

# RESILIENT FOOD SYSTEMS INFRASTRUCTURE PROGRAM (RFSI)

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## FREQUENTLY ASKED QUESTIONS (FAQ)

\*\* Indicates Updated Items as of 04/30/24

### UPDATES TO THE PROGRAM SCOPE AND REQUIREMENTS

#### **Q: CAN INFRASTRUCTURE GRANT RECIPIENTS APPLY FOR EQUIPMENT-ONLY PROJECTS THAT TOTAL LESS THAN \$100,000?**

A: Yes, Lead State Agencies may issue Simplified Equipment-Only Projects. These projects offer a simplified application to fund smaller grants between \$10,000 and \$100,000 for equipment purchases. The Simplified Equipment-Only option is a Fixed Price Grant, meaning it will fund only equipment purchases (and not associated facility upgrades, staffing, or other costs), and the amount awarded will be equal to the cost of the equipment up to \$100,000. No match is required for this grant type.

Using a USDA provided template, applicants are required to submit a project narrative that describes the overall scope of the project and how it aligns with the program goals and priorities. The narrative must include an estimated increase in production and who will benefit from the overall project. Applicants must attach documentation to substantiate the costs of each piece of equipment, which can include contracts, catalog pricing, or binding quotes provided by license commercial entities.

### GENERAL PROGRAM INFORMATION

#### **Q: WHAT IS THE DEFINITION OF MIDDLE-OF-THE-SUPPLY-CHAIN?**

A: The food supply chain involves the following stages: 1. Production, 2. Processing, 3. Aggregation/Distribution, and 4. Markets/Consumers.

For the purposes of RFSI, “middle-of-the-supply-chain” refers to the middle stages: 2. Processing and 3. Aggregation/Distribution.

For additional information on middle-of-the-supply-chain activities, refer to the [RFSI Project Scope and Requirements](#), section 1.5.6 Infrastructure Grants – Projects Eligible for Funding.

**Q: WHAT IS THE DIFFERENCE BETWEEN THE LEAD STATE AGENCY AND AN INFRASTRUCTURE GRANT RECIPIENT?**

A: The Lead State Agency is the prime recipient of the federal funding responsible for monitoring and managing the RFSI Cooperative Agreement. As part of the Cooperative Agreement, Lead State agencies will conduct a competitive grant program to issue subawards in the form of Infrastructure Grants.

**Q: WHAT IS THE DEFINITION OF AN INFRASTRUCTURE GRANT?**

A: An Infrastructure Grant is a subaward that will fund projects to expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of targeted agricultural products.

**Q: CAN LEAD STATE AGENCIES EDIT THE STATE PLAN AND INFRASTRUCTURE PROJECT TEMPLATES?**

A: No, but if it's necessary, please reach out to AMS to coordinate a plan. The State Plan Template is a dynamic form designed to help streamline information management processes.

**Q: ON THE INFRASTRUCTURE GRANT TEMPLATE, SHOULD THE DISTRESSED COMMUNITIES INDEX (DCI) INCLUDE ZIP CODE OR COUNTY DATA?**

A: The DCI data should be at county level.

**STATE PLAN**

**Q: ARE STATES ABLE TO SUB-CONTRACT THE ADMINISTRATION OF THE INFRASTRUCTURE AWARDS TO ANOTHER ENTITY?**

A: Yes, States agencies may partner or contract with another entity to administer the Infrastructure Grant program. However, the State agency will remain the primary recipient and is responsible for meeting all program requirements.

**ALLOWABLE COSTS**

**Q: ARE STATES ALLOWED TO BE MORE RESTRICTIVE REGARDING ALLOWABLE COSTS, E.G. NO VEHICLES, NO CONSTRUCTION, ETC.?**

A: If State laws/procedures or stakeholder input results in a Lead State Agency proposing to restrict Infrastructure Grant program allowable costs or eligible activities, the Lead State Agency should explain and justify these proposed restrictions within their state plan proposal.

