



MDI Scholarships

Purpose: To provide detailed instructions on distributing MDI scholarships to enrolled farms

Directions:

1. Scholarships of up to \$500 may be granted to each farm that has paid the \$200 enrollment fee. Farms that have not paid the enrollment fee are not eligible for scholarship funds
2. Once the farm team has met a minimum of two times, the MDI scholarship may be reimbursed directly to the farm or can be paid directly to the vendor providing the services or goods
3. The MDI scholarship must be discussed and approved by the farm team. Discussion and approval must be documented in the farm team meeting minutes. Scholarships cannot be distributed without documentation of team discussion and approval
4. Invoices for each of the expenses must be sent to the Controller must be submitted with a completed MDI Scholarship Application (F-009) before **July 1, 2022**
 - a. Submit the completed Scholarship Application (F-009) with attached invoices to the Controller via mail within one week of receiving it from the farm. This ensures a quick process of payment and real-time accuracy of records
5. Scholarships cannot be spent on the same item for two consecutive years
6. Eligible expenses for scholarship use include the following:
 - a. **Registration for continuing education for farm/employees** for educational conference, workshops, meetings, and trainings:
 - i. Succession planning retreats/workshops, Planning Your Dairy Farm Future classes, QuickBooks training, Annie's Project, milk marketing education, transitioning to organic, grazing, etc.
 - ii. Tuition for language classes such as Spanish or English classes
 - iii. Tuition for first time Farm Business Management students
 - b. **Attorney or accounting fees** associated with farm succession
 - i. Writing or developing legal documents
 - ii. Estate planning
 - iii. Employee handbook
 - iv. Forming an entity (LLC, C-Corp, S-Corp, etc.)
 - v. Translating documents from one language to another (i.e., employee handbook)
 - c. **Family Mediation Fees**
 - d. **Counseling services/mental health care** if not covered by insurance (time/# of sessions needs defining)
 - i. Stress management education
 - e. **Farm accounting software** yearly subscription or registration for up to three years
 - f. **Permitting fees** for new projects related to increasing farm efficiencies or expansion
 - g. **Discovery related costs and services as recommended by team to identify solutions or address bottlenecks:**
 - i. Water quality testing
 - ii. Stray voltage testing
 - iii. Culturing and blood testing
 - iv. Disease diagnostic testing
 - v. Services from licensed, approved consultants

- h. **Requests for approval of unique scholarship uses must be submitted to the MDI State Director with an explanation supporting the request**
- 7. Ineligible expenses for scholarship use include the following:
 - a. **Capital purchases**, which are defined as something that can be depreciated (expressed life of more than one year). Depreciation is the tax method of spreading out the cost of something (tangible items) over its 'useful' life.
 - i. Examples of Capital Purchases
 - 1. Breeding Cattle
 - 2. Machinery & Equipment
 - 3. Tools
 - 4. Buildings
 - 5. Computer and printer hardware
 - 6. Electrical Equipment
 - 7. Plumbing Equipment
 - b. Monthly/annual internet service/connection
 - c. Routine DHIA testing, commodities, soil and manure testing, and accounting fees to complete yearly taxes.