Resilient Food Systems Infrastructure Program

Frequently Asked Questions 2\21\2024

Q. Will I need to get a Unique Entity ID (UEI) from the System of Award Management in Sam.gov?

A. Yes, all subrecipients are required to obtain a UEI in SAM.gov prior to completing their application. This process can take multiple weeks in some instances. For information on how to register with SAM.gov and get a UEI number, visit [SAM.gov |](https://sam.gov/content/entity-registration) [Entity Registrations](https://sam.gov/content/entity-registration)

Q. Is there a cost associated with getting a Unique Entity ID (UEI) in Sam.gov?

A. 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 appropriate authorities.

Q. Is there a definition for a "group of producers"? Do the producers need to be in a formal structure such as an LLC?

A. All applicants must have a UEI whether it's an individual producer, LLC, or cooperative. An individual producer is eligible to apply for the RFSI; they would need to prove that more than one producer would benefit from the project to make their application more competitive. The three letters of support would be sufficient documentation, as long as it is clear within the narrative of the application who they are and how they are involved with the project.

Q. Should the producers supplying the product to the grant applicant have a written buying agreement in place before they submit the application? Would this be sufficient documentation to prove that there is a group of producers involved other than creating a cooperative or an LLC?

A. A formal cooperative, LLC, or a written buying agreement is not required for the RFSI. Individual entities are eligible to apply with letters of support from producers.

Q. I’m a Maryland producer applying for the Infrastructure Grant, do I need to have a Maryland nutrient management plan?

A. Yes, you will need to have a nutrient management plan and be up to date with other Maryland Department of Agriculture (MDA) licenses if applicable. As part of

their due diligence, the MDA RFSI staff will be verifying this information.

Q. Can I use my Maryland Department of Transportation (MDOT) Minority Business Enterprise (MBE) Certificate as my self-certification?

A. Yes, you can use your MDOT MBE Certificate. Programs through the Governor's Office of Small, Minority & Women-Owned Business Affairs, such as MBE, VSBE, and SBR, are not compatible with SBA definitions for self-certification.

Q. Do I need to be in “[Good Standing with the State of Maryland”](https://dat.maryland.gov/businesses/Pages/Internet-Certificate-of-Status.aspx) to receive funding?

A. Yes.

Q. Can you please clarify "Activities that have received a Federal award from another Federal award program" as an ineligible project? What if the applicant was a past recipient from another federal grant such as LFPP, SCBGP, etc.?

A. If the proposed project has received another federal award or if the activities have already been funded by another federal award, they are not eligible to be funded again by the RFSI. The entity could have federal funding on other projects, but they cannot request more federal funding for an existing project that has already been awarded.

Q. Should the Distressed Community Index (DCI) be where the facility\farm is located? Or, should it be the population who may benefit from the project?

A. The counties used within the DCI tool should be for the Maryland county(ies) benefiting from the project. If the population is outside of Maryland, list the counties.

# Equipment

Q. Do I have to purchase a single piece of equipment for the Equipment Only Grant?

A. You can purchase multiple pieces of equipment under the Equipment Only Grants. However, they must be special-purpose equipment that is directly related to the activities of the proposed project. Grants must total a minimum of $10,000 and not exceed $100,000.

Q. Are installation and shipping fees eligibility for Equipment only grant?

A. Minimal installation and delivery fees that are included within the equipment total from the vendor/manufacturer can be allowable if it is included within the quote/invoice from the vendor/manufacturer. However, please note, hiring a contractor that will buy the equipment and do the installation and any of the modifications (i.e. electrical) would not be allowable under the Equipment Only Grants.

Q. Do I need to pay state taxes if I receive an Equipment Only Grant?

A. MDA cannot provide tax advice. Please consult a tax advisor or tax attorney to answer a private tax question.

Q. What’s the guidance on the reporting of equipment?

A. If you receive an Equipment-Only grant, you will be required to file an annual report until 2027. When the grant closes out in 2027, you will be required to account for any equipment acquired with RFSI funds.

Q. What is the difference between “special purpose” and “general purpose” equipment? Is there a minimum or maximum cost limit for special purpose equipment?

A. Both “special purpose” and “general purpose” equipment refer to tangible personal property having a useful life of more than one year and an acquisition cost that equals or exceeds $5,000 net per unit. Purchasing “special purpose” equipment used only for technical activities is allowable under certain conditions for the RFSI grant. “General purpose” equipment is used for purposes other than technical activities. Purchasing general purpose equipment is not allowable; general purpose equipment may be rented if necessary for project activities. The amount that can be charged for special purpose equipment cannot exceed the maximum award amount.