**REVIEW PROCESS**

**Q: WHAT ARE THE CRITERIA USED BY AMS TO EVALUATE STATE PLAN PROPOSALS?**

A: AMS will review State Plans in accordance with section 6.1 of the Program Scope and Requirements document. AMS will notify the Lead State Agency if additional information is required after the initial

review of the application and work with Lead State Agencies to negotiate any revisions if necessary and possible.

**Q: ARE STATES REQUIRED TO USE THE DISTRESSED COMMUNITY INDEX (DCI) IN THE SUBAWARD COMPETITIVE REVIEW PROCESS?**

A: No, while DCI was as a factor in the RFSI State allocation formula, it is not required in the subaward competitive review process. It is included and required on the subaward application template as a resource to help States and the USDA understand the overall profile of funded projects. States may choose to incorporate DCI into their subaward evaluation process, with the understanding that DCI data is not available for all geographic areas. For example, Territory, Tribal and rural data may not appear in the DCI index. In such cases, an applicant can provide information about their community within their narrative to help reviewers best understand community context and need and how this project will provide more and better market opportunities for local and regional producers.

In some cases, a Tribal community may be within a County where the DCI score doesn't reflect the high need of the Tribal community because the surrounding County may be a less-distressed community, or the DCI scores do not otherwise adequately reflect Tribal considerations or realities. For States that are choosing to use DCI as a factor in their subaward competitive review process, AMS encourages those States to consider applications from Tribal governments (including their wholly-owned arms and instrumentalities) or locations in which the majority of the beneficiaries are members of Tribes as eligible for priority points that would otherwise be offered to applications in high-DCI counties, even if their County is not in Distressed or At-Risk in the DCI index.

**INFRASTRUCTURE GRANTS**

**Q: CAN INFRASTRUCTURE GRANT RECIPIENT FUNDS BE USED TO MAKE SUBAWARDS, E.G. MINI GRANTS, BELOW THE \$100,000 MINIMUM AWARD AMOUNT?**

A: It is unallowable for Infrastructure Grant recipients to issue subawards. USDA's Regional Food Business Centers offer Business Builder Grants in amounts up to \$100,000, so States can refer potential applicants needing smaller funding amounts to their Regional Food Business Center to apply for those funds.

**Q: CAN THE MINIMUM AND MAXIMUM AWARD AMOUNTS FOR INFRASTRUCTURE GRANTS BE ADJUSTED BY THE STATES?**

A: States wishing to reduce the maximum award amount to less than \$3M may do so if driven by stakeholder input and must describe the input and resulting proposed range in their State Plan. States may not change the minimum award amount or increase the maximum award amount. If there is a concern about administrative burden, States should use funds to pay for necessary staff and systems to offer the full range of awards.

**Q: IS A STATE ALLOWED TO DENY INFRASTRUCTURE GRANT APPLICANTS FROM REQUESTING INDIRECT COSTS IN THEIR PROJECT BUDGETS?**

A: No, States must negotiate the indirect cost rate with all subrecipients in accordance with [2 CFR 200.332\(a\)\(4\)](#).

**Q: CAN A PRODUCER BUY PROCESSING EQUIPMENT THAT WILL ONLY BENEFIT THEIR OWN BUSINESS OR DOES IT NEED TO BENEFIT MORE THAN ONE ENTITY?**

A: Yes, a producer can buy equipment that benefits their own business. Projects that benefit an individual producer may be less competitive than a similar project that benefits multiple producers.

**Q: ARE FOR PROFIT ENTITIES, SUCH AS FOOD HUBS OR DISTRIBUTION COMPANIES, ELIGIBLE FOR INFRASTRUCTURE GRANT FUNDS?**

A: For-profit entities operating middle-of-the-supply-chain activities such as processing, aggregation, or distribution of targeted agricultural products, whose activities are primarily focused for the benefit of local and regional producers, and that meet the eligibility requirements of the SBA small business size standards are eligible.

