WASTE, AND ABUSE

Grant funds are public funds and must be used only for the purposes authorized under the Grant Agreement. Grant Recipients are responsible for ensuring that all reimbursement requests, supporting documentation, certifications, and reports submitted to TDA are complete, accurate, and truthful.

The submission of false, misleading, altered, or fraudulent information is strictly prohibited. Examples include, but are not limited to:

- Submitting altered or falsified invoices, receipts, or other supporting documentation;
- Requesting reimbursement for expenses that were not incurred or paid by the Grant Recipient;
- Seeking reimbursement for expenses that are outside the approved grant scope or budget without prior written approval;
- Submitting duplicate reimbursement requests for the same expense;
- Misrepresenting the purpose, use, or location of equipment or other grant-funded assets;
- Knowingly making false statements or certifications related to the grant project; or
- Using grant funds for personal expenses or any purpose not authorized by the Grant Agreement.

If TDA determines that grant funds have been improperly requested, received, or used, TDA may take one or more of the following actions:

- Deny reimbursement of the questioned costs;
- Require repayment of improperly expended grant funds;
- Suspend or terminate the Grant Agreement;
- Withhold future grant payments;
- Declare the Grant Recipient ineligible for future TDA grant opportunities, as permitted by law; and
- Refer suspected fraud or other unlawful activity to the appropriate state or federal authorities for investigation and any action authorized by law.

Grant Recipients are encouraged to promptly notify TDA if they discover an error in a reimbursement request, supporting documentation, or financial records. Voluntary disclosure of errors allows TDA to work with the Grant Recipient to resolve issues before additional compliance actions become necessary.

CLOSING

The Texas Department of Agriculture (TDA) appreciates your commitment to strengthening Texas agriculture through the AgLink Continuity Grant Program. By working together, we can help ensure that critical agricultural infrastructure remains resilient and continues to serve Texas producers and rural communities.

Successful grant administration is a shared responsibility. Maintaining accurate records, submitting timely reports and reimbursement requests, and communicating with TDA throughout the grant period will help ensure your project is completed successfully and that grant funds are administered efficiently and in accordance with program requirements.

If questions arise at any point during your project, please contact the TDA Grants Office **before** making decisions that could affect your Grant Agreement. Early communication often prevents delays and helps avoid issues that could impact reimbursement eligibility.

TDA is committed to providing technical assistance throughout the grant period and encourages Grant Recipients to reach out whenever guidance is needed.

Thank you for your partnership and your continued service to Texas agriculture.

CONTACT TDA

TDA's goal is for your project to be a success and staff are here to assist whenever possible. Please contact TDA with any questions and we'll work through the process with you.

TDA Grants
Phone: 833-380-8282
Email: Grants@TexasAgriculture.gov

Disclaimer
This Post-Award Guidance is intended to provide general guidance to assist Grant Recipients in administering their grant awards. While every effort has been made to ensure the information is accurate and current as of the date of publication, this document does not replace the terms and conditions of the Grant Agreement, applicable state or federal laws, administrative rules, or official Texas Department of Agriculture (TDA) policies.

TDA grant programs are administered in accordance with the Texas Grant Management Standards (TxGMS), as applicable, as well as any program-specific statutes, regulations, and Grant Agreement requirements. In the event of any conflict between this guidance and the Grant Agreement, TxGMS, or other applicable legal authorities, those authorities will govern.

Because grant requirements may be updated or clarified over time, Grant Recipients are responsible for ensuring compliance with the most current applicable requirements. If questions arise regarding grant administration, recipients should contact the TDA Grants Office before taking action that could affect grant compliance or reimbursement eligibility.