Q. Can I use funding 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.

Q. Can funds be used to repair existing equipment?

A. Yes, funds may be used to repair or update existing special purpose equipment.

# Eligible or Ineligible Projects

Q. We have people who buy cucumbers or tomatoes from various sources and then make salsa and pickles. Do they qualify for an RFSI grant?

A. If the majority of the agricultural food products being processed for the

value-added product are locally produced, making more market opportunities for these producers, then yes, it could be allowable. However, if they are making salsa and the majority of these food products are being bought at a retailer, this may not be as aligned or competitive for the RFSI. USDA supports projects that increase market opportunities for local and regional producers.

1. We want to install an incubator kitchen and allow small-food businesses to make their products available. The raw products are sourced from a wholesaler. Is this allowable?
   1. Please see above.The majority of the agricultural food products being processed for the value-added product must be sourced from Maryland.

Q. Can the Infrastructure grant pay for employee housing?

A. Employee housing is ineligible.

Q. Are transportation costs allowed?

A. It depends on the project and end user. Costs of transporting from farms to a processor/distributor is allowed. It’s business to business. However, transportation to a farmers market or other direct to consumer destinations are not allowed.

Q. Can I use funds to purchase land, or existing buildings?

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

Q. Are wineries/distilleries/breweries eligible?

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

# Federal Compliance

Q. If I am applying for a construction project, do I need to comply with the National Environmental Policy Act (NEPA)?

1. All activities funded under this RFP must comply with the National Environmental Policy Act (NEPA) and related applicable agency regulations and instructions, Section 106 of the National Historic Preservation Act (NHPA), the Endangered Species Act (ESA), other laws and regulations as outlined therein, and any applicable state, local, or tribal laws.
2. Applicants do not prepare the environmental reviews, but you will need to provide information about the project so an environmental review can take place.
3. You will be required to send in NEPA form along with your application.

Q. Can I receive a NEPA Waiver?

1. NEPA waivers will not be available for RFSI projects. Each proposed subaward will be evaluated to determine if it has potential environmental impacts.
2. NEPA applies to Federal agency actions that have the potential to affect the quality of the human environment; It has been determined that the proposed RFSI actions

are subject to NEPA review. NEPA requires Federal agencies to conduct a review considering potential environmental impacts, which is why the [Draft Programmatic](https://www.ams.usda.gov/sites/default/files/media/RFSIComments.pdf) [Environmental Assessment](https://www.ams.usda.gov/sites/default/files/media/RFSIComments.pdf) has been prepared. Federal agencies are obligated to comply with NEPA regulations coordinated by the White House Council on Environmental Quality (CEQ) (40 C.F.R. Parts 1500-1508).

Q. Are construction projects subject to the Davis-Bacon Act?

A. No, the Davis-Bacon Act does not apply to this program.

Q. Will my project need to comply with the Buy America Sourcing requirements outlined in the Build America, Buy America (BABA) provisions of the Infrastructure Investment and Jobs Act?

1. BABA is not applicable to for-profit entities. All other Infrastructure Grant entities that surpass a $250,000 threshold of applicable procurement costs must adhere to BABA. 2 CFR Part 184 - BUY AMERICA PREFERENCES FOR INFRASTRUCTURE PROJECTS: <https://www.ecfr.gov/current/title-2/part-184>
2. BABA is not applicable to Equipment-Only Grants as they are capped at $99,999 and do not surpass a threshold of $250,000.

# Budget Section

Q. Can labor be used as a 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 I use other federal funding as a match?

A. No federal funding can be utilized to satisfy matching requirements.

Q. Can my proposal exceed the applicable matching 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. What are federal cost principles?

A. [Federal cost principles](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E) are regulations, based on organization type, used to determine allowable costs and ensure consistent treatment of federal funds. Applicants are responsible for identifying the federal cost principles appropriate to their organization\business, applying cost principles to RFSI grant funds consistently, and ensuring contractors and\or consultants comply with federal cost principle requirements.

Q. What are indirect costs?

A. Indirect costs (also known as “facilities and administrative costs”) are costs incurred for common or joint objectives that cannot be identified specifically with a particular project, program, or organizational activity. Typically, these involve costs to run an organization as a whole, including administrative staff salaries, information technology services, rent, utilities, internet and telephone service, general use office supplies, insurance, and maintenance.