For-profit entities must meet the eligibility requirements of the SBA small business size standards matched to industries described in the North American Industry Classification System (NAICS). For more information on these size standards, please visit [SBA's Size Standards webpage](#). For a quick check on whether your business qualifies, please use the [Size Standards Tool](#).

**Q: CAN A SUBAWARD APPLICANT APPLY FOR BOTH AN INFRASTRUCTURE GRANT AND EQUIPMENT-ONLY GRANT?**

A: It is up to the State to determine if a single entity can apply for both grant types; however, an entity may receive only one award.

**Q: CAN AN APPLICANT BUY MORE THAN ONE PIECE OF EQUIPMENT UNDER AN EQUIPMENT-ONLY GRANT?**

A: Applicants can request more than one piece of equipment as long they are allowable, allocable, and reasonable, align with the scope of the project, and collectively meet the funding amount requirements. It is at the State's discretion if they want to have a maximum number of equipment pieces purchased per equipment-only grant. All proposals must meet the minimum award threshold of \$10,000 and not exceed \$100,000.

**Q: CAN AN APPLICANT APPLY FOR SIMPLIFIED EQUIPMENT-ONLY FUNDING TO PURCHASE A PIECE OF EQUIPMENT THAT COSTS LESS THAN \$5,000?**

A: Per [2 CFR 200.313\(b\)](#), USDA defers to each State to define equipment, including the minimum cost, in accordance with the State policies and procedures. All applications must meet the minimum award threshold of \$10,000 and not exceed \$100,000.

## ELIGIBLE AGRICULTURAL PRODUCTS

### **Q: IS SHRIMP AN ELIGIBLE AGRICULTURAL PRODUCT? FOR EXAMPLE, THE SHRIMP ARE GROWN IN CONTAINERS AND NOT "WILD CAUGHT".**

A: Projects that expand capacity for the middle of the supply chain of aquaculture products are eligible for funding. USDA defines aquaculture as the production of aquatic organisms under controlled conditions throughout part or all their lifecycle. Wild-caught seafood is an ineligible product.

### **Q: ARE PROJECTS THAT FOCUS ON CANNABIS PRODUCTS MADE FOR HUMAN CONSUMPTION ELIGIBLE FOR RFSI FUNDING?**

A: No, plants federally controlled as illegal drug plants (e.g. cannabis) are ineligible. This is in addition to the eligibility requirements outlined in RFSI Program Scope and Requirements.

### **Q: IS HEMP AN ELIGIBLE AGRICULTURAL FOOD PRODUCT FOR INFRASTRUCTURE GRANTS?**

A: Hemp seed-derived food ingredients (hulled hemp seed, hemp seed protein powder, and hemp seed oil) are eligible under the RFSI as they are meant for human consumption as a food product.

Hemp derived CBD is not a food product and therefore ineligible for RFSI funding.

### **\*\*Q: ARE KOSHER AND HALAL FOODS ELIGIBLE AGRICULTURAL PRODUCTS?**

A: Yes, projects that expand capacity for the middle of the supply chain of kosher and halal certified products or products that could be considered kosher or halal without needing certification and are eligible targeted agricultural food products authorized in the RFSI program scope and requirements. Please visit the following pages for a list of products that can be considered kosher and halal without needing certification: <https://www.fns.usda.gov/tefap/kosher>, <https://www.fns.usda.gov/tefap/halal>

## ALLOWABLE/UNALLOWABLE COSTS

### **Q: CAN FUNDS BE USED FOR FARM PRODUCTION RELATED ACTIVITIES?**

A: No, funds cannot be used for agricultural production activities/costs including farm equipment, tools, supplies, gardening, or production related labor/training.

Please note that in accordance with the Program Scope and Requirements, on-farm post-harvest processing, preservation, and storage/cold storage are allowable activities.

### **Q: CAN FUNDS BE USED FOR CONSTRUCTION?**

A: RFSI funds may be used for improvements, rearrangements, or alterations of an existing building or facility to use a space more effectively and to accommodate new or upgraded equipment and processes.

