

RESILIENT FOOD SYSTEMS INFRASTRUCTURE PROGRAM (RFSI) FREQUENTLY ASKED QUESTIONS (FAQ)

UPDATED 3/5/24

UPDATES TO THE PROGRAM SCOPE AND REQUIREMENTS

Q. What is the definition of “underserved”?

A. **Underserved Communities:** Exec Order 13985, Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, Jan 20, 2021

(a) The term “equity” means the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.

(b) The term “underserved communities” **refers to populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the preceding definition of “equity.”**

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. *Remember, the project must benefit multiple producers/organizations.

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 vehicle 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: 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 FEASIBILITY STUDIES AN ALLOWABLE COST?

A. RFSI does not provide funds for feasibility studies. Infrastructure Grants will fund projects that expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of targeted agricultural products. Supply Chain Coordination funding can be used on needs assessments statewide.

COST SHARE AND MATCH REQUIREMENT INFORMATION

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 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: COULD GOVERNMENT ENTITIES OR INSTITUTIONS QUALIFY FOR THE REDUCED MATCH?

A: Government entities and institutions are not going to qualify for the reduced match as they do not meet any of the criteria listed under section 1.5.3 of the Program Scope and Requirements.

Q. HOW WOULD A NON-PROFIT QUALIFY FOR THE REDUCED MATCH?

A: Nonprofits that have a majority (51% or higher) of ownership (or board of directors) that qualify for the reduced match as outlined within section 1.5.3 of the Program Scope and Requirements could potentially qualify for the reduced match. Please note, we are looking at ownership of the applicant entity and not the population served. Just because an entity has a nonprofit status does not automatically qualify them for the reduced match. The applicant entity must meet the criteria within the Program Scope and Requirements.

Q. CAN AN APPLICANT USE CRITICAL INFRASTRUCTURE AS A MATCH (FOR EXAMPLE, THEIR BUILDING), WHAT IS THE PROPER WAY TO CALCULATE THAT VALUE?

A: Yes, if the property/building is directly related to the activities of the proposed project then they can use it to help meet the match requirement. The applicant will need to calculate the fair market value of the property/building and can only charge the portion of the building that will be used for the project's activities.

Q. CAN SPECIAL EQUIPMENT PURCHASED PRIOR TO APPLICATION SUBMISSION BE USED AS MATCH?

A. If the equipment is purchased by the applicant prior to the subaward being awarded and is special purpose that's critical for the success of for the project, it can be used as match. The applicant would calculate match value using the fair market value for the equipment. If this equipment is solely for RFSI project, the entire value can be used. If this equipment is used in a variety of projects, it would need to be prorated based on the amount of time with RFSI.