Q. Is there a maximum rate for Indirect Funds?

A. Infrastructure Grant recipients with a Federally Negotiated Indirect Cost Rate Agreement (NICRA) can request indirect costs up to the amount of their NICRA. A copy of the NICRA must be submitted with the Infrastructure Grant application. Otherwise, applicants may elect to charge a de minimis rate of 10 percent of modified total direct costs (MTDC). MTDC are defined in [2 C.F.R. § 200.1](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-A/subject-group-ECFR2a6a0087862fd2c/section-200.1) (https:/[/w](http://www.ecfr.gov/current/title-)w[w.ecfr.gov/current/title-](http://www.ecfr.gov/current/title-)

2/subtitle-A/chapter-II/part-200/subpart-A/subject-group- ECFR2a6a0087862fd2c/section-200.1) as all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each Infrastructure Grant (regardless of the period of performance of the Infrastructure Grants under the award). MTDCs exclude equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each Infrastructure Grant in excess of $25,000. Other items may be excluded only when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

Q. Can Equipment-Only Grant projects request Indirect Funds?

A. Simplified Equipment-Only Grants are not eligible for indirect.

Q. What is the difference between cash match and in-kind contributions?

A. Cash match refers to a dollar amount committed to a project from a source other than the RFSI. An in-kind contribution is the estimated dollar value of any time, services, property, or supplies donated to a project.

Q. What qualifies as in-kind contributions for matching funds?

A. In-kind contributions may include the value of goods or services donated to the project such as staff time, volunteer time, supplies, or the use of equipment or facilities. Note that in-kind costs must be reasonable. For example, if personnel time is used as match, the time must match the actual time spent working on the project (e.g., 20 percent full time equivalent), must be what that individual would normally earn for similar work, and must be reasonable according to standard personnel rates for similar positions in the geographic locality where the work is performed.

Q. Can unallowable costs be used as matching funds?

A. Only costs allowable under the federal cost principles, [2 CFR 200 Subpart E](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E) (https:/[/w](http://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E))w[w.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E),](http://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E)) and the program terms and conditions may be used as matching funds. For example, acquired real property, including land, is an unallowable cost and therefore cannot be used to meet the match requirement, while rental costs are an allowable cost and, thus, may be used to meet match requirements.

Q. What are fringe benefits?

A. Fringe benefits are allowances and services provided by employers to their employees as compensation, in addition to regular salaries and wages. Fringe benefits should follow an organization’s established policy and may include, but are not limited to, the costs of leave (vacation, family-related, sick, or military) employee insurance, pensions, and unemployment benefit plans. Please refer to [2](https://www.ecfr.gov/cgi-bin/text-idx?SID=35fcd29238edd42c8b1f8b1628e39d47&mc=true&node=pt2.1.200&rgn=div5&se2.1.200_1431) [CFR 200.431](https://www.ecfr.gov/cgi-bin/text-idx?SID=35fcd29238edd42c8b1f8b1628e39d47&mc=true&node=pt2.1.200&rgn=div5&se2.1.200_1431) (https:/[/w](http://www.ecfr.gov/cgi-bin/text-)w[w.ecfr.gov/cgi-bin/text-](http://www.ecfr.gov/cgi-bin/text-) idx?SID=35fcd29238edd42c8b1f8b1628e39d47&mc=true&node=pt2.1.200&rgn= div5#se2.1.200\_1431) for more information.

Q. Does the RFSI impose a maximum fringe benefit rate?

A. There is no maximum fringe benefit rate and applicants should follow their organization's established policies. However, fringe benefit rates greater than 50 percent may be questioned by USDA and additional information may be required.

Q. How can we use Critical Resources and Infrastructure as a match?

A. Applicants may choose to use Critical Resources and Infrastructure (facilities or equipment) as match by following the guidelines outlined below: i. For example, if a cold storage facility that is already owned by the applicant is being contributed to the project and is critical to its success, the facility may be used as a match.

1. The federal grant rules, specifically 2 CFR 200.306(d) and 2 CFR 200.436, require that fixed assets, like buildings, be valued using the depreciation cost of the asset over the lifespan of the grant project.
2. The eligible match that an applicant could claim for this cold storage facility would be the calculated (and reasonable) depreciation of the building over the life of the grant project, reduced by whatever percentage of the building

Q. When can I expect to see the money applied for under this grant?

A. Once a subrecipient has signed a grant agreement with MDA, payments will be reimbursement based. To receive reimbursement, grantees must clearly outline expenditures and provide documentation that the work has been completed, for

example, by submitting receipts and invoices. Twenty percent of the total grant funds may be retained until receipt of the completed final report and receipts for all expenditures, and, if required, the verified statement.