Funds may also be used for new construction of buildings or structural changes to an existing building/facility resulting in a square foot expansion or requiring changes to the building's floor, foundation, and exterior or load bearing walls.

**Q: CAN I USE FUNDS TO PURCHASE LAND OR BUILDINGS?**

A: No. It is unallowable to use grant funds for the acquisition of buildings, facilities, or land.

**Q: CAN FUNDS BE USED TO PURCHASE VEHICLES?**

A: Special purpose vehicles relevant to the scope of work on an Infrastructure Grant project, such as delivery vehicles or refrigerated trucks, are allowable. However, the purchase of a general use vehicles is not allowable. Please see the RFSI Program Specific Terms and Conditions for more information on general use and special purpose equipment.

**Q: CAN FUNDS BE USED TO REPAIR AND/OR UPGRADE EXISTING EQUIPMENT?**

A: Yes. Funds may be used to repair or update existing equipment.

**Q: WHAT RETAIL RELATED ACTIVITIES ARE ELIGIBLE FOR FUNDING?**

A: Eligible retail related activities can include creating distribution channels to new retail opportunities, or expanding processing and packaging capacities, including adding product types, increasing production volumes, and supporting new retail product lines.

**Q: CAN A FOOD HUB THAT HAS SALES TO INDIVIDUAL CONSUMERS BE CONSIDERED ELIGIBLE FOR AN INFRASTRUCTURE GRANT?**

A: Yes, they are eligible. If the entity is aggregating, processing, and/or distributing products from local and regional farms, then they are conducting middle-of-the-supply-chain activities.

**Q: CAN RFSI FUNDS BE USED FOR TRADE MISSIONS IN OTHER COUNTRIES SO BUSINESSES CAN EXPAND TO EXPORTING SINCE MARKET EXPANSION IS INCLUDED IN THE GRANT?**

A: No, RFSI does not fund trade missions in other countries. Marketing activities are not an eligible activity in this program.

**Q: ARE WINERIES/DISTILLERIES/BREWERIES ELIGIBLE ENTITIES FOR INFRASTRUCTURE GRANTS?**

A: Yes, if the activities are primarily focused on the middle-of-the-supply-chain and will increase market opportunities for local and regional producers.

**Q: ARE INSTITUTIONS SUCH AS FOOD BANKS AND FOOD PANTRIES ELIGIBLE FOR INFRASTRUCTURE GRANTS?**

A: Food banks are included in the definition of 'Institution' in the RFSI Scope and Requirements, thus eligible to apply for RFSI funding, contingent on the types of activities they are doing. The definition of 'institution' includes that they must be "bringing producers together to establish cooperative or shared infrastructure or invest in equipment that will benefit multiple producers middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural product." Food banks may also qualify as a 'nonprofit organization' or another entity type, again with the requirement that they

meet the second part of each eligible entity description. For instance, ‘nonprofit organization’ includes only those that are “operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products.”

Projects submitted by these entities are contingent on the types of activities they are conducting and if they meet the scope and intent of RFSI. States will determine through their competitive review and selection process if the application aligns with the intent of RFSI and meets the funding priorities of that state.

#### **Q: ARE FARMERS MARKETS ELIGIBLE FOR INFRASTRUCTURE GRANTS?**

A: Farmers Markets are eligible to apply if they operate as an eligible entity type.

Farmers Markets may qualify as a ‘nonprofit organization’ or another entity type, with the requirement that they meet the second part of each eligible entity description. For instance, ‘nonprofit organization’ includes only those that are “operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products.”

Projects submitted by these entities are contingent on the types of activities they are conducting and if they meet the scope and intent of RFSI. States will determine through their competitive review and selection process if the application aligns with the intent of the RFSI and meets the funding priorities of that state.

#### **\*\*Q: CAN RFSI FUNDS BE USED TO COVER APPLICANTS DAILY OPERATIONAL BUSINESS EXPENSES?**

A: RFSI Program Scope and Requirements, Section 1.5.6 states that a project is a set of interrelated tasks with a defined goal, a definitive beginning and end and are different from other ongoing operations in an organization. RFSI Infrastructure Grant projects should expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of targeted agricultural products. RFSI funds should not be used to cover daily operational business expenses nor the purchase of agricultural products for production. Applications should include only the costs necessary for the completion of the proposed project activities and not operational costs for the period of performance.

### **COST SHARE AND MATCH REQUIREMENT INFORMATION**

#### **Q: WHAT IS COST SHARING OR MATCHING?**

A: Cost sharing or matching is the portion of project costs not paid by the Federal funds, which could be cash and/or in-kind contributions. Cash can be a financial outlay, or cash donations from non-Federal third parties. In-kind can be the value of non-cash contributions typically in the form of value of personnel, goods, and services, including direct and indirect costs. Other Federal funds cannot be used as match. (See 2 CFR §§ 200.1 and 200.306.)

**Q: DOES THE RFSI PROGRAM REQUIRE COST SHARING OR MATCHING?**

A: Yes, Infrastructure Grant Recipients require a match. The program requires cost sharing or matching of 50% of the project cost as a match to federal funding. For underserved farmers and ranchers, a reduced match contribution is required at 25% of the project costs. Please note, the Lead State Agency does not have a cost-share or match requirement.

AMS will provide a match calculation tool. See below for examples using 50% and 25% match requirements.

**RFSI Match Calculator: 50% Match Requirement**

Description	Amount
Total Project Amount:	\$ 200,000.00
Federal Funds Requested:	\$ 100,000.00
Cost-Sharing/Matching Amount:	\$ 100,000.00

**RFSI Match Calculator: 25% Reduced Match Requirement**

Description	Amount
Total Project Amount:	\$ 133,333.33
Federal Funds Requested:	\$ 100,000.00
Cost-Sharing/Matching Amount:	\$ 33,333.33

**Q: CAN LEAD STATES AGENCIES PROVIDE THE MATCHING FUNDS TO INFRASTRUCTURE GRANT APPLICANTS?**

A: Yes, Lead State Agencies (i.e. recipient) may provide matching funds from state or other non-federal sources of funding to Infrastructure Grant recipients. The recipient must ensure that it complies with the applicable provisions found in [2 CFR § 200.306](#) (also linked within the RFSI Program Scope and Requirements).

The State should describe the process they will use to distribute matching funds in the State Plan proposal, including a detailed description of how the matching funds will be distributed, support RFSI funding priorities (including support for underserved producers and applicants), and align with all match requirements.

**Q: HOW SHOULD AN APPLICANT DOCUMENT IF THEY QUALIFY FOR REDUCED MATCH?**

A: Qualifying applicants for the Infrastructure Grant projects will self-certify their eligibility for the 25% reduced match to 25%. Please review the Infrastructure Grant Template for more information on self-certification.

**Q: CAN UNALLOWABLE COSTS BE BROUGHT AS AN IN-KIND OR COST SHARE MATCH?**

A: No. Only costs allowable under Subpart E of the Cost Principles can be brought as a match. The basis for determining the value of cash and in-kind contributions must be in accordance with 2 CFR § 200.306.



**Q: CAN DONATED LABOR/PERSONNEL TIME COUNT AS IN-KIND MATCH?**

A: Labor/personnel time may be used as a match for the percentage of time the person is working on the project. For example, if someone is only spending 15% of their time working on the project, then you can only bring that 15% to the project as a match. Also, you must ensure that what you would normally pay that individual is reasonable according to standard personnel rates for similar positions in your geographic locality.

**Q: CAN UNRECOVERED INDIRECT COST BE USED AS PART OF THE COST SHARING OR MATCHING?**

A: Yes, it is allowable to use unrecovered indirect costs as part of cost sharing or matching. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount that could have been charged to the Federal award under the potential recipients approved negotiated indirect cost rate.

**Q: CAN AN INFRASTRUCTURE PROPOSAL EXCEED THE APPLICABLE MATCH REQUIREMENT?**

A: Yes. Infrastructure Grant recipients can provide more than the required match. However, this will not provide any advantage during the Technical Review of the applications. Any amount exceeding the required match will be considered "Voluntary Committed Cost Share" as defined in 2 CFR §200.1 and 2 CFR §200.306 . Voluntary Committed Cost Share means cost sharing specifically pledged on a voluntary basis in the proposal's budget on the part of the non-Federal entity and that becomes a binding requirement of Federal award.

**Q: DOES THE \$3M AWARD CAP INCLUDE MATCHING FUNDS? I.E. CAN AN APPLICANT REQUEST \$3M IN GRANT DOLLARS AND PROVIDE A 50% MATCH OF \$3M FOR A TOTAL PROJECT OF \$6M OR IS \$3M THE LIMIT FOR TOTAL PROJECT COSTS WITH A 1.5M GRANT AWARD AND A 1.5M MATCH?**

A: No, the \$3M award cap does not include the in-kind/matching funds from the Infrastructure Grant recipient. An Infrastructure Grant applicant can apply for up to \$3M of RFSI funding and will be required to provide the matching funds.

**Q: CAN DONATED RENTAL SPACE OR LAND BE CONSIDERED IN-KIND MATCH? FOR EXAMPLE, A CITY DONATES LAND TO AN APPLICANT TO BUILD A PROCESSING/AGGREGATION COLD STORAGE FACILITY.**

A: Yes and No. Acquired real property, including land, is an unallowable cost and therefore cannot be used to meet the match requirement.

Rental costs are an allowable cost and may be used to meet match requirements.

**Q: CAN STATES RESTRICT THE TYPES OF MATCHING FUNDS USED FOR THEIR INFRASTRUCTURE GRANTS?**

A: In accordance with the AMS General terms and conditions, cost sharing or matching funds may be in the form of cash and/or in-kind non-Federal resources; however, States have the discretion to restrict the types of matching funds used for their infrastructure grants in accordance with the State policies and procedures. Per the AMS General Terms and Conditions, States must expend and account for funds under an award in accordance with their own State laws and procedures.

**Q: CAN LAND BE USED AS MATCH?**

A: Per the RFSI Specific Terms & Conditions, the purchase of land is an unallowable cost and therefore cannot be used to meet match requirements.

**NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)**

**Q. IF INFRASTRUCTURE GRANT APPLICATIONS INCLUDE CONSTRUCTION, WILL THE PROJECTS NEED TO COMPLY WITH NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)?**

A: Yes, any application that may have ground disturbing activities needs to comply with NEPA, Section 106 of the National Historic Preservation Act, and other state, local and tribal laws.

**Q: ARE CONSTRUCTION PROJECTS SUBJECT TO THE DAVIS BACON ACT?**

No, Davis-Bacon Act does not apply to the American Rescue Plan Act.

**UNIQUE ENTITY ID - SAM.GOV**

**Q: DO INFRASTRUCTURE GRANT APPLICANTS/GRANTEES NEED A UNIQUE ENTITY ID (UEI) IN SAM.GOV?**

A: Yes, subawardees are required to obtain a UEI in SAM.gov prior to being issued a subaward.

**Q: DO INFRASTRUCTURE GRANT APPLICANTS HAVE TO PAY TO OBTAIN A UEI IN SAM.GOV?**

A: No, there is NO cost to register in SAM.gov. If you receive notification on having to pay to renew your account beware that it is likely a SCAM and should be reported to the appropriated authorities.

**Q: DO STATE AGENCIES NEED AN ACTIVE SAM.GOV REGISTRATION TO RECEIVE RFSI PAYMENTS?**

A: Yes. State Agencies must have an active SAM registration. If the UEI is showing inactive in SAM.gov, then payments will not be processed. It is the responsibility of the organization to contact SAM.gov to renew the registration annually.

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